Language as a Leading Light
To Business Cultural Insight

A Study on Expatriates’ Intercultural Communication
In Central and Eastern Europe

Kjell Ljungbo
To my parents
Sven and Helena Ljungbo
SUMMARY

This thesis could be read on four levels. The first level is the abstract which is written at the back cover page of the book as well as on the last inner page of the book - where also the keywords can be found - to enable the readers of the electronic version to find it. The second level is this summary of the whole book. The third level is the summaries at the end of each chapter which – perhaps together with the looking at the tables and figures – should give a rather substantial picture of the content while the forth level is reading the whole thesis in order to obtain a deeper and more detailed view of this thesis. As it is a rather long thesis this approach enables the reader to focus on some parts of the book without losing the whole picture of it.

Language competence is decisively important in international business increasing efficacy, efficiency, sales and profits. Language skills aren’t decisive in every single deal – there are certainly many other vital factors – yet on an overarching scale the impact of language is deeper and more extensive than we first might think reaching far beyond the immediately obvious. Language and language competence constitute management and the managers building structures, processes, cultures and personalities being the most fundamental and the most important working instrument to get things done through making them understandable, interesting and worthwhile.

International trade has a fundamental and decisive role for the employment, the economy and the standard of living in a country, particularly for a small export-dependent country like Sweden. However, since 1970 Swedish companies lose market shares globally and they lose them faster than many other European countries. Most of the losses come from Europe and especially emerging markets in Central and Eastern Europe (CEE) as well as China where the economic growth is strongest. Severe losses of market shares come from the engineering industry which constitutes roughly half of Sweden’s export of goods. Thus the Swedish companies’ losses of market shares come at the core of the export, at the fastest growing parts of its home continent Europe being its dominating export market and in its most important industry, the engineering industry. Indeed a serious problem. Yet lately CEE has been severely struck by the global financial crisis.

There is a slight shift from vertical foreign direct investments aiming at reducing cost to horizontal foreign direct investments aiming at gaining market access, where the latter is more demanding and advanced in terms of communication and linguistic skills. We thus see a growing need for foreign language skills in international business but a decreasing competence in
foreign languages other than English among Swedish students and young graduates going in the opposite direction to what is needed and demanded from the international market. This divergent development of supply and demand for foreign language skills constitutes a problem. The practical problem of the study is thus that Swedish companies lose market shares in an era demanding higher foreign language competence which is met by poorer skills in foreign languages among young business people and students in Sweden. So it seems logical to investigate the role of language in exporting companies and its relation to the potential gains and losses of market shares and doing it in the fastest growing region of our major market Europe, Central and Eastern Europe (CEE).

Of vital interest in the language perspective are the expatriate Swedish business people, the unit of analysis in the study, working in CEE where the local language isn’t their mother tongue and often is quite different from it. For an expatriate manager it is important to be self-dependent knowing what to do and how to do it being able to carry out the mission. This is probably even more vital in emerging markets as they often could feature rather poorly working institutions and less supportive structures for an expatriate than many Western countries. This also means being communicatively and linguistically independent and that requires language strategies from the companies yet there is a scarcity of studies on language in business and particularly on self-dependent communicative strategies in CEE. The theoretical problem is thus to thoroughly describe language strategies which permit the expatriate to be communicatively self-dependent in CEE. Three language strategies to obtain such an independence is having a common company language, using multilingualism and having an expatriate speaking or learning to speak the local language and the advantages, disadvantages and characteristics related to these three strategies will be described in nine Weberian ideal types.

The aim of the study is to investigate and analyse the role of language in intercultural business communication as perceived by Swedish expatriates in CEE. The study strives to find cultural significance structures and metaphoric interpretations of them.

The researcher puts himself linguistically in a role of an unprepared expatriate arriving culturally empty-handed to a country starting to build up knowledge of the local culture by learning its language and see what he will understand. The study covers Serbia, The Czech Republic, Ukraine, Romania and Bulgaria and indirectly also Russia and Poland.
The scientific perspective of the study is a hermeneutic one. The method is a case study inspired by ethnography where all these countries constitute one big case of which many different aspects are examined. I have lived in local families for two to three months each in Saint Petersburg, Warsaw, Belgrade, Prague, Kiev, Bucharest and Sofia, i.e in each of the seven CEE countries above although much of the visit in Russia was shortly before beginning my Ph.D. studies. I did over 35 semi-structured interviews with Swedish, other Western and local business people, bankers and diplomats. To obtain a deeper understanding of the local people it is crucial to speak their language since language is the key for understanding another culture so I took intensive individual language courses with eight lessons of 45 minutes each six to seven days a week including conversation, grammar and vocabulary but also history, geography, politics and cultural themes. All in all I took 3687 individual language lessons with over 400 lessons in each of the seven languages Russian, Polish, Serbian, Czech, Ukrainian, Romanian and Bulgarian. I also travelled extensively visiting over 50 towns in CEE. This corresponds to four semesters of field studies in CEE. To obtain a theoretical framework I use several theories, studies and reports on business culture, intercultural communication and language. Using ideal types accompanied by corresponding figures we obtain some cultural significance structures.

In spite of having nice and hospitable people and interesting opportunities the local business culture could still create many problems for expatriates in the countries studied. There is a hierarchical and authoritarian leadership where the boss decides everything, a strong control-mentality, fear for authorities and seeing compromise as a weakness and no win-win but rather win-lose thinking. There is no division of power, admiration for the strong and disrespect for the weak along with a view saying “the strong is right” and a poorly working legal system. There is also a short-term thinking with lack of initiative power and service-mindedness along with difficulties to assume responsibility and an omnipresent distrust for the leaders, the system and fellow citizens. Moreover, there is much focus on earning money and conspicuous materialism, much egoism and lack of respect for others and difficulties to handle criticism and spreading of information as well as a secretive behaviour. In addition, there are difficulties to understand marketing thinking, to think independently and constructively and to perform business analysis and business planning, to see what is feasible and no holistic view but focus on details and no feeling for quality. Personal relations and contacts are very important. Job descriptions are very detailed and there is a fear to commit mistakes. Finally, there is deep and widespread corruption.
Speaking the local language can give the expatriate many advantages. It can be decisive making his or her company win a business, it gives trust, respect and goodwill, it will be harder to manipulate him or her, it speeds up processes and enables the expatriate to be more informed about what is going on in the company and in the country and to better understand the local culture as well as see and exploit new business opportunities, the rhetoric power will increase enabling more convincing speeches and he or she can avoid using interpreters with all problems related to that. All this means he or she can earn more money and save costs increasing the profits of the company. He or she will obtain new reference frames and become more broad-minded. Speaking other foreign languages than English or the local language could also help to gain money and save costs and be personally rewarding but not to the same extent. If the expatriate doesn’t speak the local language there are costs for it. He or she runs the risk of being less integrated and more isolated from local employees and customers being fooled or manipulated which may have direct and indirect costs like frustration and discomfort lowering the professional performance. The entire concept of business and what it means may vary across languages so not speaking the local language may lead to costly misunderstandings. He or she could be uninformed and less familiar with local culture and its people losing or not even see business opportunities being impeded to earn money for the company and to exploit the full business potential the company has.

I have chosen to have rather many ideal types in order to provide broad, multifaceted and nuanced descriptions of various international business phenomena in the fields of culture, communication and language. Ideal types describe a phenomenon in its pure form under ideal conditions but are still rooted in the social reality and they describe how an actor would act rationally according to existing criteria for rational behaviour and are suited for hermeneutic cultural studies. Gradually my ideal types have emerged in a hermeneutic spiral process in a recurring procedure where my empiric results converge with theories and studies on culture, intercultural communication and language. I apply Gadamer’s hermeneutics on Weber’s ideal types and the pictures and tables resulting from the ideal types are put together on an overarching level and then transformed into two cultural significance structures which are then – being inspired by Geertz’ thick description - metaphorically interpreted seeking what is beneath the surface and then illustrated in two so called business flowers. The cultural significance structures show vital and fundamental cultural characteristics for the studied countries which have emerged during the study and research process. Two other business flowers show the communicatively and linguistically self-dependent expatriate and the market share gaining language competence flower illustrating the abilities and the areas which
can be improved through better language skills – particularly in the local language – among expatriates where the latter flower is strongly connected to the most vital cultural significance structure elements and what could be achieved by it is closeness to customers related to win-win-thinking, building of relations and trust, obtaining an informative edge facilitating independent thinking, conquering a strategic view and ability being linked to holistic view and operational effectiveness and efficiency being related to taking responsibility and initiatives.

The two most significant tables are then transformed into cultural significance structure figures where the first one is the mushroom-formed water-tower holding the accumulated elements which are altogether 12 and then comes the versatile television tower holding both differentiated and undifferentiated elements and they are altogether 19 elements. The four by far most important elements in the accumulated structure are (dis)trust, (lack of) holistic view, (lack of) independent thinking and then (lack of) responsibility and initiative. Behind them come (no) win-win thinking and hierarchy and authoritarianism. The parentheses indicate that the accumulated structure covers the whole spectrum of the cultural dimension. The two most important elements in the differentiated cultural significance structure where the antipodes are differentiated are trust along with responsibility and initiative and then independent thinking, holistic view, hierarchy and authoritarianism, lack of holistic view, win-win thinking, lack of independent thinking and then distrust. It seems the differentiated elements come out on top and their positive antipodes are so strong precisely due to the strong need to counterweight the negative antipodes of these cultures. The accumulated cultural significance structure figure gives a good general description of the culture while the differentiated cultural significance structure gives a general description but it is also more dynamic and problem-solving to its nature thus being particularly useful for business people and companies.

The metaphorical interpretations of the cultural significance structures tell us about the transition from a plan economy to a market economy and all the hardship, difficulties and bewilderment but also the joy and opportunities that people in CEE have experienced in that period and the ambitions and aspirations many of them have in societies and organizations featuring hierarchical structures where the language is a great opportunity enabler for people to improve their situation, an amelioration instrument particularly for the local people but also for the expatriates. Companies have a responsibility to enable a well-functioning company communication where speaking the local language helps an expatriate to build trust and obtain a holistic view on job and society, to think independently and to assume responsibility and...
take initiatives as well as to create a win-win thinking and atmosphere which is vital as all these elements are among the most crucial cultural significance structure elements.

As an overall conclusion this study indicates that by learning and speaking the local language many problems related to the cultural significance structures of the studied countries in CEE could be handled in a constructive way helping an expatriate to perform better at work which may result in more profitable business and new business openings.

The contributions are divided into theoretical, methodological and combined contributions. Most theoretical and methodological contributions fall within the area of international business and intercultural business communication where a key theoretical contribution answers the theoretical problem about self-dependent language strategies where advantages, disadvantages and characteristics related to the three language strategies of having a company language, using multilingualism or the expatriates speaking or learning to speak the local language are described. Other vital theoretical contributions are the accumulated and the differentiated cultural significance structures and “the communicatively and linguistically self-dependent expatriate flower” along with “the market share gaining language competence flower.”

An important methodological contribution is “the self-dependent local language speaking scholar flower” and another one is the scholar culturally and linguistically putting himself into the role of the recently arrived expatriate striving to understand the local culture by learning its language in six different countries and improve it in a seventh. This is the major methodological contribution while the usage of a multitude of languages is another and the usage of three language groups – Slavonic, Romance and Germanic languages - combined with statistics, calculus and tables providing triangulation is a third methodological contribution. Another methodological contribution is the “hermeneutic spiral development process” where Gadamer’s hermeneutics are used on Weber’s ideal types to build the accumulated and the differentiated cultural significance structures.

The combined contributions cover the cultural-linguistic hermeneutic circle and the metaphorical interpretations which both may be seen as giving both a theoretical and a methodological contribution and could be used in both social and cultural studies while “the benefits and costs lists of local language skills” rather gives a combination of theoretical and practical contributions and may be used in intercultural business communication studies and for practitioners in real business life.
SAMMANFATTNING PÅ SVENSKA


Det pågår en omsvängning bort från kostnadsbesparingsinriktade vertikala direktinvesteringar till horisontella direktinvesterings som fokuserar på att vinna marknadsandelar och också kräver högre kommunikativ och språklig kompetens. Vi ser alltså ett ökande behov av kunskaper i främmande språk inom det internationella affärslivet men sjunkande kunskaper i andra

Av stort intresse ur språklig synvinkel är avhandlingens studieobjekt - de svenska affärsmän och kvinnor som är kontraktsanställda i Öst- och Centraleuropa - där landets språk inte är dessa svenskar modersmål utan ofta skiljer sig kraftigt från det. För en utlandschef är det viktigt att vara självgående och capabel att utföra uppdraget. Detta är troligen ännu viktigare på tillväxtmarknader som ofta har svagare institutioner och stödstrukturer än i många västländer. Detta innebär också att vara kommunikativt och språkligt självständig vilket kräver språkstrategier från företagen men det råder likväl brist på studier om språket i affärslivet och särskilt angående självgående kommunikativa strategier i Öst- och Centraleuropa. Tre språkstrategier för att uppnå självständighet är att ha ett gemensamt koncernspråk, använda flerspråkighet och få den utlandsanställda/a att tala eller lära sig att tala landets språk och de fördelar, nackdelar och karakteristika som är kopplade till dessa tre strategier kommer att beskrivas i nio Weberska idealtyper.

Studiens syfte är att undersöka och analysera språkets roll i interkulturell affärskommunikation i Öst- och Centraleuropa sedd ur utlandssvenska affärsmans och affärskvinnors synvinkel. Studien strävar efter att finna kulturella signifikansstrukturer och metaforiska tolkningar av dem.

Forskaren sätter sig själv i den språkliga rollen som en oförberedd utlandsanställd som anländer kulturellt tomhänt till landet och försöker att bygga upp kunskap om landets kultur genom att lära sig dess språk och se vad han kan förstå. Studien täcker Serbien, Tjeckien, Ukraina, Rumänien och Bulgarien och indirekt även Ryssland och Polen.

Studiens vetenskapliga synsätt är hermeneutiskt. Metoden är en etnografiskt inspirerad fallstudie där alla dessa länder utgör ett stort fall ur vilket flera olika aspekter kan undersökas. Jag har bott två till tre månader i var och en av städerna Sankt Petersburg, Warszawa, Belgrad, Prag, Kiev, Bukarest och Sofia, dvs. i vart och ett av studiens sju länder i Öst- och Centraleuropa även


Att tala landets språk ger utlandsanställda flera fördelar. Det kan vara avgörande och leda till att deras företag vinner ett affärskontrakt, det ger tillit, respekt och goodwill, det kommer att bli svårare att manipulera dem medan affärsprocesser påskyndas och de kommer att vara mer
välinformerade angående vad som sker i företaget och i landet samt bättre förstå landets kultur samt kunna se och tillvarata affärsmöjligheter, deras retoriska förmåga kommer att stärkas vilket möjliggör hållande av mer övertygande tal samtidigt som tolkar med alla problem som det medför kan undvikas. Allt detta innebär att de kan tjäna mer pengar, skära kostnader och öka företagets vinst. De blir mer vidsynta och får nya referensramar. Att tala andra främmande språk än engelska och landets språk kan också möjliggöra att tjäna mer pengar, spara kostnader och vara personligen berikande men inte i samma utsträckning. Om de utlandsanställda inte talar landats språk får de betala ett pris för det. De riskerar att bli mindre integrerade och mer isolerade från de lokalanställda och kunderna samt att bli lurade och manipulerade vilket kan ha direkta och indirekta kostnader i form av frustration och obehag vilket sänker prestationsförmågan i arbetet. Hela uppfattningen av vad det innebär att göra affärer kan variera över språkgränser så att ej tala landats språk kan leda till dyra missförstånd. De kan vara oinformerade och mindre bekanta med landets befolkning och kultur och förlora eller inte ens uppfatta affärsmöjligheter och därmed vara förhindrade att tjäna pengar för företaget och fullt ut tillvarata företagets affärspotential.

I denna studie har jag valt att ta med ett relativt stort antal idealtyper för att ge breda, mångfacetterade och nyanserade beskrivningar av olika fenomen inom internationell affärsverksamhet inom områden kultur, kommunikation och språk. Idealtyper beskriver fenomen i sin rena form under ideal förutsättningar men är ändå förankrade i den sociala verkligheten och de beskriver hur en aktör skulle agera rationellt i enlighet med rådande kriterier för rationellt beteende och de är väl lämpade för hermeneutiska kulturstudier. Stegvis har mina idealtyper utarbetats fram in en hermeneutisk spiralprocess i en repetitiv procedur där mitt empiriska material smått samman med teorier och studier om kultur, språk och interkulturell kommunikation. Gadamers hermeneutik tillämpas på Webers idealtyper och de tabeller och figurer som emanerar ur idealtyperna smält samman med teorier och studier om kultur, språk och interkulturell kommunikation. Gadamers hermeneutik tillämpas på Webers idealtyper och de tabeller och figurer som emanerar ur idealtyperna sammanställs på en övergripande nivå och transformeras därefter till två kulturella signifikansstrukturer vilka därefter – inspirerade av Geertz tjocka beskrivning – metaforiskt tolkas för att söka det som finns under ytan och detta illustreras sedan i två s.k. affärsblommor. De kulturella signifikansstrukturerna anger viktiga och fundamentala kulturella karaktäristika för de studerade länderna som har framkommit under studien och forskningsprocessens gång. Två andra affärsblommor visar den kommunikativa och språkligt självgående utlandsanställda/a och den marknadsandelsvinnande språkkompetensblomman vilken illustrerar de förmågor och områden som kan förbättras genom bättre språkunskaper – särskilt i landets språk – bland utlandsställda där denna blomma är starkt
kopplad till de viktigaste kulturella signifikansstrukturelementen och det som kan uppnås därigenom är kundnärhet vilken är kopplad till vinn-vinn tänkande, uppnå ett informationsövertag vilket underlättar självständigt tänkande, erövra en strategisk syn och förmåga vilken kopplas till ett helhetssinne och operativ effektivitet vilket är relaterat till tagande av ansvar och initiativ.

De två mest signifikanta tabellerna transformeras sedan till kulturella signifikansstrukturer där den första är det svampformade vattentornet som representerar de tolv sammanhållna elementen och därefter kommer det mångsidiga tevetornet som representerar såväl differentierade som de icke differentierade element vilka tillsammans är 19 element. De fyra klart viktigaste elementen i den sammanhållna strukturen är (avsaknad av) tillit, (brist på) helhetssinne, (brist på) självständigt tänkande, och (brist på) tagande av ansvar och initiativ. Därefter kommer (inget) vinn-vinn tänkande samt hierarki och auktoritetsstyre. Parenteserna anger att den sammanhållna strukturen täcker den kulturella dimensionens hela spektrum. De två viktigaste elementen i den differentierade (upadelade) kulturella signifikansstrukturen där motsatsparen (antipoderna) är upadelade är tillit samt tagande av ansvar och initiativ och därefter självständigt tänkande, helhetssinne, hierarki och auktoritetsstyre, brist på helhetssinne, vinn-vinn tänkande, brist på självständigt tänkande och avsaknad av tillit. Det förefaller som om de upadelade elementen kommer överst och därmed är starkast och deras positiva extremer (antipoder) är så starka beroende på det starka behovet av att uppväga dessa kulturers negativa extremer. Den sammanhållna kulturella signifikansstrukturen ger en god allmän beskrivning av kulturen medan den upadelade kulturella signifikansstrukturen ger en allmän beskrivning men den är också mer dynamisk och problemlösande till sin natur och därför särskilt användbar för affärsfolk och företag.

De två metaforiska tolkningarna av de kulturella signifikansstrukturerna berättar om övergången från planekonomi till marknadsekonomi med alla dess vedermöder och svårigheter samt förvirring men också den glädje och de möjligheter som människor i Öst- och Centraleuropa har upplevt under den perioden och de ambitioner och förhoppningar som många av dem hyser på samhället och organisationer vilka kännetecknas av hierarkiska strukturer där språket är en möjlishetsöppnare för människor att förbättra sin situation, ett förbättringsverktyg främst för lokalbefolkningen men även för de utlandsanställda. Företagen har ett ansvar att möjliggöra en väl fungerande företagskommunikation där förmågan att tala landets språk hjälper den utlandsanställda/a att bygga förtroende och uppnå ett helhetssinne på arbete och samhälle, att tänka självständigt och att ta ansvar och initiativ
samt att skapa ett vinn-vnn tänkande och stämning vilket är avgörande eftersom alla dessa element är några av de allra viktigaste kulturella signifikansstrukturrelementen.

Som en övergripande slutsats indikerar denna studie att genom att lära sig landets språk så kan många problem som är kopplade till de studerade ländernas kulturella signifikansstrukturer hanteras på ett konstruktivt sätt som hjälper de utlandsanställda att presteras bättre på arbetet vilket kan resultera i lönsammare affärer och fler affärsmöjligheter.

Studiens bidrag kan delas upp i teoretiska, metodologiska och kombinerade bidrag. De flesta teoretiska och metodologiska bidragen ryms inom fälten internationell affärsverksamhet och interkulturell affärskommunikation där ett viktigt teoretiskt bidrag svarar på det teoretiska problemet om självgående språkstrategier där fördelar, nackdelar och karakteristika relaterade till användandet av de tre språkstrategierna att ha ett gemensamt konsornspråk, använda flerspråkighet eller få de utlandsanställda att tala eller lära sig tala landets språk beskrivs. Andra viktiga teoretiska bidrag är den sammanhållna respektive den uppdalade kulturella signifikansstrukturen och den kommunikativt och språkigt självgående utlandsanställde/a blomman samt den marknadsandelssvinnande språkkompetensblomman.


De kombinerade bidragen täcker den kulturella språkliga hermeneutiska cirkeln och de metaforiska tolkningarna vilka båda kan ses som givandes såväl ett teoretiskt som ett metodologiskt bidrag och kan tillämpas både på kulturella och sociala studier medan de två typiseringar som ryms inom ”nyttan och kostnaderna för kunskaper i landets språk” snarare ger en kombination av teoretiskt och praktiskt bidrag och skulle kunna användas i studier om interkulturell affärskommunikation samt av praktiskt verksamma människor i affärslivet.
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Stockholm in peaceful greenery and sunshine at the end of May 2010
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TABLE OF CONTENTS

SUMMARY ........................................................................................................................ 5
SAMMANFATTNING PÅ SVENSKA ........................................................................... 11
ACKNOWLEDGEMENTS .............................................................................................. 17
TABLE OF CONTENTS ................................................................................................. 19
TABLES ........................................................................................................................... 24
FIGURES .......................................................................................................................... 25
ABBREVIATIONS .......................................................................................................... 26
1. INTRODUCTION ........................................................................................................ 27
   1.1 Understanding a people’s culture and the role of language............................ 27
   1.2 International trade and internationalisation .................................................... 39
   1.3 Swedish companies’ loss of market shares ..................................................... 44
   1.4 FDI and costs of production, transaction and communication ....................... 52
   1.5 More electronic communication but face-to-face meetings needed ............... 57
   1.6 Unit of analysis – the Swedish expatriate business person ............................. 59
   1.7 Previous studies on the role of language in international business ............... 65
      1.7.1 Early articles on language with external company communication focus ... 65
      1.7.2 Articles with an internal company communication focus .......................... 65
      1.7.3 Articles with an external company communication focus ....................... 68
      1.7.4 Articles on communication in joint ventures and mergers ...................... 69
      1.7.5 Articles on general characteristics of business language ....................... 70
      1.7.6 Articles on the international dominance of the English language .......... 71
      1.7.7 Reports on the role of language in international business ..................... 73
      1.7.8 Books on the role of language in international business ...................... 74
   1.8 Foreign language competence neglected in international business ............... 74
   1.9 Historical and current foreign language competence among Swedish businesspeople .............................................................................................................. 79
   1.10 An official company language ...................................................................... 86
   1.11 The geographic area and choice of countries in this study ......................... 86
      1.11.1 Heritage of planned economy in Eastern and Central Europe .............. 86
      1.11.2 Emerging markets in CEE showed strong growth but economic crisis is hard .................................................................................................................................. 87
      1.11.3 More trade with countries in Central and Eastern Europe .................... 90
      1.11.4 Geographic and cultural closeness help running companies in CEE ....... 93
      1.11.5 A linguistic distance between Swedish and Central and Eastern European languages .................................................................................................................. 96
   1.12 The cornerstones of this study ..................................................................... 96
      1.12.1 The problem and research gaps ............................................................ 96
      1.12.2 Research Questions .............................................................................. 99
      1.12.3 Aim ...................................................................................................... 100
      1.12.4 How to meet the aim .......................................................................... 100
      1.12.5 Delimitations ....................................................................................... 100
      1.12.6 To whom is such a study interesting? ................................................. 101
      1.12.7 Better language skills is a part of the solution - there are also other remedies .......................................................... 102
   1.13 The next chapters but why this approach and why these theories? ............. 102

19
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.14 Summary of chapter one</td>
<td>111</td>
</tr>
<tr>
<td>2 SCIENTIFIC PERSPECTIVE</td>
<td>117</td>
</tr>
<tr>
<td>2.1 Introduction</td>
<td>117</td>
</tr>
<tr>
<td>2.2 Scientific perspectives when studying cultures</td>
<td>118</td>
</tr>
<tr>
<td>2.3 Understanding and meaning</td>
<td>124</td>
</tr>
<tr>
<td>2.4 An interpretative approach to cultural studies</td>
<td>126</td>
</tr>
<tr>
<td>2.5 Hermeneutics</td>
<td>127</td>
</tr>
<tr>
<td>2.6 Experience, language and hermeneutic experience</td>
<td>131</td>
</tr>
<tr>
<td>2.7 Reflective interpretative research and gradual refinement progress</td>
<td>133</td>
</tr>
<tr>
<td>2.8 Typified descriptions and understanding</td>
<td>135</td>
</tr>
<tr>
<td>2.9 Practical data collection and research method - Pentangulation</td>
<td>136</td>
</tr>
<tr>
<td>2.10 Summary of chapter two</td>
<td>137</td>
</tr>
<tr>
<td>3. THEORY AND BUSINESS STUDIES ON LANGUAGE</td>
<td>141</td>
</tr>
<tr>
<td>3.1 Introduction</td>
<td>141</td>
</tr>
<tr>
<td>3.2 Previous findings from and types of business studies on language</td>
<td>143</td>
</tr>
<tr>
<td>3.3 Culture</td>
<td>144</td>
</tr>
<tr>
<td>3.3.1 Culture and its basic elements</td>
<td>145</td>
</tr>
<tr>
<td>3.3.2 Deep structures of culture</td>
<td>147</td>
</tr>
<tr>
<td>3.3.3 History</td>
<td>149</td>
</tr>
<tr>
<td>3.3.4 The three main institutions of a culture: Family, community and worldview</td>
<td>150</td>
</tr>
<tr>
<td>3.3.5 Culture related to personality, language, symbols, rituals and myths</td>
<td>151</td>
</tr>
<tr>
<td>3.3.6 The connection between language, culture and identity</td>
<td>153</td>
</tr>
<tr>
<td>3.3.7 Plan economy</td>
<td>155</td>
</tr>
<tr>
<td>3.3.8 Fear and show trials</td>
<td>159</td>
</tr>
<tr>
<td>3.3.9 Some management and business culture characteristics of CEE countries</td>
<td>161</td>
</tr>
<tr>
<td>3.3.10 Corruption</td>
<td>164</td>
</tr>
<tr>
<td>3.3.11 Trust</td>
<td>167</td>
</tr>
<tr>
<td>3.3.12 Cultural dynamism, globalization, and identity</td>
<td>170</td>
</tr>
<tr>
<td>3.4 Communication</td>
<td>173</td>
</tr>
<tr>
<td>3.4.1 Non-verbal communication</td>
<td>174</td>
</tr>
<tr>
<td>3.4.2 Culture and communication are closely related</td>
<td>176</td>
</tr>
<tr>
<td>3.5 Intercultural communication</td>
<td>176</td>
</tr>
<tr>
<td>3.5.1 Intercultural, international and development communication</td>
<td>176</td>
</tr>
<tr>
<td>3.5.2 Basics of intercultural communication</td>
<td>177</td>
</tr>
<tr>
<td>3.5.3 Proverbs are powerful expressing universal truths</td>
<td>178</td>
</tr>
<tr>
<td>3.5.4 Elaborated and restricted codes and person and position oriented families</td>
<td>179</td>
</tr>
<tr>
<td>3.5.5 High-context and low-context communication</td>
<td>180</td>
</tr>
<tr>
<td>3.5.6 Communication skills along with transfer and sharing of knowledge</td>
<td>183</td>
</tr>
<tr>
<td>3.6 Misunderstandings</td>
<td>186</td>
</tr>
<tr>
<td>3.7 Language</td>
<td>189</td>
</tr>
<tr>
<td>3.7.1 General characteristics of language</td>
<td>190</td>
</tr>
<tr>
<td>3.7.2 Linguistic relativity and the Sapir-Whorf hypothesis</td>
<td>194</td>
</tr>
<tr>
<td>3.7.3 The language barrier</td>
<td>199</td>
</tr>
<tr>
<td>3.7.4 A common company language</td>
<td>202</td>
</tr>
<tr>
<td>3.7.5 Problems with a company language and English as company language</td>
<td>204</td>
</tr>
<tr>
<td>3.7.6 English is not enough – multilingualism is needed</td>
<td>209</td>
</tr>
<tr>
<td>3.7.7 Multilingualism bringing enhanced creativity and other spin-off effects</td>
<td>218</td>
</tr>
<tr>
<td>3.7.8 The Current status of foreign language skills and multilingualism in EU</td>
<td>220</td>
</tr>
<tr>
<td>3.7.9 Benefits from learning and speaking foreign languages</td>
<td>224</td>
</tr>
</tbody>
</table>
3.7.10 Competence in the local language ............................................................... 227
3.7.11 A model for the ideal speech .................................................................... 233
3.7.12 Language as professional competence ..................................................... 233
3.7.13 Consequences of poor language skills ...................................................... 235
3.7.14 Language-related costs and gains ............................................................... 240
3.7.15 Interpreters, translation and the non-transmittability of meaning ............... 245
3.7.16 Language politics ....................................................................................... 250
3.7.17 Power and language as power .................................................................... 251
3.7.18 Power aspects of the dominance of the English language ......................... 255
3.7.19 How to solve the language issue ............................................................... 259
3.7.20 Language competence when recruiting and training .................................. 264

3.8 Summary of chapter three ............................................................................ 269

4 METHOD FROM A MORE PRACTICAL POINT OF VIEW .................................. 277
4.1 Introduction..................................................................................................... 277
4.2 Three problems when doing intercultural communication studies ................. 278
4.3 A pre-study followed by the main study and the choice of countries ............... 280
4.4 The major research questions and case studies .............................................. 281
4.5 Living with the local people, their language and culture .................................. 281
4.6 The extent of my studies, travelling and interviews ........................................ 282
4.7 An ethnography-inspired case study with semi-structured interviews .............. 283
4.8 Strengths and weaknesses of my method ....................................................... 288
4.9 Pre-understanding and learning the local language on site ............................. 290
4.10 Potential analytical generalisations and evaluation of the sources .................. 292
4.11 Summary of chapter four ............................................................................. 295

5. VOICES FROM THE FIELD WITH MY COMMENTS .......................................... 299
5.1 Introduction..................................................................................................... 299
5.2 Concise presentation of my empirical findings ................................................. 300
5.2.1 Costs ......................................................................................................... 300
5.2.2 Business culture ....................................................................................... 301
5.2.3 Trust ........................................................................................................... 304
5.2.4 Corruption and stealing ............................................................................. 304
5.2.5 Expatriates ............................................................................................... 305
5.2.6 Intercultural communication .................................................................... 307
5.2.7 Interpreters ............................................................................................... 309
5.2.8 Language ................................................................................................. 309
5.3 Cost-cutting thinking but lack of revenue focus yet much corruption ............. 316
5.4 Culture .......................................................................................................... 321
5.4.1 History ..................................................................................................... 321
5.4.2 Fear, clothing and egocentrism as well as expatriate behaviour ................. 323
5.4.3 Family ..................................................................................................... 328
5.4.4 Hierarchy, privileges, a one-man show and personal relations .................... 330
5.4.5 Materialism, symbols, underestimation and lack of knowledge of the world .. 334
5.4.6 Trust and confidence, no compromising and an unofficial business culture .. 338
5.5 Intercultural communication ......................................................................... 343
5.5.1 Bureaucratic difficulties, short-term thinking and humour ......................... 343
5.5.2 Handle criticism, negotiations, no win-win thinking and what’s a real problem ........................................................................................................ 347
5.5.3 A need for clarity but a secretive behaviour and poor spreading of information ........................................................................................................ 352
5.6 Language ....................................................................................................... 354
5.6.1 The Sapir-Whorf Hypothesis and yes or no .................................................. 354
5.6.2 The language, cultural and knowledge barriers and demands on expatriates 360
5.6.3 General and professional language, proverbs and metaphors ....................... 363
5.6.4 English ........................................................................................................... 365
5.6.5 Multilingualism ............................................................................................. 368
5.6.6 Respecting, speaking and understanding the local language......................... 372
5.6.7 A speech and greetings given in the local language ...................................... 376
5.6.8 Who needs local language skills and which level of skills is required at work? 377
5.6.9 Interpreters ..................................................................................................... 379
5.6.10 Language as power ...................................................................................... 382
5.6.11 Recruitment, training and brain drain.......................................................... 384
5.6.12 The psychic distance increases with big language differences..................... 395
5.6.13 Typified description of the benefits of speaking the local language ........... 396
5.6.14 Typified description of the costs of not speaking the local language .......... 398
5.7 Summary of chapter five ...................................................................................... 401
6 ANALYSIS - IDEAL TYPES AND CULTURAL SIGNIFICANCE STRUCTURES
................................................................................................................................ 407
6.1 Introduction........................................................................................................... 407
6.2 The hermeneutic spiral development process and analysis .................................. 409
6.3 Ideal Types sometimes coming close to typified descriptions 410
6.4 Cultural significance structure elements in Central and Eastern Europe ............ 416
6.4.1 Figure and table on the cultural significance structure elements................... 418
6.4.2 Some explanations for the connections between the cultural significance structure elements given in the figure here above ........................................ 419
6.4.3 Table from the cultural significance structure elements figure ..................... 421
6.5 The Ideal types with corresponding figures and tables ........................................ 422
6.6 Tables from the ideal type and cultural significance structure figures ............... 425
6.7 The compound tables ....................................................................................... 483
6.7.1 The un-weighted transitory tables ................................................................. 485
6.7.2 The accumulated tables being transformed into figures of cultural significance structures .......................................................... 489
6.7.3 The un-weighted transitory table ................................................................... 492
6.7.4 The differentiated tables being transformed into figures of cultural significance structures .......................................................... 493
6.8 The cultural significance structures .................................................................. 497
6.9 Metaphorical interpretations of the significance structures ............................. 503
6.9.1 Interpretation one: The mushroom formed water tower – a cultural significance structure .............................................................................................. 503
6.9.2 Interpretation two: The versatile television tower – a cultural significance structure .............................................................................................. 507
6.9.3 The pedestal paradox .................................................................................... 513
6.9.4 Differences and similarities between the two towers .................................... 513
6.9.5 What do these metaphorical towers tell us? .................................................. 514
6.10 Summary of chapter six ..................................................................................... 517
7. CONCLUDING CHAPTER..................................................................................... 521
7.1 Introduction ........................................................................................................ 521
7.2 Meeting the theoretical and practical problems and the aim of the study .......... 522
7.3 The business flowers ....................................................................................... 526
7.3.1 The four business flowers ............................................................................. 526
7.3.2 The troublesome Eastern European business culture flower

7.3.3 The confidence- and ability-building but problem-attacking expatriate flower

7.3.4 Qualities of the communicatively and linguistically self-dependent expatriate

7.3.5 How can companies win market shares by their expatriates possessing a good language competence?

7.4 What do the business flowers tell us? – Theoretical conclusions

7.5 In what way has learning the local language helped the researcher in this study?

7.6 Why don’t the companies and scholars pay more attention to language?

7.7 Consequences for Sweden due to the poor interest in learning foreign languages

7.8 Conclusions

7.9 Contributions from the study

7.10 Suggestions for further studies

7.11 Summary of chapter seven

8. LITERATURE LIST

8.1 Scientific articles

8.2 Books

8.3 Reports and compendia

8.4 Newspaper articles and press releases

8.5 Internet

9. QUESTIONS ASKED TO THE INFORMANTS

10. APPENDICES

10.1 Appendix 1: Previous research on language in international business

10.2 Appendix 2: Articles with aspects on intercultural communication

10.3 Appendix 3: Hofstede’s cultural dimensions

10.4 Appendix 4: The accumulated cultural significance structure for each individual category

10.5 Appendix 5: The differentiated cultural significance structure for each individual category

Abstract

Keywords
TABLES

Table 1: Sweden’s major export markets ................................................................. 43
Table 2: Sums and shares of Swedish export for small, middle-sized and big companies ................................................................. 44
Table 3: Swedish export in different industries, ..................................................... 48
Table 4: The ten major loss markets in Europe for Swedish companiesTotal loss see footnote. ..................................................................................................................... 50
Table 5: Swedish market shares in some countries in Central and Eastern Europe ................................................................. 92
Table 6: Corruption Perception Index (PCI) for Sweden, Finland, Guinea, Iraq, Myanmar, Haiti and ten Central and Eastern European countries, ......................... 167
Table 7: Percentage of population speaking it as a foreign or native language and their estimation of level of command of the foreign language in EU-25 plus Bulgaria, Romania, Croatia, Turkey and the Turkish part of Cyprus ..................................................................................................................... 221
Table 8: The percentage of the total population speaking foreign languages in EU-25 plus Bulgaria, Romania, Croatia and Turkey ..................................................................................................................... 222
Table 9: The most spoken languages in EU-25 plus Bulgaria, Romania, Croatia and Turkey ..................................................................................................................... 222
Table 10: One of the two most important foreign languages for children to learn in EU-25 plus Bulgaria, Romania, Croatia and Turkey ..................................................................................................................... 223
Table 11: Reasons to learn a new language in EU-25 plus Bulgaria, Romania, Croatia and Turkey ..................................................................................................................... 224
Table 12: The cultural significance structure elements original formula ................... 421
Table 13: Ideal type for how to be a good expatriate manager in CEE ...................... 428
Table 14: Ideal type for how an expatriate may communicate interculturally in CEE ..................................................................................................................... 431
Table 15: Ideal type for the characteristics of leadership in CEE ............................. 434
Table 16: Ideal type for how to build trust when doing business in CEE ................. 436
Table 17: Ideal type for difficulties making doing business harder in CEE ......... 441
Table 18: Ideal type for the benefits for an expatriate to speak the local language ...... 445
Table 19: Ideal type for the disadvantages for an expatriate for not speaking the local language ..................................................................................................................... 448
Table 20: Ideal type for the importance for an expatriate to speak the local language ..................................................................................................................... 451
Table 21: Ideal type for the advantages of using/having a common company language ..................................................................................................................... 454
Table 22: Ideal type for the disadvantages of using/having a common company language ..................................................................................................................... 458
Table 23: Ideal type for some consequences and characteristics of using/having a common company language ..................................................................................................................... 462
Table 24: Ideal type for thee advantages of using/having multilingualism ............... 465
Table 25: Ideal type for disadvantages of using/having multilingualism .................... 468
Table 26: Ideal type for some consequences and characteristics of using/having multilingualism ..................................................................................................................... 471
Table 27: Ideal type for problems when having to use interpreters, agents and language nodes ..................................................................................................................... 475
Table 28: Ideal type for language norms and usage related to power and politics ....... 478
Table 29: Ideal type for actions in training and recruitment for language skills in business ..................................................................................................................... 482
Table 30: The accumulated but totally un-weighted table on cultural significance structure elements ..................................................................................................................... 486
Table 31: The differentiated but un-weighted cultural significance structure elements 487
Table 32: The differentiated but un-weighted cultural significance structure elements adapted to training .................................................................................................. 488
Table 33: The accumulated but un-weighted table on cultural significance structure elements .................................................................................................................. 488
Table 34: The total accumulated and weighted table on cultural significance structure elements .................................................................................................................. 489
Table 35: The total differentiated and undifferentiated but un-weighted cultural significance structure elements .................................................................................. 493
Table 36: The total differentiated but weighted cultural significance structure elements ................................................................................................................................ 494
Table 37: Reasons for why companies don’t complain so much about lack of language skills ........................................................................................................................................ 558
Table 38: The total accumulated and weighted table on frequency in cultural significance structure element ........................................................................................................... 626
Table 39: The total accumulated and weighted table on arrows in cultural significance structure element .......................................................................................................................... 627
Table 40: The total accumulated and weighted table on ideal type elements in cultural significance structure elements .......................................................................................................................... 628
Table 41: The total differentiated and weighted frequency in cultural significance structure elements .......................................................................................................................... 629
Table 42: The total differentiated and weighted arrowheads in cultural significance structure elements .......................................................................................................................... 630
Table 43: The total differentiated and undifferentiated but weighted ideal type elements in cultural significance structure elements .......................................................................................... 632

FIGURES

Figure 1: The linguistic-cultural hermeneutic spiral ........................................................ 129
Figure 2: The specific-general hermeneutic spiral .......................................................... 130
Figure 3: The hermeneutic spiral development process ................................................... 410
Figure 4 Cultural significance structure elements and their interconnections in Central and Eastern Europe .......................................................................................................................... 419
Figure 5: Ideal type for how to be a good expatriate manager in Central and Eastern Europe .......................................................................................................................... 426
Figure 6: Ideal type for how an expatriate may communicate interculturally in CEE... 429
Figure 7: Ideal type for the characteristics of leadership in CEE ..................................... 432
Figure 8: Ideal type for how to build trust when doing business in Central and Eastern Europe .......................................................................................................................... 435
Figure 9: Ideal type for difficulties making doing business harder in Central and Eastern Europe .......................................................................................................................... 438
Figure 10: Ideal type for the benefits for an expatriate to speak the local language ..... 442
Figure 11: Ideal type for the disadvantages for an expatriate for not speaking the local language .......................................................................................................................... 446
Figure 12: Ideal type for the characteristics of an expatriate speaking the local language .......................................................................................................................... 449
Figure 13: Ideal type for the advantages of using/having a common company language .......................................................................................................................... 452
Figure 14: Ideal type for the disadvantages of using/having a common company language .......................................................................................................................... 455
Figure 15: Ideal type for characteristics of using/having a common company language ................................................................................................................................. 459
Figure 16: Ideal type of the advantages of using/having multilingualism ......................... 463
Figure 17: Ideal type of the disadvantages of using/having multilingualism ................... 466
Figure 18: Ideal type of some characteristics of using/having multilingualism .................. 469
Figure 19: Ideal type for problems when having to use interpreters, agents and language nodes .................................................................................................................. 473
Figure 20: Ideal type for language norms and usage related to power and politics ............. 476
Figure 21: Ideal type actions in training and recruitment for language skills in business .................................................................................................................. 480
Figure 22: The balanced Viking ship ornament structure ............................................ 498
Figure 23: The mushroom-formed water tower – an accumulated cultural significance structure .................................................................................................................. 501
Figure 24: The versatile television tower – a differentiated cultural significance structure .................................................................................................................. 502
Figure 25: The troublesome Eastern European business culture flower ........................ 530
Figure 26: The confidence- and ability-building but problem-attacking expatriate flower .................................................................................................................. 535
Figure 27: The communicatively and linguistically self-dependent expatriate flower .. 539
Figure 28: The market share gaining language competence flower .................................. 544
Figure 29: The interrogative development process of the business flowers ...................... 545
Figure 30: The responding development process of the business flowers ....................... 548
Figure 29: The self-dependent local language speaking scholar flower ............................ 553
Figure 30: Reasons for why companies and scholars don’t pay much attention to language skills .................................................................................................................. 557
Figure 31: The study’s contribution flower .................................................................... 574

ABBREVIATIONS
CEE – Central and Eastern Europe
EU – European Union
FDI – Foreign Direct Investment
GDP – Gross Domestic Product
GM – General Manager
HRM – Human Resource Management
MD – Managing Director
MNC – Multinational Company
PCI – Perceived Corruption Index
R&D – Research and Development
SME – Small and Middle-sized Enterprise
WTO – World Trade Organization
1. INTRODUCTION

1.1 Understanding a people’s culture and the role of language

“Understanding a people’s culture exposes their normalness without reducing their particularity… and … it renders them accessible: setting them in the frame of their own banalities, it dissolves their opacity:”

This brilliant formulation by the American anthropologist Clifford Geertz pinpoints in a single phrase the odd and the normal, the fantastic and the natural, the distance and the closeness featuring another culture. Culture is both fascination and routine where your impression of it may be a beautiful dream or a terrifying nightmare depending on how and under which circumstances you encounter it and it is deeply human with all the characteristics and particularities which go with that. It is multifaceted, complex and hard to grasp yet immediate and pervasive. Our culture is a vital part of our identity – both as an individual, a society and a nation. Samovar et al. claim a fundamental responsibility of a culture is to assist its members to form their identities while Tietze and others discuss the weight of language for forming our personal and professional identity, especially for managers. Thus culture and language play a crucial role regarding how we perceive other people, countries and the world at large, for how we face reality and solve problems though other factors than national culture such as education, profession, personal experience and habits are crucial in that respect and also for creating our identity and relationships. Yet also these factors are influenced by our national culture.

If culture is central in affecting how we understand ourselves and, not least, understand others then culture is a crucial factor of concern in doing international business. When a company expands to new markets or pursues continuous international business activities it means encounters between people from different cultures. These cultures could differ in several aspects and to handle these differences well could be critically important for success in international business. Hofstede has stressed the importance of these cultural differences in his original four cultural dimensions later supplemented by a fifth one and they are individualism versus collectivism, masculinity versus femininity, uncertainty avoidance and power distance while the added fifth dimension is long-term versus short-term orientation.

These differences mean that cultural problems could arise which are seen in the culture shock early on in a foreign assignment where Marx describes what we may experience when we confront a new culture and in her study the most found symptoms among managers were in priority order feeling isolated, anxiety and worry, reduction in job performance, high energy (including nervous energy and changing circumstances) and helplessness and she accounts for other reactions such as confusion about what to do, frustration, exhilaration, inappropriate social behaviour, inability to clinch a deal and becoming depressed.\(^5\) These problems could be hard to handle but usually people overcome them but there are other and more enduring difficulties that an expatriate could have to face during a foreign assignment. Illustrating the problems with cultural differences Lewis has written a book called “When cultures collide”.\(^6\)

However, to do business these cultural differences have to be managed well where Harris and Moran - discussing managing cultural differences - take a leadership view describing a global manager who is cosmopolitan who is an effective intercultural communicator and negotiator creating cultural synergy and leading cultural change at work in project teams and organisations.\(^7\) Their stress on being an effective intercultural communicator is vital since in order to be able to co-operate successfully when doing business people from different cultures have to communicate and they do it via intercultural communication. There are many useful theories on intercultural communication such as high-context and low-context cultural communication where Samovar et al. claim that low-context cultures have a relatively heterogeneous population and the low-context communication is direct and explicit focusing on the message’s verbal content whereas high-context cultures due to history and traditions don’t change much over time having a more homogeneous population and the high-context communication relies less on words but more on silence, gestures and interferences.\(^8\) The high-context communication is – as its name suggests - more context-bound and implicit\(^9\) while Guirdham discusses another theory.

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featuring the elaborated code holding a rich vocabulary and an advanced syntax versus the restricted code having a smaller vocabulary and a less complex syntax relying much more on shared assumptions and non-verbal communication.\textsuperscript{10}

There are surely many other theories and characteristics of intercultural communication but there is one – highly important – factor that has been quite neglected over the years in international business and management studies and that is language which is so well described by Holden saying language is “management’s lost continent”\textsuperscript{11} while Marschan et al. say language is “the forgotten factor in international management.”\textsuperscript{12} Many other scholars also stress the lack of studies on language in the field of international business and management. That language is an under-researched area calls for studies on it. There are many different aspects of language which may be investigated in an international business study. The language issue could be seen both on an overarching company level and also on a more individual level yet they are related where Welch et al claim the language competence of a company is the accumulated language skills of its employees where the individuals and not the organisation possess these skills.\textsuperscript{13} So the individual competence is vital and an interesting language aspect in this respect is an expatriate’s ability to communicate effectively in the assignment country.

It is generally important for a manager to know what to do, how to do it and be able to carry out the work that has to be done. This means to be self-dependent and this is probably even more important for an expatriate manager on a foreign assignment since he or she cannot rely on the head office or other structures with all their facilities to the same extent in the assignment country which often has more limited resources than the home organisation. Being self-dependent here is a positive notion and it means having the capacity to do the things on your own without being in need of complementary knowledge or assistance etc. but still having empathy for others and having a good judgment. The self-dependent ability is probably especially important in emerging markets often featuring poorly working institutions and information systems. Such weaknesses often feature uncertainty and various legal aspects regarding running the business but there is a communication dimension to them as well. Also generally

speaking a crucial competence for a manager is his or her communicative skills. Thus the communicative competence of an expatriate is vital and to meet these needs he or she would not only benefit from being generally self-dependent but also communicatively self-dependent not having to rely on others when communicating with the local employees, managers, customers and other stakeholders. In intercultural communication when people from different cultures communicate the language and languages they speak are crucial and to succeed in this communication it could be beneficial for an expatriate to be linguistically self-dependent.

As this study focuses on intercultural communication between Western and local business people in emerging markets – more precisely Central and Eastern Europe – it is particularly interesting to focus on language strategies permitting the expatriate manager to communicate independently without having to rely heavily on others. This would then exclude using interpreters or different kinds of techniques that the expatriate cannot steer or control. Still, as the usage of interpreters could be useful or sometimes even necessary in intercultural business communication some aspects and problems regarding it will also be dealt with in this study.

Considering this aspect on the expatriate being communicatively and linguistically self-dependent when carrying out the foreign assignment three possible ways to handle the language issue is that he or she in the internal communication with the local employees and managers – and often also with the customers – uses a common company language or one or more of a couple of languages in a multilingualistic strategy or simply speaks or learns to speak the local tongue.

The question of how to solve the language problem has been dealt with where Feely and Harzing present ten strategies for MNCs to handle the language issue.\textsuperscript{14} Marschan-Piekkari et al. have written about using a common company language in the Finnish MNC Kone\textsuperscript{15} while Welch et al.\textsuperscript{16} and also Charles and Marschan –Piekkari\textsuperscript{17} and then again Welch et al.\textsuperscript{18} write about the usage and problems with using a common company

language. Fredriksson et al. have in a case study written about the usage of functional multilingualism in the German MNC Siemens whereas Lavric and Bäck have studied the usage of the local language in Romance speaking European countries. These are some examples of articles and I will later in this thesis account for some other studies on these themes but I have rarely seen any study – and particularly not considering the emerging markets in Central and Eastern Europe - that in an overarching yet thorough and rather detailed way shows advantages, disadvantages and characteristics related to the three crucial strategies of using a common company language, multilingualism and speaking the local tongue that an expatriate may use on a foreign assignment. These three strategies are crucial since they cover the ways in which an expatriate can communicate independently. Yet it is still possible that the expatriate may speak and use another language that may fit the assignment culture well but isn’t included in any of these three language groups but insofar it might be seen as a variant of the local language.

This study intends to cover this gap regarding a thorough and detailed description of advantages, disadvantages and characteristics related to the usage of these three mentioned language strategies of the expatriate using a common company language, multilingualism or speaking the local language. This study strives to thoroughly present these three alternative language strategies in nine Weberian ideal types. As there are other ways to deal with the language issue and other aspects on language usage in international business three other language related Weberian ideal types covering problems with using interpreters, power aspects of language and language aspects on recruitment and training will also be presented. Thus as there particularly regarding Central and Eastern Europe haven’t been many thorough and broad studies on the role of language in international business I intend to cover this gap and I strive for giving a broad description on the role of language in international business there. This is the theoretical problem of this thesis but later I will also present a more practical problem – that Swedish companies since four decades lose global market shares and its possible connection to lack of language skills which has been aggravated in later years due to less teaching of foreign languages other than English in secondary school in Sweden where younger Swedish business people and students therefore possess lower competence in foreign languages while there is an ongoing shift in CEE countries from vertical foreign direct investments (FDIs) to horizontal FDIs requiring expatriates, managers and

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employees to have better and more advanced language skills to handle a more demanding and sophisticated communication.

The theoretical problem is related to the practical one in this way: By describing the role of language in this intercultural business communication and thoroughly present the three types of language strategies which - if implemented - could make the business expatriate communicatively and linguistically independent this theoretical problem paves the way for dealing with the practical problem regarding if more language competent Swedish business expatriates would be able to help their companies gaining market shares by being more up to the task of handling the complex and sophisticated communication and the linguistic demands. These demands on language and communication are required due to the more market oriented and horizontal foreign direct investments (FDIs) and the more advanced production and perhaps also research and development activities which Swedish companies in CEE could perform where all these activities would demand advanced communicative skills.

The method that I intend to use – learning the local language on site living in a family in the capital in several countries in CEE to see what I will grasp of the local culture – is in a way an analogy to an expatriate who arrives culturally empty-handed for the first time to the assignment country where he or she doesn’t speak the local tongue but has to understand the local culture in order to perform well at work. In this way language is not only a phenomenon that is studied but also a research instrument for the scholar to obtain a cultural understanding. So also this aspect emphasises the versatile nature of language.

All the here above discussed areas will later be thoroughly dealt with in this thesis but now we will proceed with the role and characteristics of language in general and in international business in particular.

To really understand the other party in intercultural communication also means to understand his or her culture and speaking his or her language is a very useful tool for such an understanding. In human civilisation the importance and influence of language is deep, extensive and encompassing and the German philosopher and hermeneuticist Hans-Georg Gadamer emphasises the crucial role of language in philosophy and in life in an excellent way saying:
“Language is the fundamental mode of operation of our being-in-the-world and the all-embracing form of the constitution of the world.”\textsuperscript{21}

Thus language is so much of what it means to be a human being and live in this world. It is a key instrument for understanding and control of relations, environments and situations as another formulation of Gadamer so exquisitely tells us:

“Wer Sprache hat, hat die Welt.”\textsuperscript{22}

Freely translated into English this becomes “The one who has language has the world.” Although language is neither divine nor almighty this phrase reminds me of an American song praising the Lord saying “He’s got the whole world in his hands.” An interpretation of this German quotation is that as language consists of concepts and rules for combining them then the one who has language has the world, in terms of a conceptualized world.

The other side of that coin is that if you don’t have a language or only a limited one you are confined to a much smaller world. This limits the range of the concepts one may come up with also restricting what is conceivable to a person. Even a brilliant person has such limits and the Austrian philosopher Ludwig Wittgenstein expressed them saying:

“Die Grenzen meiner Sprache bedeuten die Grenzen meiner Welt”\textsuperscript{23} or in English “The limits of my language mean the limits of my world.”

Such limits also put barriers to our understanding and expressing capability which are important in our daily life but also in the business world which is central in this study.

The crucial role of language is further stressed by Kjellén and Söderman referring to Normann saying language is the link between man and reality and our knowledge about reality is conveyed – largely by language. The mutual dependence is emphasised since being representations of reality our language and theories are influenced by how we perceive reality but the symbols (notions, theories) that we use also decide how we perceive it, i.e. language influences what we believe is reality.\textsuperscript{24} They conclude that reality

\textsuperscript{23}Wittgenstein, L., Logische-Philosophische Abhandlung, Abschnitt 5.6,1918, Wien, (Original German version of Tractatus Logico-Philosophicus, Section 5.6, 1922)
\textsuperscript{24}Normann, R., På spåning efter en metodologi, p. 25, 1976, SIAR Dokumentation AB (SIAR-S-69, stencil), in Kjellén, B., & Söderman, S., Praktikfallsmetodik, p. 18, 1980, Liber Läromedel, Stockholm
is thus a social construction.\textsuperscript{25} Hence there is a social dimension to language where communication and languages are crucial in building cohesion, understanding along with constructive co-habitation and cooperation in the modern and heterogeneous world in which we live today both professionally and privately where the European Commissioner for multilingualism Leonard Orban explains this so well saying:

“Only through learning languages one can move from a multicultural to an intercultural society.”\textsuperscript{26}

This means that through learning languages we achieve a society and a world where we can talk to, communicate with and understand each other and not only stand side by side having nothing in common but the place where we stand. This constructive development is necessary to conduct successful business at home and even more so internationally. It also illustrates the difference in cultural distance between talking about and talking with other people where the enabling instrument is language. Bridging differences makes a difference. Language thus constitutes a bridge over troubled waters of foreign cultures.

The central role of language for both intercultural studies and international business life is emphasised by Andersen and Rasmussen arguing that language is the most vital factor when studying communication between cultures and language isn’t only a technical competence that one can add to communication and they continue stressing that language is vital to establish relations and informal relations are fundamental in daily business activities where lack of language skills can lead to disqualifications of relations.\textsuperscript{27}

This key instrument that language constitutes enabling us to socialise, communicate and understand other people is central in this study where I strive to understand cultures in Central and Eastern Europe, their people and the role of language in intercultural business communication between locals and Westerners. The study focuses on Serbia, The Czech Republic, Ukraine, Romania and Bulgaria and to some degree also on Russia and Poland. Despite the stress on language in this study it is vital to know that I have an educational background in business administration and the perspective and framework of the study lies within the field of international business and not in linguistics. The setting and the context are in business and the informants

\textsuperscript{25} Kjellén, B., & Söderman, S., \textit{Praktikfallsmetodik}, p. 18, 1980, Liber Läromedel, Stockholm

\textsuperscript{26} Orban, L., \textit{Speech before the European Committee for Culture and Education, 2007-02-27}

\textsuperscript{27} Andersen, H., & Rasmussen, E.S, \textit{The role of language skills in corporate communication}, pp. 231-242, Corporate communications, Vol. 9, No. 3, 2004, Emerald Group, Publishing Limited
are business people or people whose work is related to business and I focus on how the role of language is seen from a business view.

Piekkari says the requirements for foreign language skills are rising in the business world and although English has become more of a lingua franca in international business there’s no decline in the demand for multilingual employees and despite of having a common corporate language like English communicating in a MNC is usually not monolingual.28 Darla Domke-Damonte presents four changes in the business world which constitute an increased need to develop language skills where the first is new media requiring swift responses across linguistic barriers, the second is an increased horizontal communication in the organisation world, the third is more communication with business peers in the era of international trade and the fourth is that language skills are vital to succeed in foreign assignments.29 Thus we face a growing need for language skills in international business.

As these CEE countries have native languages which are different from Swedish, English and other Western European languages – except for the Romance language Romanian – and as they are transition countries moving from a plan economy to a market economy undergoing a major change in the way of doing business, it is interesting to study the role of business culture and language in intercultural communication between businesspeople from these countries and the West. When looking for suitable businesspeople from the West for this study there are many reasons for choosing Sweden as a point of reference. Sweden is a small but heavily export-dependent country with a small native language – Swedish - whose usability is restricted to the Nordic countries making it ideal to study the role of language in international business. Other Nordic countries face similar language problems and many referred articles are written by Finns, Danes or Swedes. Easier access to informants may enrich the empiric material beyond what would be feasible with other countries as reference point. As the author and the tutor are Swedish being familiar with its culture and the thesis is written at a Swedish university Sweden is a natural reference.

I will here shortly present the content of this first chapter in this study. It starts by giving a background to the existence of international business by describing the importance of international trade and internationalization and then discusses Swedish companies losing global market share where a way

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to improve the situation is meeting the eternal need for cost cutting where also transaction and communication costs are discussed as is the need for face-to-face meetings to explain complex issues, build and maintain relationships and avoid misunderstandings in international business. The unit of analysis in this study – the Swedish expatriate business person – is presented and the negligence in research of foreign language competence in international business as well as the historical and current language competence among Swedish business people are also described as are some problems related to having an official company language. The study’s geographic area – former plan economy countries in CEE – is presented with their economic growth and the increasing trade with these countries. Reasons for establishing companies there – which have been cost driven but now become more market driven - and the geographic, cultural and linguistic distances between these countries and Sweden, which is a point of reference in the study, are all described. Then we come to the cornerstones of this study, the reasons for doing it, the problem and the research question along with the aim and the delimitations of the study and to whom it might be interesting as well as a few lines about contributions from it and finally a very short guide to the following chapters.

There is a summary at the end of each chapter and some are rather extensive. A reason for that is my endeavor to facilitate an understanding of the content so that people only reading the summary itself can understand the phenomenon being discussed and treated without repeatedly having to look for explanations in the text. By only reading summaries one should obtain a good idea also on a more detailed level on what the study is about, its background and scientific perspective, the method and how it was carried out in the field, the main theories and empirical findings so the summaries are broader than usually.

The interviews were performed between August 2001 and February 2003 and the passage of time could to some degree have an impact on my results. The fact that Bulgaria, the Czech Republic, Poland and Romania have entered into the European Union might have led to some improvement in the legal area which in the long run could improve the way institutions function and the trust people have in them. It is also possible that skills in the English language as well as in the understanding of how a market economy functions and the capability to analyse it and its actors could have made some progress in the meantime. In 2009 Tony Fang said there has been an improvement of English language skills among his CEE exchange students.

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30 Viewpoint given by Tong Fang, lecturer in business administration at Stockholm University School of Business, on June 11 2009 at a seminar discussing this paper at Stockholm University School of Business
in business administration in the last two to three years. Such progress may improve future intercultural business communication. Less probably but still not to exclude is that the leadership style might have made a very small change from highly authoritarian to a bit more democratic one although such shifts probably take much time. I don’t think there are any radical changes but probably some gradual improvements and changes regarding the areas just discussed. Much of the theoretical material such as scientific articles, books and reports I have used in this study are of more recent dates and if major changes would have taken place in these areas I would probably have seen it. Still, the nature of these phenomena such as understanding of market economy and capability to analyse it along with the leadership style and the implementation into working practice of new laws as well as acquiring a competence up to professional working level to communicate in a new language – in this case mostly local employees learning and speaking English and probably to a lesser degree German or other major European languages - are all slow processes and therefore don’t change rapidly so I think that my findings and arguments are still valid although the interviews were done a few years ago.

An indication of these slow processes and linguistic influence on management focusing on Russia but being relevant to other former plan economies in CEE is provided by Holden et al. who in 2008 said language barriers divide worldviews, societies and institutions as well as human hearts but researchers – being dominated by the English language – have traditionally not paid any heed to how language barriers influence the intercultural transfer of knowledge of management but in the case of Russia and its transition to a market economy the language barrier has constrained the transfer of management knowledge and this barrier will influence the kind of country that Russia will be. They tell us that although 15 years have passed since the plan economy fell Russia still hasn’t internalised the language of market economy as there are lexical and conceptual voids regarding the nature of market economy management where a standardisation of management vocabulary in Russian could be helpful as not only Russia but also other former Soviet republics and satellite states in CEE suffer from the same uncertainty of terminology.31 It’s also possible to base interpretations on empiric material which is a few years old, if not history wouldn’t be possible as a science and history is vital for a culture and for business cultural studies as this one. Still this isn’t primarily a study on history but as major changes of people’s way of thinking and the values they hold are slow I am convinced that my findings are still relevant.

A notion of vital importance in this study are the cultural significance structures which in some ways have some core common characteristics with and are influenced by the deep structures of culture and to a much minor degree by the surface culture which both will be described in the section of culture in the theoretical chapter. Just as the deep structures of culture – whose three most important structures are family, history (community and state) and worldview (religion) – being hard to see and having a profound impact on people in a culture the cultural significance structures have it as well reaching deeply and being stable over time as well as hard to see directly - though their influence might not be just as deep and stable over time as the deep structures of culture which also influence the cultural significance structures which themselves in some cases could be slightly easier to see and in that minor sense have something in common with the surface culture. Thus my cultural significance structures aren’t icons but rather interpreting mechanisms to place my empiric material in a comprehensible context and they are my tools to make what I have found intelligible. The cultural significance structures give my interpretations both of earlier studies and particularly of the informants’ views on business related cultural and linguistic phenomena in CEE. To make the distinction between the different structures clear and obvious: The deep structures of culture are already theoretically well established concepts among scholars of business culture whereas the cultural significance structures in this study are my interpretations of earlier studies and my informants’ views.

A scientific report like this deals with problems and areas which need improvement so when presenting the cultural significance structures there is accordingly much emphasis on phenomena and characteristics that create problems for the expatriate business people who conduct business in CEE. Still, it is important to understand that it is in many ways very personally rewarding and stimulating to meet so many interesting and sympathetic persons as I have done in these countries and I really enjoyed and appreciated living there and so it seemed many of my informants did even though there is a focus on problems. It is a highly interesting region to live and work in with nice people. People in CEE have gone through very hard times and difficulties both under the old communist regime and during the transition period from plan economy to market economy when they had to learn and understand a new way of thinking with many new demands on the individual. They were brought up in an authoritarian, undemocratic and passivising system where individual initiatives were not promoted but rather discouraged so accordingly the sense of assuming personal responsibility and taking initiatives were very low. The security they had, the guarantee to have a job, the social goals to strive for, the way to behave and the communities and social ties they had have in many ways undergone harsh,
even brutal, and painful changes deeply shaking the views of the world of these people. It isn’t easy for anybody having to understand and adjust to new ideals and ways of thinking and behaving in order to find a job and earn your living. People in CEE deserve much and deep respect for all stress, hardship and difficulties they have had to face and it could be hard for people in the West to understand the magnitude of the effort they have done. An indication of the enormous challenge is that in a few years the expected average lifetime for men in Russia fell by roughly 5-6 years and many of the causes of death were cardio-vascular diseases largely due to stress from having no job or no safe income. Differences between people were smaller and success didn’t depend on the individual as in the West.

In some places and in order to avoid repetitive and consecutive footnotes of the same author and article, report or book I mention the name of the author at the beginning of the paragraph and a few sentences later at the end of the description there is a footnote covering all pages referred to in that sentence as well as the ones in between. Personal pronouns and other links will make the connections and relations evident clarifying who stands for the ideas and the statements. This way of writing is used when a little more thorough explanation of an idea or a content of an article, report or book is presented.

Traditionally most expatriates have been men and they still dominate. Yet there are now more female expatriates. I try to use neutral descriptions and when referring in general to many persons or people in business having a neutral word the term used is often business people though in some cases it may be businessmen. When referring to a single person in general I often write “he or she” though I could sometimes write he and in other cases she to make the phrase shorter or if the author to whom I refer has written in that way. When referring to a specific person, as in the empiric chapter, I usually write he if the informant – or some other person referred to - is a man and she if it is a woman. By writing like this I try to consider both authenticity in the specific case and neutrality in the general case.

In order to make this long thesis a bit shorter I frequently use concise words such as say, and etc. Unfortunately it comes at the expense of a more varied text with more synonyms.

1.2 International trade and internationalisation

Johnson argues international trade enables customers to buy things which either can’t be produced locally or are cheaper, better or preferable in other ways, it contributes to peace and tolerance making it possible to use division of labour, specialization and economies of scale when making goods and services and small countries benefit from it since big countries cannot
exploit their power as much as in bilateral agreements between states.\textsuperscript{32} Hanson et al. say two driving forces for international trade are comparative advantages and economies of scale advantages. They argue having competitive advantage as driving force leads to specialization between industries transferring resources from sectors competing with import products to the export sector resulting in net export of products requiring resources the country has much of being relatively inexpensive though being driven by economies of scale becomes increasingly preponderant - mainly in trade with rich Western countries dominating Swedish international trade where $2/3$ of the Swedish industry trade is intra-industry trade – where product differentiation (brands) leads to specialization between companies in the same industry where export and import grow and the growth is mainly found in intra-industry trade, it is lower in inter-industry trade.\textsuperscript{33}

Stein says internationalisation increasingly demands structural change having benefited from the combination of sinking transportation costs and the IT revolution lowering costs of information and costs for globally spreading goods, services, capital, labour force and information plus new technology, the opening up of former plan economies introducing market economy, increasing global production and specialization, the deregulation of financial markets and competition on international capital markets providing investment capital.\textsuperscript{34} So many factors have enhanced the development of internationalisation. Still, Hansson et al. say the main driving force behind the growth of world trade is the growth of the world economy, i.e. the global GDP, and reduced international transaction costs for international trade of goods and services - including liberalisation and deregulation plus reduced costs for transportation, communication and information transfer as well as faster and safer transportations opening up opportunities for new kinds of trade – have helped more than comparative advantages.\textsuperscript{35} Fölster and Wallen claim Sweden is a pronounced globalised country and about the growth of Swedish economy for the last 150 years they say globalization and notably international trade is the major factor.\textsuperscript{36} Stressing the role of internationalization in country wealth building Johnson says in 150 years from the mid of the 19\textsuperscript{th} century until the beginning of the 21\textsuperscript{st} century Sweden has seen its GDP per head rising twenty-fold, the

\textsuperscript{34} Stein, P., \textit{Världsekonomins nya tillväxtnäder – underskattad potential för svenska företag}, p. 6, 11-15, Oktober 2007, Swedfund Skrifterie, Stockholm
\textsuperscript{36} Fölster, S. & Wallen, F., \textit{Utflyttningens konsekvenser}, p. 3-4, April 2005, Svenskt Näringsliv, Stockholm
working time per year has been cut by half and the life expectancy has doubled and internationalisation is a leading force behind these strong improvements where Swedish foreign trade has risen by 6 % per year in fixed prices during the 150 years from 1850 to 2000 which means it has grown 600 times in that period.\textsuperscript{37} These figures show the decisive role of foreign trade for Sweden - a small, peripheral country.

Hansson et al. say the Swedish economy has over many years become more dependent on the world economy’s development – that is a global phenomenon – and in slightly more than the last half century the Swedish export and import have quadrupled (i.e. they have grown four times) in fixed prices in an accelerated pace since the beginning of the 1990-ies where in 2005 the export corresponded to roughly 50 % of the Swedish GDP and the import to about 40 % of the Swedish GDP both in current prices and in fixed year 2000 prices. They say a greater share of the work-force in Swedish based MNCs are employed abroad and an increasing share of the Swedes work for foreign companies – a trend found in both the goods sector and in the service sector but it is stronger in the former than in the latter one.\textsuperscript{38} Björling says in 2006 the Swedish export corresponded to more than 50 % of the Swedish GDP having grown from less than 40 % ten years earlier and the real value of the Swedish export was higher than the total household consumption in Sweden and in 2006 almost two thirds of Sweden’s total manufactured production was exported.\textsuperscript{39}

Stein indicates international trade builds wealth where rich countries have a higher share of the global trade than of the global production and global export increases more than the total economy but slower than foreign direct investments adding that between 1986 and 2000 the annual global real GDP growth was 2,5 % whereas the yearly global export grew by 5,6 % and FDI 11,7 %\textsuperscript{40} where from 1973 to 2005 the global trade grew by 11 % per year from corresponding to 22 % of the global GDP in 1973 to 42 % of it in 2005 where the global capital flows grew from corresponding to 5 % of GDP to 21 % of it in the same period.\textsuperscript{41} Johnson says international trade has grown faster than the total GDP but not as fast as FDIs and in 1970 the global

\textsuperscript{37} Johnson, A., Globaliseringens tre vågor – Sveriges internationalisering under 150 år – Underlagsrapport nr 3 till Globaliseringsrådet, p. 8, 2007, Stockholm
\textsuperscript{38} Hansson, P., Karpaty, P., Lindvert, M., Lundberg,L., Poldahl, A., & Yun, L., Svenskt näringsliv i en globaliserad värld, p. 31-32 & 199, Mars 2007, Institutet för Tillväxtpolitiska Studier (ITPS), Östersund, Sweden
\textsuperscript{39} Björling, E., Swedish minister of trade, Nya tillväxtmarknader – möjligheter för Sverige, pp. 1-4, p. 1, Speech on 2007-10-17, Regeringskansliet, Stockholm
\textsuperscript{40} Stein, P., Världsekonomin nya tillväxtmarknader – underskattad potential för svenska företag, p. 8 & 10, Oktober 2007, Swedfund Skriftserie, Stockholm
export of products corresponded to 12% of the world GDP but 31% in 2006 and in the same period global FDI rose double as much as international trade did where the services export grows faster than the goods export illustrated by the Swedish export and import of services being roughly 18% of the total export and import in 1980 where corresponding figures had risen to 25% by year 2006.\textsuperscript{42} By 2007 the services share of the total Swedish export - excluding dividends – has risen to 27% whereas the services’ share of the total Swedish import was 24%.\textsuperscript{43} Nordström says that in year 2004 services made out 24% of the total Swedish export and 25% of the total Swedish import where the increase from the previous year was 9,3% for export of goods and 12,9% for export of services indicating that the export of services grows faster than export of goods probably making services more important in future export. He argues an optimistic interpretation is that Sweden strengthens its position as exporter of services in a natural progression development from a raw material producer to an industrialized country and then a producer of services stressing that the most important for a country is what it earns from what it produces and not what it produces.\textsuperscript{44} 

Historically and currently Sweden’s major export markets lie in Europe with Germany and Great Britain as key markets. Johnson says Great Britain was vital for Sweden in the 19\textsuperscript{th} century receiving almost half (49%) the Swedish export in 1871 and only 7% went to Germany but 20 years later Great Britain had 29% of Swedish export and Germany 20% and between the two world wars the share of Swedish export going to Great Britain fell from 32% to 23% while the share to Germany rose from 8% to 20%.\textsuperscript{45} Today the European trade has become more important for Sweden and for 2000 Stein says 71,1% of the Swedish export of goods went to European countries, and 54,6% to EU-countries, and then to 73,7% to Europe and 59,7% to EU-countries by 2006 reflecting that during that period the number of EU-member states grew from 15 to 25 but overall a rising share of Swedish export goes to Europe countries stressing its growing weight for Sweden.\textsuperscript{46} In 2007 Bulgaria and Romania became EU-members so 75,3% of the Swedish export went to European countries and 60,9% to EU-countries

tillväxtnärer – underskattad potential för svenska företag, p. 10, Oktober 2007, Swedfund Skriftserie, Stockholm SEE also Mishkin
\textsuperscript{42} Johnson, A., Globaliseringens tre vågor – Sveriges internationalisering under 150 år – Underlagsrapport nr 3 till Globaliseringsrådet, p. 67 & 73, 2007, Stockholm
\textsuperscript{43} Persson, N.E., Sveriges utrikeshandel med varor och tjänster samt direktinvesteringar – Översiktsanalys av utrikeshandelstatistikerna för 2007, p. 20, 2008-03-07, Kommerskollegium, Stockholm
\textsuperscript{44} Nordström, H., Handelspolitisk lägesrapport 2005:1 - Ny vår för svensk export?, p. 1, 7 & 38, Rapport 2005-06-21, 2005, Kommerskollegium, (Swedish National Board of Trade), Stockholm
\textsuperscript{45} Johnson, A., Globaliseringens tre vågor – Sveriges internationalisering under 150 år – Underlagsrapport nr 3 till Globaliseringsrådet, p. 27 & 55, 2007, Stockholm
\textsuperscript{46} Stein, P., Världsekonomins nya tillväxnäranter – underskattad potential för svenska företag, p. 18, Oktober 2007, Swedfund Skriftserie, Stockholm
in 2007 while 85 % of the Swedish import came from Europe and 71,6 % from EU-member states but the import figures are exaggerated as they include goods manufactured outside the European Union but then repacked within EU and being accounted for as import from an EU-country.\(^47\)

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<td>15</td>
<td>1,6</td>
<td>15</td>
<td>1,2</td>
</tr>
<tr>
<td>Spain</td>
<td>12</td>
<td>2,5</td>
<td>11</td>
<td>3,1</td>
<td>11</td>
<td>2,8</td>
</tr>
<tr>
<td>China</td>
<td>13</td>
<td>2,1</td>
<td>13</td>
<td>1,9</td>
<td>14</td>
<td>1,9</td>
</tr>
<tr>
<td>Poland</td>
<td>14</td>
<td>1,6</td>
<td>12</td>
<td>2,1</td>
<td>12</td>
<td>2,5</td>
</tr>
<tr>
<td>Switzerland</td>
<td>15</td>
<td>1,3</td>
<td>19-21</td>
<td>0,9</td>
<td>Not available</td>
<td>0,9</td>
</tr>
<tr>
<td>Russia</td>
<td>16-17</td>
<td>1,1</td>
<td>14</td>
<td>1,6</td>
<td>13</td>
<td>2,0</td>
</tr>
<tr>
<td>Canada</td>
<td>16-17</td>
<td>1,1</td>
<td>17-18</td>
<td>1,0</td>
<td>Not available</td>
<td>1,0</td>
</tr>
<tr>
<td>Austria</td>
<td>18-19</td>
<td>1,0</td>
<td>17-19</td>
<td>1,0</td>
<td>Not available</td>
<td>1,0</td>
</tr>
<tr>
<td>Australia</td>
<td>18-19</td>
<td>1,0</td>
<td>16</td>
<td>1,3</td>
<td>Not available</td>
<td>Not available</td>
</tr>
<tr>
<td>Brazil</td>
<td>20</td>
<td>0,9</td>
<td>24</td>
<td>0,6</td>
<td>Not available</td>
<td>0,7</td>
</tr>
<tr>
<td>India</td>
<td>19-21</td>
<td>0,9</td>
<td>Not available</td>
<td>0,9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>19-21</td>
<td>0,9</td>
<td>Not available</td>
<td>0,8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estonia</td>
<td>24-25</td>
<td>0,6</td>
<td>22</td>
<td>0,8</td>
<td>Not available</td>
<td>0,8</td>
</tr>
<tr>
<td>The Czech Republic</td>
<td>26-27</td>
<td>0,6</td>
<td>25-27</td>
<td>0,6</td>
<td>Not available</td>
<td>0,7</td>
</tr>
</tbody>
</table>

Table 1: Sweden’s major export markets\(^48\)

The table above shows Sweden’s twenty most important export markets in 2001, in 2006 and in 2007 plus Estonia and the Czech Republic which after Poland and Russia are Sweden’s biggest export markets in CEE. There is a

\(^47\) Persson, N.E., Sveriges utrikeshandel med varor och tjänster samt direktinvesteringar – Översiktsanalys av utrikeshandelstatistik för 2007, p. 5-7, 2008-03-07, Kommerskollegium, Stockholm

great stability over time, particularly among the top ten markets where Norway and Denmark have advanced at the expense of the United States of America, which is the world’s biggest economy and the only non-European top-ten country on the list, and Great Britain. Germany keeps its position as the most important export market for Sweden and Sweden’s three Nordic neighbouring countries are among the top six export markets as are the United States and Great Britain.

There is a geographic dimension of export but also a company size one and below Gozzo shows how the Swedish goods export is divided between small, middle-sized and big companies in Sweden where we find a strong dominance from big companies whereas the share of small companies is slightly bigger than the one from middle-sized companies probably reflecting the low number of middle-sized companies in Sweden.  

<table>
<thead>
<tr>
<th>Company size</th>
<th>Export 2006 in MSEK</th>
<th>Share of Swedish export in 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small companies</td>
<td>162 998</td>
<td>16,9%</td>
</tr>
<tr>
<td>Middle-sized companies</td>
<td>129 341</td>
<td>13,4%</td>
</tr>
<tr>
<td>Big companies</td>
<td>670 970</td>
<td>69,7%</td>
</tr>
<tr>
<td>Total</td>
<td>963 309</td>
<td>100,0%</td>
</tr>
</tbody>
</table>

Table 2: Sums and shares of Swedish export for small, middle-sized and big companies

The share of Swedish companies’ export going to Europe depends on the company size where Gozzo says 81 % of the export from small companies goes to Europe while the corresponding figures are 77 % for middle sized companies and 67 % for big companies and for all sizes of companies the export to Western Europe is 8-9 times higher than to CEE in terms of export value but the growth rate is higher in CEE, notably for the big companies, but the small companies grow faster than the big ones also in CEE.

1.3 Swedish companies’ loss of market shares

For several decades Swedish companies have lost market shares in their export markets. International trade is vital for the growth of the economy and particularly so for countries with a limited domestic market like Sweden which has relatively many big multinational companies and is heavily

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49 Gozzo, M., Små, medelstora och stora företags export 2002-2006, p. 4-5 (9), 2007, Swedish Trade Council, Stockholm. Statistics from Swedish Trade Council where small companies have 1-49 employees, middle sized companies have 50-199 employees and big companies have 200 or more employees.


51 Gozzo, M., Små, medelstora och stora företags export 2002-2006, p. 7-8(9), 2007, Swedish Trade Council, Stockholm, Statistics from Swedish Trade Council where small companies have 1-49 employees, middle sized companies have 50-199 employees and big companies have 200 or more employees.
dependent on export for its economy and the standard of living for its citizens. Thus losing market shares is a severe problem for its companies, their employees and subcontractors, but also other companies and authorities that depend on money flowing into the country so such losses are a problem for the whole country and the entire population. There could be different reasons for such losses of market shares and Stein gives many factors causing a country’s loss of market shares where the first one is emergence of competitive countries, a second an unfavourable development of exchange rates, a third that the country’s export mix loses attractiveness, a fourth that the country does not try to penetrate some foreign markets, a fifth is high political risk scaring away investors and a sixth is lack of manufacturing capacity hampering growth of export. A few other reasons such as insufficient technical or marketing skills and lack of skills in communication, culture and language might also cause a loss of export shares.

Håkan Nordström says the Swedish share of the world export market rose during the 1950-ies and 1960-ies from 1,8 % in 1955 reaching a peak of 2,1 % in 1970 and a strong decline began by the first oil-crisis in 1973-1974 so from 1970 it has fallen down to 1,3 % in 2004 which means a drop of 38 % during a 34 year period, despite a recovery of market shares from year 2003 when the losses of market shares from 1970 was a huge 0,96 % absolutely or 42 % relatively, and there is a systematic pattern where Swedish companies lose market shares during bad times and only partially recover them in good times leading to a gradual losses of market shares over time demonstrating a lack of economic dynamics. Nordström says Western Europe has lost world market shares but their losses are only half as big as Sweden’s whereas Finland, which in terms of geographic position, industrial structure, level of education and natural resources probably is the most similar country to Sweden, has developed much better than Sweden since 1970 when Sweden’s world market share was 3,1 times the Finnish one and by 2003 that ratio was down to 2,0 reflecting that rejuvenation and structural rationalization have been smoother in Finland and he says waging and an inflexible labour market are deep problems for Sweden. More specifically Sten Tolgfors says Sweden’s loss of global market shares has fallen twice as much, 24 %, as the average loss of Western Europe, 13 %, from the period 1985-1989 to the period 2000-2004 when Sweden’s share of the world

market fell from 1.8% to 1.32% whereas Western Europe fell from 45.55% to 39.48% of the world market.\textsuperscript{54}

In a study covering the change of export shares of goods in 14 industries in 19 countries\textsuperscript{55} comparing the periods 1996-2000 and 2001-2005 Gozzo and Malmqvist found that the Swedish market share has fallen 13% from 2.4% to 2.1% of the market and that is the worst loss of all Western European countries included in the study although both Japan and the USA lose even more whereas China is the winner more than doubling their share from 3.4% to 7.6% where also South Korea, Ireland, Norway, Austria, Spain, Denmark, Germany, The Netherlands and France increase their market shares. When comparing the periods 1996-2000 to 2001-2005 they see the Swedish export of services has increased by 25% giving Sweden place number four after Ireland – that more than doubles its service export from 1.3% to 3.0% - followed by China, Denmark and Sweden where also Spain, The UK and Germany gain market shares but Japan, Finland, France, the USA and Italy lose service export market shares. They combine the total value in fixed prices of goods and services\textsuperscript{56} comparing the periods of 1996-2000 and 2001-2005 finding that China is the big winner more than doubling their export market share from 4.5% to 9.1% in a 105% increase followed by South Korea increasing 33% and then Germany, Austria, Finland and Sweden which increases its market share by 2% from 2.3% to 2.4% and then Denmark keeping its market shares and finally the USA and Italy which have lost a sixth and a fifth of their respective market shares.\textsuperscript{57} So Sweden loses in the export shares of goods but wins in services which seem to become ever more important in the future.

The division of year intervals could influence the result and in a new study from 2008 comparing the product export shares of 14 industries in 20 developed countries\textsuperscript{58} over the periods 1998-2000 and 2004-2006 Gozzo and Malmqvist say Sweden loses just 5% of its export of goods and the market share to the 20 countries falls from 2.2% to 2.1%, where Sweden loses

\textsuperscript{54} Tolgfors, S., Swedish minister of trade, Vikande export kan förändras med satsning på småföretag, Göteborgsposten, 2007-02-12, Göteborg

\textsuperscript{55} The countries covered are Sweden, Norway, Denmark, Finland, the Netherlands, United Kingdom, Ireland, Germany, France, Italy, Austria, Switzerland, Spain, United States, Canada, Australia, Japan, South Korea and China. 14 industries producing products and services are including thus covering almost the entire Swedish export supply. What is measured is the share of the total market of these 19 countries.

\textsuperscript{56} In this comparison Belgium replaces Ireland and 1996 year’s fixed prices are used.


\textsuperscript{58} India has been added. The countries are Sweden, Norway, Denmark, Finland, the Netherlands, United Kingdom, Ireland, Germany, France, Italy, Austria, Switzerland, Spain, United States, Canada, Australia, Japan, South Korea, China and India. 14 industries producing goods and services are including covering almost the entire Swedish export supply. What is measured is the total market share of these 20 countries.
market shares in nine industries but Germany gains market shares in all 14 industries and eight Western European countries show a better development of market shares but only four a worse one. They claim the prime winners are China almost tripling and India more than doubling their market shares but also South Korea, Norway, Austria, Germany, Spain and Denmark win market shares - though this Swedish loss is more than compensated by an increase in the export of services by 33 % - a very good result though India, Ireland, China and Finland perform better and Denmark almost as well. They say much of the service export comes from engineering companies and not only from pure service firms interpreting it as Sweden is successful in the globalisation process.59 Though the last study from 2008 seems better Sweden still loses goods market shares in 9 out of 14 industries when Germany - its main competitor globally - wins goods market shares in all 14 industries emphasizing the need for improvement for Swedish companies.

The table below shows the development of major Swedish export industries from 1970 to 2004 and of the matching global industry. Nordström says the losses of wood products and minerals are inevitable due to Sweden’s limited resource base and the most alarming losses are in the engineering industry which by far is the most crucial industry with over half of Sweden’s total export where the global industry’s share of the total world export has risen clearly from 1970 to 2004. He says such resource limitations don’t exist in this industry so the competitive edge is based on entrepreneurship, engineering, research and development, design, marketing and other creative factors. He says state conditions like education and research politics, the tax system, the flexibility on the labour market, costs of labour and access to venture capital are vital for the competitiveness of the engineering industry.60 Despite the fall of market shares from 3,1 % in 1970 to 1,5 % in 2004 Swedish engineering industry drives Sweden’s economic growth with over half of Swedish export of goods coming from it whose turnover grew by 9 % reaching a record of 890 billion SEK in 2007.61 Seeing the high growth in Sweden’s major goods export industry one may ask how Sweden could lose global market shares but 2006 was a good year also for other countries and Swedish companies couldn’t regain all lost market shares after bad times.

61 Lindqvist, B., Teknikföretagen slog försäljningsrekord 2007, 2008-02-08, Teknikföretagen, Stockholm
### Table 3: Swedish export in different industries\(^62\), \(^63\)

Hansson et al. say the comparative advantages of Swedish companies are still decisive for trade patterns and specialisation where the comparative advantages lie in real capital intense areas requiring high investments in machinery and production plants and knowledge intense fields based on high competence, high education and much R&D. They say many Swedes have some kind of university education but Sweden is only on OECD average regarding the share of the population that holds a university education which is three years or longer but in the field of technology and natural sciences - which is important for development of technology and economic growth - Sweden is well above average, even in top when it comes to research and development in the industry.\(^64\)

---

<table>
<thead>
<tr>
<th>Industry (all in goods only)</th>
<th>Value in 2004 in Billion SEK</th>
<th>Share of Swedish export in 2004</th>
<th>Swedish share of industry world market in 2004</th>
<th>Swedish share of industry world market in 1970</th>
<th>Change in Swedish world market share</th>
<th>Industry's share of total world export market in 2004</th>
<th>Industry's share of total world export market in 1970</th>
<th>Change in share of the total world market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering industry with machinery, telecom and electric devices, vehicles (cars and trucks), instruments and metal works</td>
<td>462.7</td>
<td>51.4%</td>
<td>1.5%</td>
<td>3.1%</td>
<td>-52%</td>
<td>43%</td>
<td>30%</td>
<td>43%</td>
</tr>
<tr>
<td>Wood products including paper, pulp and paper</td>
<td>110.1</td>
<td>12.2%</td>
<td>&gt; 6%</td>
<td>&gt; 11%</td>
<td>-45%</td>
<td>&gt; 3%</td>
<td>&gt; 5%</td>
<td>-40%</td>
</tr>
<tr>
<td>Minerals, ore and steel</td>
<td>84.1</td>
<td>9.3%</td>
<td>1.5%</td>
<td>2.5%</td>
<td>-40%</td>
<td>&gt; 7%</td>
<td>&gt; 15%</td>
<td>-53%</td>
</tr>
<tr>
<td>Chemicals, plastics and pharmaceuticals</td>
<td>108.9</td>
<td>12.1%</td>
<td>1.5%</td>
<td>1.3%</td>
<td>15%</td>
<td>8%</td>
<td>12%</td>
<td>-33%</td>
</tr>
<tr>
<td>Energy products including oil products</td>
<td>35.6</td>
<td>0.4%</td>
<td>0.4%</td>
<td>0.2%</td>
<td>100%</td>
<td>10%</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td>Other products including, furniture, clothing and shoes and food</td>
<td>99.2</td>
<td>11.0%</td>
<td>0.7%</td>
<td>0.8%</td>
<td>-12%</td>
<td>24%</td>
<td>30%</td>
<td>-20%</td>
</tr>
</tbody>
</table>

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\(^62\) The figures regarding the change in Swedish world market share and change in share of the total world market are calculated from the table’s very approximate figures and therefore the real figures might be slightly different although the figures here above show the trend.


48
Regarding the unwillingness of small Swedish companies to grow – which often includes export – Stein says the internationalisation of Swedish business has mainly concerned big transnational companies but the increasing foreign competition on the domestic market in the globalisation era forces Swedish companies to perform better on foreign markets to compensate for such losses and that goes for all Swedish companies regardless of size.\textsuperscript{65} From 2002 to 2006 though small Swedish companies grew faster, 10.3 \% per year on average, where middle-sized and big companies grew by 5.7 \% and 5.4 \% respectively and Gozzo says the geographic area where the SMEs grow fastest is on CEE markets.\textsuperscript{66}

Having discussed the nature, the magnitude and the type of industry in which Swedish companies’ loss of market shares occur we ask the where these losses have taken place. Dividing the world market into eight regions of which EU-15 and the rest of Europe are two Nordström finds that 82 \% of Sweden’s lost market shares come from EU 15 – where Sweden’s market share has fallen from 3.1 \% in 1970 to 2.0 \% in 2003 - and 17 \% from the rest of Europe – where the fall of Swedish market shares was from more than 5 \% in 1970 down to 2.8 \% in 2003 – and as a result 99 \% (82 \% + 17 \%) of the Swedish losses of global market shares come from Europe, Sweden’s extended home market.\textsuperscript{67} The relative loss of market shares is bigger in the rest of Europe (44.0 \%) than in EU-15 countries (35.5 \%) making the former interesting to study. Fromlet says clearly Sweden has lost market shares on former plan economy emerging markets in Europe.\textsuperscript{68}

The ten major loss markets in Europe for Swedish companies are listed below. The table shows the relative weight of these countries has decreased significantly from 73.0 \% of the total Swedish export in 1970 to only 52.3 \% in 2003. So Sweden has lost shares on these markets but their dominance has also decreased from 1970 to 2003. These things could coincide but other markets have grown in importance and there are also emerging markets coming up, such as CEE markets, taking an increasing share of the Swedish export. Looking for reasons explaining the losses of market shares a possibility is if it partly could be due to lack of foreign language skills

\textsuperscript{65} Stein, P., \textit{Världsekonomins nya tillväxtmarknader – underskattad potential för svenska företag}, p. 37, Oktober 2007, Swedfund Skrifserie, Stockholm
\textsuperscript{66} Gozzo, M., \textit{Små, medelstora och stora företags export 2002-2006}, p. 3 & 8 (9), 2007, Swedish Trade Council, Stockholm, Statistics from Swedish Trade Council where small companies have 1-49 employees, middle sized companies have 50-199 employees and big companies have 200 or more employees
\textsuperscript{68} Fromlet, H., \textit{Swedbank Östersjöanalys - Vår nya Emerging Europe-/Östersjörapport i ett företagsperspektiv}, p. 4, Nr 15, 2008-03-13, Swedbank, Stockholm
among Swedish business people. Considering the main language of each country in the table below we know that in later decades more and more Swedes speak English so the big loss of market share in Great Britain must be due to other reasons which probably also is the case in Sweden’s Nordic neighbours Norway, Denmark and Finland where Swedish will do as English does in the Netherlands and probably in Greece although fewer people in Finland speak Swedish nowadays and German might be helpful in the Netherlands but in Germany, France, Italy and Switzerland lack of local language skills might contribute to loss of market shares. Thus in roughly half of these countries lack of foreign language skills doesn’t seem to lead to Sweden’s loss of market shares but may do it in the other half of countries.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Great Britain</td>
<td>13.3%</td>
<td>7.7%</td>
<td>4.0%</td>
<td>1.9%</td>
<td>-0.20</td>
</tr>
<tr>
<td>Norway</td>
<td>11.4%</td>
<td>6.6%</td>
<td>20.1%</td>
<td>16.0%</td>
<td>-0.17</td>
</tr>
<tr>
<td>Germany</td>
<td>13.1%</td>
<td>10.8%</td>
<td>2.9%</td>
<td>1.8%</td>
<td>-0.16</td>
</tr>
<tr>
<td>Denmark</td>
<td>10.7%</td>
<td>7.4%</td>
<td>16.0%</td>
<td>12.8%</td>
<td>-0.15</td>
</tr>
<tr>
<td>Finland</td>
<td>6.5%</td>
<td>4.7%</td>
<td>16.1%</td>
<td>10.9%</td>
<td>-0.09</td>
</tr>
<tr>
<td>France</td>
<td>6.0%</td>
<td>4.9%</td>
<td>2.1%</td>
<td>1.3%</td>
<td>-0.07</td>
</tr>
<tr>
<td>Switzerland</td>
<td>3.1%</td>
<td>1.3%</td>
<td>3.1%</td>
<td>1.3%</td>
<td>-0.05</td>
</tr>
<tr>
<td>Netherlands</td>
<td>4.6%</td>
<td>4.2%</td>
<td>2.2%</td>
<td>2.0%</td>
<td>-0.05</td>
</tr>
<tr>
<td>Italy</td>
<td>3.2%</td>
<td>4.1%</td>
<td>1.4%</td>
<td>1.4%</td>
<td>-0.02</td>
</tr>
<tr>
<td>Greece</td>
<td>1.1%</td>
<td>0.6%</td>
<td>3.6%</td>
<td>1.3%</td>
<td>-0.02</td>
</tr>
<tr>
<td>Total Loss</td>
<td>73.0%</td>
<td>52.3%</td>
<td>2.3%</td>
<td>1.4%</td>
<td>-0.96</td>
</tr>
</tbody>
</table>

Table 4: The ten major loss markets in Europe for Swedish companies. Total loss see footnote.

Neighbouring and other countries culturally close to Sweden run the same risk to loose market shares due to insufficient language competence. In a study on Danish companies with subsidiaries in France Andersen and Rasmussen concluded that under investment in language and communicative competence and therefore lack of skills in language and communication can lead to lack of market shares and their survey showed that it could be difficult for the companies to see that lack of language skills could lead to low market shares. This difficulty to see the consequences of lack of language skills could partly explain why the issue isn’t addressed any more than it is today. Crick refers to Hagen saying that due to lack of

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70 The sum of the markets shares is 0.98 not 0.96. It may be due to rounding off errors or other markets.

adequate skills in particular languages British companies were losing valuable opportunities of trading and many of them didn’t realize why. Lost trade opportunities mean lower market shares. Thus these studies indicate that lack of foreign language skills could mean lost market shares. The other side of that coin is that better language competence could contribute to maintain or even increase the market shares.

When Sweden - a mature market economy - loses global market shares tiger economies in Asia and Europe have increased their market shares led by China followed by Spain, Ireland, Japan, Czechoslovakia, South Korea, Taiwan, Turkey, Poland and Hungary. Czechoslovakia (since 1993 the Czech Republic and Slovakia), Poland and Hungary are CEE states showing their growing economic weight. Sweden’s export to the second most populated new EU country, Romania, decreased by 9 % from 2006 to 2007 while the Romanian import increased by 30 % during that period so Sweden lost 30 % of its market share and Fromlet says Swedish export to all of Southeastern Europe is lagging behind.

There is also an attitude problem and regarding Swedish companies’ loss of market shares in emerging markets Ulf Berg – head of the Swedish Trade Council – says that “The problem is not the image of Sweden in the world. It is rather the image of the world in Sweden …. We are isolated and self-sufficient up here in the North. We believe we know how things are in the world. In reality most Swedes have very limited knowledge about the world.” He argues Swedes see emerging markets as outsourcing places for low cost manufacturing instead of understanding that China is a consumption market. He sees problems where Swedish SMEs don’t expand due to the rigid labour market laws causing an imbalance between profit and risk and sees it as a challenge to make SMEs expand through more export. He argues Swedish banks are not offensive enough being established mainly in the neighbouring countries, like the Baltic States, and not on export markets. So many improvements are needed to regain lost market shares. A more realistic picture of the world and Sweden’s role in it given by Swedish mass-media, its school system and politicians is needed where companies internally and externally could give their view. Most Swedish

73 Nordström, H., Handelspolitisk lägesrapport 2005:1 - Ny vår för svensk export?, Table on p. 27, Rapport 2005-06-21, 2005, Kommerskollegium, (Swedish National Board of Trade), Stockholm
74 Fromlet, H., in Fromlet, H., Hermansson, C., & Kennemar J., Swedbank Östersjöanalyse – Emerging Europe-/Östersjörapport, p. 27 & 40, Nr 14, 2008-03-13, Swedbank, Stockholm
75 Interview with Ulf Berg, Head of Swedish Trade Council, by Besér, N., Skev världsbild får svenska bolag att missa affärer, 2008-04-07, Dagens Nyheter, Stockholm
losses of world market share come at the core of the country’s export, the most important industry, the engineering industry representing over half of the total Swedish export of products and the most important market – Europe – receiving three quarters of Sweden’s export. Being struck at the heart is a severe problem to deal with.

1.4 FDI and costs of production, transaction and communication

Companies constantly strive to win new business, increase turnover and cut costs to raise efficiency and profits. Two vital costs for a product are production costs and transaction costs. The production cost is the cost for producing a good or a service. The transaction cost is the cost - above the production cost – for selling or buying a good or a service. A vital strategy to expand abroad at low costs is the foreign direct investments (FDIs).

In a study on seven countries in CEE Carstensen and Toubal say since the mid 1990-ies there has been a remarkable growth of European and US FDI in CEE countries though there are differences as the Central European countries of The Czech Republic, Slovakia, Poland, Hungary and Slovenia have attracted much FDIs thanks to their relatively high market potential and a good economic and legal environment despite the relatively high labour costs while Bulgaria and Romania - despite having low unit labour costs - have attracted far less FDI due to a risky economic environment and a slow transition process. They say traditional factors encouraging FDI in CEE are a robust market potential, low relative labour costs, corporate tax rates, relative endowments and a skilled labour force but a negative factor impeding FDI is that trade and FDI are complementary. They find specific transition factors like the level of privatisation – seen as the private market share – and the privatisation method – seen as the quality of corporate governance – positively influence the decision to invest in CEE while the country risk seen as uncertainty in the economic, legal and political environment is a vital deterrent to invest in CEE.⁷⁶

Yeaple says FDI theory gives two motives for expanding abroad where one is served by vertical integration exploiting factor price differences across countries while the other is horizontal integration avoiding costs of international trade yet there are companies using a complex integration strategy where they combine both these strategies. He says the transportation costs have an impact on the choice of strategy where vertical FDI is favoured by low transportation costs while high transportations costs

favour horizontal FDI yet when the transportation costs fall in between these extremes the company may benefit from a complex integration strategy that depends on the FDI level in a country as well as policies and features of its neighbourhood and industry characteristics. He says falling transportation costs could increase the weight of complex integration strategies.  

Aizenman and Marion say that since the mid 1990-ies there has been a enormous growth in FDIs where vertical FDI occur when a MNC locates each production stage in the less costly country thus internationally fragmenting the production process while in horizontal FDI a MNC produces the same good or service in multiple countries.  

Carstensen and Toubal say as the input prices vary across countries the vertical FDI model can split the production process in different stages where the knowledge-generating activities may be separated from the production while horizontal MNCs serve the local market and occur if the proximity advantages – the benefits from placing the production near the customer – outweighs the concentration advantages coming from the benefits of scale economies.  

Over time the income gap between countries in Western Europe and in CEE will shrink as will the incentives for Western companies to place low-cost production plants in CEE while the relative increase in income in CEE will raise their purchase power making them more vital as markets. So it’s a logical and natural development process that over time there will be a shift from vertical FDI aiming at low-cost production to horizontal FDI striving for better market access. Aizenman and Marion claim emerging markets are the major potential recipients of vertical FDI as their relative factor endowments and other features differ from the ones of more mature economies being the base for the parent firm but most FDI is horizontal and horizontal FDI is most prevalent among countries being similar in terms of size and characteristics.  

Confirming this view in a study on FDI in countries in CEE Carstensen and Toubal argue the catching–up process of CEE countries towards Western levels will tend to increase investments by horizontally focused MNCs while it will depress investments from vertically oriented MNCs. So as CEE countries become more similar to the West

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there will be a shift from vertical FDI to horizontal FDI. As a focus on sales and marketing in general is more communication intense and requires better communication skills than low-cost production this means a shift from vertical FDI to horizontal FDI will require an increased language competence among the employees. These increased requirements on language skills are also needed for more advanced types of production where more complicated and sophisticated communication is needed.

Relocation of production to emerging markets is largely cost driven, as the name low cost country indicates, and in a study on Swedish business activities in 10 new EU countries in CEE Rune et al. say hitherto the focus has been on reducing production costs but the ongoing transformation to a market driven establishing in CEE could slightly shift the cost focus to reducing cultural and communication costs which in turn also could lower production costs since information exchange grows and therefore communication skills are more important in more advanced types of production and other business activities which will grow there in the future.\(^82\) Such a shift of focus from low cost production to market access has consequences for the kind of investments that are made and Hansson et al. say vertical foreign direct investments – where the production process can be cut up in several production steps - are performed in order to cut costs whereas horizontal foreign direct investments – where similar products are manufactured using similar production factors - are done in order to gain access to markets.\(^83\) So there are reasons for a gradual shift from vertical to horizontal FDIs in CEE where the demands on communication and language skills will increase. Andersen and Rasmussen say horizontal communication depends on networks of personal relationships which in turn depend on language.\(^84\) Language thus has a crucial role in horizontal communication and thereby in horizontal FDIs requiring advanced communication with company colleagues, suppliers and the market but more advanced production in CEE could also require higher communication and language competence. Discussing the outward direct investments by Russian transnational companies Kalotay says they are particularly easy in CIS countries due to a common regulatory heritage and often a common language – Russian.\(^85\) Thus sharing the same language facilitates FDI and so it seems logical that the more advanced the communication is the more


\(^85\) Kalotay, K., Russian transnationals and international investment paradigms, pp. 85-107, p. 102, Research on International Business and Finance 22, 2008, Elsevier
important it is to share a common language. Furthermore Darla Domke-Damonte says that in the era of increasing FDI business leaders have to adapt more to their business partners in other countries in terms of (local) language skills and cultural understanding.\textsuperscript{86} Sweden is very active in FDIs and regarding FDI assets in relation to GDP Sweden is within the top three, with Switzerland and the Netherlands, in OECD in terms of FDI assets in the country - second place - and the country’s FDI assets abroad - third place - showing the strong internationalisation in the economy of Sweden and other small but highly developed European countries.\textsuperscript{87} The high internationalisation level shows a need for good communication and linguistic skills for their business people.

Companies try to improve information flows reducing misunderstandings and delays thereby cutting transaction costs. Babcock and Du-Babcock say due to communication technology progress a rapidly expanding volume of messages are exchanged at notably lower transaction costs.\textsuperscript{88} Bertha Du-Babcock describes how advances in technology have cut technology-based communication costs for e-mail and videoconferences.\textsuperscript{89} This shows that progress is done in the reduction of transaction costs for communication. To raise efficiency international trade is vital since the export and productivity of a company often are related to lowering the costs. Hansson et al. say exporting companies have higher productivity since these companies tend to be bigger, have higher productivity and pay higher salaries than other companies and this enables them to carry the higher costs related to exportation.\textsuperscript{90} The ELAN-study says a company’s export ability indicates its competitiveness so exporting companies are assumed to have higher productivity – due to the principle of competitive advantage where the basis of trade gains is specialisation - strengthening the economy of their country and considering the importance of foreign languages for export this emphasizes the need for such skills even more so insufficient investments in language skills could make SMEs - and other companies – lose profitable business opportunities so an SME’s competence in the local language on a

\textsuperscript{87} Persson, N.E., \textit{Sveriges utrikeshandel med varor och tjänster samt direktinvesteringar – Översiktsanalys av utriksfortsättningen 2007}, p. 27 & 29, 2008-03-07, Kommerskollegium, Stockholm
large market strongly influences whether the firm exports to it or not. As competence and institutions improve and salaries grow more focus will come on increasing the productivity and more advanced business activities will be carried out in CEE providing products which will be increasingly similar to the ones made in Sweden. Globalisation spreads technology and production methods worldwide and to obtain competitive advantages other areas such as logistics and networks, marketing, customer relationships and effective communication could become more decisive regarding which company will become successful and win the contract. Culture, communication and language are intertwined and closely related and so are marketing, customer relationships and communication. We communicate – although not only – through language and language is the basis for our communication.

A strategy to meet the growing demands of globalisation is vital and Rune et al. want Sweden to face the growing competition from advanced companies in emerging markets by improving education and research and reforms in the labour market legislation. They don’t explicitly mention improvements in cultural, communication and linguistic skills and there could be high potential costs for lack of such skills. Feely and Harzing say the true cost of the language barrier is distortion and damages of relationships pressing and constraining the company strategy as the language barrier breeds conflicts, uncertainty, suspicion, it lowers trust, worsens group divides and polarizes cognitions, perspectives as well as perceptions and thus creates many problems for management lowering economic performance. Such problems could cost much in terms of loss of time, efficiency and money and slow down activities. Bjerke says cultural incompetence may cost millions of dollars due to lost contracts, impaired customer relations and unsuccessful negotiations.

91 CILT, the National Centre for Languages, ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise, p.17 & 51-52, December 2006, London
1.5 More electronic communication but face-to-face meetings needed

Lower electronic communication costs could increase the message volume. Gundling claims technologies designed to make global communications easier, like voicemail and e-mail, can be counterproductive in cross-cultural business communication since the risk for potential misunderstandings grows as the instantaneous and easy-to-use long-distance communication technologies reduce the visible need for cultural adjustment compared to face-to-face meetings.\textsuperscript{97} Dolman says e-mails are good for spreading information but they are a source of misunderstandings and a prime source of international miscommunication, particularly when translated from one language to another and thereby severely changing the message’s tone. The possibility to correct a verbally ill translated message by gestures and facial expressions in a face-to-face encounter are not there in an e-mail. Dolman says e-mails also mess up priorities due to people’s instincts of rapidly answering e-mails.\textsuperscript{98} Marx adds that “previous research has shown that email generally reduces inhibitions and therefore often results in hasty, emotional and badly thought-through communication.”\textsuperscript{99}

The lowering of communication thresholds could be accompanied by various problems and risks where managers in international business face the problem of complexity in an overflow of information which is unstructured, ambiguous, conflicting and called equivocal information.\textsuperscript{100} Thus focusing on the essential and the core tasks could be harder due to electronic communication tools dispersing the concentration on less relevant issues and an inefficient order in which the tasks are carried out. There is a high – and low-context culture aspect on electronic messages as well where Gundling says voicemail and e-mail could work rather well in and between low-context cultures, like North America and the Nordic countries, where words and verbal content are relatively more important than the medium but the opposite is true in high-context cultures, such as the Middle East and Asia, where communication is ritualized and its style more important than

its words and face-to-face interaction is highly valued. The sender wants the message to be understood the way it was meant to and Doleman says to reduce the risk of miscommunication and misunderstandings telephone calls are better than e-mails and in the true sense of communication face to face meetings are required. So the face-to-face communication is much safer, richer and more multifaceted where Gundling says the nonverbal cues of person-to-person meetings convey much more meaning than the message’s literal words and face-to-face meetings enable interactions such as informal contacts behind the scene, physical exchange of handshakes or bows, nonverbal signals such as gestures and facial expressions, tone of voice and immediate feedback so a change from personal meetings to e-mails means a loss of context where companies using low-context communication technologies put people in high-context cultures in a disadvantageous position. Apart from increasing the logical understanding face-to-face meetings could also increase the mutual emotional understanding and respect between business people since having met, seen, spoken with and shaken hands with another person could increase your trust in him bringing trustworthiness and credibility increasing the possibilities and the probability to do successful business since trust is a fundamental factor for doing business, you don’t do business with a person who you don’t trust. Moreover, face-to-face communication holds a potential for conflict reduction and studying international project teams Mäkilouko says face-to-face meetings develop personal relationships between team members which improves communication and reduces conflicts. Distrust may also lead to conflicts and both these problems may thus be remedied by face-to-face meetings. This is crucial since solving them helps to build relationships. Thus the modern electronic communication can save time and money but also bring costs due to misunderstandings, miscommunication, and lost time due to sheer increase in message volume and messed up order of priorities. These problems show one should be cautious using modern communication technology reflectlessly and there is a need for traditional interpersonal face-to-face communication.

Face-face communication and language skills are good to understand complex issues where mobilisation of all possible communication channels

is vital. In a study on MNC interunit communication Barner-Rasmussen and Björkman compared e-mail, telephone calls and face-to-face meetings finding that upholding contacts and personal relationships is most important both for expatriates using the telephone and for people who have gone through the same training and development programs using e-mail, telephone and face-to-face meetings whereas the focus on language skills of the individuals communicating lies on explaining and understanding complex issues through face-to-face communication and telephone conversations where good language skills are crucial for success.\textsuperscript{105}

Gundling says high-context means are generally the best way to communicate important messages and although it differs from culture to culture many persons rather make vital decisions and receive good or bad news meeting the other person face-to-face. He says in a cross-cultural setting the best way is often to build context by arranging face-to-face meetings early in the relationship and then supplement it by different technological aids – such as e-mails, telephone calls, video conferences, faxes and voicemails - remembering that the ultimate goal of communication is to strengthen human relationships and not to replace them so it is useful to ask people which type of communication they prefer keeping the communication in line with their work habits.\textsuperscript{106} This means you could start by constructing a confidence platform and once it is in place the contact may be maintained through lighter and less message-content-dense communication channels.

1.6 Unit of analysis – the Swedish expatriate business person
Yin says in a case study the unit of analysis can be an individual\textsuperscript{107} and as I study several expatriate business people in a number of countries my study could in that sense be a multi-case study. To see every informant in every country as a case would go too far, as I have only interviewed each one of them for one or a few hours which is too short to be a case, but one may see each country in my study as a case, since I have spent two to three months in each country using elements of an ethnographic study to better understand the local culture. I focus on the similarities between CEE countries and differences between them and Sweden but not on the differences between these former plan-economies and so this study could be seen as one extensive case study. This focus is chosen to see business cultural


differences between former plan economies and a long-time market economy.

Regarding who to study I have chosen to study managers, and not just because my field of study is business administration and management. Tietze says managers need brilliant communicative skills more than other organisational and professional groups as managers in order to achieve the organisation’s objectives and their own goals address various hierarchical, functional and professional groups and she says that for managers to create professional identity, credibility and status language is the most used but least understood instrument and trough their own usage of language managers could create themselves.\(^{108}\)

The nexus of language and management in international business is stressed by Holden and Tansley saying managers are creations of their own language use and do great things with language in their work where the mother tongues of managers are culturally distinct influencing management knowledge, organizational behaviour and performance.\(^{109}\) More explicitly Tietze says international managers’ craft is based on language and she stresses the language process where international managers translate within a language and between languages to ensure a successful transition of information and ideas where their performance depends on how skilfully and sensitively the managers can use a common communication tool – language - as well as linguistic differences and diversity.\(^{110}\)

The study’s unit of analysis is the Swedish expatriate business person working in CEE. The positions held by the expatriate managers I interviewed were managing director, director of finance, marketing communication manager, after sales manager, or some other highly communicative role. Most of my informants work in MNCs which is not surprising as many Swedish expatriates in CEE work for them and Vaara et al. claim the MNC has become the dominating form for international businesses and organizations.\(^{111}\) Discussing people working in Europe Mayrhofer and Brewster argue that ethnocentric staffing policy will be crucial for European HRM saying small distances combined with well developed communication and transportations systems provide low-cost and efficient foreign operations, the global drawbacks of ethnocentrism only


partly applies in Europe and ethnocentrism is natural in an early internationalization process and for small firms.\textsuperscript{112} So the choice of informants is both natural and representative though my qualitative study doesn’t strive for the type of representativity of a quantitative study.

In the need for language skills there are similarities between big MNCs and SMEs – such as an increasing demand for language skills in general. Yet there are vital differences as SMEs don’t have the sales volumes to cover the specialised skills costs or the information network of a big company which has greater infrastructure and financial resources as well as more techniques to handle international communication and they often operate through subsidiary companies abroad. MNCs largely communicate in English – which the authors of the ELAN-study view as possibly overemphasising the perceived status of English – as 63 % of the 30 large companies, located in France with head offices or large international units, in the ELAN-study used English both as client and intermediary language and when talking to the international customer whereas only 13 % used the language of the customer and 20 % used a mixture of languages.\textsuperscript{113} This is remarkable considering the high value put on speaking French in France and the low figure for those who hold the whole communication in the customer’s native language. This scarce usage of the native language doesn’t seem to fit so well with the emphasis in the internal company jargon on understanding how the customer thinks and what he or she wants or needs and speaking his or her language would be an obvious tool to achieve a better understanding of that.

The SMEs cannot afford to have subsidiaries abroad – if at all not to the extent MNCs have them – so SMEs don’t have native speakers from the local culture who can handle contacts with local customers – and in that respect SMEs might be even more dependent on the foreign language skills of their managers and employees where SMEs don’t have the same resources to hire other language expertise either. So lack of language skills may impede SMEs to expand internationally on some markets making it harder to obtain scale economy which could make the high fixed costs for language expertise affordable so lack of language competence could be a vicious circle. Since most of the Swedish export still comes from big MNCs, where much English is spoken, having their origin in Sweden this might not seem to be problematic. Yet the increasing need for skills in foreign


languages other than English also in MNCs and the weight of SMEs for Swedish economy – providing much of the new employments and contributing to Sweden’s export - where a growing need for skills in other foreign languages than English is met by decreasing skills in such languages among young Swedish businesspeople, it is a real problem.

Hendry says that once companies expand internationally they strive to take control over agents and contracts weaving them within the hierarchy of the company, but such internal total control of things brings transaction costs in terms of losses of efficiency compared to buying in such services from the market and one such transaction cost for international companies is sending expatriates to manage subsidiaries where these costs are manifested in pay, relocation as well as travel costs and in inefficiencies when expatriates fail their assignments directly exposing barriers and implying more failures of operation. Lowering transaction costs when selling or buying products or services is important in order to cut costs in business. These costs are often external but there are also internal costs and Hendry argues that minimising the internal transaction costs coming with hierarchy and centralisation as well as managing complexity are crucial problems for most international companies.¹¹⁴ Trust, competence, effectiveness, efficiency and contact network all play a role when a company sends an expatriate on a foreign assignment and losing control may turn more costly in terms of lost business and market shares as well as mismanagement and outright fraud. Headquarters consider these factors when they send an expatriate on a foreign assignment to a subsidiary to build it, lead it or just work there even if it is costly.

The study’s unit of analysis is the Swedish expatriate business person and Mayrhofer and Brewster give reasons for ethnocentric staffing policy - where home country nationals are assigned as expatriates in the host country - saying this policy gives headquarters direct control over foreign operations where the home country’s values, norms and beliefs along with knowledge transfer can be spread in efficient coordination processes by effective communication where the expatriate and the headquarters speak the same native language while the expatriate’s perspectives are widened through a foreign assignment providing organizational effectiveness and survival. They say it is a natural entry into international business activities while the drawbacks of ethnocentric staffing policy are potential cultural adaptation problems for the expatriate as well as high cost and a complicated process of

personnel planning with reintegration difficulties along with a high failure rate for expatriates and reduced career opportunities for the local people.\textsuperscript{115}

In the knowledge transfer expatriate managers have a double transferring role of bringing knowledge from headquarters or the global organization to the subsidiary and then bring subsidiary knowledge to the home organization and in management of international joint ventures (IJV) expatriate managers are seen as boundary spanners holding a key role in inter-group relations\textsuperscript{116} and Demir and Söderman say these expatriate managers have the specific task to translate and implement - into the host country context – the operational practices which are socially bound.\textsuperscript{117} Yet there are both reasons speaking for and against an increasing number of expatriates in international business in the future. Tung says the increasing costs of expatriation and most host countries’ localisation policies will both reduce the number of expatriates while expatriates who manage cross-national diversity will do it on a short-term basis.\textsuperscript{118} Peter Job predicts that by year 2020 there will be less travelling, as spouses won’t give up their jobs, and more videoconferencing weakening personal links to business partners and the understanding of their mood. To see in which mood someone is it’s vital to meet him or her, you can’t see it from a videoconference.\textsuperscript{119} So the manager must carefully choose which meetings that have to be face to face and which ones that could be done by video conference.\textsuperscript{120} The local workforce will become more vital to the company if there are fewer expatriates. So, as MNCs try to reduce costs and put more emphasis on adaptation and localisation as a strategic answer to the highly competitive global market the role of the indigenous workforce will be strengthened\textsuperscript{121} since they will now to a larger extent run the subsidiaries.


\textsuperscript{119} Interview with Peter Job, chief executive of Reuters Holdings plc in Marx, Elisabeth, Breaking through Culture Shock – what you need to succeed in international business, p 193, 2001, Nicholas Brealey Publishing, London

\textsuperscript{120} Marx, Elisabeth, Breaking through Culture Shock – what you need to succeed in international business, p 195, 2001, Nicholas Brealey Publishing, London

Environmental considerations could be another reason where travelling might be reduced but such a change would then have to break with a trend of expanding global travelling which could be hard to achieve.

Yet globalization and the increasing business internationalization in general and the need to have international experience to reach top management posts speak for an increasing amount of expatriates in the future. One possible trend could be that companies that for a long time have used expatriates tend to do so a little less to cut costs, just as they cut the total number of employees in the company but since more and more companies work internationally the number of expatriates could still increase. In line with this Mayrhofer and Brewster say that at least for Europe there will be more – not fewer – expatriates in the future where the growth comes from companies that haven’t operated internationally before – mostly small firms but also some bigger national companies.\textsuperscript{122} An indication of a rising number of expatriates in the future comes from the Dutch based communication company Expatica, focusing on information to and about expatriates in Europe, saying that according to a study conducted by ORC Worldwide, called “2004 Worldwide Survey of International Assignment Practices and Policies”, the number of expatriates worldwide has increased from year 2002 to year 2004 in all their measured regions - which were the Americas, Europe and Middle East, Japan and Asia-Pacific - (the number of survey informants rose by 12 % during that period) and Geoffrey W. Latta at ORC Worldwide says even though many observers have predicted a decrease since expatriates are costly the increasing globalisation of companies force them to move more staff internationally. The number of assignees has increased whereas the assignment length has shortened and Latta says that to many of the typical barriers of expatriate assignment an ideal solution is short-term assignments as the family usually stays at home (in 79 percent of the cases) and that eliminates the problems due to the spouse’s career and schooling for children.\textsuperscript{123} Regarding the big Swedish based MNCs he has as customers Anders Hovemyr at SAS Cultural Services in May 2007 said he sees a downward trend with fewer expatriates where the local competence of the subsidiaries have changed the expatriate mission from doing a specific and specialized job to a transfer of company culture etc.

\textsuperscript{123} http://www.expatica.com/actual/article.asp?subchannel_id=201&story_id=16783
1.7 Previous studies on the role of language in international business

I will here present a summary of articles, reports and books on the role of language in international business studies which are relevant for this thesis. A more comprehensive presentation of the content in this literature is given in appendix one while even more of it and also additional literature is found in the much more differentiated chapter on theory - where different aspects of language are discussed - and in this introductory chapter. To clearly show the field’s knowledge development the year of the study comes in brackets in this section and also in footnotes. To give a structured overview of the field the section is divided into early articles, articles on internal or external company communication, on merger communication, on the English language dominance and then finally reports and books on business language. There is a stress on researchers in management studies.

1.7.1 Early articles on language with external company communication focus

There has not been so much written about language in international business studies. Two early articles in the 1970-ies by Honig and Brod\(^\text{124}\) (1974) and Mauser\(^\text{125}\) (1977) take an American viewpoint discussing the benefits of language skills in company external communication. Johansson and Wiedersheim-Paul\(^\text{126}\) (1975) present the psychic distance including factors like language, culture, education and industrial development levels and political system - disturbing or preventing information flows between firm and market.

1.7.2 Articles with an internal company communication focus

Much of what has been written on language in international business is about internal company communication. Marschan et al.\(^\text{127}\) (1997) write about language nodes, the need for a company language in horizontal communication and that poor language skills could impede integration and the need to appoint a company language officer and language audits evaluating the employee’s language competence. Marschan-Piekari et al.\(^\text{128}\) (1999) write about adopting a common company language and in another


article (1999) about the language as barrier or facilitator and a power instrument creating shadow structures being parallel to the official company structure. Charles stresses (1999) that we must distinguish language errors from communication errors while Charles and Marschan-Piekkari (2002) found that English as a company language doesn’t solve all communication problem, notably not when the company has many subsidiaries in non-English speaking countries where three measures to improve the English language skills in a company is to position language skilled personnel better where their skills are needed the most, employ language skilled individuals and organise language training for those who need it. Domke-Damonte (2001) sees a need for better local communication skills due to increasing FDI and four reasons to develop better skills in language which are new media requiring fast responses in different languages, more horizontal communication in organisations, more international trade with colleagues and a need for successful foreign assignments. Welch et al. (2001) found (2001) that a common corporate language could prevent communication, information flows and knowledge transfer and in (2005) they found that though it could enable control and coordination it may also lead to translation problems and social exclusion due to poor language skills. About international knowledge transfer in MNCs Welch and Welch (2008) unbundled language from the cultural box and discuss seven factors – cost, teams, transfer medium, trust, networks, staff movements and motivation - that all are influenced by language.

Feely and Harzing (2003) see three dimensions of the language barrier where the first is the language diversity - the number of languages needed, the second is the language penetration – the number of functions and levels in each function which use foreign languages and the third is the language sophistication giving the knowledge depth needed in the language. They say

130 Charles, M., Developing the Conference Theme (Business through Language and Communication) and Tracks, Business Communication Quarterly, 62:4, December 1999, pp. 105-108
the language barrier damages relationships and creates many other problems and the idea that one language (English) fits all is incorrect – on the contrary, several other languages and thus multilingualism will be needed in the future. Studying Finnish and Chinese subsidiaries Barner-Rasmussen and Björkman (2005) found that e-mail and telephone conversations upheld contacts while face-to-face communication and language skills were most vital when explaining complex issues and language skills were also vital for telephone conversations. Kassis-Hendersson (2005) found that language builds trust and influences team-building and the members in multi-lingual teams use expressive and interpretation mechanism from their mother tongue though they speak in English as it is the common corporate language turning the common language into an illusion and language diversity has two potential negative consequences where the first is lack of language competence due to mistakes, fast speed of speech and lack of vocabulary while the second is lack of sociolinguistic or communication skills like misunderstandings and ambiguity caused by the listener interpreting things in a way to meet his or her own expectations. Zander (2005) found that Westerners speaking the same or similar languages have similar preferences on leadership in empowering, coaching and supervising but not regarding communication style in terms of speaking or being silent, disclosing personal information about oneself and praising of one-self.

Luo and Shankar (2006) discuss the need for a strategically decided global language design for the communication between the head office and the subsidiary to face the demands on a MNC regarding integration, coordination and expansion. Bürger et al. (2006) stress the need for friendly communication, particularly to use the local language Czech when thanking somebody in The Czech Republic. In a study Fredriksson et al. (2006) found that Siemens is a true multilingual company despite attempts by top management to make it monolingual or bilingual. Brett et al.

143 Brett, J., Behfar, K., & Kern, M.C., Managing multicultural teams, pp. 1-8, November 2006, Harvard Business Review
(2006) see four barriers for multicultural teams and they are accents and fluency problems, differences in direct and indirect communication, different norms when making decisions and different views on authority and hierarchies. Harzing and Feely\textsuperscript{144} (2008) stress the need for good skills in the common company language for parent company managers while the language barrier due to subsidiary staff’s insufficient language skills could lead to avoidance strategies hampering the development and expansion of the company. Also Nekvapil and Sherman\textsuperscript{145} (2009) discuss avoidance strategies where local employees avoid face-to-face communication whereas Western expatriates in The Czech Republic and Hungary seldom learn the local language while the local staff due to power relations are expected to learn a Western language and the authors claim the subsidiary could have foreign customers wanting to speak their mother tongue making the common company language inadequate.

1.7.3 Articles with an external company communication focus
So several aspects of internal company communication have been studied but to survive a company must handle its external communication well. Swift\textsuperscript{146} (1991) sees two levels of the language barrier which are the literal understanding of words and the interpretation ability of the country and market culture where market closeness – a psychological proximity to the market - is obtained by sharing the market’s culture and its language while it’s risky to rely on language intermediaries like agents. Crick\textsuperscript{147} (1999) warns for translation sabotages and a firm’s survival may in severe cases hang on its language skills. Cohen\textsuperscript{148} (2000) discusses the problems in international negotiations when corresponding words in two languages have different connotations stressing the mother tongue’s impact on ideas, concepts and logic when non-native English speakers negotiate in English. Andersen and Rasmussen\textsuperscript{149} (2004) found that underinvestment in communication and language skills could lead to lower market shares and they distinguish between core communication that is general developing the company and building relationships while functional communication is more technical and limited enabling people with almost no language skills to

\textsuperscript{147} Crick, D., \textit{An investigation into SMEs’ use of languages in their export operations}, pp. 19-31, Vol. 5, No. 1, 1999
\textsuperscript{149} Andersen, H., & Rasmussen, E.S, \textit{The role of language skills in corporate communication}, pp. 231-242, Corporate communications, Vol. 9, No. 3, 2004, Emerald Group, Publishing Limited
communicate. Leslie and Russel\textsuperscript{150} (2006) found that foreign language skills provide an added value in business in general and notably in face-to-face communication as in the tourism sector where British firms due to lack of foreign language skills are in difficulty compared to their competitors in continental Europe. Selmer\textsuperscript{151} (2006) found that good Chinese language skills help expatriates in China as customers in a growing trend could require the negotiations to be held completely in Chinese and if a company opts for a common company language the language barrier to customers, suppliers and government agencies remains. Lavric and Bäck\textsuperscript{152} (2009) concluded that in terms of business success it pays off to use Romance languages – usually the customer’s native tongue – when selling to Romance-speaking markets as there is often an asymmetric power balance where the seller has to use the language of the buyer. They also found that it is hard to measure the usefulness of language skills while the costs to obtain them are much easier to calculate and this risks to cut down investments in language competence.

1.7.4 Articles on communication in joint ventures and mergers
These were some findings from effects in external company communication and now we turn to communication in international joint ventures and mergers. Studying four CEE countries Villinger\textsuperscript{153} (1996) found that no Western expatriates learned the local language where the greatest barrier to successful learning was lack of language skills followed by lack of cultural understanding so more emphasis on language and cultural skills are needed in the selection of expatriates. In a study on a Swedish-Finnish Bank-Merger Piekkari et al.\textsuperscript{154} (2005) found that introducing Swedish as a common company language could be disintegrative and cause isolation, exclusion, inclusion and feelings of us and them while on the same merger Vaara et al.\textsuperscript{155} (2005) found that the choice of company language had power effects creating domination and colonial relationships where the replacement of Swedish by English was a relief to many Finns. Studying four firms in

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\textsuperscript{153} Villinger, R., *Post-acquisition Managerial Learning in Central East Europe*, Organization Studies, 1996, 17/2, pp. 181-206


China Buckley et al.\textsuperscript{156} (2005) found that cross-border knowledge transfer depends on a common language needed for communication and shared social knowledge to understand the persons in the knowledge-transfer process and sharing of tacit knowledge is easier for persons from the same national culture. Studying Swedish manufacturing firms in CEE in 20 strategic alliances Hyder and Abraha\textsuperscript{157} (2008) found that in fast adapting states such as Poland and Hungary the language barrier was successfully solved by language learning while for the slow adapter Russia the language barrier impeded direct communication with the customers. Now we proceed with articles on general business language features.

\textbf{1.7.5 Articles on general characteristics of business language}

Ferraro\textsuperscript{158} (1996) claims success in international business takes effective communication and understanding a business partner’s language gives vital cultural insights as language reflects the basic value structure of a culture and by learning it one can gain trust and respect while by speaking the local language you may win the contract. Still Jordan and Cartwright\textsuperscript{159} (1998) found that in English speaking countries there is poor understanding of the usefulness of language competence in daily business activities and negotiations as it helps to grasp the local culture but they claim that linguistic skill is a core expatriate competence. Babcock and Du-Babcock\textsuperscript{160} (2001) developed a model with eight language-based zones of communication in international business and they say the languages that international business communicators speak and their communicative skills – as full bilinguals, partial bilinguals or unilinguals – influences interpersonal and organisational communication. Studying last year business students in 16 European countries Harzing\textsuperscript{161} (2004) found that speaking the host country tongue significantly increases the probability that students would like to live in that country while in comparison students from CEE are less willing to speak English instead of their mother tongue or work

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\item \textsuperscript{156} Buckley, P.J., Carter, M.J., Clegg, J., & Tan, H., \textit{Language and Social Knowledge in Foreign-Knowledge Transfer to China}, International Studies of Management & Organization, Vol. 35, No. 1, Spring 2005, pp. 47-65
\item \textsuperscript{158} Ferraro, G., P., \textit{The Need For Linguistic Proficiency in Global Business}, Business Horizons, May-June 1996, pp. 39-46
\item \textsuperscript{161} Harzing, A.W., Ideal jobs and international student mobility in the enlarged European Union, pp. 693-703, Vol. 22, No. 6, 2004, European Management Journal
\end{itemize}
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internationally. Uber Grosse\textsuperscript{162} (2004) found that over 80\% or the international management alumni who had studied foreign tongues for two years had benefited from their language and cultural skills in their job and the better the skills the higher the company reward and recognition. Knowles\textsuperscript{163} (2006) found that for decision-makers in fruitfully internationalised British SMEs the combination of foreign language skills, intercultural skills, experience and an international mindset made these SMEs successful. The influence of language could be stronger than the one of citizenship and Tung\textsuperscript{164} (2008) claim the similarities between Canadian Anglophones and Americans may be stronger than the similarities between English-speaking and French-speaking Canadians. Faure and Fang\textsuperscript{165} (2008) say the mentality structure relies on language and the Chinese language - having a script strongly differing from Western ones - creates a gap in the cognitive processes of Chinese and Western people. Blenkinsopp and Shademan-Pajouh\textsuperscript{166} (2010) discuss untranslatable words in business where there either isn’t a corresponding word in the target language or there is a word but then its connotations and cultural salience are lost in translation so whether an interpreter translates or explains an untranslatable word depends on if his or her professional status in the customer’s eyes will benefit from it or not. We now look at some consequences of the international dominance of the English language.

1.7.6 Articles on the international dominance of the English language
Phillipson\textsuperscript{167} (2006) discusses the threat to other languages in the ever stronger role for English in European higher education – which favours English native speakers – as the Bologna process strengthens the position of English as does the internationalisation process the UK economy gains over ten billion GBP directly and just as much indirectly annually as the English-language industry receives over half a million people in UK and he refers to Grin\textsuperscript{168} who estimated that the UK and Ireland gain at least 10 billion GBP

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\item Grin, P., L’enseignement des langues étrangères comme politique publique, in Rapport au Haut Conseil de l’évaluation de l’école 19 (2005), Jan 2006, in Phillipson, R., English, a cuckoo in the European
\end{enumerate}
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yearly from English dominance due to privileged market effects with higher legitimacy and rhetoric skills and savings in language learning, communication and alternative human capital investment. Phillipson (2006) sees the Englishisation of Europe where scholars tend to read just one foreign language, English, rather than many and discusses English as lingua franca and its different roles saying Sweden has done more than in any other European state to explore if English threatens the national language Swedish and the official goal is to maintain Swedish as the primary language for all in Sweden. Phillipson (2007) says in continental Europe English serves many purposes that fit globalisation where English ever more is the first corporate language, learned globally and intrude into hitherto unchallenged domains of other European languages such as education, business and media while the American dominance in entertainment is huge. Demont-Heinrich (2007) says in the USA English monolingualism in their elite could potentially threaten their national security and economic competitiveness. Phillipson (2008) sees the expansion of the English as a neoimperial language in continental Europe being due to globalisation and European integration serving US and UK interests and promoting capitalism by a talking about democracy, free market and freedom and he emphasises the Americanisation of mindsets and consumer patterns in Europe in an economical, technological and material expansion with electronic and mental control via popular culture, advertising and political and scientific networks. Phillipson (2008) sees a global Americanisation and Europeanisation process where English is used as a lingua franca uncritically strengthening the English linguistic hegemony via discourses and policies and he warns for colonizing languages where states striving for internal monolingualism could eliminate linguistic diversity favouring a lingua Frankensteina leading to linguicide, the death of other languages. Demont-Heinrich (2008) presents some benefits of the English hegemony such as popular choice, global unity, equality, progress


Phillipson, R., Lingua franca or lingua Frankensteina? English in European integration and globalisation, Vol. 27, No. 2, pp. 250-267, 2008, World English

and universal inclusion and drawbacks such as persistent linguistic imposition, directed choice, dominance, conformism, linguistic hierarchy, privilege and exclusion.

1.7.7 Reports on the role of language in international business

There are also some interesting reports on language in international business. In a survey on MNCs by CILT\textsuperscript{175} (2007) – it was found that language skills give a competitive edge both to the company and to the individual regarding recruitment and career chances while the importance of Chinese, Arabic and Spanish will be increasingly vital in international business. Marsh et al.\textsuperscript{176} (2009) argue multilingualism may bring many business relevant spin-off effects increasing creativity and enhance learning, conceptualisation skills, flexible and abstract thinking, ability to see reality from different perspectives, problem solving capacity, metalinguistic awareness - reading between the lines\textsuperscript{177}, interpersonal ability to communicate, multitasking ability and it may reduce age-related mental decline.

The ELAN-study\textsuperscript{178} (2006) found that conservatively estimated SMEs in EU annually lose 102 billion Euro due to lack of foreign language skills where 11% of SMEs lose business because of lack of language skills while 4% do it because of poor cultural skills, particularly many SMEs did so in the Nordic countries where Sweden is linguistically complacent thinking English is the only foreign language one needs to know while German, French, Spanish, Russian and Polish are all useful. A company that hasn’t done any language investments hitherto could increase their sales by 44.5% making the four investments of employing language skilled individuals, having a language strategy, using translators and employing native speakers while using agents doesn’t help. To improve the situation more language teaching in school and language training in companies could help. MNCs have better possibilities to employ language skilled personnel then SMEs.

\textsuperscript{175} CILT - The national centre for languages, \textit{Talking sense: A research study of language skills management in major companies}, pp. 2-50, 2007, CILT - The national centre for languages, London, UK

\textsuperscript{176} Marsh, D, Hill, C. & Many researchers and country experts covering EU-27 plus Norway and Turkey, \textit{Study on Contribution of multilingualism to creativity – Final report}, 2009, European Commission, Brussels. This footnote covers the entire paragraph apart from the line after the hyphens that have the two individual footnotes.

\textsuperscript{177} Marsh, D, Hill, C. & Many researchers and country experts covering EU-27 plus Norway and Turkey, \textit{Study on Contribution of multilingualism to creativity – Executive summary}, p. 4, 2009, European Commission, Brussels

\textsuperscript{178} CILT, the National Centre for Languages, \textit{ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise}, December 2006, London
1.7.8 Books on the role of language in international business
There are few books on language in international business but Holden (2002) says a common company language is a symbol for a shared company culture and he says the management language in cross-cultural knowledge transfer is a descriptor, a facilitator and a repository and he stresses the lack of studies on language in business journals. Tietze (2008) says that more than other professional groups managers need excellent language competence as it is a core skill being vital for their professional identity, credibility and status and in the making of managers via education and training. She says English as a common company language facilitates mutual understanding, knowledge exchange and creativity but the English language is a powerful globalisation tool that reproduces ideologies and worldviews making them seem natural and normal. As the book partly is an anthology Holden and Tansley say managers are created by their own language and make great things with language while Holden, Kuznetsova and Fink say that language barriers divide societies and worldviews and Russia still hasn’t internalized the market economy language as there are vocabulary voids but Russia and other former plan economies in CEE could be helped by a standardization of management vocabulary.

1.8 Foreign language competence neglected in international business
Although there are some articles on the use of foreign languages in international business as just shown in the previous section and also a few little older ones such as Johanson and Wiedersheim-Paul (1975) dealing with the psychic distance – where language is one factor – impeding flows of information between the firm and the market and Mauser (1977) in an article discussing the need for American business people to speak foreign tongues in international business - they are quite few compared to how much is written in other fields of management studies. Scholars from this field say foreign tongues have long been neglected both in companies’ daily operations and strategy and in management literature on international business (Marschan et al. 1997, Welch et al. 2005) and Selmer says the influence language has on international business is an under-researched area. Marschan et al. claim it has long been accepted and recognized that foreign languages are of importance in international business and for the

companies’ ability to function on the international arena in areas such as international marketing, international management, internationalisation as well as cross-cultural communication. Yet they say the research on language in international business operations has almost disappeared where the need for language skills and fluency is not considered in broader communication literature. The immensity of what has been neglected in management studies emerges as Holden sees language as the lost continent of management when he discusses the lack of studies on language in a business setting despite its crucial importance in business life where the performance and career of a manager depends on how he or she uses language. Welch et al. say language is in a sense almost international business’ essence and still they find its role relatively ignored in MNCs. Feely and Harzing say the weight of language as a management issue is underestimated by MNCs. Charles and Marschan-Piekkari claim there are few studies with a focus on foreign language skills and how they may enhance communication in the MNC environment. Janssens et al. argue research on language in international business is a new research area with few studies on the role and impact of language in international organizations. Piekkari et al. say it is decisively important to inform and communicate with the personnel in a merger and take good care of them to make the merger successful but there isn’t much research on communication competence and language issues in international mergers. Vaara et al. say in studies on organisation and management there has been little attention on natural languages which is unfortunate as in organisations natural languages are the fundamental communication means and a basis for creation of knowledge as well as symbols and signifiers of national and ethnic culture and identity. Kassis Henderson says only little focus has been on language diversity in management literature overlooking the importance of language only treating

it generally as an element of culture.\textsuperscript{191} Marschan-Piekkari et al. say in research on global MNCs the language role is often ignored.\textsuperscript{192} Yet there has been some change and Piekkari et al. say in organizational research language has mostly been dealt with as a pragmatic problem when increasing the effectiveness of the organization and not so much as a communication medium and recently the role of language in internal communication in MNCs has been studied more.\textsuperscript{193} Recently more management articles have come on the weight of foreign language skills in international business in studies often covering Western Europe, North America and native-English speaking countries, some Asian countries – particularly Japan, China and to some extent South Korea – and also Latin America. There haven’t been many studies covering languages in international business in CEE. One exception is a study on Central Europe on Poland, The Czech Republic, Slovakia and Hungary where Villinger found no Western expatriates spoke the local language and the lack of language and cultural skills was a big problem in individual learning for both Western and Eastern top managers.\textsuperscript{194}

Criticising the lack of management studies on language and pointing at some risks with it Holden and Tansley say only few English-speaking management scholars are interested in the role of language in management and this is related to the general monoglottism in management scholarship in the USA and the UK and this disinterest leads to intellectual impoverishment of management studies. They say the English speaking world’s linguistically induced ethnocentrism is the biggest obstacle to an intellectual development of studies on international management where English is a blind spot and intellectual comfort zone that doesn’t bring management knowledge and enlightenment in former socialist countries but causes constant confusion acting as a filter or a distorting mirror.\textsuperscript{195} Thus these ideas call for studies using also other languages than English to be performed on the role and importance of language in business life in former plan economies in CEE.

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Despite the scarce attention to language competence from researchers and managers other influential actors on the international arena put more stress on foreign languages showing a political dimension of them. The crucial importance of foreign language skills in Europe is reflected in the European Commission appointing a commissioner for multilingualism from the first of January 2007 and in the goal of the Barcelona European Council in 2002 that called for teaching children the mother tongue plus at least two foreign languages from a very early age\textsuperscript{196} and the first member of the European Commission having the multilingualism portfolio was Leonard Orban, a Romanian speaking four languages.\textsuperscript{197} The vital role of intercultural communication is stressed by The European Commission which appointed year 2008 to be the year of intercultural dialogue. Furthermore there are three main objectives in the mandate of the commissioner for multilingualism and the first one is contribution to competitiveness, growth and better jobs, the second objective is promoting lifelong learning and intercultural dialogue and the third is nurturing a space for European political dialogue through multilingual communication with EU citizens.\textsuperscript{198} These objectives clearly show a strong connection between business and multilingualism.

In the theoretical chapter a short summary of previous research on language in international business is given where some studies are mostly theoretical while others are more empirical - often on internal communication in MNCs - and a few focus on the external customer communication and many are qualitative while some are quantitative. Yet none of them use my method of learning the local language to understand the local culture in several countries but some might know it before the study. Regarding the different areas this thesis’ empirical and analytical parts will mainly deal with language characteristics as well as internal and external company communication though some of the other fields will also be dealt with.

There could be various reasons for why some phenomena haven’t been studied before. In this case one reason is - as shown here above – that the usage of language in international business hasn’t been studied so extensively which in turn partly seems to be a consequence of the massive Anglo-American dominance in business studies and yet another reason is that it is hard - in terms of much time needed, resources, motivation as well

\textsuperscript{197} Commissioners in the European Commission found on internet under: http://ec.europa.eu/commission_barroso/orban/profile/profile_en.htm#
\textsuperscript{198} A political agenda for multilingualism, MEMO/07/80, p. 1-3, 2007-02-23, European Commission, Brussels
as the required intellectual effort and talent and also the social and family situation - to perform the kind of study that I have done starting from scratch trying to learn another culture through learning its language in six countries and improve such knowledge in a seventh country. It takes much curiosity, humility, patience and perseverance to restart from zero time and time again. One may ask if the reason for it is that it isn’t a relevant or interesting problem to study yet the big economic losses due to lack of language skills – and also cultural skills – that some studies in the field have indicated contradicts that argument. Thus few studies, English dominance, and various difficulties to perform such a study seem to be the major reasons for the knowledge gap that this study addresses.

Though I haven’t seen this approach - where a scholar tries to understand another culture by learning its language doing it in five countries in one study to obtain a holistic view - within the field of business administration studies using such an approach could be found in other scientific disciplines. Veselinova claims that in linguistics – particularly in field linguistics – researchers often learn the local language to understand the local culture and its people. Such multi-linguistic studies may also be performed in field-linguistics – particularly if the languages belong to the same language group. Also in anthropology scholars may learn the local language to obtain a deeper understanding of the culture they study. There are differences though as the linguist describes, explains and documents the language coming up with its grammatical rules and other characteristics – the studied language is often a small one in a remote area and may not be previously described or documented – while the anthropologist focuses on analysing and describing the culture. Thus the linguists usually have a much deeper aim regarding understanding the language than I have in my study and that anthropologists often have. On the speaking ability in the local language Crowley says anthropologists are often clearly more modest than linguists yet a field anthropologist has to be a part-linguist while a field linguist has to be a part-anthropologist. Performing a multi-site study in different countries with different mother tongues could make it harder to learn the local languages for an anthropologist. Discussing ethnographic multi-site studies the anthropologist Ulf Hannerz says the time limit makes multi-site studies more dependent on interviews – which a scholar often only is able to perform in one or two languages - than single-site studies – where he refers to Evans-Pritchard saying the ideal ethnographic study is a long-term stay in a single society where every conversation is held in the local language - and having done a multi-site study on foreign

199 Ljuba Veselinova, assistant professor in linguistics, explained in a conversation 2009-12-14
correspondents in Jerusalem, Johannesburg and Tokyo Hannerz used his native Swedish language and English - the rotating correspondents’ working language.\textsuperscript{201}

\textbf{1.9 Historical and current foreign language competence among Swedish businesspeople}

Historically Sweden has culturally and commercially been very dependent on Germany and before the Second World War German was often the first foreign language taught in school and it was followed by English as the second foreign language in school but there was also a strong French influence in Sweden and in Swedish language so earlier many Swedish business people spoke German and English rather well and some also French. After the Second World War the United States of America emerged as the globally leading political and commercial force while Germany lost influence, prestige and was split up in two states. Thus English became the first foreign language in school whereas German and French gradually fell back making more and more Swedish business people mono-linguistic in foreign languages only speaking English and this trend has been strengthened in later years. The percentage of the entire Swedish population speaking any foreign language at all - mostly English – has risen during the last fifty years though. This improvement has benefited Swedish companies because the share of the employees and managers having international contacts in their profession has increased in later years and decades, due to globalisation and the general internationalisation trend in business.

Yet the deterioration in language skills is problematic in international business requiring cultural insight and communication skills since the amount of different languages that an international business person is exposed to has grown in later years due to globalisation and new markets with their cultures and languages emerging, markets which didn’t exist in the same way earlier due to political, economic, communication and other reasons. So there is a growing linguistic diversity facing international and Swedish businesspeople. Yet in later years Swedish younger persons finishing secondary and university educations show a decline in skills in other foreign European languages – particularly in German and in French - than English although skills in Spanish have improved relatively.\textsuperscript{202} This development could probably also be explained by the above discussed increasing dominance of English in international contacts which has been

\textsuperscript{201} Hannerz, U., \textit{Being there, and there ... and there! Reflections on multi-site ethnography}, 2003, in Robben, A.C.G.M \& Sluka, J.A. (Editors), \textit{Ethnographic fieldwork – An anthropological reader}, p. 359 & 365, 2007, Blackwell Publishing , Malden, MA, USA

strengthened by Internet. Engdahl et al.\textsuperscript{203} say Swedish youngsters today face an enormous exposure to the English language in mass-media and the authors argue that there is an over-estimation and over-confidence of the importance of the English language in Sweden and although English is the mostly used second language in the world it isn’t usable everywhere and they plead for more studies of other foreign languages than English as most bilateral contacts work best by avoiding the detour of using English.\textsuperscript{204} The best way would instead be to use the mother tongue of the counter part since in that case at least one of the interlocutors has a good command of the spoken language facilitating the possibilities to find a correct and understandable word or expression for what is dealt with. The drawback would be a linguistic unbalance where one of the parties could obtain an advantage speaking his or her mother tongue. Yet the Swedes already face that problem when communicating with native English speakers so such a situation wouldn’t be an unknown one to them.

In a study on Swedish students studying abroad in Europe within the Erasmus program Berlin found students prioritise foreign experiences rather than new knowledge and Sweden and the Swedes rather turn towards the Anglo-Saxon world than to continental Europe which is indicated by a decreasing interest at Swedish universities for courses in foreign languages or courses where foreign languages is a key element. This deterioration in foreign language skills limited the possibilities to study abroad and Berlin recommend a language competence improvement via more emphasis on language education primarily in primary and secondary school helping on long term but also at universities supporting on short term.\textsuperscript{205} Engdahl et al. say the one-sided focus on English leads to a bias regarding studies abroad where in the university year 2007/2008 over 45 % of the Swedes who studied abroad did it in English-speaking countries not to mention all the Swedes who followed tuition in English in countries with other native languages.\textsuperscript{206} Lans refers to the general director of the Swedish international program office for students exchange, Ulf Melin, who says the goal is to send 3000 Swedish students abroad on the Erasmus EU program but currently it is only 2500 though Sweden yearly receives 7000 students, i.e. almost three times as many Erasmus students come to Sweden as the Swedes studying abroad in the Erasmus program. Melin says the total

\textsuperscript{203} Horace Engdahl and Peter Englund are the former and current secretary of The Swedish Academy that awards the Noble Prize in Literature
\textsuperscript{204} Engdahl, H., Englund, P., Josephson, O., Käll, O. & Lindblom, P.Å., Övertro på engelskans betydelse, p. 5 (Brännpunkt), Svenska Dagbladet, 2009-11-20
\textsuperscript{206} Engdahl, H., Englund, P., Josephson, O., Käll, O. & Lindblom, P.Å., Övertro på engelskans betydelse, p. 5 (Brännpunkt), Svenska Dagbladet, 2009-11-20
annual number of Swedish students who study abroad is 25000 but most of them study in English-speaking countries outside EU saying this trend where Swedish students study in Anglo-Saxon countries indicates the low priority of other foreign languages than English in secondary school in Sweden adding the figures are particularly low for teacher-students whereas the highest share of students who study abroad is found in technology, economics and business studies. Lans says Sweden, Great Britain and Greece have the lowest share of students studying abroad in the Erasmus program. This means only a tenth of Swedish students studying abroad do it within the EU Erasmus program whereas over 60% of the Swedish export goes to EU countries, 75% to Europe and since Norway, Iceland and Turkey participate in the Erasmus program over 70% of the Swedish export goes to Erasmus member states. This is a severe mismatch for Sweden’s future needs, notably considering the weight of geographic vicinity in international trade. The ones who will be responsible for educating Sweden’s coming generations are thus so uninterested in the rest of world. What kind of international experience, knowledge and insights will they convey to future generations?

Studying Swedish expatriates and their families Torbiörn found in 1976 that only speaking Swedish clearly dominated in the family, in private life and what the children spoke at home but no one used only Swedish at work while over two thirds spoke the local language with or without Swedish at work and this was also used in a minor scale of the children at home, in private life and to an even lower extent in the family while a third language was used with or without Swedish at work by a third of the expatriates and to a much lesser extent in private life, of the children at home and within the family. He found that over the years the local language was used more and more in the family, in private life and by the children whereas the development was the opposite for Swedish being less and less the only spoken language over the years in family, in private life and by the children. He also found that in Western Europe, Latin America and Anglo-Saxon countries the local language was usually the working language while in Asia and in the Middle East it was English and that the languages mostly spoken by the expatriates were major European ones, first and foremost English, but also Spanish, German, French, Portuguese, Dutch and Italian and the European languages other than English were used by 85% of the expatriates at work and to a lower extent in private life and even lower in the family where English was used more in both private life and in the family but still

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208 Lans, K., Sverige är sämst på att skicka studenter till EU, p. 28, 2008-05-15, Dagens Industri, Stockholm
much less than Swedish.\textsuperscript{209} The high figure of 85\% speaking a major European language other than English at work indicates that among Swedish expatriates in the 1970-ies the skills in foreign languages other than English were far better than one could expect today.

Although clearly severe in Sweden its situation is by no means unique in Europe. Phillipson discusses whether an increasingly prominent role for English in European higher education – which is fundamentally skewed in a way favoring English native speakers and where the higher education is more exposed to commercialism than basic education - is a threat to other languages as the Bologna processes enhances the position of English as does the internationalisation process which further threatens to sacrifice the free higher education principle but some Northern European countries tackle this threat of linguistic domination as Sweden has taken steps to improve competence in other foreign languages than English, in natural sciences and mathematics in secondary school while Finland and Estonia have strengthened their native languages’ role in higher education.\textsuperscript{210} It seems that the Swedish government has seen and taken precautions against the risk of being too dependent on one single foreign language and some of Sweden’s neighbouring states have also done it strengthening the native language’s position at their universities.

An example of the decreasing interest in learning foreign languages is that Södertörn’s University Collage located in the south of Stockholm has had to cancel and close down all foreign language courses except for English by the autumn semester of 2006 which is remarkable since that university college is profiled both towards multiculturalism, where language is a key element, and the countries around the Baltic sea where major languages such as German and Russian and a big regional language as Polish are spoken but French, German, Spanish, Russian and Polish were all closed down due to too few students and the university college having to save 25 million SEK.\textsuperscript{211} Yet, many persons were unhappy about closing down these language courses whose students were coveted among Swedish companies. In business there is a demand for people having language skills indicated by a combined university education - called language-culture-market at Södertörn’s University College. The education earlier had three to four semesters of business administration, one semester of ethnology and three

\textsuperscript{209} Torbiörn, I., \textit{Att leva utomlands – En studie av utlandssvenskars anpassning, trivsel och levnadsvanor}, SNS, p. 201-206, 1976, Stockholm
\textsuperscript{211} Eliasson, P.O., \textit{Södertörn lägger ned utbildningar i fem språk}, 2005, SULF, found on Internet under: \url{http://www.sulf.se/templates/CopyrightPage.aspx?id=2602}
foreign language semesters\textsuperscript{212}, either German, French, Spanish, Russian or Polish where there is a focus on business applicable language skills which often also is the primary reason for 90\% of the students receiving a job within a year after graduation – 30\% became employed before finishing the education, another 49\% within half a year after graduation and then 11\% between half a year and a year after graduation – where many graduates and students who still studied there have witnessed how easy it was to obtain a job and an employment.\textsuperscript{213} Combining foreign language skills other than English with a specialty like business administration is valued on the market. And it is also needed.

The urgent need for better foreign language skills among Swedish SMEs and their serious competitive disadvantage compared to SMEs from some other European countries becomes obvious when we look at the following study. In a study based on national and international data bases and covering SMEs in Sweden, Germany, France and Denmark Ingela Bel Habib\textsuperscript{214} found that Swedish SMEs use fewer market languages – mostly English and some German and French and thereby just three market languages – while Danish and German SMEs use up to twelve market languages and French up to eight ones whereas companies in Poland, Ireland and Portugal use up to eight to twelve market languages and this multi-linguistic usage improves their chances to obtain access to emerging markets strengthening the development of their export while Swedish SMEs are much more confined to the Nordic countries and thereby more vulnerable. She writes that the share of the SMEs which have a multi-linguistic export strategy is 68\% in Denmark, 63\% in Germany and 40\% in France but just 27\% in Sweden. As a result 20\% of the Swedish SMEs lose export contracts due to the language barrier while the corresponding losses are 4\% in Denmark, 8\% in Germany and 13\% in France, i.e. much lower shares than the Swedish losses. Specifically comparing Sweden and Denmark she found that while 86\% of the Swedish SMEs use English, 25\% German and 14\% French the corresponding figures for Danish SMEs were that 95\% of SMEs use English, 80\% German and 32\% French and furthermore 51\% of the Danish MSEs use Nordic languages, 19\% Spanish, 10\% Russian, 10\%

\textsuperscript{212} Since mid-2007 the education has changed holding only two semesters of foreign languages, one of ethnology and three to five of business administration. Moreover, Arabic has replaced Polish as one of the languages. Found on Inter under: http://webappl.web.sh.se/C1256C93006BD8E9/tmt.view/5BF7C87659F55FA2C1256DCF00495E0D?open
\textsuperscript{214} Ingela Bel Habib’s study was first published in form of a short article on Internet 2010-05-15 and not in its entire form and I immediately referred to it in my study where the underlying and full study wasn’t available but I spoke to her on the phone 2010-05-16 and she confirmed that some of the figures came from the ELAN-study
Chinese, 4 % Arabic, 4 % Polish, 3 % Portuguese and 2 % Italian showing the Danish SMEs are much more language competent than the Swedish SMEs. Her study shows that SMEs increasingly use the local language when establishing themselves on emerging markets and the languages she analyses are English, German, French, Spanish, Italian, Russian, Polish and Chinese. She says there is a relation between import/export and an increase in employment so an export increase SMEs export could significantly increase the employment in Sweden.\textsuperscript{215} She found many of the key figures mentioned here in the earlier discussed ELAN-report.

Germany is now Sweden’s biggest trading partner and therefore highly important for both import and export.\textsuperscript{216} Statistics for year 2007 show Germany received 10.4 % of the Swedish product export - almost as much as North America and Latin America combined (10.8 %) and more than the whole of Asia (9.7 %).\textsuperscript{217} German and English are the two leading Western foreign languages in CEE and German is often the most important one being vital for Swedish companies doing business in CEE where Russian and sometimes French could be useful.

On an overarching European level the importance of Germany is clearly visible where Kutschker and Schmid show that for the great majority of EU member states Germany is the most important trade partner both regarding import and export.\textsuperscript{218} This emphasises and explains the central role the German language has in European business life.

Considering thus that German is a far more important language in international business than Swedish there is a remarkable unbalance between the number of university students studying Swedish in Germany and German in Sweden. Kirsch says there are 4000 students studying Swedish, language number 89 in the world in terms of native speakers, at altogether 25 universities in Germany whereas there are only about 1300 full-time students studying German – according to Kirsch the 10th most

\begin{thebibliography}{99}
\bibitem{215} Bel Habib, I, \textit{Unik studie: Flerspråkighet ger exportfördelar}, Published on Internet 2010-05-15 under: \url{http://www.newsmill.se/artikel/2010/05/15/unik-studie-flersprakighet-ger-exportfordelar}
\bibitem{216} Statistics from the Swedish Trade Council, \textit{Swedish Export 2006, 2007}, Stockholm, found on Internet under: \url{http://www.swedishtrade.se/exportinformation/DocFile/xportstatistics_2006_0437132c-18e2-41b3-92a5-5ebc3dbd90d0.pdf}. For the year 2009 Norway with 10.6 % of the Swedish export just passed Germany having 10.2 % as Sweden’s biggest export market while the import share from Germany was 17.9 % and 9.0 % from Norway for 2009 confirming that Germany is Sweden’s biggest overall trading partner according to statistics from the Swedish Export Council for year 2009.
\end{thebibliography}
spoken language in the world in terms of native speakers – in Sweden.\textsuperscript{219} We see that there are about three times as many students studying Swedish in Germany than the ones who study German full-time in Sweden. Kirsch doesn’t say if the 4000 students who study Swedish in Germany are full-time students and that could affect the relation but considering the relative importance as business language the figures are alarming for Sweden and Swedish companies. Putting these figures into perspective Germany is the biggest export market and import supplier for Sweden whereas Sweden is not among the top ten for Germany neither as export market nor as import supplier.\textsuperscript{220} Although lower than earlier we should consider that the proportion of Swedish pupils studying German at school is probably much higher than the one of German school pupils studying Swedish. This is important since it certainly is the most common way Swedish business people have learnt German.

The ELAN-study found that Sweden – together with Portugal and France - have become complacent about their language skills and three out of five influencers – persons such as entrepreneurs, academics, political and civil servants and representatives of business organizations or language training schools - said Sweden relies too heavily on English and two of them argued that by improving language skills Sweden could increase trade up to 50\% – the third thought even more than that and overall 60\% of influencers in all countries of the study thought there was too much emphasis on English and in their own country a need for expansion of knowledge in other languages – particularly regarding aspirations of expansion on export markets.\textsuperscript{221} Thus, insufficient language skills seem to be a widespread problem that is particularly severe in Sweden. Kirsch refers to the state Swedish Television informing about the EU European barometer for languages saying in the European Union on average 50\% of the population wants to learn a third language while in Sweden only 27\% wants to do it and that is the lowest figure in the entire EU.\textsuperscript{222} So on average every second citizen living in a EU country wants to learn a third language which is double as much as for Sweden where only every forth citizen wants to learn it. This low ambition is alarming for a small and scarcely populated but deeply export dependent high technology country situated in the periphery of Europe. Adding a lack of communication skills to the cold climate and the distant geographical

\textsuperscript{220} Deutsch-Iranische Industrie- und Handelskammer, 2008-02-21, Teheran. Found on Internet under: \url{http://iran.ahk.de/index.php?id=441}
\textsuperscript{221} CILT, the National Centre for Languages, \textit{ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise}, p. 38-39, December 2006, London
position could be hard for Swedish companies. This linguistic limitation holds a cultural one preventing coming Swedish businesspeople from enriching cultural insights which in turn may harm the internationalisation and the globalisation of Swedish companies hampering Swedish economy. The expatriate’s local language skills could give a decisive competitive edge ahead of his competitors in international business. So both a company language and the expatriate learning the local language helping each other might be needed for efficiency, understanding, mutual respect and goodwill.

1.10 An official company language
Globalisation and the increasing usage of electronic communication tools, like e-mails, Internet, Intranet within the company and also mobile phones - have probably put more emphasis on learning and speaking a common company language, mostly English, which facilitates internal oral communication, reading and writing documents. A higher working tempo in international business probably boosts using a common company language.

Tackling communication barriers in international business many MNCs try to improve the internal intercultural communication by choosing an official company language. This is no universally satisfactorily solution to the intercultural communication problem and Marschan et al. show language standardisation in form of a common company language does not ensure a meaningful communication and their study of the Finnish MNC Kone showed that only at the top management level the company language functioned well enough.223 In particular an official company language probably only partly improves the expatriates understanding of the local culture and business opportunities, talking with local employees becomes easier and more fruitful, but understanding people in the surrounding society and in the business environment and context could still be difficult as the expatriate won’t win the respect and goodwill of speaking the local tongue.

1.11 The geographic area and choice of countries in this study

1.11.1 Heritage of planned economy in Eastern and Central Europe
When communism fell in Central and Eastern Europe in 1989-1991 – the Berlin wall fell in 1989 and so did the communist regimes in all the European satellite states becoming independent and the Soviet Union was dissolved in 1991 - new markets and opportunities opened up to Western companies to establish themselves in these countries, both as sales companies and as production companies. These countries had experienced

between 41 to 74 years of communism, planned command economy, management and ways of running business very different from what is usual in a market economy. Managers and people there had little, if any, experience from how to run a company in a market economy. This heritage marked the business environment and atmosphere in these new emerging markets setting the context for Western companies that established themselves there. A similar but still slightly different case was Yugoslavia that began its dissolution in 1991 but before in a socialist political system had companies – self-managed by the employees and not by the state as in other CEE communist countries - that exported to the West and where people had the right and the possibilities to travel to Western countries. This gave them experience from the Western world and how to compete in a market economy.

Western Europe has had market economy for centuries although there were many state owned companies there. A major privatisation wave began in the UK under Margaret Thatcher in the 1980-ies and then spread to other Western European countries including Sweden which has seen many privatisations over the last two decades. However the situation was different in Western Europe than the one in CEE. After communism’s fall in CEE many companies were privatised there, a market economy had to be built up and there was not so much financial or legal expertise to handle the privatisation as in the West. In Western Europe the companies to be privatised had worked in a competitive environment, though perhaps not in their own field of business, a well working financial and banking system was in place, as were financial and legal experts and there was a functioning market economy. An enormous difference was that people in CEE lived under communist dictatorship including planned economy, censorship, a huge secret police surveying system and lack of international contacts with the free world. In the West people lived in democracies with freedom of speech and other crucial human rights.

1.11.2 Emerging markets in CEE showed strong growth but economic crisis is hard
Emerging markets provide many possibilities for new business and Peter Stein argues Swedish companies – hitherto having underestimated the potential on emerging markets – must position themselves better on these markets where language, business culture and institutions are different from

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224 Nationalencyklopedin, Found on Internet under: http://www.ne.se/lang/jugoslavien/217805/?_whole_article=true
225 Telia, Nordbanken (now Nordea) and Pharmacia (then Pharmacia Upjohn and later Pfizer), Assi-Domän and Vin & Sprit AB are examples of Swedish state-owned companies that have been partly privatised, and in some cases merged with foreign companies, from 1993 and onwards, i.e. during the last 17 years.

87
how they are in Sweden’s traditional export markets and to succeed such a process requires effort and money due to increased transportation costs to foreign markets, distribution and marketing along with adaptation to local rules and regulations and customer preferences.\textsuperscript{226} A vital adaptation element is learning the local language and business culture. Yet, the latest economic crisis has hit CEE countries hard.

Johansson et al. say the region hardest hit by the global economic crisis and recession is Eastern Europe and the economic cycle bottomed out in the summer of 2009 but the recovery will be shaky, uneven and export-led where an increase in international demand – particularly from the Eurozone countries – is vital while earlier imbalances in terms of trade deficits and high inflation have been reduced or eliminated and real pay has fallen in many countries though Ukraine will see a weak growth in 2010 but a high inflation.\textsuperscript{227} About the eight CEE countries that became EU member states in 2004 Hermansson et al. say the economic crisis that began in 2008 means some lost years where GDP has fallen back to the level of 2004 for Latvia and back to the level of 2005 for Estonia, Lithuania and Hungary while it has not been as hard in The Czech Republic, Slovakia and Slovenia which all have lost a few years and Poland hasn’t had any recession at all. They say the introduction of market economy, democracy, a new legal system and stronger institutions along with lower unemployment and better state finances are positive outcomes in CEE after the fall of communism where focus must lie on economic and political reforms to attract new investments and strengthen competitiveness. They claim these eight countries can contribute much to the old EU-15 countries in terms of a higher population share of university educated persons than the old EU-15 countries and a workforce mobility to the West. Regarding Swedish companies they say a drop in the earlier increase of wages and salaries in these countries means outsourcing opportunities of both goods and services to these countries where Swedish companies purchase more and more and these countries in CEE will after a few lost years have stronger economic growth than EU-15 countries and in the long run there will be a convergence towards the old EU-15 countries.\textsuperscript{228} Such a convergence means a higher standard of living in these eight new EU member countries. A few reasons for it are that contrary to Western Europe many fundamental material needs still have to be met in these new EU member countries and there is a strong desire among the

\textsuperscript{226} Stein, P., \textit{Världsekonomins nya tillväxtnmarknader – underskattad potential för svenska företag}, p. 4-5, Oktober 2007, Swedfund Skrifterserie, Stockholm
\textsuperscript{227} Johansson, M., Arumäe, R., Bruér, M., Gasputis, D., Lindström, T. & Tauraite, V., Eastern European Outlook, October 2009, p. 3-4, SEB Economic Research, SEB, Stockholm
people living there to catch up with the West in terms of standard of living. Accordingly many of the economic figures in this study originate just before 2008 when the economic crisis began and a ground for it is that they probably will give a better and truer picture of the long-term economic development in CEE – which is the most relevant for the lasting requirements and demands in business life - than the chaotic crisis years.

The emerging markets in CEE have shown a strong economic growth and analysing nine countries in Central and southeastern Europe\textsuperscript{229} Fromlet et al. say these countries show on average a GDP growth around 6 % for 2006.\textsuperscript{230} Rune et al. show that some of the 10 new EU countries in CEE\textsuperscript{231} have had a very strong GDP growth and during the period from 1997 to 2007 GDP in Estonia has on average grown by 7,5 % per year whereas Romania has had the lowest growth of 2,5 % per year on average in that period and on average for all these 10 EU countries in CEE GDP has yearly grown by 4 % in that period where the corresponding figure for Sweden is just below 3 % but as income and wealth will grow in the future in CEE the demand for services – normally growing slower than the industrial sector - will increase in the long run lowering the GDP growth in CEE.\textsuperscript{232} Still there are ways to maintain a high GDP growth and Fromlet et al. say the two major factors for long term economic growth of a country are productivity and the number of hours worked and a strong growth of productivity can be obtained by a strong and lasting inflow of FDIs.\textsuperscript{233} Although such FDIs strongly increase production productivity on goods they may also increase service productivity though probably less. Rune et al. say industrial investments have grown strongly in CEE with many FDIs and yearly production growth of 10 % where the establishing of many foreign companies has created big clusters, particularly in the automotive and electronic industries and the export share of engineering products in these countries is 49 %, a high figure in parity with the Swedish one. They say the total value of the export of engineering products from countries in CEE is 1572 billion SEK in 2006 corresponding to 11 % of the export of Western Europe and 60 % of the Chinese export and 2,7 million people work in the engineering sector in CEE corresponding to 11 % of the employees in these countries. They argue there are problems in the economic development in CEE and

\textsuperscript{229} These nine countries in Central and Southeastern Europe are Bulgaria, Croatia, The Czech Republic, Hungary, Macedonia, Romania, Serbia, Slovakia and Slovenia
\textsuperscript{231} The 10 new EU member states from Central and Eastern Europe are Bulgaria, The Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia
macroeconomic imbalances, poorly working market economies and poorly working institutions, i.e. infrastructure, authorities, public administration and the judicial system - prevent capital intensive investments in CEE where their citizens pay a price for these deficiencies in terms of lower salaries and lower wealth.\textsuperscript{234} Bringing these problems in order would make these markets more predictable and increase trust in them leading to higher FDIs enhancing economic growth and a higher standard of living.

A phenomenon that may have a negative impact on the economic development of some countries in the CEE is a brain drain where qualified individuals have left the country to find jobs in other countries but the fact that many CEE countries recently have become member states of the European Union could create a return of some of those who have left their native country and others with ethnic roots there. Regarding the brain-drain returnees in CEE Tung and Lazarova say return migration of very qualified ex-host country nationals (EHCNs) sharing the same ethnic background as the people in the host country and also possessing managerial talent is of critical importance for transition countries where a big brain drain could reduce their FDI inflow.\textsuperscript{235} A supply of qualified people at a moderate cost and new market openings may be good reasons for FDI inflow.

1.11.3 More trade with countries in Central and Eastern Europe

Historically Swedish business people and companies have been active in CEE. Johnson says that during the 19th century many Swedish companies were established in Russia and Saint Petersburg where Aga, Bolinders, Separator, SKF, Ericsson and the Nobel family with the largest diesel-engine manufacturing plant in the world and by the Caspian Sea in Baku oil industry was established where the Nobel family around 1900 controlled 9% of the world’s by then known oil reserves.\textsuperscript{236} Then the Russian revolution and plan economy came reducing or stopping these activities. When communism fell the situation changed.

The CEE emerging markets are becoming increasingly important in the world trade and for Swedish companies trying to exploit the possibilities having established subsidiaries in several CEE countries to manufacture products and gain market shares having sales companies in a part of Europe where many fundamental needs still have to be covered contrary to Western


\textsuperscript{236} Johnson, A., Globaliseringsens tre vågor – Sveriges internationalisering under 150 år – Underlagsrapport nr 3 till Globaliseringsrådet, p. 41-42, 2007, Stockholm
Europe where they largely are met. These basic needs constitute a real trade potential for Swedish companies in CEE. Growth in business turnover is often higher there than in Western Europe. Construction and infrastructure needs improvement in CEE. There is a desire for capital consumer products but people have low purchase power due to low wages and salaries. Both export to and import from the five countries in my study, which are Bulgaria, Romania, Ukraine The Czech Republic and Serbia, and all 20 countries in CEE\(^{237}\) have grown much taking a bigger share of Sweden’s foreign trade.

Statistical figures show Swedish trade with CEE.\(^{238}\) The Swedish export value to the five countries in this study has risen with 74 % from 2002 to 2006 going from 9,3 to 16,1 billion SEK and their share of the total Swedish export has risen by 29 % from 1,2 % to 1,5 % whereas the import during the same period has increased from 5,4 to 12,6 billion SEK so their share of Swedish import has gone from 0,8 % to 1,3 %. The total export to the 20 CEE countries has during the same period risen by 55 % from 51,2 to 79,6 billion SEK and their share of Swedish export went from 6,4 % to 7,3 % in that period whereas the Swedish import from these 19 countries has risen by 93,7 % from 49,8 to 96,4 billion SEK increasing their share of Swedish import from 7,6 % to 10,3 % from 2002 to 2006. Russia and Poland dominate this trade and in 2006 they received 3,7 % of Swedish export whereas 6,4 % of the total Swedish import came from them thereby receiving over 50 % of the Swedish export and providing over 60 % of the import in Swedish trade with CEE.

The table shows that although trade with CEE has increased in real numbers the development of market shares is unsatisfactory and Stein says Swedish market shares are relatively small except for the Baltic States and Poland and his table shows it.\(^{239}\) In the table below Sweden’s market shares have increased significantly in Lithuania, Hungary, The Czech Republic and Ukraine with a small increase in Russia whereas Sweden has suffered non-negligible losses in Latvia, Macedonia, Poland and Slovenia with small losses in Croatia, Romania, Bulgaria, Turkey and Estonia and no change in Slovakia. Though many of these countries are Sweden’s neighbours only in the Baltic States, Poland, Russia, The Czech Republic and Ukraine Sweden

\(^{237}\) The 20 CEE countries are Albania, Belarus, Bosnia & Herzegovina, Bulgaria, Croatia, The Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia and Ukraine

\(^{238}\) Statistics found from the Swedish Trade Council under [http://www.tradeprofiles.swedishtrade.se/](http://www.tradeprofiles.swedishtrade.se/) where Serbia and Montenegro are summed together since they were one country until 2007

\(^{239}\) Stein, P., Världsekonomins nya tillväxtnmarknader – underskattad potential för svenska företag, p. 32-33, Oktober 2007, Swedfund Skriftserie, Stockholm
has market shares above its global share of 1.4%. In that respect the figures are low and Sweden should be able to increase its market share in CEE.

<table>
<thead>
<tr>
<th>Country</th>
<th>Swedish market shares by 2001</th>
<th>Swedish market shares by 2005</th>
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<tbody>
<tr>
<td>Bulgaria</td>
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<tr>
<td>Croatia</td>
<td>1.2</td>
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<tr>
<td>Estonia</td>
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<td>Hungary</td>
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<td>1.7</td>
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<td>Latvia</td>
<td>6.3</td>
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<tr>
<td>Lithuania</td>
<td>3</td>
<td>6</td>
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<tr>
<td>Macedonia</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td>Poland</td>
<td>2.6</td>
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<tr>
<td>Romania</td>
<td>1</td>
<td>0.9</td>
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<tr>
<td>Russia</td>
<td>1.7</td>
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<tr>
<td>Slovakia</td>
<td>0.8</td>
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<tr>
<td>Slovenia</td>
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<td>The Czech Republic</td>
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<tr>
<td>Turkey</td>
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<td>Ukraine</td>
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Table 5: Swedish market shares in some countries in Central and Eastern Europe

Studying small companies with less than 25 employees, middle sized ones with 25 to 499 employees and big ones with 500 or more employees, Rune et al. show that 1400 (44%) of Teknikföretagens 3200 member companies did business in the 10 new EU-member states in CEE where 29% of the small companies, 61% of the middle sized and all big ones do business there so altogether over 240 000 persons work in Sweden in engineering companies doing business in CEE and 800 firms with altogether over 180 000 employees in Sweden have their own or outsourced production there. Rune et al. found the Swedish export of technology products to CEE has on average per year grown by 12.7% whereas the import to Sweden from these countries had grown by 28.8% on annual average in the same period shifting the Swedish trade balance with them from positive to negative when Swedish companies, contrary to German ones, also lost market shares in CEE despite the growth of Swedish export to them where the Swedish share of total import of technology products in these 10 new EU countries in CEE fell from 2.6% in 1996 and 2000 to 2.2% in 2006, so Swedish companies have lost over 15% of their market share corresponding to a sales value of 6.5 billion SEK per year. Analysing nine countries in


Central and Southeastern Europe\textsuperscript{242} Fromlet et al. say Swedish companies are underrepresented there considering the population size, geographical proximity and market potential for a highly developed export oriented European country as Sweden and show\textsuperscript{243} that from 2001 to 2006 Swedish companies have lost market shares in many of these nine countries.\textsuperscript{244}

1.11.4 Geographic and cultural closeness help running companies in CEE
There could be many different reasons for establishing a company or a subsidiary on emerging markets. Rune et al. found the main reasons for Swedish companies to establish themselves on the CEE emerging markets were primarily driven by manufacturing cost reduction – for 90\% of the companies, secondly market driven – for one third of the companies, thirdly the customer company requiring supplier presence on the market to be more cost effective and flexible delivering the right things at the right place and time with the right quality to the right price where the customer company and the supplier have a close cooperation. Other reasons were competitors being present on the market, obtaining raw material at good price and a committed, dutiful and technically skilled labour force with low rate of sick leave and flexible local suppliers providing high quality goods and services, the cultural and geographical proximity with less harm to the environment, shorter transportation times and easier logistics than other low cost regions where firms strive towards regional logistic systems saving time, money and the environment.\textsuperscript{245} So despite different economic systems in the second half of the twentieth century there are still cultural similarities between Sweden and former plan economies in CEE and about the cultural distance between European countries and seen in a global perspective Mayrhofer and Brewster say the cultural similarities in Europe outweigh the cultural differences so the cultural gap isn’t that large though there are still cultural differences and adjustment problems for people who move from one European country to another, yet the global drawbacks of ethnocentrism only partly apply in Europe, ethnocentrism is natural in an early internationalisation process and also for small firms.\textsuperscript{246}

\textsuperscript{242} These countries are Bulgaria, Croatia, The Czech Republic, Hungary, Macedonia, Romania, Serbia, Slovakia and Slovenia
\textsuperscript{243} Compiling statistics from national statistical bureaus, OECD and Eurostat in Fromlet, H., Hermansson, C. & Kennemar, J., Central – och SydosteuropaAnalys, nr. 2, 4 juni 2007, p. 3, Swedbank, Stockholm
\textsuperscript{244} Fromlet, H., Hermansson, C. & Kennemar, J., Central – och SydosteuropaAnalys, nr. 2, 4 juni 2007, p. 1 & 3, Swedbank, Stockholm
Rune et al. say Swedish companies establish themselves in China to obtain market access overcoming trade barriers and regulations put on foreign companies and in CEE for low-cost manufacturing and Swedish companies encounter fewer difficulties in CEE than in China since the Swedish companies consider the geographical and cultural closeness to Sweden makes industrial manufacturing in CEE easier than in other low cost countries. The labour cost in CEE in 2007 was 10 to 25% of the Swedish one - the annual average worker cost varies from 30 000 SEK to 110 000 SEK in CEE compared to 460 000 SEK per year on average for a Swedish worker - and in 15 years Rune et al. predict them to be 20 to 65% of the Swedish costs. They say making it profitable to relocate manufacturing to these countries the labour cost must be at least 10 to 15% of the product value and as wages increase faster in CEE, labour costs have risen by 73% from 2000 to 2006 but so has also their productivity, there will be less cost driven manufacturing relocations from Sweden to CEE in the future but more advanced, automatised and capital-intensive manufacturing there and harder competition from them having an industrial structure becoming more similar to the West. They claim about three out of four Swedish based companies having manufacturing in CEE see a major increase of manufacturing there with similar figures for purchase and sales whereas 90% of the Swedish companies not manufacturing in CEE don’t count on it in the future either though a quarter of the big companies not having manufacturing there plan to establish it. They argue modernization in CEE with rising knowledge level and higher wages reduce the cost driven relocation of manufacturing creating a middle class with strong purchase power making the exchange more market driven so Swedish based companies will place more advanced manufacturing and more R&D there so a growing market and specialization will increase trade between Sweden and CEE. This development with more market driven trade, more advanced manufacturing and more R&D all point to an increasing need for better communication and linguistic skills among Swedes working with CEE.

Mark Andress says The Czech Republic has become Europe’s investment favourite for strategic services - like call-centres, back-office and IT-operations - due to good telecom and transport infrastructure, a cheap work force with excellent technology and language competence also thanks to a large pool of expatriates in Prague. Rune et al. claim the relocation of manufacturing to CEE has created an ongoing shift bringing more managers

248 Andress, M., You are speaking to Prague: Companies are locating their call centres in the country, Financial Times UK, November 19, 2003

94
and white collar workers but fewer blue collar workers in Sweden and this relocation of manufacturing has benefited Sweden and Swedish companies since business has grown in Sweden thanks to CEE manufacturing which partly could have moved to other low cost regions and the growing sales in CEE have brought manufacturing, employment and increased R&D along with other knowledge and capital intensive activities in Sweden.\textsuperscript{249}

The two countries in the pre-study are Russia and Poland and the main study’s five ones are Serbia, The Czech Republic, Ukraine, Romania and Bulgaria. They were chosen in order to cover differences in language, religion, history and cultural and geographic distance to Western Europe. These factors could influence intercultural communication between Western expatriates and local employees and customers. The five countries in which I have conducted interviews, i.e. the main study countries, are all European but not Sweden’s closest neighbours geographically. Both Russia and Poland are situated by the Baltic Sea and are therefore closer although Russia is so big that a great part of it is much further away from Sweden than any of the other study countries. Of the five countries the Czech Republic is culturally and geographically closest to Sweden and historically we have had contacts with them as with the Ukraine. During the decades after the Second World War many people from Yugoslavia came to Sweden to work. The Czech Republic joined the European Union in 2004 which also Bulgaria and Romania did in 2007. Both Serbia and Ukraine strive to become EU-members but still have a long distance to cover.

The strong impact on trade of geographic and cultural vicinity is seen in the share of the Swedish export of goods of 23,2\% going to its three Nordic neighbours Norway, Finland and Denmark with totally 15,4 million inhabitants being higher than the total export of goods to North and South America, Asia and Africa altogether whose total population is about 5790 million people\textsuperscript{250} – or roughly 376 times the Nordic one where the share of the Swedish export of goods is 23,0 %, i.e. lower than to its three Nordic neighbours.\textsuperscript{251} This relation is interesting regarding the negative impact on the climate of international trade showing the strong dominance of relatively short transports within regions instead of long ones between continents. These continents hold the two GDP-leading economic world powers, USA and Japan, plus several leading emerging markets like China, India and


\textsuperscript{250} Population figures from countries and continents from Nationalencyklopedien, Found at Internet under: www.ne.se

Brazil. Showing the difficulties to overcome huge geographic distances in a report on 15 CEE countries Fromlet says all countries, except Estonia sending 6.6% of its export to the USA, sent only 2-4% of their export to the USA though other reasons such as the type and quality of the products offered and insufficient distribution channels etc could play a role. The weight of a short geographic distance is seen in the export reliant Baltic States in the last three to five years have reduced the share of their export to Western Europe whereas it has increased to nearby countries in CEE including Russia.

1.11.5 A linguistic distance between Swedish and Central and Eastern European languages

There is a linguistic distance since apart from immigrants and their children coming from CEE but living in Sweden the number of Swedes speaking Central and Eastern European languages is limited making it hard for Swedish originated companies to communicate in these languages with the staff at CEE subsidiaries. Most CEE countries have languages which are very different from the leading Western languages, except for German in the former German Democratic Republic (East Germany) and to some degree Romania and Moldova where the Romance languages Romanian and its derivate Moldovan are spoken which still are quite far from Swedish and English. In the cold war era in, from the West, isolated communist countries skills in Western foreign languages were not given priority.

To create a successful communication between a Swedish expatriate manager and the local employees or customers did not seem easy. It is thus interesting to see how Swedish expatriate managers perceive communication with their employees and their customers.

Expatriates are often very busy, working much and intensively having job-related social obligations and often a family to take care of. Improvements could be made in many job-related areas and one may consider if learning the local or some other language taking much time, effort and motivation - is the optimal way to improve work performance.

1.12 The cornerstones of this study

1.12.1 The problem and research gaps

International trade has a fundamental and decisive role for the employment, the economy and the standard of living in a country. This is very true for a

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253 Johansson, M., (ed.), *Eastern European Outlook, Theme: Baltic exports face challenges*, p. 16, 2008-03-12, SEB, Stockholm
small and highly export-dependent country like Sweden, heavily relying on the success of its export industry which has built up much of the country’s wealth. It is thus a vital interest for Sweden and its citizens that Swedish companies continue to be successful on the global market and particularly in its own continent Europe to which three quarters of its export goes.

The background problem is that Swedish companies - despite an increase of export to them - lose market shares on emerging markets in CEE growing in economic importance. To lose market shares on your own extended home market Europe - where economic growth is the continent’s highest - is a serious problem for Sweden - a small and deeply export dependent country featuring advanced technology and such a problem needs urgent attention. A worsening factor is that for the last four decades Swedish companies lose market shares in its leading industry, engineering products, having grown in global weight during the last decades holding roughly half of the Swedish export of goods. This loss of market shares is a practical problem and we recall the theoretical problem presented at the beginning of this chapter where we looked for solid descriptions of language strategies permitting the expatriate to be communicatively and linguistically self-dependent.

Communicating and cooperating with people from other cultures becomes increasingly important, notably as these emerging markets slightly shift from low cost manufacturing to marketing and selling of more advanced goods and services requiring better and deeper communication skills. Intercultural communication between Western expatriate and local business people could cause misunderstandings, delays, frustration, expensive corrections along with missed business opportunities causing economic losses and lost business to Western companies doing business in CEE, a growth region making the losses worse. If many Swedish companies lose contracts it will reduce Sweden’s standard of living which is highly dependent on the success of its export industry, so much is at stake.

Modern electronic communication tools such as e-mail, Internet, Intranet and mobile phones have cut transaction costs and increased the message volume significantly, they facilitate communication in many ways but they also create problems such as information overflow, miscommunication, ambiguity and misunderstandings so in order to reduce such problems, explain advanced and complex issues and build personal relationships interpersonal face-to-face meetings are necessary. We see a development in business with more advanced and complex subjects of discussion where clarity and understanding are crucial and therefore language skills becomes increasingly important, probably decisive in some cases. Lack of linguistic and cultural competence can cause big economic losses. In intercultural
communication there’s a costly language barrier where a way to surmount it and reduce costs of communication is introducing a common corporate language but it doesn’t solve all communication problems. Another way is that the expatriate manager speaks or learns the assignment country’s local language to deepen his or her understanding of the local business culture with potential benefits in grasping new business opportunities and gaining goodwill. Still we understand that winning contracts in tough international business competition is a complex task and addressing the language issue in a way where the expatriates learn the local language is not a universal solution to all problems regarding lost market shares but it is one tool that may contribute to win more business thereby regaining the lost market shares and perhaps win new ones.

We now see a growing need for foreign language skills in international business but a decreasing competence in foreign languages among Swedish students and young graduates going in the opposite direction to what the international market demands. A reason for these needs is a slight shift from vertical foreign direct investments aiming at reducing cost to horizontal foreign direct investments aiming at gaining market access and being more demanding and advanced in terms of communication and linguistic skills. This divergent development of supply and demand for foreign language skills constitutes a gap and a problem. It thus seems logical to investigate the role of language in exporting companies and its connection to the potential loss of market shares. Finding a useful language strategy for the theoretical problem could help solving the practical problem of losing market shares so the theoretical and practical problems are connected and related to each other. Of high interest in the language perspective are the expatriates who have to work in a country where the local language isn’t their mother tongue but quite different from it as in these studied countries.

According to many statements in the literature, language is a neglected but vital factor in international business and not much is written about it when doing business in CEE. So there are two potential knowledge gaps, a practical one where business people might not have sufficient language skills to work optimally and a theoretical one where the weight of language skills hasn’t been studied sufficiently in general and particularly not in CEE. Moreover, Ferraro says speaking its language is one of the best ways to grasp a culture.²⁵⁴

So for a researcher learning and trying to grasp the local culture by learning its language where he - just as a new expatriate arrives culturally empty-handed trying to understand the culture - could be an interesting way but I haven’t seen such business culture studies – notably not when a single researcher performs such a study including several countries. I will address this gap. Neither have I seen business multi-cultural studies when the scholar uses ten or more languages himself to perform the study. This gap is covered in the study. The contributions covering the last two gaps are methodological. Using a great number of ideal types to give a rich and extensive picture of the role of language in international business is another area where I haven’t seen any such business studies. This study will address that gap thus giving a theoretical contribution. Combining the extracted multitude of ideal types on language and culture to construct cultural significance structures in a business study is yet something that I haven’t seen where this study will address the gap bringing a methodological contribution. Giving metaphoric interpretations - inspired by thick description - of the cultural significance structures is yet another thing that I haven’t seen in business studies where this study tries to bridge the gap giving a combined theoretical and methodological contribution. There are thus several methodological and theoretical gaps in business studies that this study addresses and more theoretical and combined contributions will be presented in the concluding chapter.

1.12.2 Research Questions

There are many aspects on the role and weight of languages in international business and the following question is crucial as a background to this study: Can general and local language skills of expatriates speed up communication and reduce misunderstandings, miscommunication, delays, frustration and missed business opportunities – and so reduce economic losses - in the intercultural communication with local employees and customers at subsidiaries in CEE thereby lowering direct and indirect costs of intercultural communication making their company win more business and be able to reach a more strategically favourable position? This question is, however, in itself too wide and too complex to provide any causal answers to within the context of this study. My research is thus restricted to answering two questions, which are easier to manage scientifically: (from a scientific point of view):

1. How do Western expatriate business people perceive the role and importance of language skills when doing business in CEE and what are the more operational consequences of possessing or lacking such skills?
2. Which cultural significance structures seem to influence intercultural business communication between Westerners and CEE locals?

In order to answer these two questions I have to get a picture among Western expatriates about how they look at the role language plays in their work and come up with possible cultural significance structures and interpretations of them where some of the cultural significance structures are influenced by the local language, structures which might be important in understanding their work in their daily operations. This gives a concise aim.

1.12.3 Aim
The aim of the study is to investigate and analyse the role of language in intercultural business communication as perceived by Swedish expatriates in CEE. The study strives to find cultural significance structures and metaphoric interpretations of them.

1.12.4 How to meet the aim
To investigate the role of language in the intercultural business communication I will use a method where I learn to the local language to understand the local culture and to analyse it I will use Weber’s ideal types. As learning the local language is said to be one of the best ways to understand a culture I take this view literally so I will – in a handful of countries - study it and see what kind of cultural knowledge and understanding that such a multilingualistic approach could bring. The cultural significance structure elements are extracted from my empirical material and their relative weight and importance is obtained by using Weber’s ideal types enabling to put these elements in a certain order resulting in cultural singnificance structures. These structures are then metaphorically interpreted. The studied intercultural business communication takes place in Central and Eastern Europe between Western (primarily Swedish) expatriates and their companies’ local employees, managers and customers. I will thus linguistically put myself in the role of an unprepared expatriate in terms of arriving culturally empty-handed to a country starting from scratch and build up knowledge of the local culture by learning its language and see what I will find and understand.

1.12.5 Delimitations
Delimitations are used to narrow down the scope of a study.255 This international business study focuses on the role of language and business culture in face-to-face communication when expatriates do business on the

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100
emerging markets in CEE. I will stick to this region, language and culture. To grasp the context an economic and historic background is given.

In order to understand the local business communication and culture as well as possible I have only studied countries where I speak the local language. Although my knowledge in the following languages definitely needs improvement, I now speak Russian and Polish and to a much lower extent Czech, Serbo-Croatian, Ukrainian, Romanian and Bulgarian. My interview focus has been on Serbia, The Czech Republic, Ukraine, Romania and Bulgaria. Sweden is a reference point in order to cover the communication and culture dimensions of East-West, North-South, and Germanic-Slavic-Romance languages. This international business study deals with former plan economies in CEE as a group and what they have in common as compared to countries in the West primarily represented by Sweden – there is thus an East-West contrast but not an internal East or CEE contrast in it. I have chosen to include many CEE countries to find the common characteristics for the phenomena I study and largely avoid features for just one or two countries. The study’s empiric and theoretical material is gathered with this scope in focus and doesn’t focus on differences between or within these former plan economy countries in CEE.

The studies have mainly covered the capital area of these countries since most big MNCs are established there, where growth and education level are higher but unemployment lower than most other parts of the country. The access to companies, banks, politicians and other power holders are much better in the capital. The differences of standard of living between the capital and the provinces are much bigger in CEE than in Sweden. Most of the informants are Swedish expatriate business people who often have worked on foreign assignments in other countries, such as third world countries or other emerging markets, so they are used to hard working conditions. Some informants are expatriate business people or bankers from other Western countries or the local country, and some are diplomats. Most informant companies have either their headquarters in Sweden or a strong, historical connection to Sweden, often being at least partly founded in Sweden.

1.12.6 To whom is such a study interesting?
Such a study could be interesting to scholars in international business and intercultural communication receiving more information on the weight of linguistic skills in emerging markets where I present some methodological and theoretical contributions. It may be useful to students or young professionals seeing the benefits of language competence for career opportunities. From a pure business point of view multinational companies
seeking to increase their competitiveness, to human resource people regarding who to recruit and promote and to top management trying to run the company as well and efficiently as possible could be interested in the competitive edge that language competence can give.

1.12.7 Better language skills is a part of the solution - there are also other remedies
It is vital to stress that though this study focuses on the role of language and how it could contribute to improve the situation and solve important business problems language per se is not a universal solution to all these problems and there are certainly other remedies, measures and strategies that could improve the situation and solve problems. The relative scarcity and lack of international business studies on the role of language is a main reason for my strong focus on language though. So while letting all flowers flourish language is a neglected flower in international business studies and thus deserves this attention.

1.13 The next chapters but why this approach and why these theories?
In chapter two the scientific perspective of this study is given and a model for the data collection. Chapter three presents theories on culture, communication and language as well as findings from earlier studies on the role of culture and language in international business. Previous research is thus integrated in the theoretical sections. Chapter four describes the method and how the field study was done. The empirical material from my field studies along with some comments are presented in chapter five corresponding to the different sections in the theoretical chapter. Chapter six holds the analysis with the ideal types, figures and tables forming the basis for the cultural significance structures and the metaphoric interpretations of them. Chapter seven discusses how the study’s aim is met and gives us some conclusions along with an ideal type on why the companies don’t complain over poor foreign language skills and then the consequences for Sweden that this poor interest in learning foreign languages has, the study’s contributions and suggestion for further studies. In chapter eight we find a list of literature list including scientific articles, books etc. The questions asked to the informants are given in chapter nine. Chapter ten holds an appendix giving a more detailed overview of scientific articles on language in international business and Hofstede’s cultural dimensions presented both theoretically and applied to the studied countries. A motivation of the study follows here.

Why should this study be written and why is it structured the way it is? Motivation is crucial and there is an ambition to give a background and an overview showing some connections between the different parts of this
thesis thereby explaining why they are included in this study. What is written here will be presented in much more extensive forms in this thesis’ different chapters and sections where the references also will be given in footnotes. In this short motivational summary of the different chapters the references are not given to make it more concise. The overarching answer is that I would like to give an overall, extensive and thorough picture of the problem of this study.

The study begins with an introductory chapter giving a background to it. A clear problem for Swedish industry is that it during the last 40 years has lost market shares reducing Swedish national income, employment and standard of living as compared to having kept the global market share from 1970. Consequently one may ask why this development has taken place and if there is any remedy to it that could improve the situation for Swedish companies. There are many aspects to it such as the growing role of emerging markets in the world economy conquering significant shares of the world market thereby reducing the market shares for developed countries like Sweden but also other issues such as the taxation level and the laws and functioning of the labour market as well as the people’s motivation to work and build up prosperous and profitable companies thus touching the fields of economics, law and psychology where the first factors are on a macro level while the last one is on an individual level though this last one is also via the incentive structure coupled to macro issues. These questions and themes are also often publicly discussed and studied. In order to bring a useful and interesting contribution other factors could be fruitful to study. As high technology becomes accessible to an increasing number of countries other factors than the quality and technology level of a product will become relatively more important. One such factor is the communication ability of an individual and of a company being dependent on its individual employees and managers in this respect in order to satisfy the demands from customers and other stakeholders. Due to the process of globalisation the internationalisation of companies increases enhancing the need for intercultural skills regarding how to communicate and deal with persons from other cultures. Of particular interest for intercultural communication is the ability to speak to foreigners in a way that they easily understand adapting to them and their customs and standards where speaking their mother tongue is an obvious way to reduce the cultural and psychic distance to them. This highlights the need for competence in foreign cultures and languages at the same time as a decrease in foreign language skills creating an increasing gap between demand and supply for Swedish companies. A factor demanding better foreign language skills is a gradual shift from vertical FDI focusing on cost-reduction to horizontal FDI aiming at higher
market shares and more advanced production which requires more advanced competence in communication and language.

In order to facilitate an understanding of the importance of these issues I give a picture of the fundamental role of language in human society and its increasingly important role in international business. Sweden’s increasing dependence on international trade as well as the loss of global market shares for Swedish companies are vital for the development of Swedish society and thus described. Cost reduction is a constantly ongoing process in the economy and the development of companies as they strive to cut production, transaction and communication costs where the usage of electronic communication is one method though there is still a need for face-to-face meetings to build trust and explain complex issues and all this is shown. A person who faces all these needs and problems and so is ideal to study is a Swedish expatriate business person who consequently is the unit of analysis in this study and these persons often come from big Swedish based or originated MNCs being the most common Swedish business person abroad and therefore typical and representative for them. Giving a summary of previous studies on the role of language in international business regarding internal and external company communication as well as communication in joint ventures and mergers, some general characteristics of language in business and the dominance of English in international business and business studies along with the negligence of language competence in these fields and the historical and current language competence of Swedish business people as well as the frequent usage of a common company language are thus needed to provide an understandable background for this study. Their economic growth and increasing trade with Sweden make the chosen countries in CEE with their geographical and cultural closeness but linguistic distance to Sweden along with their heritage of plan economy interesting and relevant for a study in intercultural business communication. The cornerstones of this study in terms of its problem, research questions, aim and delimitations are then presented. As all chapters this one ends by a summary recapitulating its core areas enabling an understanding of it.

The scientific perspective in a study is crucial and after having discussed the positivistic and hermeneutic perspectives I opt for the latter providing more depth and insight as I see it. The notions of understanding and meaning as well as an interpretative approach to cultural studies and the hermeneutic circle along with a gradual refinement progress characterising such cultural studies and the notion of typified descriptions and a practical data collection method called pentagulation applied in this study are then given. At the end there is a summary. This chapter enables an understanding of the chosen approach.
Intercultural communication is a complex and integrated process so in order to obtain an overarching view of that its numerous parts and elements must be known and understood. Therefore the theoretical chapter is very long and comprehensive having a broad scope to enable a more holistic understanding of various cultural aspects of intercultural business communication and to give rich descriptions of how elements in these theories influence the ideal types in the coming analysis chapter while the four main theoretical sections in this chapter are culture, communication, intercultural communication and language. All these areas are closely related to one-another explaining why they are included here.

In an international business study as this one it is fundamental to have an idea about what is meant by culture and its basic elements and characteristics as well as the cultural deep structures deeply influencing the way people think, act and behave so these things are all presented and I also give my definition of culture. A culture is deeply influenced by its history and there is a strong connection between culture, language and identity on country and individual levels while the personality of an individual affects him or her deeper than his or her culture. These factors are general ones affecting all cultures and thus presented but as this study focuses on CEE countries their specific cultural features must be given where I begin with the characteristics of a plan economy still remaining in the heads of many persons, fear and the terrible show trials along with some business characteristics of CEE countries and the widespread corruption and distrust which also are interrelated. The studied countries are to some extent affected by cultural dynamism and globalisation. These cultural aspects are presented in order to facilitate an understanding of the patterns given in the ideal types and the cultural significance structures.

Communication is related to culture but it also has some general features such as being unavoidable, irreversible and dynamic where it occurs in a context and doesn’t necessary lead to understanding. An important part is non-verbal communication including facial expressions, gestures and body language being very useful to clarify and explain things in intercultural communication where it also can repeat, complement, substitute, regulate and contradict spoken information permitting many more nuances in the communication. Most of the human communication is nonverbal and it can simultaneously transmit several messages. People rather believe the non-verbal communication than the verbal one when they give conflicting information. These theories are given in order to give some general characteristics of and understanding for communication.
Having described communication in general terms there is on the international arena the specific case of intercultural communication between people from different cultures. There are many kinds of intercultural communication based on differences in nationality, ethnicity, gender, age, social class, education, sexual orientation and ability or disability level. Yet in this thesis it means face-to-face communication between people coming from different national cultures and specifically in this case different countries. The intercultural contacts increase due to new technology and IT systems along with cheaper transportation and more people living outside their native country and a fast development into a global economy with multicultural workforces. In intercultural communication proverbs are powerful and down-to-earth expressions of often universal truths. There is a connection between elaborated code - being explicit having full phrases with a rich vocabulary and complex syntax – and person oriented families where all members are equal and judged by the qualities of their statements – and low-context communication with explicit verbal messages in individualistic cultures such as countries in Northern Europe and North America on the one hand. On the other hand there is a relation between restricted code - where assumptions are common in the communication using a smaller vocabulary and a simpler syntax where non-verbal communication is crucial and group membership is emphasised – and position oriented families with a strong social identity where what a member may say depends on his or her hierarchical position within the family - and the high-context communication relying on the context being more frequent in East Asian countries where the verbal message is relatively less important. In international business language skills are essential and communication skills are in general crucial for personal achievement. The general language in core communication is usually harder to grasp for a foreigner than the specialised language in functional communication. Two major types of mistakes are pragmalinguistic mistakes originating in differences in words and language and then sociopragmatic misunderstandings being due to differences in values and lifestyles where the sociopragmatic mistakes are deeper and therefore more difficult to resolve. Many of these theories are connected to one-another forming patterns and being central in intercultural communication. The home and background cultures of the interlocutors are thus crucial in intercultural communication where seeing and understanding such patterns facilitate an understanding of this study.

Language is a basis for human civilisation forming us as individuals enabling us to grasp and conceptualise the world and becomes a central part of ourselves. Language is vital to this thesis. All languages consist of conventional rules and they exist because people use them. The direct and literal meaning of a word is called denotation while the its broader meaning
including associations is called connotation. There is a difference between
spoken language being dynamic, passing, dependent on the context
permitting non-verbal signals while written language is more objective,
static, permanent, independent of context and can be preserved for
generations. Using language we can describe, socialise, perform and
preserve. These characteristics of language are important to have in mind.

The Sapir-Whorf hypothesis says that because of the different language
structures people speaking different language will see reality differently
where the way you think largely is formed by the first language you learned.
If people have no language in common there is a language barrier and in a
MNC it may have three dimensions where the language diversity gives the
number of languages that have to be handled, the language penetration says
the number of functions and the number of levels within each function that
have to speak foreign languages while the language sophistication says how
well the languages must be spoken but the language barrier could also be
seen as having two levels where the first is the literal meaning of the words
while the second is the ability to interpret the other person’s culture and the
market culture. The Sapir-Whorf hypothesis could make us see the language
barrier and to overcome it many MNCs opt for a common company
language which often is English but due to different problems it isn’t always
enough and therefore multilingualism is needed where a company uses
several different languages where German, French, Spanish, Russian,
Portuguese and also Chinese, Arabic and Japanese could be useful in
international business where the first three languages are the most spoken
languages after English in the European Union. Multilingualism could also
bring an individual enhanced creativity as well as better learning and
problems solving capacity and also interpersonal skills and wider
perspectives which all could be useful in business life. Speaking foreign
languages brings various benefits where competence in the local language
could be particularly helpful and for many business persons language skills
are a core professional competence while there could be unpleasant
consequences and high costs for lack of language skills where SMEs in EU
thus lose a conservatively estimated 102 billion Euro per year while a
company that yet haven’t done any language investments could increase
their sales by un estimated 44,5 % through a combination of employing
language competent individuals, having a language strategy, use translators
and employing native speakers. Using an interpreter helps the expatriate to
communicate with the locals but there are disadvantages such as increased
distance to them, less control and directness and less rhetoric power making
it harder to build trust which is vital in CEE along with higher risk for being
misunderstood or manipulated as the interpreter might not know the subject
well enough. Language competence is a power tool enabling control where
the choice of common company language could be delicate and symbolic and the dominance of English in international business could lead to linguistic imperialism favouring certain views and values and Anglo-American interests while diminishing the role of other languages which run the risk of domain losses. To solve the language issue the company can require language skills when recruiting new personnel or give their employees language training and the company could opt for a lingua franca – often English – as common company language or use functional multilingualism or use interpreters or language nodes as a company language strategy. This rather detailed overview of language is closely related to the earlier described areas of culture, communication and intercultural communication and it marks the end of this long and specified theoretical chapter which also influences the empirical chapter.

In chapter four the practical method that I used to perform this study is described. I show how I try to avoid the risks of stereotyping and ethnocentrism when doing a cultural study. The pre-study encompasses Russia and Poland where I studied the language and lived in families while the main study holds five countries; Serbia, The Czech Republic, Ukraine, Romania and Bulgaria where I in addition to studying the local language and living in a family also performed a total of 35 long semi-structured interviews along with a handful of shorter interviews. I studied eight individual language lessons per day totalling between 417 and 624 lessons per language giving an altogether figure of 3215 individual language lessons of 45 minutes each in seven different languages during the doctoral studies period and 3687 lessons if also some lessons in Russian taking before the doctoral studies are included as they served the same purpose of making me acquainted with the local culture understanding it better. This is an ethnography-inspired case study with semi-structured interviews of mainly Swedish expatriate business persons but it is not a full ethnographic study as I didn’t use a notepad observing expatriates at work but I used it during my interviews with them. A crucial strength with my study is that I have been able to speak with the local people in their language thus obtaining a deeper cultural understanding and a minor strength is that this mainly qualitative study has calculus and statistical elements giving it a minor degree of triangulation. A weakness with this study is that the interviews are not recorded on tape but of course notes were taken down during the interview. This was mainly due to being able to speak about sensitive issues such as corruption etc. where a tape recorder could have prevented or disturbed such discussions. Another weakness is that I only to a small extent observed my informants in their communication with employees and not with customers. Although I specifically aimed at the expatriates’ view of the role of language in intercultural business communication another weakness is that I
only had a few interviews and mostly short ones with any of their employees. That the findings are a few years old might be a weakness but from what I have read in new articles and other sources I still think my findings are valid also now. My pre-understanding is based on having worked for many years in a big Swedish MNC in the marketing department and also extensive language studies trying to understand the local culture in Western, Eastern and Central Europe. There is a potential for analytical generalisations in this study by connecting its empirical findings to theory and other studies in the field. An evaluation of the sources is done indicating that my findings are valid. This chapter shows the practical method I used to perform this study, its extension and some of its weaknesses and strengths with my pre-understanding of the subject. All these factors made it natural for me to choose this qualitative method to do this study.

The empirical chapter begins with an extensive summary of my empirical findings followed by voices from the field where – having a similar structure and area coverage as the theoretical chapter in order to have a clear logic and make the study easier to grasp – many findings are gone through in more detail with some context, interpretations and comments of mine as well as a few references to the theoretical chapter. For an expatriate speaking the local language could be decisive to win a business and it could give him or her trust, respect and goodwill as well as stronger rhetoric skills and better understanding of the local culture enabling to see and exploit market opportunities being more broad-minded making the expatriate harder to manipulate and it could speed up processes and all this could increase earnings but lower costs thus raising profits. If not speaking the local tongue there are costs for the expatriate in terms of being less integrated with local employees and customers and less informed not seeing market opportunities and being more easily manipulated having direct and indirect costs in terms of lowering personal comfort and professional performance not achieving the company’s full market potential. This chapter shows the findings from my field studies, some context and interpretations.

In chapter six on the analysis of what could seem to be a hitherto fragmented figure will come together in the ideal types and in the cultural significance structures. I begin by presenting the hermeneutic spiral development process which is applied in this study. I apply a hermeneutic method inspired by Gadamer developing and applying it on Weber’s ideal types. Seventeen ideal types in the areas of culture and language will be presented. The cultural ideal types cover how an expatriate may behave and communicate in CEE, leadership characteristics in CEE along with how to build trust and typical difficulties when doing business in CEE. The more language oriented ideal types cover the benefits and importance of speaking
the local language and the drawbacks of not doing it. In a similar way the benefits, disadvantages and characteristics of using a common company language or multilingualism are respectively given along with the ideal types for the problems when using interpreters, language nodes and agents and also for language norms and usage related to power and politics are and for an ideal type for actions in training and recruitment for language skills in business. The number of ideal types is rather high as I would like to give an extensive view on the role of culture and language in the intercultural business communication between on the one hand Swedish expatriates and on the other hand local employees and customers. There may be a few partial overlaps due to this slightly holistic ambition. The ideal types are transformed into tables which in the end result in two cultural significance structures and each one of them is given a metaphorical interpretations being slightly inspired by Geertz’ thick description. This is a core chapter in the study connecting different parts of it presenting it integrally.

In the seventh and concluding chapter I discuss how the theoretical and practical problems of the study and its aim have been met and I then present for business flowers illustrating key parts of the study regarding the accumulated and differentiated cultural significance structures, the communicatively and linguistically self-dependent expatriate and how better language skills among expatriates could make them and their companies gain market shares. Then a similar flower shows the advantages that a scholar could win by speaking the local language. Thereafter an ideal type of why the Swedish companies don’t complain about the lack of language skills among Swedish business people is built. The consequences for Sweden of the poor interest in learning foreign languages are discussed. Then come the conclusions which are divided into three parts where the first part primarily is based on my empirical findings while the ones in the second part constitute the core of the analysis. The third part shows conclusion from the concluding chapter. I present some contributions from the study and they are divided into theoretical, methodological and combined contributions and I thereafter give suggestions for further studies. Three appendices are given where the first appendix gives a more thorough summary of previous studies than in the introductory chapter on the role of language in international business regarding early studies, internal and external company communication along with communication in joint ventures and mergers, some general characteristics of language in business as well as the dominance of English in international business and business studies and also reports and books on language in international business. The second appendix is short briefly describing intercultural communication studies while the third appendix shows Hofstede’s cultural dimensions – first in theory and then applied to the studied countries. I think there is a
point in giving a little more thorough summary of earlier studies on the role of language in international business permitting a more specified overview and as Geert Hofstede is a pioneer and a very influential researcher in cultural studies it brings a solid background to describe his theory and then apply it on my empirical material.

This introduction showed various backgrounds to the current situation as well as the trade situation itself, the loss of market shares for Swedish companies, the need for cost-cutting and face-to-face meetings and then the unit of analysis which is the expatriate business person. The lack of the role of language in internal business studies was dealt with as were the historical and current language competence among Swedish business people and then the study’s geographic area which is Central and Eastern Europe and the countries chosen with some characteristics for them and their relation to Sweden were presented as were the problem, the research question, the aim and the delimitations. An orientation and a problem approach are needed so the next chapter gives the study’s scientific view.

1.14 Summary of chapter one
Culture is a crucial part of our identity as an individual and as a society and it is also a vital factor in international business. Hofstede has shown the importance of national culture in his originally four cultural dimensions of individualism vs. collectivism, masculinity vs. femininity, power distance and uncertainty avoidance then supplemented by the fifth one called long-term vs short-term time orientation. When people from different cultures communicate it is called intercultural communication and there are many theories about it such as high-context vs. low-text cultures as well as the elaborated and restricted code. Yet one factor of vital importance that has been neglected when studying intercultural communication is language. This scarcity of studies on language in business is very true regarding CEE. To be communicatively self-dependent not having to rely on interpreters or on language nodes an expatriate have three strategic language choices. The expatriate may use a common company language – usually English for Swedish companies – or o couple of languages called multilingualism aor speak or learn the local language. I have not found any study – particularly not regarding Central and Eastern Europe - that looks at the advantages, disadvantages and characteristics related to the usage of these there language strategies. This study intends to cover this gap by presenting nine Weberian ideal types on this issue plus three more Weberian types related to language in terms of interpreters, power aspects and training and recruitment of expatriates in order to give a broad and nuanced view of the role of language in intercultural business communication in CEE between Western (primarily Swedish) expatriates and their local employees and customers.
There will also be five Weberian ideal types related to culture regarding how an expatriate may act and communicate in CEE, the characteristics of leadership in CEE and how to build trust as well as difficulties for expatriates when doing business in CEE. The reason for having so many ideal types – particularly the nine ones on language strategies – is that I would like to give a broad, rich and nuanced picture of this phenomenon where one clearly can see the advantages, disadvantages and characteristics of each language strategy making them pure and easier to understand. The Weberian types are well suited for interpretative cultural studies and thus for this one. The just mentioned gap is the theoretical problem of this study but there is also a more practical one to which we here give the background.

International trade is vital for a country’s economy and standard of living, notably for a small export-dependent country with many advanced companies like Sweden where both export and import grow faster than its GDP and where the export of services grows above 25% of the total export where the rest is export of goods and over 75% of the Swedish export of goods goes to Europe while an even higher share of Sweden’s import comes from Europe. Two driving forces for international trade are comparative advantages and economies of scale. Internationalisation means flows of goods, services, labour-force and capital over national borders. Internationalisation is related to structural change.

Swedish companies lose market shares on the global market of goods and they lose them faster than many other European countries. Most of the losses come from Europe and especially emerging markets in CEE and China. Severe losses of market shares come from the engineering industry which constitutes about half of Sweden’s export of goods. Thus Swedish losses of market shares come at the core of the export, at its own continent Europe dominating the export and in its most important industry, the engineering one.

There is a slight shift from vertical foreign direct investments aiming at reducing costs to horizontal foreign direct investments aiming at gaining market access and being more demanding and advanced in terms of communication and linguistic skills. We also see a growing need for foreign language skills in international business but a decreasing ability in foreign languages among Swedish students and young graduates going in the opposite direction to what is needed and demanded from the international market. This divergent development of supply and demand for foreign language skills constitutes a gap and a problem. It thus seems logical to investigate the role of language in exporting companies and its connection to the potential loss of market shares. Of core interest in the language
perspective are the expatriates who have to work in a country where the local language isn’t their mother tongue and often quite different from it, as is mostly the case in CEE.

Cutting transaction and communication costs is an increasingly important part in an era when production technology is globally available and other competitive advantages have to be found. Electronic communication in form of e-mail and voicemail are good for spreading information but insufficient and a source of misunderstandings in international business communication and therefore face-to-face communication is necessary, particularly when it comes to explaining complex issues and building relationships as well as when taking vital decisions and giving or receiving important messages.

Managers are particularly dependent on strong communication and language skills in order to perform their job well and managers also create themselves through language. The unit of analysis in this study is the Swedish expatriate business person – often at a top position within the subsidiary. In the internationalisation process ethnocentric staffing of parent company nationals in the foreign subsidiaries could for reasons such as short psychic and geographic distances be very convenient and common in Europe making this choice of unit of analysis natural as the studied area is Central and Eastern Europe.

In previous studies on the role of language in international business there are only a few articles from the 1970-ies though during the latest two decades more articles have come – particularly on internal company communication which in some ways could be easier to study in terms of access etc. than the external company communication where fewer articles are found and that also goes for communication in international mergers and joint ventures as well as for articles on general characteristics of business language. In recent years there have come studies discussing the English language’s international dominance and also some interesting reports and a few books on the role of language in international business. Yet the role and importance of foreign language skills in international business have long been neglected in companies’ daily operations and strategy as well as in international business management literature, particularly there is not much written about it regarding CEE and this report studies this role. The area focus of this thesis’ empirical and analytical parts will be on business language characteristics as well as on internal and external company communication though other areas will also be regarded and discussed.

Big economic losses due to poor language competence is a severe and relevant problem to study in management where some reasons for the lack
of studies such as this one seem to be found in that there are only few business studies on language in general, there is a strong English dominance and there are various difficulties to perform such a study.

In order to facilitate intercultural communication many companies chose an official company language but it also creates problems and only to some extent improves the expatriate’s understanding of the local culture, market and business opportunities.

Germany is Sweden’s biggest trading partner both regarding export and import. German and English are the two most important Western foreign languages in CEE and Russian and sometimes French could be very useful. Sweden is very focused on and influenced by the Anglo-American culture and the English language and there is a deterioration of competence of other foreign languages – particularly in German and French - among university students and recently graduated young professionals in Sweden limiting their knowledge and cultural competence of continental Europe reducing the knowledge capital of new employees in Swedish companies. Only one tenth of the Swedish students who study abroad do it within the European Union Erasmus program and the majority of the Swedish students who study abroad do it in English-speaking countries outside EU indicating the negligence of education in other foreign languages than English in Sweden’s secondary school. Since over 70 % of the Swedish export goes to Erasmus member states and the importance of geographic closeness is well known in international trade this could cause problems for these Swedish companies which already lose market shares on the emerging markets in CEE and China. Losing shares in growing markets could make Swedish export industry lose money and jobs which in the end will reduce Sweden’s relative standard of living being dependent on a successful export industry.

The countries studied had a plan economy - though Yugoslavia was an exception with market economy elements - with incentives and ways of thinking different from a market economy and this still influences how people think. Now these countries show a strong economic growth and increasing trade with other countries including Sweden. Low costs were hitherto the main reason for companies establishing themselves in CEE but such establishments will be more market driven in the future and many of my informants work in sales subsidiaries in CEE. Between Sweden and these countries there are considerable geographic and cultural distances due to elder history, communist regimes, plan economy and linguistic distances since all these languages are quite different from Swedish and English. Still, in a global perspective these distances are not huge, it’s the same continent.
The global economic crisis that began in 2008 has particularly hard hit many countries in CEE but in the long run they will probably have a stronger economic growth than the old EU-15 countries as many basic needs still have to be covered in CEE and there is a strong will to obtain the same standard of living as in the West. A return migration of highly qualified ex-host nationals – lost in brain-drain processes - to the countries in CEE is vital for the economic development for these countries including the inflow of FDIs to them.

The problem of the study is that Swedish companies selling 75 % of their product export to Europe lose global - particularly European - market shares in an era demanding better communication and linguistic skills where Sweden exhibits lack of communicative and linguistic competence. Swedish companies lose market shares in CEE, a region with growing economy and trade lying close to Sweden being a natural trading partner. This lack of linguistic skills could lead to misunderstandings, delays, higher transaction and communication costs, frustration lowering performance at work, expensive corrections, missed opportunities causing losses and lost business to Swedish companies in CEE and a shift from low cost manufacturing to marketing, sales and advanced production and services will increase the demand on solid communication and linguistic competence. This practical problem of losing market shares could find a remedy through a solution of the theoretical problem of describing language strategies permitting the expatriate to be communicatively self-dependent.

The research questions deal with the role of language in intercultural business communication between Swedish expatriates and local employees and customers and are:

1. How do Western expatriate business people perceive the role and importance of language skills when doing business in CEE and what are the more operational consequences of possessing or lacking such skills?
2. Which culturally implicit and cultural significance structures seem to influence intercultural business communication between Westerners and CEE locals?

The aim of the study is to investigate and analyse the role of language in intercultural business communication as perceived by Swedish expatriates in CEE. The study strives to find cultural significance structures and metaphoric interpretations of them.

A cornerstone in this study is the method where the researcher strives to understand the local culture by learning its language in a handful of
countries in Central and Eastern Europe. Thus the researcher linguistically puts himself in the role of an unprepared expatriate in terms of arriving culturally empty-handed to a country starting from zero and build up knowledge of the local culture by learning its language and see what he will understand.

This study is limited to the role of language and business culture in face-to-face intercultural communication between Swedish expatriate and local business people in the capital region in CEE countries where I speak the local language. Travelling to seven countries and arriving culturally empty-handed just as a new expatriate in six of them and then learn the local language in each of them in order to understand the local culture and the intercultural business communication between Westerners and local business people is not usual. This means that this thesis can be seen as providing a methodological contribution in the field of business studies though it may occur in anthropological studies and particularly in linguistic studies that a scholar to a large extent learns the culture by learning the local language and learning several languages to understand as many cultures may take place within a linguistic study. A methodological contribution emerges as I use over ten languages to perform the study. One theoretical contribution is that I use a great number of ideal types to give a extensive and rich picture of the role of language in international business. A theoretical contribution is that I combine the extracted multitude of ideal types on culture and language to construct cultural significance structures in a business study while a combined theoretical and methodological contribution is that I give metaphoric interpretations inspired by thick description of the cultural significance structures in an international business study. So there are several methodological and theoretical gaps and areas where I seek to provide a contribution in this study. We must remember that better language skills are helpful but not a universal solution to all problems presented in this thesis and there are many other useful measures, strategies and solutions. Yet the focus of this study is on the role of language in intercultural business communication. Finally a discussion regarding the content and the motivation to perform this study and its choices of theory and in other fields is given.
2 SCIENTIFIC PERSPECTIVE

2.1 Introduction
In the first chapter the background to the study was given covering the importance of international trade in general and in particular for a small and highly export dependent country like Sweden, the problem that Swedish companies lose global and European market shares was also discussed. The shift from vertical cost-cutting foreign direct investments to horizontal foreign direct investments requiring better communication and language competence which is met by declining language skills among Swedish students and young business people and the resulting competence gap was dealt with. The need to cut costs, including transaction and communication costs, and win new business as well as the importance of face-to-face meetings were dealt with. The unit of analysis – the Swedish expatriate business person – was presented as was the geographic area that the study deals with, five countries in CEE with their growing economy and international trade. Then the problem, the aim and the delimitations of the study were presented. But to advance we must have a scientific perspective which is given in this chapter.

This chapter starts with a discussion about different scientific perspectives in historic and cultural studies followed by a section regarding the importance of meaning to obtain an understanding of an object or a phenomenon. The idea and notion of thick description in an interpretative cultural study is presented followed by a section on hermeneutics where I also present a transformed version of the hermeneutic circle or spiral including the two components of better understanding of the local language and better understanding of the local culture. The nature and characteristics of experience as well as its connection to language and the way language influences it are discussed. The difficulties of performing reflective interpretative research as well as the gradual progress and refinement of a cultural analysis along with the characteristics of good interpretation are all discussed. Regarding epistemology this study takes a hermeneutic approach where we gradually increase our knowledge about other people and on ontology the view is that there is not one objective reality but, in one sense, each one of us live in our own reality and we must accommodate our views of reality to obtain a mutual understanding of the subjects and phenomena we discuss. The empiric material is important in this study and it is closer to an inductive approach than a deductive one. The notion of typified description as well as a practical data collection and research method called pentangulation are described.
2.2 Scientific perspectives when studying cultures
The scientific perspective you take is crucial for a study so the choice of it deserves a thorough discussion. I will therefore present one where the positivistic as well as the hermeneutical perspectives are discussed and where focus is on the study of history – which is closely related to culture and therefore relevant in this study. The German philosopher Wilhelm Windelband, discussing the general nature of philosophy, says philosophy and mathematics are rational sciences whereas natural sciences and history are based on experience, and these experience based sciences either – as natural sciences – hold a highly abstractive level and strive for general laws in a nomothetic scientific thinking where things are stable over time whereas humanities - to which history belongs – strive for characters (shapes, Gestalt), illustrativeness and an ideographic scientific thinking where things change over time.\(^{256}\) Windelband thus shows two ways to divide sciences – either the rational and the experienced based ones – or the nomothetic and the ideographic sciences. Bjerke claims there are at least two ways of studying culture, the explanatics (positivistic) or rationalist one and the hermeneutics or interpretist one.\(^{257}\)

Elaborating on this theme Arbnor and Bjerke argue that there are different scientific perspectives depending on whether a researcher focuses on explaining or understanding culture and when culture is explained it is seen as a variable among others whereas when understanding culture – i.e. taking a more hermeneutical approach - the entire situation could be seen as culture,\(^{258}\) i.e. the difference between a factor and a global approach.

An interpretist view of cultural studies is given by Geertz who sees a semiotic concept of culture saying the analysis of culture is an interpretative science in search of meaning and he strives for explications interpreting the enigmatic surface of social expressions. By interpreting these expressions the researcher can go under the surface and try to find the deep structures of a culture. The usefulness of thick description regarding the complex and interrelated character of society and culture is described by Geertz seeing culture as interworked systems of construable signs and a context in which behaviours, processes, social events and institutions can be described thickly and so intelligibly.\(^{259}\)

\(^{258}\) Arbnor, I & Bjerke, B., Our views on methodology and others, Unpublished appendix, p. 12, 2007
Bjerke says the explanaticist - traditionally called positivist - strives to depict reality as objective, absolute and causal seeing no difference between explaining and understanding while the hermeneuticist searches for subjective and dialectical interpretations claiming there is a difference between understanding and explaining. Bjerke says in the rationalist approach a trigger will - via a set of cultural values - have direct effect without modifying or changing the culture whereas the interpretist view is more complicated and dynamic where the trigger, the effect and the involved actors – who carry the cultural values – are found in a social web and through the interpretive process could change the trigger, the effect and the cultural values i.e. the interpretist view pays much more heed to the context and the social environment. He says both outsiders, e.g. scholars, and insiders - members of this particular social web – may be interpreters and the interpretist approach holds that things (and acts) don’t a priori give their full meaning by themselves. Instead, the meaning comes from interpretations. In a study Bjerke strives to provide good typified descriptions and he says that explanaticists strive to give particular generalizations, while hermeneuticists strive to give general particularizations. This is a vital remark with traces far back in history.

Distinguishing the natural sciences from the humanitarian ones Windelband refers to Socrates who said the basic relationship of all scientific thinking is the relation between the general and the particular. Föllesdal et al. say an ideographic science features a thorough description of particular events and phenomena, such as descriptive history research whereas nomothetic science means research striving to find general laws explaining observed phenomena, like natural sciences or historic research where the historian tries to find causes for an event or come up with hypotheses on explanation principles, and they say many sciences have gone through a transition phase from an ideographic science to a nomothetic one although the method problems seem more extensive in nomothetic sciences than in ideographic ones. The transition order may be the other way around in a wider time perspective. Windelband says phenomena which are stable and don’t

undergo changes over long periods of time – and thus are seen as nomothetic - may in a wider time perspective be seen as temporary undergoing change being treated as ideographic and historic and an example is language with its grammatical rules seeming permanent to us but being a transitory phenomenon in the history of human language.\textsuperscript{265} This shows how language changes over time where earlier common words or expressions now seem obsolete, some Swedish verb conjugation forms have changed over the last century, slang expressions change and vocabularies differ over generations showing the mutual development process and interchange between language and culture.

Collingwood says that the method of human nature – whose principles and methods are conceived on the analogy of those used in natural sciences – was a false attempt, falsified by the analogy of natural science, to understand the mind itself and he claims the right way of investigating the mind is by using the methods of history. He says the outside of an event is bodies and movements whereas the inside of an event is thoughts and a mere event has only an outside whereas an action is the unity of the outside and the inside of an event. He continues saying events of nature are mere events whereas events of history are actions and therefore a natural process is a process of events whereas a historical process is a process of thoughts. He argues that all history is the history of thought and that is the re-enactment of past thought in the historians own mind and that is a labour of active and critical thinking.\textsuperscript{266} There is an analogy to Ryle’s and Geertz’ thinking here where the mere events only having an outside correspond to thin description and the notion of actions both having an outside and an inside correspond to thick description.\textsuperscript{267}

Contrary to Collingwood’s view of an outside and an inside of an event Neurath claims there are no depths in science while surface is everywhere.\textsuperscript{268} Neurath’s view doesn’t leave much room for deep understanding of other persons or cultures and - put in simple words - if you only believe in the observable surface and “what you get is what you see” there is very much you won’t ever get. Collingwood criticises the positivistic misconception of history claiming it sees history as successive

events in a dead past which positivists try to understand by classifying them and establishing relations between them focusing on the external side of the events just as in natural sciences instead of penetrating the thoughts of the agents whose acts the historian tries to understand. Collingwood says as a historian never is an eyewitness of the events he tries to understand he must use mediate or indirect or inferential methods but never empirical ones and the historian must view the situation he tries to understand by envisaging it in the same way as the agent did who he tries to understand imagining how to deal with the situation, the possible alternatives and the reasons for choosing one or another going through the entire process just as the agent did and that is, so Collingwood, the only way to find historical knowledge.\footnote{Collingwood, R.G., The idea of history, 1946, pp. 205-209, 213-217, 228-229 & 282-283, 1951, Clarendon Press, Oxford} Collingwood’s view requires a well developed empathic understanding – a notion we will discus below. Some crucial differences though between Collingwood’s line of argument and my study is that the latter does not focus on specific events but rather on existing phenomena and another one is that I have personally met the study objects in terms of interviewees and people in society therefore using more primary sources so the empiric material plays a more important role in my study which has a contemporary focus and not a historic one.

A core notion in hermeneutics is horizon of understanding which Föllesdal et al. define as “the amount of the conscious and unconscious ideas and attitudes we have at a certain moment in time and which we do not focus our attention on.”\footnote{Föllesdal, D., Wallöe, L. & Elster, J., Argumentationsteori, Språk och Vetenskapsfilosofi, p. 139, 1993, Thales, Stockholm} It is important to have a horizon and Gadamer says that a horizon encompasses everything that is visible from a particular point arguing that a person who has no horizon cannot see far enough and therefore overestimates what is close to him or her whereas a person who has a horizon isn’t limited to what is close but rather knows how to value things within this horizon regarding their distance and size.\footnote{Gadamer, H.G., Sanning och Metod, p. 150, 1997, Daidalos, Göteborg (Gothenburg)} Regarding the time frame Arbnor and Bjerke argue there is a transformation over time where new dimensions of meaning occur when many interpreters change their interpretative horizons and these transformations imply that the meaning of acts and their products change over time never becoming definite or final.\footnote{Arbnor, I & Bjerke, B., Our views on methodology and others, Unpublished appendix, p. 15, 2007} There is a historic dimension as well where opening up a horizon means to learn to see beyond what is close and even too close so on the understanding of traditions Gadamer argues there is a contemporary horizon and a historic one which melt together where new and old come
together in a living validity where none of them dominates over the other so when building up the contemporary horizon the past is needed and in every encounter between the historic consciousness and tradition there emerges a tension between the text and the contemporary where hermeneutics has the task of developing this tension instead of concealing it so hermeneutics has to open up a historic horizon.  

Thus these horizons could expand thanks to this tension which becomes a tool for deepening of insight. On the hermeneutic experience Gadamer says what has been conveyed and communicated becomes valid when it is understood and moves the horizon that has surrounded us until then. So to expand our horizon a message must be communicated and understood.

Apart from being an eternal ongoing process there is also a translational aspect to these horizons where Arbnor and Bjerke discuss Gadamer’s fusion of horizons seen as a process of translation where a meaningful act or object from one conceptual sphere is put in words relevant for another sphere and the tension between the actor in one conceptual context and the interpreter in another conceptual context is maintained and these both horizons don’t melt together. Still, this process can bridge or at least narrow a gap and what can be achieved is described by Alvesson and Sköldberg discussing Gadamer’s fusion of horizons which enables us to enter the minds and thoughts of other persons thereby enriching ourselves since a horizon is limited but open and through movements we can change it where other ideas can come closer and become accessible to oneself so we can understand other cultures and ways of thinking. Some human qualities could be helpful when we try to grasp and find out what a person or a text says and Alvesson and Sköldberg argue that empathy is important for the understanding and interpretation of the persons who speak or write a text, i.e. both the informants and the author of the text, and their situation using fantasy to understand the meaning of the action and they say that in empathic intuition you put yourself in the position of an actor to understand his or her actions and gain insights into complex issues at a certain moment when you have obtained the whole picture, and not by pondering, and they continue claiming that empathic intuition is the only way to understand the mental world of another person.

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275 Arbnor, I & Bjerke, B., Our views on methodology and others, Unpublished appendix, p. 15, 2007
276 Alvesson, M., & Sköldberg, K., Tolkning och reflektion: Vetenskapsfilosofi och kvalitativ metod, p. 58, 115 & 117, 1994, Studentlitteratur, Lund
However, empathic understanding has been criticised despite both cultural and historical studies striving to understand people and contexts. One critic is the positivist Carl Gustav Hempel who says the method of empathic understanding distinguishes the social from the natural sciences. Scepticism towards the usage of empathy in research when searching for the truth is also expressed by Gadamer who says that the text - where what’s said may be seen as a text – is vital where the truth lies in the words and not in an empathic journey into the soul of the speaker stressing that the context and situation that supplement what’s said giving an overall picture and a certainty comes from what is outspoken and not from the speaker. This shows a focus on the result rather than on the actor and on content rather than on intention. This view could be applied in various fields and two of them are history and culture which are interwoven making history crucial in cultural studies and Hempel – saying general laws are vital tools in historical research - describes empathic understanding in historic studies saying the historian imagines him- or herself in the position of the persons being studied in a sort of self-identification with the objects of the study – but he criticises empathic understanding saying it seems natural and plausible to us thanks to its nice metaphors but it is no explanation and only has the function of suggesting explanatory principles for the study.

In line with the positivistic view of Hempel on the applicability of general laws in social studies Otto Neurath from the Vienna circle also holds a positivist view opposing meta-physics. Neurath advocates for the scientific world conception – striving for a unified science for various sciences – i.e. both natural and social sciences – and for which he says there are no riddles. He says this scientific world conception is based on empiricism, where all knowledge comes from experience, and clarification obtained by logical analysis and he argues that everything is accessible to man who is the measure of everything. Such a positivistic view, claiming there is only one scientific method for all sciences in a sort of “one size fits all” methodological approach - has its problems and Dray discusses the difficulties with


causal judgements in historic studies saying historians discuss some conditions and purposely omit others which they are aware of when they give their causal judgement so since some relevant conditions seem more plausible than other potential conditions – which actually could be the real cause or causes for what happened - some principle in the background could have an impact on and direct the inclination to tell causal from non-causal conditions. He says another problem is the connection between the cause and the impact saying that the cause is necessary and in that specific situation provides sufficient reasons for the impact to be inevitable and happen. This means the other necessary conditions already exist and therefore do not show and may be neglected. Yet, also with another approach - such as an interpretative one – the researcher could miss some central issues.

Having discussed different scientific perspectives one has to decide how to proceed. Laws and logic governing social and cultural processes as well as human interaction can be grasped to some extent by coming up with explanations but they are too abstract and too multiplex to reach further by an explanatory scientific effort. In my opinion, we can do so by applying a hermeneutic perspective – considering human thoughts and feelings as well as the context and environment – which might provide insights and possibilities using understanding of, in my case, insightful expatriates to a much larger extent. In line with it this study will take a hermeneutically understanding and interpretative approach to the people cultures, and phenomena being studied as I find such an approach better than a positivistic view in terms of the richness, the nuances and the depth that it can bring. In this chapter I will now discuss various areas and aspects relevant for my study.

2.3 Understanding and meaning
The potential gains in terms of a deeper insights and wider perspectives stemming from learning a foreign language are well described by Gadamer explaining Schleiermacher’s famous thesis – that the reader has to understand the author better than the author understands himself – saying that a person reading a foreign language notices the grammatical rules and the composition of the text which the author did not pay any specific attention to since it was his own language and therefore natural to him. From this follows that a person who takes the effort of learning something foreign could make him understand it better than a person to whom it is

natural, automatic and without the reflection that could bring deeper insights. In addition to his reflection the other frame of reference that a foreigner holds could widen the insight and the perspective even more contributing to a rich and holistic view of certain phenomena. Still, locals in many respects understand the situation and the context better than foreigners trying to do it.

Regarding understanding and the objects we try to understand Föllesdal et al. say they can be divided into three groups: persons, their actions and products of their actions – such as linguistic expressions and their meaning, theories, evidences and manifestations, i.e. we try to understand persons, their actions and products of their actions. Meaning may be complex and Arnbor and Bjerke refer to Gadamer saying meaning is both dyadic - as it emerges from the two subjects, the actor and his interpreter, and also multivalent - since depending on the interpreter(s) involved an intentional act may have several meanings. As just shown meaning is dependent on person but also on context and Arnbor and Bjerke says to become meaningful the meaningful acts have to be put by a specific interpreter in a specific context and thereby actualizing their meaning. Föllesdal et al. treat meaning in a simpler way saying understanding deals with expressing something so meaning is what is expressed and each thing that expresses a meaning, be it an action or the product of an action, is meaningful. Meaning is thus crucial in understanding and interpretative studies having an impact on what methods one may use in a study.

Regarding methodic foundations Weber says there are two kinds of meaning where the first is the subjective meaning of the specific acting of an individual or the average meaning of several acting individuals while the second kind is a pure type or ideal type which is theoretically constructed meaning of a hypothetically typical acting individual. He says all meaning and all science strives for evidence which either could be rational – like in mathematics and logics – or empathetic – being emotional or artful. The ideal types should be clear-cut, understandable and thus useful in an interpretative study and I will come back to the ideal types which will play a crucial role in the analysis chapter.

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2.4 An interpretative approach to cultural studies

Eriksson and Wiedersheim-Paul say that interpretation is a basic method using language to find meaning in observations, it strives to obtain more knowledge about the whole than the sum of the elements it is based on, it is often more difficult than statistical analysis and when transferring something from one culture to another it is a typical problem to interpret the meaning in the new context.\textsuperscript{288} The complexity and difficulties when doing interpretative studies are described by Alvesson and Sköldberg saying “interpretation means that there are no obvious, simple or non-discussable rules or procedures and central features are the researcher’s judgement, intuition, capability to see and point at something and considering a more or less explicit dialogue – with the unit of analysis, with aspects of oneself, which are not ensconced behind a researcher’s position, and with the reader.”\textsuperscript{289} So it isn’t easy to conduct an interpretative study and some relevant key parts of my study will be interpretative while others will be more directly factual.

My subject is the role of language and culture in intercultural business communication in a few CEE countries. Although this is no anthropological or ethnographic study the idea of thick description from the American anthropologist Clifford Geertz - holding an interpretative approach to cultural studies - has inspired me. He sees four characteristics of ethnographic description saying it is interpretative, what it is interpretative of is the social discourse, the interpreting involved consists in trying to rescue the “said” of such discourse from its perishing occasions and fix it in perusable terms and it is microscopic. Yet he argues there are large-scale anthropological interpretations of whole societies, civilizations, world events etc claiming such extensions of ethnographic analyses to wider contexts and their theoretical implications could deserve general attention and justifies the constructions of such extensions. He argues the analysis of culture is an interpretative science in search of meaning saying practitioners of social anthropology do ethnography and to understand what ethnography and doing ethnography are one must grasp the form of knowledge that the anthropological analysis brings and he sees its core as the nature of its intellectual effort which he argues is an elaborate venture in “thick description”.\textsuperscript{290}


\textsuperscript{289} Alvesson, M., & Sköldberg, K., \textit{Tolkning och reflektion: Vetenskapsfilosofi och kvalitativ metod}, p. 324-325, 1994, Studentlitteratur, Lund

\textsuperscript{290} Geertz, C., \textit{The interpretation of cultures}, p. 5-6 & 20-21, 1973, Basic Books, New York
Geertz borrowed the notion “thick description” from Gilbert Ryle – an English ordinary language philosopher - who reasoned about winks arguing that a thin description is the physical movement itself whereas the thick description gives us the intentions behind the physical movement and the contextual action the person does and Ryle shows that there could be various intentions and actions behind the same physical movement. The thin description is thus what you can perceive and observe whereas the thick description is the intentions behind it and the overall contextual action performed. Geertz says ethnography is thick description. So one may say that thick description seeks to show the intention behind and the meaning with an action or an utterance but it also tries to find what lies beneath the surface. Thick description is used in international business studies and in such a study Gordon Redding sees culture underpinning formal institutions which in turn underpin societal business systems and he uses Geertz’s thick description comparing the socio-economic systems in France and the United States in a historical perspective. I find the notions of thin and thick description inspiring for some parts of my study since I try to understand the cultural context and the overall contextual actions of the persons involved in the communicative context of the persons working and doing business. However interesting it may be I won’t use thick description much in this study but it has to some degree inspired me in my work with the metaphoric interpretations of the cultural significance structures in the analysis chapter.

2.5 Hermeneutics

The broad scope of hermeneutics is described by Gadamer who argues that hermeneutics is a universal aspect of philosophy and not only the methodological basis for humanities or human sciences. Regarding this study focusing on language and understanding of other cultures where an interpretative view is of interest hermeneutics is a good source of inspiration. Föllesdal et al. stress its role for understanding seeing hermeneutics as the study of what understanding is and how to do to obtain it. Habermas brings in the role of language saying hermeneutics refers to how one learns to master a natural language and how to understand linguistically communicable meaning making it comprehensible when the

communication is distorted. Eriksson and Wiedersheim-Paul say hermeneutic studies strive for holistic understanding and insight so by using a hermeneutic method the scholar tries to understand the actions of another person via language and dialogue. They say in the hermeneutic spiral the researcher has a pre-understanding helping to formulate a problem so via a dialogue with informants or other information sources he obtains new knowledge while through the parts he obtains a deeper holistic understanding of the whole improving the understanding of the parts in an ongoing increasing insight spiral. There is a consensus aspect on hermeneutics and Arbnor and Bjerke stress the crucial role of communication saying hermeneutics strives – through using language - for common understanding and a shared view. This indicates a kind of balance and so Alvesson and Sköldberg argue hermeneutics requires a fundamental harmony of the phenomenon being studied, a harmony shown both in the entirety and in the part so it is no coincidence that hermeneutics has taken the circle, a harmony symbol, to show its progress mechanism.

A scholar could need a kind of harmony with the studied phenomenon and speaking their language may help to grasp, accept and live in harmony with the locals. Alvesson and Sköldberg say objectivated hermeneutics focus on the empirical material whereas alectic hermeneutics are more deeply interpretative so these both views often oppose each other. They say there are various versions of the hermeneutic circle altering between two paradoxical poles in a processual and dialectic way where the circle is transformed and turned into a spiral leading to deeper and better understanding of both poles so in the objectivated hermeneutic circle the poles are the part and the whole where the part only can be understood from the whole and the whole only from the parts while in the alethic hermeneutic circle the poles are pre-understanding and understanding leading to increased insight. Why these poles are said to be paradoxical is not evident since a better understanding of the parts could bring a better understanding of whole and so on which seems logical. Alvesson and Sköldberg say Gadamer also saw the pre-understanding and understanding circle as a development of the part-whole circle where the whole became the pre-understanding which is further developed bringing an understanding of the parts and Alvesson and Sköldberg see both these circles as supplementary

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300 Ibid, p. 114-117

128
and therefore say both these circles should be used to give a holistic study and understanding.\textsuperscript{301} Alvesson and Sköldberg illustrate the hermeneutic process in a wider circle holding the four parts of the whole followed by pre-understanding, the part and.\textsuperscript{302} This illustration is a rather complex and a simpler one holding only two parts emphasises that language and culture are very closely related and intertwined. Samovar et al. say in every culture language is one of five constituting basic elements.\textsuperscript{303} As an interpretation I give a modified version of the hermeneutic spiral holding the two parts of understanding of the local culture and the local language. This interpretation shows a gradually improved understanding of both these phenomena – the local culture and the local language – strengthening each other.

Figure 1: The linguistic-cultural hermeneutic spiral\textsuperscript{304}

Another version of this hermeneutic spiral is given including the general and the specific where the general refers to scientific articles and literature whereas the specific consists of the interviews and observations I have done in my fieldwork. Following the same logic means that the more and the better I understand what is general written knowledge about the phenomenon I study – i.e. the role of culture and language in international business – the better I will understand the specific material that comes out from my interviews and observations which in turn will improve my understanding of the general knowledge etc in an ongoing spiral of increased insight and understanding.

\textsuperscript{302} Alvesson, M., & Sköldberg, K., \textit{Tolkning och reflektion: Vetenskapsfilosofi och kvalitativ metod}, p. 165, 1994, Studentlitteratur, Lund
\textsuperscript{303} Samovar, L.A. & Porter, R.E. & McDaniel, E.R, \textit{Communication Between Cultures}, p. 18-19, 6\textsuperscript{th} ed., 2007, Thomson & Wadsworth, Belmont, CA. See also section 4.2.7 in this study on the connection between culture and language
\textsuperscript{304} The author’s own creation
A combination of these both circles is possible where an increased knowledge from the general and specific sources - which internally strengthen each other - could contribute to deeper insight in culture and language which also could strengthen each other and then again strengthen the general and specific knowledge in an increasing insight spiral etc.

In my view the linguistic hermeneutic spiral is primarily suitable for the field-work to understand the local people and their culture while the general-specific hermeneutic spiral is applicable when writing the analysis and I largely them like that.

Some interesting thoughts that are relevant for my hermeneutic linguistic-cultural spiral, or circle, are described by Gadamer discussing Schleiermacher and the hermeneutic circle arguing that the meaning of a contemporary text that we don’t fully understand opens up to us through the circular moment back and forth between the part and the whole making us understand a foreign language, a foreign meaning and a foreign past adding that even in his own mother tongue the reader must read texts from the author to understand the particularities of his language and his views. A thorough understanding of a text thus requires knowledge of the language as well as other texts of the author. In an intercultural business communication context this means the foreign business person must understand the local language and the cultural context in order to really understand local business people. Thus Föllesdal et al. say hermeneutics must take a broader approach than the direct text of the study looking at it as a wholeness letting the different parts shed light on each other seeking a uniform interpretation while also considering other texts from the same period, from the same genre, written by the same author or in the same situation.
Alvesson and Sköldberg on the other hand stress the importance of acknowledging possibilities for multiple interpretations in a study.\textsuperscript{308} Including several countries in this study gives me several perspectives facilitating various interpretations of the phenomena being studied. Hermeneutics has been criticised and Föllesdal et al. argue the hermeneutic circles with the whole and the part on the one hand and the subject-object on the other both justify interpretations going back and forward between the whole and the part and between horizon of understanding and the work in a kind of circular justification which could seem suspect and has been criticised. They say this view where justification must be circular is called holism while its opposite is fundamentalism requiring that all satisfactory argumentation must lead back to a basis that one is totally sure about.\textsuperscript{309} In this study I strive to understand and explain but not to justify and to gain new knowledge in every round transforming the circle to a spiral of new insights so being very fundamentalist would limit my openness to new phenomena thereby stopping and cutting the growth of the spiral preventing me from new insights.

2.6 Experience, language and hermeneutic experience

Our experience is crucial for the way we behave and orient ourselves in life and society. Language has a vital role developing, expanding and accumulating our experience of the world. Our pre-understanding relies on our experience and so it is vital in hermeneutics.

Discussing the notion and nature of experience Gadamer argues it is only valid as long as it is confirmed, it has a double nature where one confirms and is incorporated in our expectations whereas the other nature holds experiences that we do or live and these are unexpected and so negative changing our view on things and called dialectic. He argues that primarily experience is experience of nothingness – something shows itself to be different from what we thought it would be. He says to its nature experience is painful and unpleasant as well as limited and finite, it makes man aware of one’s limits and accept the way things are, making expectations and planning limited. He concludes that the real experience is the experience of your own history where the truth of experience is always open to new experiences so a person who is experienced is it just because he or she is radically non-dogmatic and open to experiences.\textsuperscript{310} Having an open mind and not being arrogant, i.e. being genuinely curious and not bound by

\textsuperscript{308} Alvesson, M., & Sköldberg, K., \textit{Tolkning och reflektion: Vetenskapsfilosofi och kvalitativ metod}, p. 354, 1994, Studentlitteratur, Lund
\textsuperscript{309} Föllesdal, D., Wallöe, L. & Elster, J., \textit{Argumentationsteori, Språk och Vetenskapsfilosofi}, p. 146, 1993, Thales, Stockholm
prestige or power ambition are natural, crucial elements and guiding stars in my striving for gaining more experience and understanding of other cultures. Another fundamental element is to learn and speak the local language as language has a crucial role regarding how we understand experience and Gadamer says all acquisition of experience includes language and language manages all experience. Thus language is a fundamental tool and a catalyst for our receptivity having a structuring and ordering role making our experiences retrievable and accessible to us by classifying and putting them in certain ways and categories in a memory analogical way. So language helps us to remember and retrieve our experiences.

To its nature experience is both fundamental and global. Alvesson and Sköldberg say it is basic and always already given so all explorations of reality must start from it and it is active, creative and has meaning. They refer to Gadamer saying experience is more global than a mere perception since it doesn’t only cover isolated fragments of a situation but rather the entire subjective situation being related to the individual’s whole life of which it is an organic part. The way people in these cultures live, act and behave features the local culture giving the researcher experience from it and living for a couple of months in each one of the countries studied gives more of a holistic picture and a real experience of the culture than single interviews so this study has considered that aspect. Enriching your view on the world doesn’t mean denial of previous experiences and ideas and Gadamer argues that when we overcome our prejudice – based on our experience of the world until this moment - by entering into a foreign language world we don’t leave or lose our own world. It is true that new experiences don’t make previous ones invalid but still there could be a need for – even major – adjustments of some previous views.

Gadamer says the world represents itself in language and the linguistic experience of the world is absolute transcending all relativities and connections where linguistic experience is shown. This illustrates the strong pervading role language has in human life, while the cumulative character of language and its connection to our experience of the world and of hermeneutics are described by Gadamer who says that “Die Sprache ist die

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Spur der Endlichkeit (unserer geschichtlichen Erfahrung)...weil eine jede Sprache sich ständig bildet und fortbildet, je mehr sie ihre Erfahrung der Welt zur Sprache bringt. ... Es ist die Mitte der Sprache, von der aus sich unsere gesamte Welterfahrung und insbesondere die hermeneutische Erfahrung entfaltet."  

Freely translated it says the language is the track of the finitude of our historic experience because such a language creates itself eternally the more it brings its experience of the world into the language. It is from the middle of the language from which our experience of the world and particularly of hermeneutics develops. The language is thus the key to experience of both the world and hermeneutics.

The importance of tradition is stressed by Gadamer arguing that hermeneutic experience is related to tradition which doesn’t only consist of a course of events that you know by experience and learn to command but it is also language speaking out from itself and he sees tradition as a true communication-partner to which we belong. Thus tradition is alive in Gadamer’s view and it is a cornerstone in culture, communication and language.

2.7 Reflective interpretative research and gradual refinement progress

There are differences and analogies between historic and cultural studies where history study methods may be fruitful in cultural studies. The weight of reflective interpretation is described by Kjeldstadli who says that a historic source is interpreted in several steps starting with a linguistic interpretation of what is said which could be more difficult in an old statement – but analogically also in another language studying a foreign culture as I do (although most of the interviews were conducted in my mother tongue Swedish). The linguistic interpretation is followed by an interpretation of the meaning of the statement and what the source really wanted to say as well as if there is a hidden message which has to be read between the lines. Finally the historian must sum up what is said by the source and describe the meaning in the historian’s own words. This approach is a very thorough and potentially time-consuming method which may be used in some parts of the study where it is needed but not everywhere since many answers and statements from the interviews could be quite straightforward and don’t call for such a detailed treatment.

Stressing the importance of reflective interpretation and regarding which language to use in a study Arnbor and Bjerke describe a scientific perspective called the actor’s point of view which stresses that the researcher should use the interpretation, the action and the reflection to be able to translate the language of daily life to the scientific language and the actor’s point of view criticises other perspectives and methods for neglecting this translation process including interpretation, action and reflection and only describe the meaning of the daily life phenomena in a scientific reality context. These ideas reflect that the actor’s point of view holds constructive and constitutive metaphors whereas this study is more interested in representative metaphors. Although this study doesn’t use the actor’s point of view their remark is relevant for this study and I have tried to catch and describe a daily social business reality in these countries in my text and not only give a scientific perspective of the world. Alvesson and Sköldberg emphasise the importance of treating the empirical material in a reflective way seeing the possibility of multiple interpretations as a hallmark of social sciences arguing that good qualitative research is an intellectual rather than a technical project where the rationality core in the research project lies more on reflections than procedures. Regarding the treatment of the empirical material they say what we call data may be more complex than we first think, seeing data not as such but as a construction of empirical relationships in an interpretation process so preliminary interpreted data are rather raw and not so elaborated with a low abstraction level but can become more advanced via hermeneutic interpretation followed by a critical evaluation and rhetorical analysis. Focusing on the empirical and theoretical material adding a few elements of reflective interpretation could be a fruitful way to do this study.

Geertz argues cultural analysis increases our knowledge of culture by studies being more and more precise, better informed and conceptualized bringing deeper insights than the previous knowledge they build on claiming this makes the essay the most appropriate form to present cultural analysis. The essay is also the writing form in this study.

Alvesson and Sköldberg say hermeneutics sees facts as interpretation results and truth as a revelation of important but previously unknown relationships in a text and the result is always provisional and never final as it can always

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318 Arnbor, I., & Bjerke, B., Företagsekonomisk metodlära, p. 208-209, 1994, Studentlitteratur, Lund
go on in the hermeneutic process. Geertz claims cultural analysis never gets to the bottom of anything being incomplete in itself and the character of gradual improvements saying interpretative anthropology makes its progress in form of refinements of debate leading to higher precision and the aim of interpretative anthropology is to find out how other people live and not to answer the deepest questions. Using elements of such a practical refinement method may step by step give deeper insights finding what’s common to the study’s different data sources.

On epistemology I have a hermeneutic approach to cultural studies where I think we can obtain knowledge about other people and their culture by communicating with them, listen to them, observe them and interpret them, their actions, thoughts and intentions. As far as our knowledge about other people and their cultures is concerned I think we step by step increase and refine our knowledge about them, at times in steps of insight, without ever reaching any ultimate truth, which I don’t think exists, since people and cultures are dynamic and change over time and people are individuals and thus different. On ontology I do not think there is one objective reality but rather that each one of us live in our own reality and when we communicate we have to accommodate our views of reality to obtain a mutual understanding of the subjects and phenomena we discuss enabling co-operation or other activities requiring a common denominator to be constructive and fruitful.

2.8 Typified descriptions and understanding
Explaining typified description Arbnor and Bjerke say subjectivation is the process where we create our own experiences and via our common language we make our subjective experiences externally accessible for others in a process called externalisation where we create our surrounding reality so society is a human product and objectivation is a process where a human act obtains an objective character and via objectivation the externalisation loses its subjective meaning structure becoming a typified description, a nearly objective structure of meaning, and by typified descriptions we label other phenomena and persons. When different actors hold a common typified description an institution has emerged.

The life world is helpful to understand typified descriptions. Bäck-Wiklund says the life world is the concrete reality we experience and in which we

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live our daily lives and take for granted in all activities and these profane actions, institutions and socially accepted conventions are constituted and re-constituted by people in their daily activities and unreflected actions. She says knowledge ordered in to us well-known, ideal and typified patterns are what Alfred Schutz called typified descriptions where the way we experience and interpret the world is obtained via typified descriptions of routine based phenomena, experiences and people where typified descriptions help us recognize the situation as different thought schedules are activated making us know what to do and give our daily world meaning making it normal, well-known and routinary. Typified descriptions are a part of language we share with others and we learn things when learning the language. 324

In the empirical chapter I will give typified descriptions of benefits and drawbacks of speaking and not speaking the local language in intercultural business communication in CEE and I’ll describe how Swedish expatriate managers perceive the role of language and business culture. One can’t always only rely on the explicit answers from informants, so I must try to imagine how they think and act when communicating with local people.

2.9 Practical data collection and research method - Pentangulation

My study uses a modified version of Bjerke’s quadrangulation method which he used travelling two and half years to study overseas Chinese in small enterprises in seven countries in South East Asia. To gather and collect the data Bjerke used five different information sources and the information that was common in all of them and he calls his method quadrangulation (pentangulation) due to the number of different sources. 325

In order to find out what I interpret as the business culture and the role of language in the intercultural face-to-face communication in CEE I will collect information from five different fields. The overlap of the following five fields constitutes what could be called the culture’s core, i.e. the lowest common denominator in all these five fields:

1. My interviews with Swedish expatriate business people
2. My interviews with other stakeholders such as other Western expatriate business people and bankers, local business people and bankers and diplomats

3. Conversations with the local people I have spoken to including language teachers, host family and people in shops, taxi drivers etc
4. Collected scientific articles and books on the role of language in international business but also on culture, communication and intercultural communication as well as international business in Central and Eastern Europe
5. Published articles, often in newspapers, magazines and journals, reports from banks and business organizations, recommendations and statistical information from the Swedish Trade Council and other relevant institutions and organizations

These are five fields and the overlapping part they all have in common is the. This is a slightly modified variant of a method Bjerke has used in his book on Entrepreneurship. Each item does not have to show in every single one of these five fields but each item must be in line with other material presented from the other sources.

Having given the background with the importance of international trade where Swedish companies lose market shares along with the shift from vertical cost-cutting FDI to horizontal FDI aiming at gaining market access and requiring better communication and language skills which are met by a declining language competence of students and young business people in Sweden creating a competence gap and a problem and then we went on with the unit of analysis, the problem, the aim and the delimitations and then we dealt with different scientific perspectives where one, hermeneutics, seems applicable for this study so now follows a theoretical chapter on intercultural communication and language.

2.10 Summary of chapter two
The scientific perspective is crucial for a study. Thus we discuss the differences between a positivistic perspective being nomothetic and striving for general laws which are stable over time and a hermeneutic perspective being illustrative and ideographic and striving to find character, shape and Gestalt of a phenomenon as things change over time. Focusing on the role of language in intercultural business communication I think the humanistic and hermeneutic perspective considering human thoughts and feelings provide a better understanding and insight in it with more richness, nuances and depth than the more abstract search for general laws can grasp so this study takes on a hermeneutic approach.

We have a horizon of understanding and there is a tension between an historic and the contemporary world and in a fusion of horizons they come closer to each other but they don’t melt together. We try to understand persons, their actions and products of their actions such as linguistic expressions and their meaning. What is expressed is called meaning and everything that is expressed – whether it is an action or the product of an action - is meaningful. Interpretation is a basic method using language to find meaning in observations and it strives to obtain more knowledge about the whole than the sum of its elements and cultural analysis could be seen as an interpretative science searching for meaning. The thin description is what you can perceive while the thick description is the intentions behind it and contextual action. Geertz says ethnography is thick description.

Hermeneutic studies require a harmony in the phenomenon studied and strive for holistic understanding of another person’s actions via language and dialogue with informants and other sources and through this – alectic - hermeneutic spiral the pre-understanding of the researcher is turned into deeper understanding which is the pre-understanding for the next round in an ongoing search for deeper insight. Analogically there’s another – objectivated - hermeneutic circle or spiral where the researcher by grasping the parts of a phenomenon obtains a better understanding of the whole in an ongoing process. As language skills are my focus I have created an analogical spiral where the scholar obtains a better insight of the local language and thanks to it he then obtains a better understanding of the local culture in an ongoing spiral. A similar hermeneutic spiral is based on the elements on the general – consisting on scientific articles and literature – and the specific – consisting of my fieldwork interviews and observations – where a deeper knowledge about the general leads to a deeper knowledge of the specific etc. Hermeneutics has a broad scope bringing a universal aspect of philosophy and not only a methodological basis for human sciences.

Experience is important for how we behave and orient ourselves in society and it is vital in hermeneutics as our pre-understanding is largely based on our experience. Experience is only valid as long as it is confirmed, and it either confirms our expectations or makes us live through ruptures changing our view on things in an often painful way. Experience has meaning and is active, creative, fundamental and global covering an entire subjective situation. New experiences enrich our understanding of the world without denying the value of old ones. We acquire experiences through language which it turn manages our experiences where language enables us to remember and retrieve experiences. Regarding experience language creates itself eternally having a cumulative character and language is vital for our experience of the world and for hermeneutics. Tradition is alive, it is a true
communication partner to us and it’s vital for the hermeneutic experience of the world.

Reflective interpretative research features less emphasis on collecting and treating data but more stress on interpretation and reflection so it is more difficult than normal qualitative and quantitative research. A way to reduce the difficulties is to do sequential interpretations where the focus is on the empirical material supplemented by some qualified and reflective sections using theories, cultural analysis and taken for granted assumptions making the study more advanced and interesting. The empirical material should be treated in a reflective way providing a possibility for multiple interpretations and good qualitative research is in a way more of an intellectual than a technical project.

Cultural analysis features a step by step procedure with gradually increasing precision and insight providing more refinement and deeper understanding without getting to the bottom of anything since by using this thinking you can always go deeper.

Regarding epistemology this study takes a hermeneutic approach where we gradually increase our knowledge about other people by communicating with them as well as observe and interpret them and their actions, thoughts and intentions. Regarding ontology the view is that there is not one objective reality but each one of us lives in our own reality and we must accommodate our views of reality in order to obtain a mutual understanding of the subjects and phenomena we discuss and so enable cooperation.

On typified descriptions: Our own experiences are created in a subjectivation process and via our common language we make it externally accessible to others in an externalization process where we create our surrounding reality making society a human product and a human act obtains an objective character in an objectivation process and externalization loses its subjective character via such objectitivations and becomes a typified description which is an almost objective structure of meaning putting a label on other phenomena and persons. Typified descriptions of routine-based phenomena, people and experiences make us able to experience and interpret the world recognizing situations and activate thought schemes making our daily world normal, familiar and routinary. Typified descriptions are a language part that we share with others and we learn about things learning the language.

Pentangulation is a practical data collection and research method that I have used to find what I interpret as the business culture in CEE and the language’s role in intercultural face-to-face communication. The overlap of
the five following fields constitutes the core of culture. Each item does not have to overlap all the others but it must be in line with them and other material from other sources. The five fields are: My own interviews with Swedish expatriate business people, my interviews with other stakeholders, conversations with the local people, collected scientific articles on international business culture and the role of language in intercultural communication and books on business culture, language and communication in international business and finally published articles in newspapers magazines and reports from banks, business organisations and other relevant institutions.
3. THEORY AND BUSINESS STUDIES ON LANGUAGE

3.1 Introduction
Chapter one showed the importance of international trade where Swedish companies lose global market shares, mostly in Europe and in emerging markets, and a shift from vertical cost-cutting FDI to horizontal FDI to gain market access requiring better communication and language skills while Swedish students and young business people show a decline in language skills creating a competence gap and an export industry problem. Face-to-face communication is needed despite more electronic communication tools. The geographic area of CEE and the problem with loss of market shares and language skills but higher demands for them were discussed, as was the aim with the way Western expatriates see the role of language finding possible cultural significance structures and interpretations of them where some cultural significance structures are influenced by the local language. The delimitations of the study were presented where I focus on the role of language and culture for business expatriates in CEE countries where I have learned the local language.

Chapter two described the scientific perspective where the positivistic and hermeneutic perspectives and meaning were discussed. Then thick description and two hermeneutic spirals were presented where the linguistic-cultural hermeneutic spiral is particularly suitable for the fieldwork when it comes to understand the local culture and is people and the general-specific hermeneutic spiral is more appropriate for performing the analysis of the study. Then an approach to an interpretative cultural study with its gradual progresses and refinement character as well as what characterises good interpretation were described as were typified descriptions and a practical data collection method called pentangulation.

Having the background, the geographic area, the problem, aim and delimitations of the study and its scientific perspective this chapter presents theory on business culture, inter-cultural communication, the role of language in international business and findings from scientific articles on language’s role in international business. The theories are chosen to give a broad picture of the role of culture and language in international business in CEE. The different theories in this chapter will come together in the analysis chapter, not in the least in the ideal types and in the cultural significance structures’ interpretations. As there are various ideal types they are based on
several theories, different business studies and articles. So the plurality of theories given in this chapter will be more cohesive there.\footnote{327 Another factor making this theoretical chapter so long are the numerous and extensive footnotes, if I would have used endnotes the chapter would have around 70 pages corresponding to about 15-20\% of all the text pages, yet the footnotes give clarity and directness and are thus easier to read and therefore chosen.}

The first section gives a short overview of some findings in scientific articles on the role of language in international business showing there hasn’t been much written in this field. I describe culture with its basic elements, characteristics and deep structures, history, culture and personality plus the connection between language and culture. Then I explain plan economy to show how the economy functioned in CEE before the market economy and the show trials showing the lack of rule of law, followed by some business culture characteristics in CEE countries and then corruption, trust and cultural dynamism.

The main characteristics of communication and non-verbal communication are described as is the relation between communication and culture. A section telling intercultural from international and development communication follows with some basic characteristics of intercultural communication and the usefulness of proverbs and the features of elaborated and restricted codes along with high-context and low-context cultures. Communication skills and knowledge sharing are dealt with followed by a section on misunderstandings which can be a big problem in intercultural business communication.

In the key section on language I give some general characteristics of language followed by a discussion on the linguistic relativity principle and the Sapir-Whorf hypothesis. The language barrier and its dimensions are dealt with as is a common company language and its problems and English as a common company language but its insufficiency means that multilingualism is needed. Then some benefits of speaking foreign languages and local language competence and a model of the ideal speech come. Language as a professional competence and the consequences of poor language skills are dealt with. Problems with interpreters and translation are discussed as is language politics. We deal with language as power and some power aspects of the dominance of the English language. We discuss how to solve the language issue, language competence when recruiting and training and the need for motivation when learning a language. At the end there is a summary.
3.2 Previous findings from and types of business studies on language

A vital aim in my study is to shed light on the role of language in international business and I here give a much more concise summary than in the introductory chapter of some findings from previous articles and reports on language in international business shortly describing some types and characteristics of some of these studies and how my study is different. Though many of these scholars say not so much has been written about it these articles and reports show various aspects of language. A more extensive overview of the field comes in appendix 1 while in the language section of this chapter there is an even more encompassing and differentiated discussion of different perspectives on language.

Summing up some findings shows language can be a barrier, facilitator, source of power, crucial competence and it can help you understand your counterpart’s culture and your own. A common company language both solves and creates communication problems and it may create isolation, exclusion and inclusion and could stop careers. Language skills are vital to build personal relationships and can bring coordination and control making some people language nodes and gatekeepers, and it helps knowledge transfer and effective communication is a prerequisite for success of a company and a career asset for an individual. Language training needs continuity, face-to-face communication is better to explain complex matters and global communication capability is necessary for success. A common language is often needed to understand the true, underlying meaning, it is hard and expensive to work with interpreters, and the language barrier could be very costly. Language diversity is a resource and multilingualism is the future of international business since one language cannot solve all communication problems so there will be an increased need for language competence. Multilingualism could increase an individual’s creativity, learning ability and problem solving capacity. Yet there is strong domination of the English language both in the practice and studies of international business which is a barrier to cultural understanding and to the intellectual development of international business studies. Language is vital for the identity of an individual and constitutive to both the management and the manager. Companies could lose business and market shares because of lack of language skills but it could be hard for the managers to see that that is the reason. It is particularly important to speak the local language in sales and marketing. Only few of the business expatriates working in CEE countries learn the local language.
Quite a few of these studies treat internal communication in MNCs with an organisational view with a geographical focus on the West and at times Asia, but not much on former plan economy states and republics in CEE and there is less written on the role of foreign languages in external communication or in communication in international joint ventures and mergers. A good share of the articles are based on primary empirical data, a few of these studies are quantitative studies and some more qualitative case studies of which a few are based on one empirical study, KONE elevators, and two on empirics from a Finish-Swedish bank merger, while many of the other studies are mostly theoretical. None of these studies has used my kind of multilingualistic and multicultural method repeatedly starting from zero travelling to a handful of countries, staying in each one for a few months, learning the local language living with the local people going through and sharing many cultural experiences just like an expatriate business person who just has arrived to the assignment country and so obtain a cultural understanding before doing the interviews with the informants facilitating an understanding of them and their view.

3.3 Culture

Today companies face international competition even if they are only active on their domestic market so neglecting culture and cultural manifestations could be disastrous for a company. There are thus managerial needs for cultural sensitivity, particularly for MNCs operating all over the world. There are cultural barriers which can stop a business or at least make it more difficult and the ELAN-study on SMEs in the European Union plus Norway, Iceland and Turkey found that particularly the Nordic countries faced a cultural barrier - with 42 % in Norway, 37 % in Sweden and 30 % in Finland – where the authors of the study thought it might be due to the Nordic countries being geographically isolated or because of high awareness of cultural barriers due to strong consensus thinking and furthermore Sweden (12 %) followed by Finland (10 %) and Iceland (9 %) were the countries where most companies thought they had missed an export contract opportunity due to lack of cultural competence. Such losses and difficulties are a clear indication to Swedish companies to look at and improve their cultural competence. There is a need for it not only externally but also regarding the internal work in a company. Studying Finnish project managers Mäkilouko found that leaders of multicultural projects had a

330 CILT, the National Centre for Languages, ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise, p. 22-23, December 2006, London
relationship orientation with cultural empathy and a willingness to understand other cultures were more successful than task-oriented leaders showing ethnocentrism, cultural blindness and parochialism though polycentric leaders being both relationship and task oriented reported the lowest rate of project problems.\textsuperscript{331} This indicates how vital it is to adapt and try to understand the culture in order to succeed when working abroad. In this sense language is vital as linguistic adaptation facilitates cultural understanding and Brannen and Salk say language is of critical importance in any multinational project or mission.\textsuperscript{332} This is also due to the need for successful communication in such projects.

### 3.3.1 Culture and its basic elements

Regarding what culture is Lisa Hoecklin says culture is a shared system of meanings holding a view on the world, on how life is to be organised and how to experience oneself but culture is also relative as no culture is absolute, it is learned and derived from the social environment but not genetic and it is a collective phenomenon about groups with shared meanings and values.\textsuperscript{333} Harris and Moran say culture is a way of living by a group of people who develop and consciously or unconsciously transfer it to new generations so that ideas, attitudes, habits, customs and traditions are accepted and standardised among members of a group to meet continuing needs and it gives people a sense of identity, belongingness, what to do and how to behave.\textsuperscript{334} Cultures also exhibit stability over time where Coskun Samli says cultures don’t change easily but reinforce and maintain a society’s existing power structures and the four major cultural reinforcers are education, religion, family and government.\textsuperscript{335} Samovar et al. say for the members of a culture its guidelines make life easier and more predictable and they claim that there are five constituting basic elements which can be found in every culture and they are; history, religion, values, social organization, and language and they claim that culture promotes the individual in terms of adaptation, social survival, development and growth saying culture has several characteristics directly affecting communication and these are that culture is learned and transmitted from generation to generation, based on symbols and a shared, dynamic and integrated

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\textsuperscript{334} Harris, P.R. & Moran, R.I., Managing cultural differences, p. 12 & 135, 3rd ed., 1991, Gulf Publishing Company, Houston, TX

\textsuperscript{335} Coskun Samli, A., \textit{International consumer behavior: Its impact on marketing strategy development}, p. 17-18, 1995, Quorum Books, Westport, Ct
Bjerke sees values, behavioural norms and assumptions as the three main components in culture developing inter-subjectively and they are non-behavioural, non-material and mainly non-conscious but influence language, behaviour, organisational climate and other cultural manifestations. Comparing Bjerke and Samover et al. views regarding the basic components of culture we see there are similarities between norms and social organisation as well as between assumptions (beliefs) and religion so the main difference is that Samvoar et al. include history and language as basic elements whereas Bjerke doesn’t see them as individual basic elements although he recognises their importance and close relation to culture seeing language as a manifestation of culture. Also other international business scholars include language as a basic element of culture and when discussing dominant cultural attributes Soderberg and Holden mention language, value systems, assumptions and worldview. In this context these cultural attributes may be seen as cultural components. Language is crucial in my study and history is vital so just as Samovar et al. I see them as basic elements in culture.

Bjerke argues culture is unavoidable and it normatively and strongly determines people’s behaviour. Seen on a national level in societies there are mechanisms - often institutions – that maintain stability of cultural patterns from generation to generation in a normative way by reinforcing norms, values and assumptions which in turn influence how the institutions work and changes in these norms, values and assumptions mainly come from external forces. Guirdham says norms exist to enforce cultural values and these values have a strong impact on work roles. She further argues that high power distance leads to steep hierarchies and tight control whereas high uncertainty avoidance features strict formality and adherence to job descriptions, individualism focuses on personal responsibility and collectivism on group responsibility whereas achievement orientation stresses task fulfillment and relationship orientation stresses maintenance of relations. Bjerke argues values, and thereby culture, affect almost all meanings attached to life and that has an impact on human behaviour and

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the depth and strength culture has makes it hard both to question another person’s viewpoint and adopting one of another person.341

3.3.2 Deep structures of culture
Guirdham says anthropologists make a difference between surface culture – consisting of things being obviously different to a foreigner such as dresses, food, music, gestures, artefacts, norms and roles – the shared symbols - and deep culture which is hidden and inaccessible to our sensory organs but also a fluid and multidimensional process and hard for outsiders to see.342 Deep culture covers customs, language, worldview, kinship systems and social organization – the taken for granted daily practices.343

Samovar et al. argue the main deep structure elements are family, religion and history or - slightly more nuanced - family, religion or worldview and history, or community or state but as all these deep structure elements are integrated it’s hard to exactly define history’s influence. In an intercultural communication view Samovar et al. see history as a formal and informal government of a culture, its political system, community view and its big historical heroes and its geography giving a culture’s members an identity, values, goals and expectations.344 Guirdham says in intercultural communication deep culture and surface culture could cause problems where deep culture values could come into conflicts with other people’s values causing misunderstandings, rejection and offences and surface culture decides what is seen as polite and impolite and false interpretation is a problem.345

Samovar et al. say the worldview of a culture provides its members with guidelines and an understandable picture of reality governing issues ranging from the big questions of the universe to the small daily life problems. They stress that worldview is very important in an intercultural communication context and it is - just like culture – automatic and unconscious where worldviews cover all phases of human life and deal with questions on the meaning of life. They say worldview also influences how a culture looks on business where a culture’s business behaviour and worldview are tied

together with perception and communication. Worldview tells us how a culture sees philosophical issues such as God, nature, humanity and the universe and the worldview is transmitted by language which forms the way its speakers think and so is an essential part of culture while social organization shows how relations between members in a group are organized and kinship systems how relations between family members and relatives are seen and dealt with.

Culture is dynamic but also to a large extent stable and Samovar et al. argue that culture exists in a context and it is influenced by its environment and therefore culture is also dynamic since it is subject to constant reinvention and constant change. They say even though many aspects of culture undergo changes there is still a stability because the deep structures remain and resist major changes since the core values of a culture like ethics, morals, the view of work and leisure as well as history and religion along with how freedom is defined survive generation after generation even though the way people dress, travel and are entertained and the type of houses they live in -i.e. - the surface culture – changes. There is a parallel to Bjerke where what he sees as culture – very much the deep structures of culture - remain whereas the cultural manifestations undergo changes.

On the importance of a better understanding for deep culture in business life Bjerke says that analyzing trends in commerce and world management leaders need cultural sensitivity and although they have become more sensitive regarding cultural manifestations - such as different behaviours in various countries - managers do not possess a sufficient understanding of the nature of culture and the way MNCs can handle it. Bjerke elaborates this idea saying a manager needs two types of cultural knowledge, one is cultural manifestations in form of societal customs and the other is at a deeper level harder to learn and understand and it is an interpretative knowledge of culture understanding what is behind the social customs and thereby reach the level of social norms, interpersonal values and existential

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assumptions. He argues managers need to know the social and business customs of the countries where they will operate and there are a couple of such custom dimensions which are crucial to know; personal acceptability including ways of greeting and face to face conversation distance, time in social events including promptness and time to start talking business when meeting businesspeople, friendship and politeness – whether you only do business with people you like and saying yes only to avoid a direct no, the enculturation process - passing on behavioural norms and values using language - including nonverbal communication - as the main tool.\(^{351}\)

Samovar et al. say a culture’s deep structure values are reflected in the usage of language and the language style tells how cultures value communication directness or indirectness and Americans value directness going to the point using explicit and frank expressions avoiding ambiguity and vagueness while East Asian cultures see such behaviour as dis-respectful and impolite hurting others. Samovar et al. say the East Asian language style is an indirect speaking style with fewer words focusing on maintaining social harmony and preserving the feelings, dignity and face of others avoiding negative and controversial statements and the overall emotional atmosphere is more important than certain words.\(^{352}\)

After all these views on culture I will give a definition of culture that suits my study:

Culture holds five vital elements which are values, norms, beliefs, history and language and culture is collective based on shared symbols, learned and passed on from generation to generation giving people a feeling of belongingness standardising ideas and customs and it is dynamic but doesn’t change fast thus bringing stability helping people with social survival, adaptation, development and growth. A culture has different layers where the surface culture consists of the perceivable shared symbols while the deep culture is hidden to our sensory organs but reflected in the usage of language covering the deep values of worldview, language, history, social organisation, family and kinship system.

3.3.3 History
Samovar et al. claim history and culture are deeply interwoven as are history studies and intercultural communication studies and the deep structure elements of family, religion (worldview) and history (country) are integrated. They argue historical events can explain and help us understand


the character of a culture and what a culture passes on to the next generation tells us something about the character of that culture. They say the history of a culture has a penetrating effect on the behaviour and perception of its members and how they treat and behave towards people from other cultures and a culture’s history can also give a background and understanding of disputes and their roots as well as strong feelings such as mistrust, animosity and even hatred towards other people and cultures.\textsuperscript{353} History influences the cultural heritage and Bjerke says the cultural heritage is largely invisible where the invisible part consists of values, norms and assumptions held by the majority of the population. He argues the cultural heritage is transferred through education and childhood experiences saying it differs from nation to nation and these values develop into societal norms and thereby become cultural manifestations and these norms, values, and assumptions lead to behaviour determining which organizational, economic and political solutions that are possible within a national culture.\textsuperscript{354} Doing your homework is vital in business and practitioners like Peter Job are aware of the importance of history saying when doing international business including frequent business trips reading about a country’s history and politics grasping the dynamics there is a good preparation to understand the business culture and the ways in which business is done there. He says that if the international businessman avoids stereotypes and prejudices the foreign partner will be interested and explain their culture and ways of doing business to him.\textsuperscript{355}

\subsection*{3.3.4 The three main institutions of a culture: Family, community and worldview}

Samovar et al. argue the three institutions family, community and worldview (or family, state and religion), are deep structure institutions and they are important for actions in all cultures and the three institutions show these four different but interrelated features:\textsuperscript{356}

1. They carry the most important beliefs of the culture teaching you what is important and what you should strive for
2. They endure over generations preserving culture and its customs, traditions and wisdom making it unique and unfortunately sometimes also its unforgiving hatred

3. They and their content and messages are deeply felt exhibiting strong feelings such as loyalty and nationalism and in any culture a hierarchy of cultural values would show love to the family, God and the country at the top of the list.

4. They form much of our identity – also by socialization – and alter the individual “I” identity which is supplemented by a plural “we” identity connecting the individual to cultural groups and also to the culture’s main institutions.

One should avoid making simplistic generalisations thinking all members of a culture are alike as there are differences within a culture. Bjerke says researchers comparing national cultures should not compare single individuals since there are huge variations around any norm although there are feelings of belonging to or not belonging to the nation among the inhabitants in that nation.\(^{357}\) Accordingly Anderson et al. say in a culture every individual doesn’t follow all the characteristics of that culture so all such characteristics shouldn’t be put to any member of the culture with high certainty and many studies show that within a country ethnic groups do have different cultures.\(^{358}\) Notably there are regional differences between northerners and southerners worldwide.\(^{359}\) Therefore a culture should be studied in its most suitable location,\(^{360}\) which I think is on site so I do my study there.

### 3.3.5 Culture related to personality, language, symbols, rituals and myths

Discussing culture as mental programming Hofstede says personality is both inherited and learned and specific to individuals while culture is learned and specific to groups and he sees culture lying between the personality and the universal human nature which is biological and inherited.\(^{361}\) Bjerke says cultures are integrated wholes and not individuals so the logic of a culture cannot be understood treating it as the dynamics of individual personalities.

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Yet he makes an interesting comparison between culture and personality regarding how deeply they influence a human being saying on an organizational level there are some similarities between the culture and the personality of the organization but on an individual level there are vital differences where the personality goes deeper and is a more intimate part of a human being and his or her identity so for an individual it is easier to break cultural norms than to do something against his or her own personality. As an individual you must more or less adapt to a new culture - at the extreme by braking one or a few of your home culture norms - but doing something against your personality could be very difficult if the break is a rupture with the deeper values you stand for.

Culture is historical, accumulative and perceivable and it is based on symbols of which language is the most crucial one enabling the members of a culture to share observations, ideas, experiments, facts and wisdom accumulated over many thousand years and so “human culture without language is unthinkable.” Language is thus a core symbol of culture but there are also other symbols which - according to Bjerke - could be relations, things, events, acts etc. and an interpretation means to see such things as something pointing beyond themselves. He says that in every culture symbolism is important where organizations are full of symbols and most activities in an organization could be studied from a symbolic perspective and so are rituals, language and myths often studied. Much decision-making in an organization is done symbolically – for the sake of the decision-making process – and not for the result. Bjerke says the formal meeting may be the most important management ritual and in every culture there are myths, which often also are related to history, and they are powerful images holding values. He says myths are important because they are both thought and felt and could involve the whole personality and affect masses of people. About an emerging market, China, Faure and Fang say mastering rituals shows that you are civilized and have cultivated your

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moral which is important when doing business in China. Kassis-Henderson says following routines and rituals is a sign of competence and when performing routines like greetings, apologizing, thanking, taking leave, addressing etc. people follow a regular course of procedures while rituals are more solemn actions such as presentations, interviews and meetings. She says both routines and rituals follow social and professional norms but they differ from one culture to another and members who infringe these norms could be seen as ignorant, incompetent, impolite, tactless etc. She warns for a tendency which may cause problems saying that so called standardization of professional communication practices often means an adaptation to the way North Americans communicate in business. She gives an example of it saying the habit of Anglo-American native English speakers to address each other only by the first name could be seen as too familiarized and embarrassing for some non-native speakers of English coming from more formal and hierarchical cultures and such language standardization may therefore cause problems.

3.3.6 The connection between language, culture and identity
Language establishes and maintains culture in certain ways. One example of this is that during the 123 years from 1795 to 1918 when Poland did not exist the Polish language substantially contributed to keep the culture, the people and the nation together. Blenkinsopp and Shademan-Pajouh refer to Sliwa suggesting that the Polish resistance to the linguistic imperialism of the German and Russian languages was a crucial factor for the creation of the Polish civic society. But the influence is in both directions. We actually have a mutual dependence of culture and language where culture has an impact on our language, which in turn influences how we think, feel, and act and thereby forms our culture. Bjerke says culture and language influence each other in various ways and the idea of the impossibility to fully understand a culture and its manifestations without considering its language is generally accepted. He says language is a very intimate and significant constitutive feature of a human being saying people both think and speak in that language, and the available language largely determines what can be said and thought where a phenomenon for which there is no

370 Linell, Per, Människans språk, p 48, 1982, Gleerups Förlag, Malmö
372 Bjerke, Björn, Att skapa nya affärer, p 330, 1989, Studentlitteratur, Lund
word may just pass unnoticed.\(^{373}\) Vaara et al. say natural languages are the core and symbol of culture but they are also linked to knowledge and to power. They argue languages give us frameworks in which we can construct and translate ideas and issues not forgetting that languages and discourses can also control and influence people in a way they are not always aware of.\(^{374}\) In society or in a company the language used reflects its culture influencing almost every activity that takes place in a company.\(^{375}\)

The factor that most clearly distinguishes two cultures from each other is language.\(^{376}\) This shows that by learning a new language you also learn a new culture. Confronting a new culture means you often face problems and Kassis-Henderson says obstacles and tensions come up when people work across cultures having a strong impact on teamwork and relationship-building\(^{377}\) and language could also play a role where Piekkari et al. claim both the national and the corporate differences can cause a culture clash where the language and communication differences are intertwined with cultural ones.\(^{378}\) Jordan and Cartwright draw a parallel to learning a language saying confronting a culture shock the sojourner learns the dynamics of cultural interaction just as he or she learns a new language.\(^{379}\) This shows the close connection between culture and language. Welch et al. say language has often been bundled into the broad term culture and early researchers used the term psychic distance, almost equivalent to cultural distance, where a more distant market meant higher uncertainty and perceived risk. They say the psychic distance was defined as factors hindering or disturbing the information flow between home market and target foreign market and such factors were differences in language, culture, political system, education level as well as the country’s development level.\(^{380}\) Welch et al. say it’s hard to separate language effects from broader influence of culture and to grasp the role of language it has to be treated as a

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154
This study views language as a separate factor but a core element of culture. The deep impact of language on culture, where speaking the same language could be more crucial than belonging to the same country, is stressed by Tung who about differences in values and attitudes between English-speaking and French-speaking Canadians says between Canadian Anglophones and Americans the similarities could be stronger than the ones between English-speaking and French-speaking Canadians. So for the cultural identity of a person the mother tongue may be a stronger factor than the citizenship.

Language influences both personal and professional identity and Tietze refers to Joseph saying identity is a basic human need to distinguish oneself from other groups and on a cultural level to maintain different identities with their insights, worldviews and perspectives different language systems are needed as the most universal and direct identity is the language while on a professional level language has a key role in making managers where the management discourse is spread by learning the language. She says in the management education there is teaching of technical knowledge and the aspirants are socialised into professional managers creating an identity where people accept and follow certain standards of acting and behaving where the ability to use language and certain discourses is a core skill of managing and management.

3.3.7 Plan economy

Some characteristics of planned economy in the Soviet Union and CEE will be presented to put things into perspective starting with a short look back at the development of the Soviet Union, the first socialist state, and the economic and political conditions that then prevailed. As The Soviet Union dominated and had a very strong influence over the so-called satellite states this recapitulation also has much relevance for the communist states in CEE. In the beginning plan economy was successful and Castells says during most of its existence the Soviet Union had a higher GDP growth than the Western world and its pace of industrialisation was one of the fastest in history so growth was strong from 1928 to 1940 and from 1950 until 1975 when stagnation came followed by negative growth 1980-82 and after 1987. He claims the Soviet model for economic growth, where growth is a function of

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quantity of capital and labour but not so dependent on high tech, is typical for an early economy. He says the basis for economic growth was to work more instead of working smarter and as the available quantity of capital and labour couldn’t increase as before and as advanced technology became increasingly vital the GDP growth rate began to decline and a reason for it was the Soviet Union suffering from a technology problem, which at least partly, stem from the decision in 1965, pressed on by the military, to copy western computers from USA and Japan instead of developing Soviet ones and the Soviet technology lagging behind increased by the years.\(^{385}\) The reluctance to openness made it harder as the information era took over and aggravated these technology and information problems. This technology problem was one reason for the collapse of the Soviet Union.

On company management in a plan economy Bedward et al. say in the plan economy in CEE running a state company meant directing and controlling to achieve a stated plan using engineering techniques and statistics where the managers were trained to follow a syllabus based on academic and conceptual principles but almost no practical training was given during the education and to survive in a state-owned company a manager needed experience, support from personal networks and resource mechanisms from the political field.\(^{386}\) Thus feedback seems to be missing – neither from a market nor from practice in reality – while good political skills seemed necessary. The lack of feedback may have impeded technical development and optimal output causing waste of resources.

Castells says the core of the Soviet planning system were two organisations, Gosplan, the state planning board providing production goals and supply quotas for every product and every production plant in five year plans and then Gossnab, the state board for supply of material and equipment controlling supply to every transaction in the Soviet Union. He explains the hierarchical structure and functioning of the Soviet planned economy saying vertical administrative decision - between planning authorities and executing ministries and between the ministries and production plants - drove the whole economy.\(^{387}\)

Peter de Souza says Soviet economy featured heavy industry and raw materials, large-scale economy, technical laggardness, a high degree of  

monopolisation, big bureaucracy and pollution causing environmental and health problems where light and food industry and the service sector were all under-dimensional and agriculture was very inefficient.\textsuperscript{388}

Castells says the Soviet economy was strongly militarised as the huge military industrial complex, which counted for 70\% of the total industrial production, received all the best scientists, engineers and workers as well as the machines and other resources they needed at the expense of light industry and consumer goods.\textsuperscript{389} The system could no longer live up to the expectations of a better and better-educated population that wanted good consumer goods.\textsuperscript{390} Plan economy was characterised by shortages, counterproductive incentives and a risk avert and corrupt system. Castell explains that the Soviet economy had inverse incentives where the managers didn’t economise with the input resources as the end value of a product included the value of all the input products and the system was also hostile to risk and change and thus to development which suffered from the situation that the vertical structure of both production and scientific institutions made cooperation between them more difficult, a clear obstacle to synergies.\textsuperscript{391} This is also one reason for the failure of the system despite the fact that the Soviet Union had more scientists and engineers in work than any other major country in the world.\textsuperscript{392}

Castells says the Soviet economy featured shortages and to overcome these problems a giant grey shadow economy developed and the trouble was that when the directors of the state owned enterprises and the bureaucrats saw their personal benefits of these shortages they started to create shortages to obtain a personal dividend from the shadow economy, which was more lucrative than the bonuses given for the fulfilment of the plan goals so the shadow economy expanded strongly during the 1970-ies in collaboration with the nomenclature of the communist party.\textsuperscript{393} This was a foundation for corruption and Åslund says the collapsing Soviet state was deeply corrupt and this is illustrated by the old elite, the nomenclature, which was

\textsuperscript{388} De Souza, Peter, Sovjetstatens ekonomi – Från vision till stagnation, in Ryssland – Et Annat Europa – Historia och samhälle under 1000 år, p 211, 1995, Sveriges Utbildningsradio and SNS Förlag
\textsuperscript{389} Castells, Manuel, Informationsåldern – Ekonomi, samhälle och kultur – Band 3 – Millenniets Slut, p 36, 2000, Daidalos, Gothenburg
\textsuperscript{391} Castells, Manuel, Informationsåldern – Ekonomi, samhälle och kultur – Band 3 – Millenniets Slut, p 34 & 36, 2000, Daidalos, Gothenburg
\textsuperscript{393} Castells, Manuel, Informationsåldern – Ekonomi, samhälle och kultur – Band 3 – Millenniets Slut, p 35 , 2000, Daidalos, Gothenburg
extremely strong and took advantage of their own position whereas the civil society was week, the rule of law was absent and finally many civil servants worked for themselves instead of for their compatriots and their country.\textsuperscript{394}

Taking the way a Western market economy functions as reference shows how different the plan economies were and functioned and Bedward et al. say the Western management - where an organization developed a strategy and achieved results using people working with limited resources – rarely existed in the plan economy era in CEE where the firms featured a top-down authoritarian style of command and control legitimating hierarchy and bureaucracy where the ruling logic was technical rationality and production rather than a marketing one satisfying the customers’ needs in the competitive marketplace.\textsuperscript{395}

There was a geographic economic interdependence. Due to the location of specialised production plants different regions were very dependent on each other, a fact that created many problems after the dissolution of the Soviet Union. The situation was quite similar for satellite states in CEE. The dissolution of the socialist trade organisation Comecon - built on interdependency among the satellite states and the Soviet Union - in 1991\textsuperscript{396} reduced trade with the former trading partners of these countries. This contributed much to the decline of GDP that featured countries in CEE after the fall of the Berlin Wall.

To recover from this decline was by no means easy and Bedward et al. say to change the managerial behaviour from a plan economy one to a market economy one the training and development schemes had to consider the local culture, governance, institutions and industrialisation mode and all this made it take more time than initially estimated.\textsuperscript{397} This indicates that to build up a new system one initially has to consider the infrastructure of the old one and how it functioned to smooth the transition process and that takes time. This could also be seen as glocalisation – transforming and adapting the system to global standards and ways while still considering the local conditions, traditions and customs.

3.3.8 Fear and show trials
There are still today problems with the judicial system and the way it functions in many former plan economy states so to understand some of the current problems it could help to see how the system worked during the communist period. In these countries there was much fear during that era and some of it remains. To bring an insight in the atmosphere and the nature of politics reigning and show how the courts and the justice system could work at their worst during the communist era in these CEE countries we will give a short description from show trials in Czechoslovakia in the early 1950-ies. Similar show trials took place in most other satellite states. The show trials clearly exposed how far away from rule of law the communist system was. Having worked in such a way partly explains why there was and still is much distrust in the legal system in CEE though there are many other and current reasons for today’s distrust in them. The content in this section is based on a book of the Czechoslovakian historian Karel Kaplan.398

When the communists came to power in Czechoslovakia their leading representatives on all levels started to act like small dictators, disregarding the law, persecuting innocent individuals, intimidating persons and destroying entire families. Leaders exploited their own position to clear their accounts with other people and used the security apparatus to eliminate sound and factual criticism. Stalin’s idea that the class struggle continues and escalates after the achievement of socialism generated a hectic hunt for enemies within the communist parties in the Soviet bloc. The campaign that followed in Czechoslovakia created an unbearable atmosphere of fear, suspicion and mistrust within the party and in society at large. Trusting acquaintances, friends, colleagues and even family members was considered a lack of class-consciousness partly explaining today’s distrust in CEE.

Terrible show trials with fabricated and false accusations leading to death sentences took place in Soviet Union before the Second World War and in the Satellite states after the war. The show trials were public and pointed out some leading communist politicians as enemies of the party and the people thereby creating much public hatred against these political prisoners, who often were members of communist elite. The defendants were accused of high treason, espionage, sabotage and military treason and also of causing big economic losses, fantasy numbers of billions of Czechoslovakian crowns, which actually were due to an unsuccessful implementation of Soviet economy in Czechoslovakia. Since people in Czechoslovakia were dissatisfied with the country’s economic development the accusations heightened the political temperature of the trial. The created atmosphere was

such that people believed in the accusations and in the guilt of the defendant politicians. The defendants wanted to serve the communist party and they were told that their confessions would be a victory for socialism. The interrogation methods before the public show trial were brutal aiming at a moral breakdown of the prisoner to make him or her fully cooperate with the interrogators seeking to extract a forced confession of the prisoner. The interrogation methods were deeply inhumane including isolating, beating, torturing and exhausting the political prisoner. False information was given to the political prisoners saying their wives were unfaithful and their children had repudiated them as well as threats of harsher interrogations and punishment of family members were all common. Another method was placing a cellmate in the prisoner’s cell. The cellmate was often a security officer who reported on the prisoner to state security and also tried to persuade the prisoner of the hopelessness of resisting. Due to the brutal interrogation methods many prisoners suffered from fractures, lost teeth, headaches, impaired hearing or eyesight, schizophrenia, psychoses, loss of orientation and willpower and many tried to commit suicide, among them the general secretary of the Czechoslovakian communist party, Rudolf Slánský, who was condemned and executed. Soviet interrogation advisors directed all the interrogations from behind the scenes. They could control and steer the interrogations in the direction they wanted and advised the Czechoslovakian interrogators who interrogated the political prisoners. The Soviet advisors were often harsh and one of them said Stalin had sent him to Prague to make heads roll, not to find out the truth.

The communist party decided the verdict based on propositions from state security and the decisions were totally binding for prosecutors and judges. The prosecutor stood above the judge and the court but below state security and the minister of justice. The defence attorneys were selected by the State Security and most of them cooperated with State Security which they were not allowed to attack, nor to question the correctness of administrative protocols. The defence attorneys only met with the defendant once just before the trial. The defence attorneys were given the impression they were simply decorum. The political authorities decided the sentences. The State Court was a simple servant to the State Security. The defendants had to learn the questions and answers by heart and during the last period before the trial they were drilled by the interrogators in giving the right answers word by word. The witnesses were trained in a similar way. A threefold system was made up to insure that the defendants behaved as the State Security wanted in court. The cellmates told them how important it was to stick to the protocol, the interrogators escalated the psychological pressure appealing to party discipline and the script was recorded during the interrogations so if the defendant would say something not planned in court
his microphone would be turned off and the tape with the “correct” answer would be switched on. All these facts show a political system light-years from a civilised state governed by law. In this context it is also possible to understand Kaplan’s view claiming that the show trials exposed the truest character of a communist regime.

3.3.9 Some management and business culture characteristics of CEE countries

Authoritarianism is strong in CEE and Suutari and Riusala say in a study focusing on Poland, Hungary and The Czech Republic that managers in CEE are highly authoritarian and their leadership style is influenced by the previous command economy while employees show lack of initiative, work performance and work motivation. Therefore the way people used to work in the plan economy era still influences how they work, think and behave at work and in private life. Politics have contributed to this authoritarianism and Eriksen says the development of post-communist party systems in CEE has been heavily influenced by the legacy of communist authoritarianism where the more repressive the system was the more successful the communist successor parties were and the less radical changes in the state apparatus and generally the local conditions markedly influence how strong the impact of foreign involvement is in the process of transition.

This authoritarianism also affects the expatriates who have to adapt to it and Suutari and Riusala found in their study on Poland, Hungary and The Czech Republic that the Finnish expatriate managers said they had to make their own leadership style more authoritative in CEE giving more detailed orders explaining all things several times and make all decisions by themselves supervising the subordinates more closely to make things happen not giving them as much autonomy as in Finland. These expatriates also stressed the employees’ lack of initiatives and their unwillingness to assume responsibility as well as the lack of employee motivation, efficiency, planning and that patience is needed as things take much more time in CEE than in Finland while another problem is the employees’ incapability of focusing on the most relevant issues despite working hard.

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399 Suutari, V. & Riusala, K., Operating in “economies in transition” – Adjustment and management issues faced by Finnish expatriate managers in CEE, pp. 87-107, p. 91, 93 & 102, LTA (Liiketaloudellinen Aikakaaskirja - The Finnish Journal of Business Economics), No. 1, 2000


Another study shows cultural characteristics and differences among some CEE countries. Studying Swedish manufacturing firms in 20 strategic alliances with local partners in CEE Hyder and Abraha found differences between the CEE countries and divided them into fast adapters – Poland and Hungary, medium adapters – Estonia, Lithuania and Croatia, and slow adapters – Russia. The researchers found that the initial problems in the fast adapting countries such as the language barrier and the local business concept with a low interest in taking initiatives where these problems were tackled successfully by language learning and hiring young people who quickly adapted to Western values and learned how to increase operational efficiency and Western marketing ways including understanding of the need for and functioning of marketing channels and service concepts whereas the medium adapters were problematic regarding administrative bureaucracy, delays due to customer clearance and in Croatia initial trust and planning problems. Among the slow adapters the language barrier, impeding direct communication with the customers, slowness and unwillingness to changes, local bureaucracy and government mismanagement problems along with conflicts where the long-term view of the Westerners met the short-term goals of the locals as well as unsuccessful delegation of work were problematic and the teamwork didn’t work since people egocentrically only looked for their own benefits and inefficient usage of resources, big distance between executives and employees and no motivation to take initiatives were other difficulties. To sum it up they found that cultural awareness and ability as well as mutual learning from both parties are necessary to succeed in alliances in CEE where there is a dynamic development process in alliances in fast-adapting countries doing very well whereas there are big problems in Russia where no immediate return is to be expected.\textsuperscript{402}

Suutari and Riusala found in a study on Poland, Hungary and The Czech Republic that heavy bureaucracy was a problem - particularly in The Czech Republic.\textsuperscript{403} A bureaucratic way of thinking not considering people’s needs wasn’t an unknown phenomenon in the plan economies where working out how to go about to obtain customer satisfaction and understanding what was feasible in this respect wasn’t in focus. Naturally people think and act according to the logic they have learnt in life. Thus when changing an economic system it could be hard to find people who are capable of thinking and analyzing in the new system since they are trained and brought up in the old one and Kyj et al. say that by the mid 1990-ies the analytical skills


\textsuperscript{403} Suutari, V. & Riusala, K., Operating in “economies in transition” – Adjustment and management issues faced by Finnish expatriate managers in CEE, pp. 87-107, p. 98, LTA (Liiketaloudellinen Aikakauskirja - The Finnish Journal of Business Economics), No. 1, 2000
needed for persons making business decisions were very scarce in Ukraine where three generations of communism had made the majority of people shy and passive rather than acting but also hard to motivate, reluctant to drive change and often corrupt. Thus both thinking and behavioural patterns in these CEE countries have been problematic in the transition from plan to market economy.

There are problems with nepotism and that the old nomenclature has influential positions in companies in CEE countries without possessing the relevant qualifications for these positions. An indication of it is a study of Bürger et al. on Czech subsidiaries to German parent companies saying the Germans took the colleague’s competence and qualification for granted as a pre-requisite to obtain the job while the Czechs trusted people possessing these qualifications having had experience from nepotism where unqualified people with good connections got the job. So in Germany a person is expected to be qualified for her job while this hasn’t always been the case in the former plan economies in CEE where political and other contacts often could be crucial in order to obtain an interesting and attractive position. Yet this nepotistic phenomenon isn’t unknown in the West either.

There is a vital issue regarding a lack of quality thinking and feeling for quality in CEE. In a consumer survey studying the public attitudes towards advertising in the transition economy in CEE focusing on Romania Petrovic and Paliwoda found there is a need to inform about which products which are high quality products and to contribute to the knowledge of quality products where the context is the inability of the consumer to buy high-quality consumer goods. To develop a sense and a feeling for quality takes time and without experience from such high-quality products it is hard to develop it. This lack of quality thinking and experience regarding consumer goods may spill over into working life and the production of goods and services. Comparing data on daily life routines and behaviour from contemporary Russia with Soviet time data Gudkov found a high degree of stability and continuity where the widely spread view is that there is a hierarchical distribution of benefits in Russian society which isn’t based on the merits or services of a person. He says this disregards the quality and intensity of an individual’s work and thus undermines motivation to do investments in cultural and social capital including good education and

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knowledge. He adds that for most Russians work is seen as an unpleasant and underpaid necessity to make a living and this leads to a massive loss of interest in high qualitative and intense work distorting people’s life morale and view of society where a strive for professional recognition and success is replaced by conspicuous consumption and such a success at any cost but also a strive for easier and fast acquisition of high status symbols and behaviours as exhibited by glamorous celebrities seen in mass-media being the examples to follow. So diligence and substance are replaced by façade and fame. The deficient feeling for quality and quality thinking are thus seen both in private life regarding consumption being due to inexperience of high quality products and in working life regarding production being due to lack of incentives and standards.

3.3.10 Corruption
Corruption is a problem in CEE and it could affect MNCs working on these markets although local trade with smaller local companies could be more exposed to it. Extensive bureaucracy, poor taxation laws and corruption may make international trade hard for the companies. There are cultural and communicative aspects to corruption, it is connected to secrecy, difficulties for the free press to write about certain problems in society etc.

Shleifer and Vishny see corruption as selling of government property by government officials for personal gain. Rose-Ackerman stresses the agent problem in corruption, i.e. the person who is bribed acts for another person or organisation and places his own interests ahead of the interests of the person or organisation he represents. This behaviour is the purpose of the bribe. She says the bribed person must be in a power position with discretionary authority due to an institutional position or market imperfections. Shleifer and Vishny say in this principal-agent relation the principal is the top level of government and the agent is an official who takes bribes from private individuals who are interested in some government produced good. Corruption may exist outside the public sector, probably more so in a monopoly and in that case - in return for a well-understood quid pro quo - bribes in form of payments are given to agents – who must

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have both monopoly power and discretion - by persons who aren’t the principles of these agents.\textsuperscript{411}

Rose-Ackerman stresses a person who is not satisfied with a bribe or a gift cannot sue the counterpart due to the illegal character of the matter. Yet there are informal enforcement mechanisms such as trust, reputation, hostage taking (not to disclose the matter) and reciprocal obligations.\textsuperscript{412} Still people run the risk the deal won’t take place. Serious efficiency losses stem from incomplete enforceable contracts leading to an inhibition of many agreements that won’t be concluded due to the insecurity these contracts cause.\textsuperscript{413} Corruption causes society various economic losses where unfair competition is one. Corruption has several detrimental effects and Shleifer and Vishny say Mauro in the first systematic empirical study of corruption focusing on the relation between investment and corruption found the higher the corruption the lower the investment so the more corrupt the country the lower the ratio of both total and private investment to GDP.\textsuperscript{414} Bringing in an international dimension less foreign investment in the transition countries slows up the reform process enabling corrupt systems to survive longer so we have a vicious circle. Shleifer and Vishny find that corruption is especially extensive in countries with weak governments which don’t control their agencies. This stresses the need to build up well working institutions. Shleifer and Vishny find that corruption is more distortionary and costly than its sister activity taxation as corruption is illegal and requires secrecy which increases the price for corruption making it hostile to innovation and change as keeping corruption secret keeps the number of people who give and receive bribes down. The corrupt elite refuse entry to newcomers with negative effects for economic development. Corruption is a reason for states not using their money on the projects which are the most urgent for their citizens and Shleifer and Vishny say ruthless managers and bureaucrats in poor countries prefer to import goods on which it’s easier to take bribes and not the goods which are most needed and useful for the state clarifying why expensive infrastructure projects and defence equipment are bought instead of the much more needed health and educational programs,

\textsuperscript{411} Rose-Ackerman, Susan, Corruption: A study of political economy. 1978, New York, Academic Press
\textsuperscript{412} Rose-Ackerman, Susan; Bribes and Gifts, p 300, Economics, Values and Organizations, Ben-Ner & Putterman, 1998, Cambridge University Press, New York, USA
\textsuperscript{413} Fehr, Ernst and Gächter, Simon; Trust- and reciprocity-based incentives, p 337-338, Economics, Values and Organization, Ben-Ner, Putterman, 1998, Cambridge University Press, New York, USA
with lower possibilities to take bribes and as such programs have very high value to society the social cost of corruption could be enormous.\textsuperscript{415}

EBRD Transition Report (1999) says in Ukraine the former nomenclature, and groups that the initial transition steps made powerful, became strong vested interests and could, raise barriers to reforms to protect their own privileges and interests.\textsuperscript{416} This was done as the government implemented reforms in a way that preserved and reinforced privileges of existing elites. Exploitation of these privileges breeds corruption and rent seeking so the old elite can enrich themselves at the expense of the country’s economic development. By paying a so called tax bribe companies can obtain different privileges such as getting contracts or subsidies, avoiding regulations or having influence.\textsuperscript{417} The tax bribe is higher for smaller firms than for bigger ones and for new entrants than for privatised firms and even lower for state owned firms. The more a firm pays in bribes the smaller are the chances to receive subsidies.\textsuperscript{418} This structure of the bribe tax is highly contra productive to economic development as new firms need support and not higher entry barriers than the existing companies. Reducing corruption is vital to obtain a well functioning market but it’s hard as incumbents benefiting from it want to keep the privileges that corruption gives them and therefore in different ways try to block changes that would reduce it.

To indicate the level of corruption in CEE countries the Corruption Perception Index CPI in 2009 is given here below.\textsuperscript{419} CPI is based on the degree of perceived corruption as seen by business people, academics and risk analysts. CPI focuses on corruption involving public officials, not finance of political campaigns, money laundering or bribery by MNCs. The CPI scale ranges from 10 (highly clean) to 0 (highly corrupt). The comparison covers 180 countries and New Zealand is first (CPI=9,4), followed by Denmark (CPI=9,3) and then Sweden and Singapore (CPI=9,2) are the least corrupt countries and Somalia (CPI=1,1) the most corrupt. For leading industrial countries CPI is generally high while corruption is high and CPI therefore low in many poor or transition countries as is the case in CEE. Russia, Ukraine, Serbia, Bulgaria and Romania all have high perceived corruption as the table shows while Slovenia and Estonia have achieved a relatively low corruption level.

\textsuperscript{416} European Bank for Reconstruction and Development, EBRD. (1999):”Transition Report 1999”
\textsuperscript{417} Ibid
\textsuperscript{418} Ibid
\textsuperscript{419} Transparency International found on Internet under http://www.transparency.org/policy_research/surveys_indices/cpi/2009/cpi_2009_table
<table>
<thead>
<tr>
<th>Country</th>
<th>Corruption perception Index (CPI)</th>
<th>Year</th>
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<tr>
<td>Bulgaria</td>
<td>3,8</td>
<td>2009</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>4,9</td>
<td>2009</td>
</tr>
<tr>
<td>Romania</td>
<td>3,8</td>
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<tr>
<td>Ukraine</td>
<td>2,2</td>
<td>2009</td>
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<tr>
<td>Serbia</td>
<td>3,5</td>
<td>2009</td>
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<tr>
<td>Poland</td>
<td>5,0</td>
<td>2009</td>
</tr>
<tr>
<td>Russia</td>
<td>2,2</td>
<td>2009</td>
</tr>
<tr>
<td>New Zealand</td>
<td>9,4</td>
<td>2009</td>
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<tr>
<td>Denmark</td>
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<td>Sweden</td>
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<tr>
<td>Singapore</td>
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<tr>
<td>Estonia</td>
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<tr>
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</tr>
<tr>
<td>Myanmar</td>
<td>1,4</td>
<td>2009</td>
</tr>
<tr>
<td>Afghanistan</td>
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<td>2009</td>
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<tr>
<td>Somalia</td>
<td>1,1</td>
<td>2009</td>
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</tbody>
</table>

Table 6: Corruption Perception Index (PCI) for Sweden, Finland, Guinea, Iraq, Myanmar, Haiti and ten Central and Eastern European countries

3.3.11 Trust

To cooperate successfully with other people we must trust them. Baron says trust is vital both for the relations among citizens, between citizens and government and also for the functioning of firms and institutions. Trust is a belief in the goodness and rationality of other people and readiness to act and behave irrespective of reliance. Baron says trust has a belief in the competence, willingness to cooperate, sense of fairness, altruism, the instinct of self-preservation and long-run self-interest of other people. He argues trust is more than a belief, it is a virtue where people behave as if they believe others will behave correctly and not judge them in advance. Baron says trust’s opposite is suspiciousness where people watch and want to have everything written on paper. There is a deep lack of trust in CEE

420 New Zealand, Sweden and Denmark have the lowest perceived corruption index globally and Somalia the highest globally in year 2008.
and Lewis says decades of power abuse and disinformation in the earlier communist states have resulted in suspicion and distrust in Russia.\textsuperscript{423} Egoism and lack of trust in CEE put people further and further apart instead of welding them together into an efficient work team. A society full of trust runs smoother and more efficiently than one characterised by suspicion and Baron says trust is a public good and a form of human capital that is necessary for organisations to function well internally and externally.\textsuperscript{424}

Communication is crucial for trust and Lundén says the best way to convey a complex message is through a personal direct relation between the sender and the receiver where gestures and pictures complement the words.\textsuperscript{425} This shows the importance of reducing the physical distance between people and why businesspeople travel to meet each other even though there are video telephones and other useful equipment. Building confidence and trust between business partners is a vital reason for travelling to and meet each other despite large distances. International business is based on trust and mutual respect and Ferraro sees no better way obtaining it than learning the other party’s language.\textsuperscript{426}

Distrust in authorities, leaders and other people in general is a major problem in CEE countries where building trust therefore is fundamental in order to be able to do business there. Studying the importance of trust for intercultural work relations Bürger et al. analyse trust and trustworthiness between German and Czech employees and managers in Czech subsidiaries to German parent companies where they discuss cultural standards – which are behavioural norms being more specific than abstract value-dimensions where the cultural standards show cultural characteristics as seen from another culture – and to build trust the personal relation was just as important as the work related level for the Czechs while the Germans prioritised the work-related level. So to build trust the Czechs valued empathy helping colleagues with a personal problem where a positive relationship has to go beyond mere working tasks where a friendly communication is vital so when thanking or encouraging the local people it should be done in the local language, Czech.\textsuperscript{427} Speaking their local language thus has a reassuring effect on the local people.


168
An essential element in trust is daring to say what you think but an indication of the remaining fear of speaking freely in CEE is given by Cristophel who studied college students in Russia saying they were clearly less willing to communicate and to initiate conversations with friends, strangers, groups or dyads than people from the USA, Australia, Puerto Rico, Micronesia, Sweden and Finland as she compared her study from Russia to similar ones from these other countries and she explains this by the Soviet heritage of people having learnt to be careful and judicious when communicating with others where the association and circumstance were crucial as there was a risk that someone could listen to or watch their conversation and the Russians also perceived themselves as having a low communication competence.\textsuperscript{428} This may also work the other way around since Westerners who are used to openness could suspect that local people in such authoritarian countries don’t tell them the truth - or at least not the whole truth – and Bürger et al. found that a superior who at times acts in an authoritarian way doesn’t lose the Czechs’ trust but it was hard for the Czechs to report failures while to build trust the Germans wanted openness where both positive and negative news were communicated stressing the need for honesty as they suspected they didn’t receive correct information from the Czechs who they thought hided things for the Germans who stressed the weight of commitment, helpfulness and of assuming responsibility for all work aspects and they wanted the job to be completed correctly and on time with good quality.\textsuperscript{429} To me this shows that the Czechs are used to an authoritarian management but not to trust others.

To secure and maintain trust building up a well functioning market economy it is crucial to respect and honour business contracts but there have been problems in this area in the CEE countries. Suutari and Riusala said Finnish expatriates claimed it isn’t possible to rely on contracts with local companies in Poland, Hungary and The Czech Republic.\textsuperscript{430} This Western distrust in the behaviour and acting of people from CEE countries is also emphasised by Bürger et al. who found that the Czechs had as much trust in the German colleagues as in their Czech ones while the Germans had lower trust in their Czech colleagues than in their German ones and the Czechs were concerned about it requiring equal power as they


suspected a power bias favouring the Germans where this distrust stemming from the different histories of these neighbouring countries – which in some aspects are culturally quite close but in some others aren’t - must be given attention to avoid problems.\(^{431}\) That a party who feels inferior or mistreated requests equal treatment isn’t surprising where handling it sensitively may facilitate future cooperation.

### 3.3.12 Cultural dynamism, globalization, and identity

There has been criticism against the functional view of culture in international business studies and Tung says cultures evolve over time so assuming cultural stability over time is therefore false as is using a country as the unit of analysis in a cross-cultural management study assuming a cultural homogeneity within the country.\(^{432}\) There is thus a dynamic in culture affecting it, not in the least due to globalisation, and Holden says that culture in a popular sense is no longer since in the business world people with different backgrounds in terms of language, culture, nationality, education and profession now are mixing up in an unprecedented scale and intensity and this is manifested and internalised in plans, policies and actions of big world companies.\(^{433}\) In the companies I studied most people working there – of whom many were engineers or business administrators – seemed to have the same nationality as the subsidiary thus marking the atmosphere of the subsidiary making the highly multi-cultural teams described here above rather uncommon which makes such a multi-faceted cultural approach less applicable whereas a focus on differences in business culture between CEE countries and the West is more natural.

Tony Fang also criticizes the functionalist bipolar paradigm, represented by Hofstede’s onion, and suggests a more dynamic approach to culture where differences and paradoxes can be overcome. He sees culture as an ocean and national cultures as living organisms where the borderless globalisation of information, technology, capital, human resources and industries leads to unprecedented changes in societies and cultures where people from different cultures learn from each other changing behaviours, values and beliefs. He proposes the Chinese Yin-Yang philosophy where everything coexists and paradoxes are embraced.\(^{434}\) Fang says cross-cultural management in the era


of globalization in the twenty-first century isn’t about managing cultural differences but rather about how to manage cultural learning, cultural change, cultural harmony and cultural paradox in the business world whose workforce features multicultural minds and tastes.\(^{435}\) Although the points on cultural learning and change are interesting and to some extent relevant to this study its focus is – for various and natural reasons - on the differences between the West and CEE countries and their impact when Westerners conduct business in CEE countries.

Regarding this dynamism in cultures Bird and Stevens discuss the impact of globalisation – driven by growth of world trade, business and leisure traveling, IT and improved telecommunications etc. - and an emerging global culture have on the obsolescence of national cultures. They argue that in the world business community an identifiable and homogeneous group emerges whose members share a set of values, norms, attitudes, language (such as English, Chinese, Spanish and perhaps French) and behaviour where the members are educated and connected as well as self-confident, pragmatic, democratic and participatory, flexible and open starting from a position of trust without being afraid of national or cultural boundaries and these individuals have a foot in their native culture and another one in the global scene where they face similar news and entertainment.\(^{436}\) This may all be relevant to expatriates who also have to face and come to terms with a third culture, the local host country one, for their foreign assignment. Yet it is of lesser relevance to the majority working at the subsidiary, the local employees and managers.

Discussing the psychology of globalisation Jeffrey Jensen Arnett says the globalization process features an increased contact in terms of intensity and frequency with the Western-led global culture with individualism, free markets and consumerism where globalisation reaches everywhere but is stronger in urban areas than in rural ones and the global culture values often collide with the local and traditional ones and globalisation opens up opportunities but it also causes problems such as economic and cultural disruptions.\(^{437}\) A strong materialism and the big differences in standard of living in CEE between rich and poor and cities and rural areas indicate this. So ostentatious materialism is strong in CEE as it often is in emerging markets like China where people want to show off and shop frantically.

striving for the newest model and the latest fashion where this relentless and conspicuous consumption fulfills social needs such as identification, social recognition and status as described by Faure and Fang.  

Another indication of the strong materialism and how it affects younger people in CEE is that in a survey covering final year students of business and commerce in sixteen European countries Harzing found that the students from Central and Eastern Europe and from Turkey put significantly higher value to money, prestige and advancement than the students from the other countries. So in the identity young people in CEE build up there’s often a strong materialistic factor.

There is an element of conformism and standardisation in the globalisation process and Tietze says that regarding the unifying practices of a converging globalisation of management discourses many writings and comments warn for its inherent and risky loss of authenticity, identity and difference while others argue it could bring shared values, community and stability. So having something in common binding people together or forgetting who you really are are thus both potential consequences of a globalisation process. Thus lifestyle is related to identity and Bird and Stevens see an emergence of people having a truly global lifestyle due to an increase in global traveling and in expatriate assignments. There seems to be a contrast between the expatriates traveling frequently and the local people who don’t have the same possibilities and the notion of cultural dynamism is therefore probably much more real and relevant to the expatriates than to the local people, yet the expatriates are surrounded by and have to work with the local people and thus the notion of cultural differences is still highly relevant to this study.

Regarding cultural dynamism it is of the utmost importance to emphasise the particular persistence of language where Harzing and Feely refer to Usunier who argues that in the global cultural homogenisation process language will remain a key cultural differentiator whereas other cultural differentiators will disappear more and more. So even if one adheres to

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440 Tietze, S., International management and language, p. 49, 2008, Abingdon, UK
the dynamic approach of culture where the cultural differences will decrease language still remains a cultural differentiator. This persistence therefore makes it even more urgent and interesting to study the role of language in international business.

3.4 Communication

Harris and Moran claim communication is fundamental to understand, cooperate and act with other people and our best instrument to get things done and so vital to international relations and organizational operations. They say communication transfers information and meet peoples’ needs where the very vitality and creativity of an organisation or a nation depend on the content and character of its communication but communication can cause misunderstandings and problems. Samovar et al. say human communication has a broad social dimension and a process nature where individuals in relationships, groups, organisations, companies and societies create and respond to messages adapting to each other and to the environment. Communication is the basis for human interaction tying us together even in situations when we have different and diverging ideas and opinions.

Harris and Moran pinpoint five characteristics of communication saying,

1. Communicating is unavoidable – whether a person is silent or outspoken, active or passive, how the person is dressed and looks - she communicates something
2. Communication does not necessarily lead to understanding – it comes when the interlocutors have the same interpretation of the symbols – be it words or gestures – used in the communication process
3. Communication is irreversible – you cannot take it back only clarify, explain or restate it
4. Communication occurs in a context – a time, a place and a media
5. Communication is a dynamic process – often interactive where a communicator at the same time can be sender and receiver of a message – and it does not have a beginning or an end

Thus communication is a dynamic, irreversible and unavoidable process occurring in a context and it is not always understandable to us. Samovar et al. add that communication is symbolic using both verbal and non-verbal

446 Harris, P.R. & Moran, R.I., Managing cultural differences, p. 32-33, 3rd ed., 1991, Gulf Publishing Company, Houston, TX
symbols, it is systemic taking place in a situation and in a larger system, it relies on inferences – there is no direct mind-to-mind connection between people so you have to guess, interpret and infer the meaning of message sent by the other person, and it has a consequence where the message may be clear and obvious or the person receiving isn’t even aware of receiving it.\textsuperscript{447}

Harris and Moran write that the communication process is a circular interaction involving a sender, a receiver and a message where the sender formulates, encodes and conveys the message to the receiver who decodes, analyses and interprets its meaning and often then formulates, encodes and returns a response as an answer and both sender and receiver hold a unique field of experience and all experience, information and data are selectively filtered, translated and organized in a private perception world.\textsuperscript{448} Guirdham says people use communication strategies to achieve their goals where status and power strongly influence communication, especially between managers and subordinates. She says any communication behaviour, can within the system, serve various communication functions and there are five primary communication functions since they are all utterly widespread elements of communication. These are distributing communicative control, determining the level of affiliation, communicating membership and relationship, experiencing a sense of social identity and community membership and negotiating or ratifying.\textsuperscript{449} Apart from these functions regarding social relationship there is the distribution of information.

3.4.1 Non-verbal communication

Bjerke says an exchange of meanings can take place through nonverbal communication including body language, gestures and facial expressions.\textsuperscript{450} Nonverbal communication could support, enhance and explain verbal communication making the message clearer. Guirdham says a non-verbal communication element is the interpersonal space defining social relations and hierarchies in a culture.\textsuperscript{451} When people talk they stand close to or far away from each other positioning themselves at varying distances and in various ways. Samovar et al. claim the space and distance to the persons we interact with is vital in non-verbal communication where the personal space, 

\begin{footnotesize}
\textsuperscript{448} Harris, P.R. & Moran, R.I., \textit{Managing cultural differences}, p. 31-32, 3rd ed., 1991, Gulf Publishing Company, Houston, TX
\end{footnotesize}
i.e. the space surrounding the body of a person by invisible boundaries, the seating and furniture order differ among cultures.\textsuperscript{452}

Nonverbal communication differs from verbal communication as the former often has a universal meaning - such as threats and emotions, it can simultaneously transmit several messages, it can evoke automatic and instant responses - such as contagious yawning or laughter, and it is often expressed spontaneously and difficult to control.\textsuperscript{453} Samovar et al. add some other features saying nonverbal communication could be ambiguous and both intentional and unintentional, it rarely occurs in isolation and it is culture-bound often revealing basic cultural traits but it is also universal holding codes which are understood regardless of culture and country and just like culture it is omnipresent, invisible, learned, passed on from generation to generation and involves shared understandings.\textsuperscript{454} Non-verbal communication is very central in human communication and research found that even in the most verbal cultures at least 75\% of the communication is non-verbal.\textsuperscript{455}

Samovar et al. claim that nonverbal communication has five basic functions and these are: repeating – once again saying the point you try to make, complementing - adding more information to the message you send, substituting – performing an action instead of speaking, regulating – managing the situation by using some kind of nonverbal behaviour and contradicting – sending nonverbal signals opposing your verbal message.\textsuperscript{456}

Wisely used nonverbal communication can calm stress and bad feelings. Anderson et al. say it can reduce anxiety and uncertainty and intercultural communication compatibility is a key element to obtain an effective interpretation of the message as intercultural incongruity is a key reason in intercultural misunderstandings.\textsuperscript{457} Samovar et al. say we make important decisions and judgements about other people and their emotions based on nonverbal communication and when people receive conflicting information

\begin{itemize}
\item\textsuperscript{455} Trompenaars, F., & Hampden-Turner, C., \textit{Riding the Waves of Culture – Understanding Cultural Diversity in Business}, p. 76, 2\textsuperscript{nd} ed. 1997, Nicholas Brealey Publishing, London
\end{itemize}
they trust the nonverbal message more than the verbal one so it could be bad to send opposing messages\textsuperscript{458} harming your credibility. Nonverbal communication is good for expressing and revealing feelings and attitudes and when to stress tempo, intensity, pitch, loudness as well as when trying to convince others or when dealing with human relations.\textsuperscript{459}

### 3.4.2 Culture and communication are closely related

Culture is the basis for communication and they are inseparable.\textsuperscript{460} To sustain a human group communication is needed.\textsuperscript{461} Guirdham says culture is common ways of thinking and acting developed via communication in relatively isolated human groups. Cultures differ as there is less contact between them than within them and if there were as much contact between them as within them cultures would soon vanish.\textsuperscript{462} Communication and culture are in symbiosis and a person simultaneously acquires them and a consensual way of thinking and behaviour is acquired via communication.\textsuperscript{463} Samovar et al say culture and communication are both dynamic, deeply intertwined and an integrated system where communication just like culture is systemic functioning in an integrated whole as parts in a culture are interdependent so if you alter a cultural part the whole culture is affected.\textsuperscript{464}

### 3.5 Intercultural communication

#### 3.5.1 Intercultural, international and development communication

Here below Rogers and Hart describe three kinds of communication crossing borders and they are intercultural communication, international communication and development communication.\textsuperscript{465} For my study intercultural communication is the most important one.


\textsuperscript{462} Guirdham, Maureen, Communicating Across Cultures, p 60, 1999, Macmillan Press Ltd, London


\textsuperscript{464} Samovar, L.A. & Porter, R.E. & McDaniel, E.R, Communication Between Cultures, p. 12, 30 & 34, 6\textsuperscript{th} ed., 2007, Thomson & Wadsworth, Belmont, CA


176
Intercultural communication generally involves face-to-face communication between people from different national cultures. Intercultural communication (ICC) deals with interpersonal communication between individuals of different cultures while anthropologists study one culture and in cross-cultural studies the characteristics of two or more cultures are compared.

International communication (INC) takes place on a societal level and it studies mass-mediated communication (few to many communication) between two or more countries holding different backgrounds in terms of culture, language, ideology and level of economic development. International communication can threaten the national sovereignty of a country by media imperialism which is a process where one nation imposes its culture on another one through mass media channels.

Development communication studies social change in society that strives for social and material advancement, better health, higher literacy, family planning, equality, freedom and other phenomena and the role of communication when striving for these goals.

3.5.2 Basics of intercultural communication
Discussing a message sent from a sender to a receiver Harris and Moran say intercultural communication is the human interaction that occurs when the sender is from one cultural group while the receiver comes from another one. Specifying Samovar et al. say when the symbol systems and cultural perceptions between people are distinct enough to alter the communication event the communication is an intercultural one. Thus the speakers’ cultural backgrounds have to differ sufficiently to make the communication intercultural.

There are different kinds of intercultural communication and Guirdham says they could be based on demographic or social groups where people differ in nationality, ethnicity, age, gender, education, social class, sexual orientation and the ability or disability level. She discusses sub-cultural communication differences between classes and genders, e.g. where middle-class speakers tend to use a more extensive vocabulary, more advanced grammatical formulations and to talk more than working-class speakers and

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women tend to use less decisive and assertive phrases than men. She argues the culture relevant for an intercultural communication study isn’t high culture - including music, theater and art or popular culture - including popular music and films – but anthropological culture which means the way a group of people in society lives which differ from how other groups do.\textsuperscript{469}

This study focuses on communication between individuals from different countries.

There are an increasing number of intercultural contacts and in the era of globalisation intercultural communication becomes more and more frequent, widespread and important. Samovar et al. explain that intercultural contacts have grown in number and become more pervasive due to three different international developments:\textsuperscript{470}

1. New technology and information systems – where improved transportations including cheaper air tickets have made distant places more accessible and the advances of IT has encouraged and facilitated intercultural contacts

2. Changes in the world’s population – the world’s population increases, over 100 million people live outside the country where they were born, environmental problems which don’t observe cultural or national boundaries, and scarcity of natural resources such as oil, water and food along with international armed conflicts all require more intercultural contacts

3. Rapid movement towards a global economy – organizations and companies having multicultural workforces being active in many countries and worldwide with many international contacts

3.5.3 Proverbs are powerful expressing universal truths

Bjerke says that cultural transfers where one culture borrows or learns from another often happens\textsuperscript{471} and one example is languages borrowing words or phrases from each other to avoid circumlocution when their own language doesn’t have such words or expressions\textsuperscript{472} and these borrowings could be concrete objects or culturally flavoured concepts linking to the cultural context of its original country.\textsuperscript{473} The more people communicate between

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178
cultures the more likely it is they will hear proverbs from different parts of
the world and Samovar et al. say proverbs express universal truths and their
powerfulness and authority can be useful in intercultural communication.474
Proverbs often hold universal human wisdom and they can be illustrative
and helpful when explaining something making it clear and understandable
for the counterpart. Using proverbs you refer to accumulated human wisdom
which is hard to question. Proverbs from different cultures have much in
common, both content-wise and even literally. Extending the discussion on
proverbs having much in common to different language groups we find that
proverbs often are similar and have similar meanings even in languages
from different language families, showing there are similarities between
languages from different language groups as well.

3.5.4 Elaborated and restricted codes and person and position oriented
families
Guirdham says the elaborated code is a formal language with full and
unabridged phrases requiring a rich vocabulary and complex syntax where
no implicit assumptions are used when talking with strangers while the
restricted code uses assumptions and less explicit phrases, smaller
vocabulary and simpler syntax stressing group membership when talking to
people being familiar to such assumptions where non-verbal communication
is vital.475

Lim says Bernstein related codes to classes but also to family types claiming
there are positional oriented families - where the members are seen as
occupying a position in the family hierarchy and what you may say and how
it is said depends on your position, talks are closed and imperatives often
used – and person oriented families where the members are seen as equal
and are judged by their individual qualities, discussions are open and
sophisticated persuasion is used. Positional families feature a strong social
identity at the expense of a loss of personal autonomy leading to solidarity
and shared identifications, assumptions and expectations while members in
a person oriented family have personal autonomy at the expense of social
identity giving strong independence, separate identities and few shared
assumptions and expectations so the elaborated code holds individualistic
and universal views while the restricted code holds communal and
particularistic ones.476

6th ed., 2007, Thomson Wadsworth, Belmont, CA
476 Bernstein, B., Class, codes and control; Vol. 1. Theoretical studies toward a sociology of language,
1971, Routledge & Kegan Paul, London, and Bernstein, B., Social class, language and socialization, in
Giglioli, P.P., (Ed.) Language and social context, pp. 173-178, 1972, Penguin, Middlesex, UK, in Lim,
Researches have applied the perspective of elaborate and restricted codes on nations and regions. Ferraro says cultures using elaborated verbal codes, like Northern Europe and North America, highly value words and unambiguous, well-articulated, clear and logical expressions showing the individuality of the speaker but put little value on nonverbal and contextual factors whereas cultures using restricted codes - like Japan, China and Korea - hold a broader view promoting harmony and social integration seeing words as important but only as an element of the total communication system stressing context and nonverbal messages viewing words are inseparably related to social relationships. Guirdham sees open and closed societies in this respect saying Bernstein noticed that closed societies use relatively more restricted codes and open societies relatively more elaborated codes. The idea of restricted and elaborated code is useful regarding business language where the internal company language, the so called company speak, and the industry jargon hold many acronyms and abbreviations with many traits of restricted code. When talking to persons from other cultures it is important to communicate in an elaborated code to avoid misunderstanding – since the background knowledge differs and things which are obvious for one part might be unknown to the other so things can’t be taken for granted.

### 3.5.5 High-context and low-context communication

In high-context communication most of the information is found either in the context or internalised in the person and very little information is explicit, coded or transmitted in the message whereas most of the information is explicit in the message in low-context communication. So in high-context communication the context is crucial to interpret message and the social role, the position of the speaker and formality are vital whereas focus is on the explicit verbal message in low-context cultures where the personal style and identity are central. Gudykunst and Ting-Toomey say in individualistic cultures low-context communication predominates whereas in collectivistic cultures high-context communication predominates.
Intercultural communication could be harder if one party comes from a low-context culture and the other party from a high-context culture and Bjerke argues in a low-context culture a foreigner can understand communication without knowledge of the context or the local culture whereas in a high-context culture more knowledge of the local culture is required to understand a message. Lim says Hall argues cultures can be placed on a continuum showing how strongly its communication is dependent on context and in broader terms Eastern societies feature high-context cultures and Western societies low-context cultures so using Bernstein’s ideas the East is more positional and the West more person oriented family cultures. This may apply on the dichotomy of Western and Eastern Europe though the differences will probably be smaller than between the United States and East Asia. This implies there are nuances and not a binary system and Hall’s theory has been criticised.

One should be careful with using such dichotomies so David Rygl and Markus G. Kittler tested Hall’s concept of high context and low context cultures regarding its empirical foundation by reading articles using it and they argued the high/low context theory shouldn’t be used as a dichotomous variable any more since it lacks empirical support and previous studies show heterogeneous results so instead they present a five step model going from high context to low context via high-middle, middle and low-middle and based on the studied countries they use that categorisation coming up with another differentiation. Kassis Henderson argues that Hall’s theory on high context culture – where most information is implicit requiring background information and pre-understanding – and low context culture – where the information is much more explicit not requiring such background information - is applicable and a useful tool when interpreting static and mono-cultural contexts but less applicable in dynamic and multilingual situations which are typical for international working teams where individuals do cultural recreations like recreating communication and language norms as they negotiate and agree on discourse conventions and

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181
shared meanings when they switch from a monolingual to a multilingual context.\textsuperscript{486}

Nonverbal codes and internalised meanings are vital in high context cultures\textsuperscript{487} stressing the relationship and the physical context but giving little space for explicit information\textsuperscript{488} while in low context cultures the meaning of the way others behave is looked for in plain and explicit messages.\textsuperscript{489} Anderson et al. argue verbal communication is more prevalent in low context cultures where a clear description, high specificity and no ambiguity are all crucial for a low context message where nothing can be taken for granted.\textsuperscript{490} Thus low context cultures value verbal communication higher than people in high context cultures do.\textsuperscript{491} People from low-context cultures could be seen as talkative and redundant saying the obvious while people from high context cultures may be seen as non-disclosing and sneaky.\textsuperscript{492} On cultural gender-differences in communication Anderson et al. say nonverbal communication is not perceived by people, particularly by men, in low context cultures to the same degree as it’s by people in high context cultures where it’s more vital to understand nonverbal communication so people there perceive more of movements, facial expressions, tensions, speed and location of interactions.\textsuperscript{493} People in high context cultures are as

communicators expected to understand unarticulated moods, subtle gestures and environmental clues that people from low context cultures don’t use.494

3.5.6 Communication skills along with transfer and sharing of knowledge
Harris and Moran say as human beings we are all communicators showing who we are when we communicate, where the generation we belong to influences how we perceive communication, we aren’t only senders and receivers but also a communication medium and communication is vital in international operations and relations to get things done.495

Guirdham argues a communicator style is partly individual and partly adapted to social circumstances indicating how a message should be received. A person has a dominating communicator style that may be open, friendly, relaxed, attentive, animated, dominating, contentious, impression leaving, having a positive communicator image etc.496 She refers to Norton who says a message could be communicated on two levels, an informative one and the style message telling how the speaker expects the listener to respond to it.497 A competent and efficient communicator should have a good judgement and according to Samovar et al. be able to analyze the situation and be motivated wanting to interact with persons from other cultures, know the person and his culture, have proper communication skills in form of specific behaviours enabling accomplishment of goals and possess a good character being trustworthy so persons will do business with him or her.498

Guirdham says in organisations personal achievement is closely linked to communication skills and such skilled staff along with good communication systems boost organizational effectiveness so organisations should really value skilled interpersonal communication.499 In order to meet its goals and work efficiently in international business a company has to communicate with employees, customers, suppliers and host government officials.500

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Language skills are essential for successful communication in international business and Feely and Harzing say co-ordination is a key factor for competitive edge in international business and management making global communication capability a pre-requisite for success but all modern communication tools fail if there is a serious language barrier.\

Ferraro claims effective communication is fundamental for any successful international business so a person just speaking one language has a clear disadvantage in negotiations, international sales and management. Guirdham says business people and professionals must be able to communicate with others successfully and she refers to Paul Grice who in his *Conversational Maxims* said to obtain efficient communication the speakers must observe the cooperative principle requiring the message to meet what the situation demands in terms of quality - it has to be truthful, quantity – enough but not too much information must be given, relevance and manner – the message can’t be disorganized, obscure or ambiguous. To communicate effectively one must grasp how people think, feel and behave involving knowing cultural values, attitudes and behaviour patterns of a culture and language is, so Ferraro, one of the best ways to achieve cultural awareness.

There are different types of communication skills which are needed where Andersen and Rasmussen distinguish between core communication which is rather wide focusing on establishing and maintaining relationships and is vital to the development of the company while functional communication is more limited focusing on technical documentation and traditional business letters as well as solutions of well-known day-to-day problems where also people who have almost no language in common can communicate. This shows that technical communication in many ways can be easier to understand for expatriates than general language communication requiring broader and deeper language skills.

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Peter Job says for a good and effective international businessman a long-term view, a good attitude, curiosity, being optimistic and committed to his business partner are all important and one should appreciate differences but avoid underestimating the capability of others though he says it unfortunately often happens in international business. One reason for it might be that business people from richer and more developed countries could look down on people from poorer and less developed countries even though some people from the latter countries actually could be higher and better educated than the ones from the richer country. This arrogance could be a risk for Western expatriates in CEE.

The complexity of cross-cultural management requires much knowledge and learning and is shown by Soderberg and Holden saying managing multiple cultures means directing flows of information, power, experience and values from one cultural atmosphere to another and it includes networking, organizational learning and knowledge transfer. So in the globalisation era the transfer and sharing of knowledge are crucial and Buckley et al. argue that through an articulation process transferred knowledge is transformed into an accessible and easily understandable form. There is a cultural – and perhaps also a linguistic – factor in the sharing of knowledge and in multicultural teams sharing of tacit knowledge is more likely between persons from the same national culture. So speaking the counterpart’s language may facilitate and improve transferring and sharing of knowledge. A factor influencing intercultural communication and knowledge transfer is that the initiative power of the employees is sometimes lower in CEE than in Sweden requiring the Western manager to give the employees more explicit, detailed and specific working task explications on what to do and how to do it than in the West.

Holden discusses cross-cultural management and knowledge sharing stressing interactive translation where both the sender and the receiver of the

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message participate to make the common knowledge understandable and available. He sees three roles for the management language where the first is to describe the tasks of management in terms of quantity, quality and probability, the second is to facilitate networks for knowledge sharing and team learning by facilitating the interpersonal communication, and the third is to hold the knowledge and the visions of the company in a subjective language to create and maintain the image of the company. Thus in cross-cultural knowledge transfer the language of management is a descriptor, a facilitator and a repository.513

3.6 Misunderstandings

Intercultural misunderstandings occur when people from different cultures fail to communicate in a successful way. Intercultural misunderstandings are often due to insufficient knowledge of the linguistic and cultural action habits of your counterpart. Brett et al. say multicultural teams face four categories of barriers to success and these are difficulties regarding differences in direct and indirect communication, trouble with accents and fluency of the common language (which often is English), conflicting norms for decision making and finally differing attitudes toward hierarchy and authority.514 The difficulties are thus due to differences in ways of communication, language, norms and attitudes. The depth and impact of the attitude aspect shouldn’t be underestimated and Hellspong refers to Jenny Thomas regarding pragmalinguistic and sociopragmatic failures arguing that misunderstandings regarding words and language – pragmalinguistic misunderstandings – are quite easy to correct whereas misunderstandings regarding values and lifestyles – sociopragmatic misunderstandings – are much more difficult to come to terms with.515 It is much easier to change one word than to change an attitude.

Harper and Cormeraie claim the most frequently reported problem among managers who work cross-culturally are communication misunderstandings516 and Guirdham says that intercultural confusion could be caused since language is ambiguous by nature, we have no choice but to draw inferences about meaning and these inferences are drawn quickly and

they tend to be fixed rather than tentative.\textsuperscript{517} Regarding cross-cultural business ventures Harper and Cormeraie say misunderstandings and communication breakdowns are often due to managers not having the means to decode, translate and contextualise an overt message or information available to the public.\textsuperscript{518} Guirdham explains this saying the sender can only transmit the message, not the meaning, since the receiver must create the meaning and the sender must encode the message into symbols which then must be decoded by the receiver who often has to use inferences to recreate the meaning and due to this non-transmittability of meaning there is a big risk for misunderstandings.\textsuperscript{519}

Guirdham says that since language is explicit verbal communication is better when you want to communicate information and intentions than non-verbal communication and by being coded into messages words and other symbols convey meaning to the receiver who has to decode the message to understand it, a process that can cause misunderstandings, especially if the persons who communicate speak different languages.\textsuperscript{520} About different languages Kassis-Henderson says there are two potential negative consequences from language diversity where the first one is lack of language competence – due to unfamiliar vocabulary, too many mistakes, strong accent and too fast speed of speech - and the second is lack of sociolinguistic or communication competence – misunderstandings and ambiguity caused by the listener interpreting things in a way to meet his own expectations.\textsuperscript{521} These ideas show similarities with pragmalinguistic and sociopragmatic misunderstandings. Lundén says if none of the communicating partners has English as his or her mother tongue the conversation – held in English - does not advance linguistically often being superficial and leading to misunderstandings having potentially severe consequences in negotiations and other talks.\textsuperscript{522} Avoiding such problems and reducing the distance to the local people is a major reason for the Swedish expatriates to learn the local language and thereby obtain a better understanding of how they think, feel and act.

Samovar et al. say many intercultural communication problems occur on interpersonal level but the most serious misunderstandings and confrontations are due to basic cultural differences in what being a member

\textsuperscript{520} Ibid, p. 81
\textsuperscript{522} Lundén, Thomas, \textit{Språkens landskap i Europa}, P. 68, 1993, Studentlitteratur, Lund
of a specific culture really means and in outbursts of ethnic or cultural confrontations the deep structures of culture are acted out. Guirdham argues in intercultural communication deep culture and surface culture could both cause problems where deep culture values could come into conflict with other people’s values resulting in misunderstandings, rejection and offences while surface culture determines what is seen as polite and impolite and false interpretation is yet another problem. Hellspong says socially delicate communication such as personal critique, when and how it comes forward, may cause intercultural misunderstandings ruining the atmosphere.

Proposed major factors that cause intercultural misunderstanding are lack of knowledge of the culture of the other – not of his language, stereotypes and ethnocentric attributions, as well as socio-political problems and unwarranted beliefs in universality. Since language and culture are so deeply interwoven speaking the local language will probably lower the risk of misunderstandings although the direct cause for it might be cultural.

Hellspong says the two main functions of language are to depict reality and to be a means of communication and in the communicative function it can cause misunderstandings as it has a social dimension, where the same word means different things to people whose frames of reference differ and also a historic dimension where the meaning of a word changes over time but the speed of change varies among different groups of people. He says misunderstandings due to ambiguity of words could originate in rational, emotional or will causes where the best rhetoric way to avoid social ambiguity is to use an example and to avoid historical ambiguity giving a definition of the word or the notion is useful.

Regarding problems with international speeches Lundén says when the speaker speaks in a mother tongue, which isn’t the audience’s one, there are risks of misunderstandings, especially if the speaker uses complex phrases, jokes, irony, abbreviations, new or other words which are difficult to know for the audience. If on the contrary the speaker tries to adapt to the audience

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525 Hellspong, Lennart, Interkulturell retorik – Retoriken som redskap för att analysera kulturskillnader i kommunikation, p 43, Utkast till Rapport 1, Södertörns Högskola, 2000, Stockholm
527 Hellspong, L., Konsten att tala – Handbok i praktisk retorik, p 51-54 & 56, 1992, Studentlitteratur, Lund
speaking their mother tongue, which isn’t his, he risks to be unclear due to bad pronunciation or reading from the paper in a stiff and unnatural, boring way. In such situations the language barrier is only partly overcome. He says international and intercultural communication is difficult due to the different ways people from different cultures speak and present their message, some are clear and straight to the point, others are slow and boring, some loose themselves in uninteresting details and some pay more heed to the form than the content being eloquent and theatrical but loosing the red thread. He says Nordic speakers are often clear and pedagogical but lack humour and are often boring. From my personal experience having worked for many years for a big Swedish MNC I saw that many Swedish business people must improve but good presenters exist.

Guirdham says messages often have several meanings and this multitude and complexity is easier to grasp for persons who meet various types of persons receiving more diverse information giving different views of a phenomenon than for individuals only interacting with a close range of persons. Having a solid international experience is a helpful tool to understand what happens in a foreign culture. Kassis-Henderson says there are higher risks for misunderstanding and communication difficulties in small talk than in technical conversations for people not speaking their native language and people having another style of communication are not heard in management discussions even though they have sufficient language skills to present their case. Guirdham says at work the intercultural communication is more task-oriented and explicit making it easier to grasp for a foreigner than a conversation between two close locals using jargon and taking much for granted, things which aren’t known to the stranger. This shows some analogies with Bernstein’s theory on elaborated and restricted codes as well as with high and low context cultures.

### 3.7 Language

Language is in many ways a basis for human civilisation and it has a crucial role for understanding both the world and science which is stressed by Gadamer who - regarding modern science - argues that what can be understood is language, i.e. that something is the way it comes forward and the human relation to the world is right from its foundation linguistic and therefore understandable. There are of course things and phenomena you

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528 Lundén, Thomas, Språkens landskap i Europa, P. 44-45, 1993, Studentlitteratur, Lund  
can see and thereby – more or less – understand but a thorough understanding requires a language and that is particularly important and true for abstract scientific thinking.

3.7.1 General characteristics of language

One of the general features of language is that it is in some ways unique and the unique dimension of language and its importance for how we perceive the world are explained by Gadamer who says “Der Sinn der hermeneutischen Erfahrung ist vielmehr der, dass die Sprache gegenüber aller sonstigen Welterfahrung eine völlig neue Dimension aufschliesst, die Tiefendimension, aus der die Überlieferung die gegenwärtig Lebenden erreicht.” Freely translated this says that the meaning of the hermeneutic experience is much more that the language - compared to all other experiences of the world - opens up a completely new dimension, the deep dimension from which what is conveyed – i.e. the message – reaches the currently living. This means that in order to obtain a deep understanding of a phenomenon language is a unique and fundamental instrument. Thus language is necessary for deep understanding but it also has other characteristics.

Linell says every single language consists of conventional rules on different levels and it only exists due to a group of language users who know the language. They usually also speak the language. Bjerke argues language is one of man’s most intimate and important constitutive features and people speak and think in a language forming us as individuals and enabling us to conceptualise and grasp the world but the available language restricts what can be said, written and thought. He says at first culture and language are imposed on the individual but in the end they become a central part of his very self. So language consists of rules on different levels, it forms us as individuals and becomes a central part of ourselves enabling us to understand the world but it puts limits to what we can grasp.

Language is crucial in various processes and Föllesdal et al. say language – in a broad sense including words, written signs, sounds, gestures and mimics – is necessary when we convey information in the communication process. Another fundamental role of language is found in the development of a human being where internalisation is a process in which

534 Linell, Per, *Människans språk*, p 49, 1982, Gleerups Förlag, Malmö

190
we become integrated in a world in which other people already live and Berger and Luckmann have divided this process into primary and secondary socialisation. A child goes through two socialisation processes, the primary and the secondary one. In the first socialisation process, which covers the immediate surrounding every day culture, the child internalises the ways of action, behaviour and thinking as the well as the values and the language of the culture. The child has no choices and cannot question this primary socialisation process, which is a spoken language culture. The first socialisation is the most important one for the development of a human being where the first perception of reality of a person is constructed and language is the most important internalisation factor in the primary socialisation process. An interesting cultural aspect is that infants under one year of age show cultural differences in their spontaneous emotional expressions, even though there are similarities in emotion socialisation patterns. In the second socialisation process, which largely takes place in school in the written language culture the child is confronted with more abstract and theoretic information, often written texts, to which the child cannot immediately relate and fewer emotions are involved but more scepticism and a more intellectual attitude develop.

In these communist states people were exposed to political indoctrination as a compulsory subject in school, under another name though, which became a part of the secondary socialisation although many persons didn’t believe in it. Language is also related to cultural behaviour and Wierbizka found, when comparing Russian and Anglo cultures, that Russians in their language are much more emotionally expressive than Anglophones. That is an interesting observation of the emotionality in Slavonic Languages. This indicates that even though people have had a long history of oppression and censorship they could still be very expressive.

The structure of mentality relies on language as Faure and Fang describe saying the Chinese language, whose script strongly differs from scripts of Western languages, creates a gap between the cognitive processes of

541 Linell, Per, *Människans språk*, p 51, 1982, Gleerups Förlag, Malmö
Chinese and Western people. Linell accordingly says language and cognition could be partly independent but in most cases they are mutually dependent. The development of language and cognition makes them push each other ahead enhancing their individual development. This could also be seen on a child. He says expressions and notions are forced upon a child who has to use them according to some language norms but the child actively constructs its own language. This opening to construct something on your own with language is crucial and although the individual has to follow the words and the rules of the language he is free to combine words in a way to express himself. There is thus an opening to claim, as Bjerke does, that language is a basic conceptual organisation and not just a communication means.

The words of a language may have various meanings and Hellsppong refers to Roland Barthes who said words had a direct and literal meaning in a primary code which he called denotation and then an indirect and broader meaning including our associations to the word in secondary code which Barthes called connotation. Such connotations could be different in one culture compared to another. Hellsppong says to extend the expressive domain of a language one can create new words, using an internal source of linguistic development, but one can also use culture bound connotations and metaphors. Metaphors can be a very pedagogic and useful instrument in research where Arbnor and Bjerke says using metaphors a researcher can obtain a deeper understanding of complex situations. We see that metaphors may enable creativity and insight to walk hand in hand bridging cultural gaps in complex intercultural situations and people coming from different cultures could be creative in this sense if they combine their different frames of reference and vocabulary in an intercultural communication. This is an interesting potential for expatriates having to explain new or complex products, services or concepts.

Bjerke discusses the importance of language for business creation saying a company’s language could be its biggest development opening or its biggest obstacle and he stresses there is a tight correlation between words (categories of language), concepts (categories of thought) and phenomena (categories of reality) saying this dependency can also have an impact on creating business adding that language, thought and action are closely

544 Linell, Per, Människans språk, p 56-57 & 66, 1982, Gleerups Förlag, Malmö
545 Bjerke, Björn, Att skapa nya affärer, p 303, 1989, Studentlitteratur, Lund
547 Arbnor, I. & Bjerke, B., Our views on methodology and others, Unpublished appendix, p. 9, 2007
related to each other and a creative language can help to renew or build up a new business. Bjerke illustrates this by contrasting business development for growth of a ripe industry with business development for renewal of an industry where the former features words such as planning, structure, marketing and models while the latter focuses on learning, processes, networking and creative language. This may say something about the company culture and the phase of the product cycle in which their main products are.

On the practical usage of language in social reality saying these terms are inseparable as language is a part of making the social realities Tietze argues there are four dimensions of language; a descriptive dimension as language is seen as a symbolic sign system linked to meaning, the phatic one where greetings and small talk create emotional ties and social cohesion, the performative one getting things done and the hegemonial one pursuing the interests of dominant groups in terms of certain ideas and practices under cover of common sense. Through language we describe, socialise, perform and preserve. Language has different roles in daily life culture and in specialist culture. Linell says the spoken language is immediately accessible and language in general is an integrated part in daily culture enabling people to share daily experiences communicating in a language and codifying conceptions, traditions and moral rules on what to do and why to do it. Language maintains, legitimates and objectivates daily life culture. Specialist culture is a subculture dependent on language, especially written language, and in scientific theory construction symbols, words and notions are manipulated and combined in new ways.

There are fundamental differences between spoken and written communication. Spoken language is dynamic and passing, dependent on the context and the situation permitting non-verbal signals from the communicating participants. Written language is more objective, static, permanent and independent of place and time enabling to store and accumulate knowledge and experiences for generations to come. Written language has helped the development of scepticism, logics, science and general intellectual and abstract thinking. By distancing the text from the author it has increased the intellectual freedom for individuals but it has also been a tool to control other people by written rules and by listing people in

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548 Bjerke, Björn, Att skapa nya affärrer, p 72, 306, 358 & 376, 1989, Studentlitteratur, Lund
549 Tietze, S., International management and language, p. 29-32, 2008, Abingdon, UK
550 Linell, Per, Människans språk, p 51, 1982, Gleerups Förlag, Malmö
551 Berger, P & Luckmann, T, Kunskappssociologi, 1979, Wahlström & Widstrand, Stockholm, in Linell, Per, Människans språk, p 51, 1982, Gleerups Förlag, Malmö
552 Linell, Per, Människans språk, p 52, 1982, Gleerups Förlag, Malmö
different groups of society. Language has such a double nature in many aspects and Bjerke says it has both an objective and a subjective character and it enables abstract thinking. It can be very concrete and direct. This study focuses on the spoken language culture of Swedish expatriates talking with employees and customers.

Language has many roles and Trudgill says it is a means to communicate information and to establish and maintain social relationships with other persons and language conveys information about the speaker regarding his or her background, indicating attitudes and ideas held by him or her. Marschan et al. say language permeates almost every aspect of a MNCs operations where in addition to national languages there are also the technical and professional languages and the so called “companyspeak” which is the company’s own jargon and all these languages complicate the communication of an MNC even more. To know what is going on abroad a company needs linguists at its headquarters and it is impossible to run a global organisation from a monolingual headquarters. This indicates language’s vital role for relationship building, informing, giving company and professional identity and enable performance to get things done.

3.7.2 Linguistic relativity and the Sapir-Whorf hypothesis
Linguistic relativism tells us there is a fundamental incommensurability between different languages. The principle of linguistic relativity is also known, in a slightly different from, as the Sapir-Whorf hypothesis. The structure of language influences, according to the Sapir-Whorf hypothesis, the way we perceive and categorise reality. Due to different language structures people speaking different languages will perceive reality in different ways. The way you think is to a large extent formed by and dependant on the first language you learned, according to the Sapir-Whorf hypothesis. Foley says the principle of linguistic relativity says people who speak different languages with diverse structures and different grammatical category systems interpret the experience of the world in different ways.

553 Linell, Per, Männinskans språk, p 52-54, 1982, Gleerups Förlag, Malmö
554 Bjerke, Björn, Att skapa nya affärer, p 310, 1989, Studentlitteratur, Lund
559 Linell, Per, Männinskans språk, p 57, 1982, Gleerups Förlag, Malmö
because these different linguistic frames of reference make them do so.\textsuperscript{560} Informally the linguistic relativity principle says people speaking languages with different grammar structures will, due to these differences in grammar, observe and evaluate externally similar acts in different ways and are therefore not equivalent as observers ending up with slightly different views of reality.\textsuperscript{561} There are thus multifaceted views of the world and Sapir claimed a strong relation between thought and language seeing language as a guide to social reality since it conditions all our thinking of social problems and processes in a powerful way so people don’t live only in an objective world,\textsuperscript{562} instead they are very dependent on the particular language of their society.\textsuperscript{563} Samovar et al. say that according to Whorf language determines the thought categories which are open to an individual since language and thought are so strongly intertwined.\textsuperscript{564}

Bjerke says the Sapir-Whorf hypothesis states that the native language of a person forms series of categories functioning as a grid through which a person perceives the world and different phenomena\textsuperscript{565} and Ferraro elaborates on this theme saying that Sapir and Whorf see language serving as a filtering system built up of a set of lenses highlighting some perceptions while de-emphasizing others.\textsuperscript{566} Samovar et al. stress the crucial role of culture arguing that according to linguistic relativity how people think and speak is largely determined by their culture and the Sapir-Whorf hypothesis states that language is a way of defining experience so a consequence from the Sapir-Whorf hypothesis would be that cultures evolve different languages to meet the unique needs of the culture.\textsuperscript{567} Linell says the part of language where the Sapir-Whorf hypothesis has been applied the most is vocabulary where people claim that if you do not have words or terms for

\begin{itemize}
  \item \textsuperscript{561} Whorf, B. L. \textit{Language, thought and reality}, p. 221, 1956, John Wiley, New York, in Lim, Tae-Seop, \textit{Language and Verbal Communication Across Cultures}, in Gudykunst, W.B. and Mody, B., (Eds.), \textit{Handbook of International and Intercultural Communication}, p 72, 2002, Sage Thousand Oaks, California (Quotation formulated by Tae-Sop Lim but contents coming from Whorf’s book p. 221)
  \item \textsuperscript{562} Lim, Tae-Seop, \textit{Language and Verbal Communication Across Cultures}, in Gudykunst, W.B. and Mody, B. \textit{Handbook of International and Intercultural Communication}, p 70, 2002, Sage Thousand Oaks, California
\end{itemize}
some things you cannot think in such ways and of such notions. This is said to be especially relevant for abstract words and notions.\textsuperscript{568} Accordingly Bjerke says language and thought depend on each other, we can only see the things we have a language to describe and new thoughts require a new language. Extending this to a societal and cultural level he makes the important observation regarding the Sapir-Whorf hypothesis of the mutually directed influence, that language influences society by influencing the way people look upon this society and that society influences language.\textsuperscript{569} Saying we can only see what we have a name for there’s a dependency but we can also see other things though it helps if we have a name to put on it. In Bjerke’s business context this need of a name may be more vital than for the concrete, but for them nameless, things that the child or the animal perceive.

There is an important translation aspect to the Sapir-Whorf hypothesis and Sapir claims that two languages are never similar enough to describe the social reality in the same way since different societies live in distinct worlds, not in the same world with different labels attached.\textsuperscript{570} This would make true translation between languages impossible and the Sapir-Whorf hypothesis has been heavily criticised. Habermas says natural languages are informal and claims, contrary to Sapir’s view, that we can translate from any language to any language and the means of natural languages are principally sufficient for elucidating the sense of any symbolic complex, no matter how unfamiliar and inaccessible it initially may appear.\textsuperscript{571} Although this is correct in principle we must not forget the practical side of it and since language and culture are so intertwined contributing to different views and connotations for people of different cultures such translations may be rather cumbersome requiring extensive circumscriptions and explanations to make the massage clear to the other party. Usinier sees several limitations in the Sapir-Whorf hypothesis saying it would work better for persons having been raised in a static and completely homogenous cultural environment while people who speak many languages and/or have been raised in diverse linguistic and cultural environments learn to see things in many perspectives.\textsuperscript{572} The ability to see things in different ways is a good reason for learning foreign languages.

Becoming more specific Linell says there are two interpretations of the Sapir-Whorf hypothesis, the strong interpretation claiming that language

\textsuperscript{568} Linell, Per, Människans språk, p 59, 1982, Gleerups Förlag, Malmö
\textsuperscript{569} Bjerke, Björn, Att skapa nya affärer, p 68 & 328, 1989, studentlitteratur, Lund
\textsuperscript{572} Usinier, J.C., International Marketing, p 103, 1993, Prentice Hall
solely influences and defines a person’s perception of reality, what she can think and we are caught in our language unable to go beyond it. He then describes the weak interpretation of the Sapir-Whorf hypothesis which says that the first language we learn influences and partly heads our thinking and our perception of reality. The strong interpretation of the Sapir-Whorf hypothesis has been criticised and Linell argues both children and animals can see and understand differences between things without having words for it and we can also see differences between human faces without being able to tell or define the differences thoroughly. Linell claims linguistic research has shown that similar phonological, grammatical and semantic complexity are exhibited by all known languages thereby having the same potential possibilities of expressions and all natural languages seem to have the same functions and their structure on different levels show common features.\(^{573}\)

There are thus many things speaking against the strong interpretation since by learning a foreign language well, or even by internalising a new terminology, we could probably go beyond it and the weak interpretation of Sapir-Whorf’s hypothesis seems better adapted to the modern and multicultural society where people learn and speak several languages.

Whorf’s proposition has been tested but Lucy, referred to by Lim, claimed the linguistic relativity principle has only been addressed directly in a handful of studies where nearly all in basic ways were conceptually flawed like working with only one language, given privilege to one language or culture in comparative studies, treating only a marginal aspect of the language and failure in providing direct evidence on individual cognition.\(^{574}\)

Linells claims the type of languages where the Sapir-Whorf hypothesis has been mostly applied is to different and unrelated natural languages but there is also an intra-language aspect of it. The choice of words and expressions has an impact on our values, attitudes and on our way of thinking. Conscious and skilled people who want to influence others try to use this to their own advantage by often emphasising positive notions and avoiding negative ones. Some such methods are replacing concrete and daily life expressions by abstract ones or by empty phrases and another way is replacing negative words by neutral or positive ones.\(^{575}\) This relates to rhetoric and convincing other people to do something.


\(^{575}\) Linell, Per, *Människans språk*, p 64-66, 1982, Gleerups Förlag, Malmö
Holden argues that between languages there are demonstrable differences where every language is a distinctive medium to enact management which influences interpersonal relationships and the communication of information and instructions. Specifying this to business vocabulary Holden and Tansley say words such as manager and management vary semantically across languages – as they compare English with French, Polish, Russian and German - and to discover equivalence among management cultures the best tool is knowledge of foreign languages where equivalence cannot be presupposed but has to be discovered. Thus the languages you speak, and particularly your native language, have an impact on how you grasp, interpret and perform management where semantic differences may be lost when using a common company language which may cause misunderstandings where the best remedy seems to be to learn your counterpart’s language.

There is a point in the Sapir-Whorf hypothesis as everybody is more or less influenced by the first things you do in life and thus by the ideas of the first language you learn. This is in line with the weak interpretation of the Sapir-Whorf hypothesis. For people living in CEE during the communist era it wasn’t easy to get in contact with foreigners, especially Westerners, as people from the Soviet bloc weren’t allowed to travel to the West and this limited the motivation to learn foreign languages. This lack of motivation is also stressed by Nekvapil and Sherman saying the lower possibilities for Czechs and Hungarians to travel abroad before the fall of communism in 1989 resulted in a lower motivation to learn foreign languages. The first foreign language in school in the satellite states was Russian, seen as the occupier’s language so people were reluctant to learn it. All this and the iron curtain didn’t encourage the learning of foreign languages in CEE. Students from other socialist countries came to the USSR or to the satellite states to obtain a university education but they were a little minority who had to learn the local language so the local people didn’t have many possibilities to practise foreign languages.

Hellspong says globalisation means the expansion of Western modes of consumption and production into new regions, like CEE, in a huge intercultural rhetoric process opening up for Western marketing and

publicity on different levels in society where an extensive learning of the discourse forms of the consumption society is a must for the breakthrough of capitalistic marketing.\textsuperscript{579} The division of generations in CEE today between the older one with people over 40 – 45 years who were brought up under the communist era and the younger more westernised and consumer-focused generation who are more used to this discourse form and its attitudes is partly related to this learning of capitalist discourse forms. People in the two generations often think differently due to customs, attitudes to work and on how to make a good living. These ideas may be reflected in the language in different expressions and views. Due to the generation divide the Sapir-Whorf hypothesis might be more relevant for the elderly CEE generation than to the younger one in intercultural business communication between Westerners and local people in CEE.

3.7.3 The language barrier

Harzing and Feely say communication – which relies on a common language - is crucial to management and language is particularly vital to MNC management.\textsuperscript{580} What could happen if there is no such common language is stressed by Selmer saying communication is crucial to management but communication depends on language which also excludes people – particularly between mutually incomprehensible languages such as Western European languages on the one hand and Chinese on the other where the language barrier is high.\textsuperscript{581} Having no common language there is a language barrier impeding cooperation.

Holden and Tansley say mutual understanding is prevented by language barriers creating false paths impeding the building of common cognition and ground across worldviews.\textsuperscript{582} A language barrier thus leads to exclusion as well as lack of mutual understanding, views and cooperation and thereby has severe consequences. Reducing the language barrier could also reduce the cultural or psychic distance and is therefore of vital interest as the interdependence between language and culture could bring good economic opportunities.

\textsuperscript{579} Hellspong, Lennart, Interkulturell retorik – Retoriken som redskap för att analysera kulturskillnader i kommunikation, p 8, Utkast till Rapport 1, Södertöms Högskola, 2000, Stockholm
\textsuperscript{582} Holden, N., & Tansley, C., Management in other cultures – How s philological approach opens up new cross-cultural vistas, in Tietze, S., International management and language, pp. 198-213, p. 212, 2008, Abingdon, UK
A reduction or elimination of trade barriers could raise international trade and the ELAN-study reviews earlier studies on language barriers being equivalent to trade tariffs where studies by Frankel (1997), Frankel and Rose (2002) and Heliwel (1999) found the language barriers being equivalent to tariffs between 15% and 22% and sharing a common language would raise bilateral trade between 75% and 170% while Noguer and Siscart (2003) found the tariff to be 6% and the bilateral trade increase when sharing a common language to be 11% where the lower figures partly are explained by Noguer and Siscart also taking other factors into consideration such as geographical adjacency, political and colonial association as well as political and free trade unions and they say language barriers vary across sectors. Even when considering nuances it seems clear language barriers could reduce business volumes and opportunities as well as profits.

A phenomenon such as the language barrier could be seen in various ways and Feely and Harzing see three dimensions of the language barrier where the first dimension is the language diversity telling the number of different languages the company must handle, the second dimension is the language penetration showing the number of functions and the number of levels within each function being engaged in cross-lingual communication and the third dimension is the language sophistication giving the complexity and refinement of the required language skills. Their rather quantitative and measure-oriented description is contrasted by a more interpretative approach by Swift, who in a study on foreign language skills in international marketing, claimed a language barrier has two levels; the literal understanding of the words in the verbal communication and a person’s capability to interpret the culture of another person and the market culture. Swift claims one obtains market closeness - a psychological proximity to the market - by sharing the culture and the language of one’s market so if there’s a lack of understanding of the language there is a barrier to this market closeness where the language differences therefore create a social and psychological distance. Swift sees language as a very direct means of communication that is bound in culture saying elimination of linguistic and cultural differences is a part of cross-cultural communication.

583 CILT, the National Centre for Languages, ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise, p. 15, December 2006, London
586 Ibid, p. 38-39
200
Language competence is vital in the external contacts of an organisation but also valuable in internal contacts and communication and Marschan-Piekkari et al. say in flatter MNCs information is vital with a stress on teambuilding and horizontal interunit communication although language could be a potential barrier to these processes since limited language skills have a negative effect on cross-cultural communication where in a study of the Finnish elevator company KONE 57% of the interviewees saw language as a barrier and the difficulties were stronger at lower levels.\footnote{Marschan-Piekkari, Welch, D., & Welch, L., In the Shadow: The Impact of Language on Structure, Power and Communication in the Multinational, International Business Review, Vol. 8, Issue 4, August 1999, pp 421-440, p. 422, 426} In a study on horizontal communication in a Finnish MNC Charles and Piekkari say if there is no common language, language becomes a barrier to inter-unit communication\footnote{Charles, M., & Marschan-Piekkari, R., Language training for Enhanced Horizontal Communication: A Challenge for MNCs, Business Communication Quarterly, vol. 65, No. 2, June 2002, pp. 9-29, p. 15} and Feely and Harzing refer to Neal claiming the most important barrier to team-working is often language problems.\footnote{Neal, M., The Culture Factor: Cross National Management and the foreign Venture, 1998, McMillan Press, Basingstoke & Sergeant, J., & Matthews, L., Expatriate Reduction and Mariachi Circle Trends in Mexico, International Studies of Management & Organization, 28, 2, pp. 74-96, 1998, in Feely, A.J., & Harzing, A.W., Language Management in Multinational Companies, Cross Cultural Management, Vol. 10, No. 2, 2003, pp.37-52, p.47}

The language barrier is a major problem for native English speakers and Hendry says it is one of the biggest problems for British and American managers on foreign assignments and this is due to education systems that are bad at developing foreign language skills and English being the leading international business language in many sectors becomes a self-deception where people from other countries better grasp the assumptions in English of the US/UK partners and competitors while these US/UK persons usually don’t have such insights which may result in misunderstandings or negotiation drawbacks.\footnote{Hendry, C., Continuities in human resource processes in internationalization and domestic business management, Journal of Management Studies, 33:4, July 1996, pp. 475-494, p. 490} Despite all language barrier problems Welch et al. say research shows that in organisations no automatic incentive to overcome the language barrier giving seamless knowledge transfer over language frontiers exists but disincentives to do it like rivalling subsidiaries exist.\footnote{Welch, D., Welch, L., & Piekkari, R., Speaking in Tongues – The Importance of Language in International Management Processes, International Studies of Management & Organization, Spring 2005, Vol. 35 issue 1, pp 10-27, p. 23}

Sending an expatriate to a subsidiary is not a long-term solution to bridge the language gap and it is a very costly solution which does not eliminate the language barrier but only shifts it down one level where it restricts the career possibilities of local managers limiting them to supporting roles and it furthermore impedes knowledge transfer along with undermining benefits of
cultural diversity.\textsuperscript{592} This indicates that to send a long-term expatriate to a subsidiary there must be more and other reasons than just overcoming the language barrier. Such factors could be trust and strive for control from the headquarters, specific and general knowledge transfer, company internal network and knowing how to run a subsidiary according to the principles, guidelines and customs of the headquarters.

An opposite way to expatriation to overcome the language barrier is inpatriation when the headquarters employ subsidiary persons bringing in cultural diversity and communication links to the subsidiary and institutions in their home country but this solution could cause problems if the inpatriate’s skills in the parent company language aren’t fluent enough it may impair short term effectiveness delaying the time until the MNC can reap the fruits of his or her work and the repatriation of the inpatriate back to the subsidiary is harder as the subsidiary organization is much smaller than the headquarters,\textsuperscript{593} and finally empirical research indicates that an extensive and customized support program to acculturate and socialize the inpatriate is often required.\textsuperscript{594} The ELAN-study saw inpatriation positively arguing it could raise the company’s cohesion, it could open up new informal networking channels and help looking for talents and generally maximise the effectiveness in the entire corporation seeing it as a long-term way to improve corporate communication contrary to selective recruitment which the authors consider a quick-fix solution.\textsuperscript{595}

3.7.4 A common company language

A way to lower communication costs is introducing a common company language as a lingua franca. Trudgill says a lingua franca is a language that is used as a communication means for people having no native language in common.\textsuperscript{596} Marschan-Piekkari et al. give several internal communication reasons for introducing a common corporate language such as facilitation of reporting and document reading, strengthening information exchanges and informal communication, reducing the risk for miscommunication and

\textsuperscript{595} CILT, the National Centre for Languages, ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise, p. 47, December 2006, London

202
creating a family feeling of belonging to the company reinforcing the corporate culture. Another reason is to push employees to become competent in the language used in internal communication, training and development programs along with international meetings and external factors are language preferences of foreign customers, collaborative partners and suppliers. Welch et al. say need for control and coordination in MNCs has driven a development of language standardization and a common corporate language affecting management processes in a widespread way. Being fluent in the common corporate language is also necessary to reach a top management position.

A common language facilitates communication and understanding and Buckley et al. say cross-border knowledge-transfer in MNCs depends on both a common language required for communication and shared social knowledge, having social components of tacit knowledge which are easier to understand in a shared language, needed for understanding and prediction of the persons participating in the process of knowledge-transfer and they found when transferring technical and social knowledge together the knowledge-transfer becomes more effective. Marschan-Piekkari et say common corporate language skills are vital for effective knowledge transfer and information spreading. Marschan et al. found sharing a language, not only the company language, facilitates and encourages creating and maintaining personal relations across company units and regional as well as global training enhances networking for subsidiary staff if they speak it well enough.

A common company language may stand for other things than just a national language, it could stand for a common view on values, attitudes and behaviour. Discussing cross-cultural knowledge management Holden says a common company language is a source of symbols transferring knowledge, experience and values with attitudes and behaviours that the company stands for and wants its employees to follow so speaking the same language could be seen as a metaphor for sharing a common company purpose. Thus a common company language holds both benefits and risks as it could lead to a strengthening unity – but also to conformism and narrow-mindedness – in terms of national language, values and behaviour. These three phenomena influence each other and that could be something that the top management could strive for as it could make it easier to run the company.

3.7.5 Problems with a company language and English as company language
A common company language could improve internal and external communication but it doesn’t solve all communication problems. Marschan-Piakkari et al. say for many people in a MNC the information exchange is in a second language - the company language - bringing a big risk for language difficulties leading to disturbances in the MNCs communication flows and still this important factor – language – has not received much attention in this context. Poor communication across languages could make the global integration of a MNC harder and language standardisation in form of a common company language doesn’t ensure a meaningful communication. Also slightly smaller companies face difficulties and based on their case study findings from a middle-sized Danish company Andersen and Rasmussen say introducing English as a common company language doesn’t solve all communication problems and notably not the Danish headquarters’ communication difficulties with its French subsidiary and as the headquarters’ need for French language skills wasn’t officially recognized the situation didn’t improve. Discussing multicultural working teams Brett et al. specify some problems being related to using a common company language saying when speaking the common language English there could be problems with lack of fluency, accents hard to understand as well as translation or usage where nonnative speakers’ expertise could be

less appreciated and considered due to their communication difficulties resulting in these nonnative speakers losing motivation to contribute hurting the result of the multicultural team.\textsuperscript{608} Thus psychological considerations to self esteem and motivation influencing the employees’ work performance must be considered before introducing a common company language. There is also a hierarchical aspect to it where a study of the Finnish MNC Kone showed only at the top management level the company language functioned satisfactorily.\textsuperscript{609} The better competence in foreign language higher up in the company hierarchy is confirmed by other researchers and having performed a multiple-case study of four firms in China Buckley et al. claim in international joint ventures in China in most cases the shop-workers never have more than a basic understanding of foreign languages requiring relevant documents to be translated into Chinese while engineers and managers speak the foreign language used by the foreign partner rather well.\textsuperscript{610} Fredriksson et al. agree saying top managers in MNCs usually speak English well while employees at lower hierarchical levels more often only speak the local language.\textsuperscript{611} That people having a higher education generally have better foreign languages skills is not surprising.

Welch et al. say the mere imposition of a common corporate language doesn’t mean all employees can speak and understand it or will use it which could uphold the risks for miscommunication and translation errors and since it is imposed by top management it could push the communication problems further down to the subsidiary level where top management can’t see or control it hampering both the accuracy of the information flow which is the basis for decisions, and how widely it will be spread in the organisation.\textsuperscript{612} Marschan-Piekkari et al. claim poor skills in the official company language hamper the possibilities for subsidiary staff to build horizontal relationships with headquarters and other units and top managers from the headquarters, not speaking the local language of the subsidiary country, could visit such subsidiaries less due to communication problems once they are there as was the case with Kone in Spain and company information in the company language could be hard for employees not

\textsuperscript{608} Brett, J., Behfar, K., & Kern, M.C., Managing multicultural teams, pp. 1-8, p. 2-3, November 2006, Harvard Business Review
speaking it, notably as some people speaking it may have too poor technical knowledge to be able to translate it correctly for the ones who don’t speak it but need the information and this may cause confusion. Welch et al. say some subsidiaries may become isolated from information and sharing of knowledge due to lack of language skills decreasing the influence of the subsidiary in its headquarters relations but it may increase the autonomy of the subsidiary as headquarters may not be able to control it so strictly. Piekkari et al. found that though introducing a common corporate language in a cross-border merger, between a Swedish and a Finnish bank, enables the integration of two separate organizations and facilitate communication it can have disintegrating effects particularly below the top management level and the consequences of the language decision must be worked through by top management.

Phillipson says in MNCs English is increasingly the first corporate language while Welch et al. say the most common corporate language is English as it is the lingua franca in international business and Marschan-Piekkari et al. claim for many MNCs English often almost by default becomes the common company language due to its dominance in international business and in cross-cultural mergers it could also be a neutral language bringing balance and equality between non-native English speaking merging partners.

International business English is - as Charles and Marschan-Piekkari refer to Bartlett and Johnsson - a Creole language which shares features irrespectively of mother tongue and is easily understood by non-native speakers of English but sometimes hard to understand for native speakers of

Trudgill defines pidgin and Creole languages saying “a pidgin is a reduced, simplified, often mixed language evolved, for say, trading purposes by speakers with no common language. ... Creole is ... a pidgin language which has become the native language of a speech community, and has therefore become expanded again, and acquired all the functions and characteristics of a full natural language.”

Having looked at how a common company language may affect internal communication in a company as well as mergers and joint venture it is time to see its potential effects on external communication since no company can survive without its customers. Pointing at this within the context of using English as a company language in China Selmer says if a company opts for a single company language the external language barrier to customers, suppliers and government agencies remains. An interesting case is when a subsidiary in CEE to a Western parent company exports its products back to the West and the linguistic challenges and demands that it puts on the local employees in CEE where just speaking the common company language could be insufficient. Thus regarding the conformist orientation towards a common company language Nekvapil and Sherman stress that even if the company could require such language skills, often English, when they hire new employees the customers may not accept it and could require to communicate in their own mother tongue so Austrian and German companies having English as a common company language and having subsidiaries in Hungary and The Czech Republic could in these countries have the rule English is required and German a plus as these subsidiaries could have many German-speaking customers. Thus having the customers in mind opting for a multilingual competence could benefit the company.

Regarding English as a lingua franca Tietze says English has been enhanced by the development of Internet where people need a shared language to voice their views in a global networking world and having a shared language facilitates mutual understanding, creation and exchange of knowledge as well as cooperation along with empathy, action and liberation but there is a risk that a global language could breed an elitist and complacent linguistic class which dismisses other languages and


worldviews.\textsuperscript{624} Thus a wide range of possibilities and application areas go along with a risk for arrogance and discussing English as lingua franca and the different roles it may play Phillipson says English could also be seen as lingua economica (the globalisation imperative), lingua academica (a tool for international cooperation in higher education), lingua cultura (a society’s values and norms), lingua emotiva (Hollywood and popular culture), lingua bellica (the language of war) and – referring to Swales\textsuperscript{625} – lingua tyrannosaura (linguistic cannibalism)\textsuperscript{626}. The Swedes say “a beloved child has many names” and this versatility and application width of the English language is an illustration of this saying.

Having a common language but different mother tongues could create difficulties where Cohen says for non-native speakers of English it is difficult to avoid the mother tongue’s pervasive influence on concepts, elisions and distinctions so they conduct negotiations in line with the internal logic featuring their own native negotiation paradigms and not the one following an English-language discourse. He says language thus has a deep impact on intercultural communication where English – despite being helpful to a certain extent – isn’t a panacea nor is it beyond culture so via education where language learning is vital we have to acquire an understanding of distinctive negotiation discourses featuring other cultures and languages where people in intercultural negotiations should avoid endless arguments on abstract terms but rather focus on manageable technical issues and give high attention to linguistic differences as a crucial step to bridge the semantic gap.\textsuperscript{627} So keeping the conversation simple, understandable and to the point while acknowledging and paying attention to the cultural factors and their impact on thought patterns seems to be a fruitful approach to obtain mutual understanding and reach an agreement.

Behind a façade of English as a common company language the characteristics of various mother tongues remain and Kassis-Henderson says English-speaking working teams in MNCs are often simultaneously both multilingual and monolingual holding both native and non-native speakers of English. She argues many problems may arise in language-diverse teams where the members go on using expressive and interpretative mechanisms from their mother tongues although they speak in English where they all have to adjust to each other’s way of interacting to work successfully. So the

\textsuperscript{624} Tietze, S., \textit{International management and language}, p. 71-72 & 75, 2008, Abingdon, UK
\textsuperscript{625} Swales, J., \textit{English as ‘Tyrannosaurus Rex’}. 16, 373-82, 1996, World Englishes
common language can often turn into an illusion and regarding socialisation and interpretation the international teams speaking English as a lingua franca face hidden obstacles despite that they superficially seen seem to be monolingual but both the native and non-native speakers of English tend to see language and communication from a mono-cultural and national perspective.\textsuperscript{628} To handle such problems and collaborate effectively and optimally Darla Domke-Damonte says members of international cross-functional business-teams need a linguistic and cultural awareness of differences in appropriate communication processes.\textsuperscript{629} Such problems could be particularly evident regarding the presentation of ideas and concepts where Cohen argues that non-native speakers of English who speak it fluently are still influenced by their mother tongue as people are inclined to translate from their mother tongue to the target language, which often is English, and despite being dressed - and thus concealed - in English the idea is conceived in the mother tongue.\textsuperscript{630}

English is the language of elites where it has been propelled first by the British Empire and after the Second World War by the United States being the leading state in the world and as a lingua franca and dominating world language English has two unique advantages which rival languages can’t match where the first one is it is a hybrid of Germanic and Romance languages making it familiar and easy to understand for people in Western Europe, Latin America and Africa while the second advantage is that it is very simple as a pidgin being easy to speak and understand.\textsuperscript{631} Thus English has a strong position in the world but in many cases and situations it still isn’t enough as the next section discusses.

\textbf{3.7.6 English is not enough – multilingualism is needed}

The notion of multilingualism refers to both a situation where within a certain geographic area several languages are spoken and that a person is able to speak several languages\textsuperscript{632} i.e. it concerns both territories, such as states or other political entities, and individuals.

According to the ELAN-study adopting a single company language in a MNC could bring both procedural and sometimes also legal difficulties and

\textsuperscript{628} Kassis Henderson, J., Language Diversity in International Management Teams, Studies of Management & Organization, Vol. 35, No. 1, Spring 2005, pp. 66-82, p.75 & 79
\textsuperscript{629} Domke-Damonte, D., Language learning and international business, pp. 35-40, p. 38, Sam advanced management journal, Winter 2001
\textsuperscript{630} Cohen, R., Meaning, interpretation and international negotiation, pp. 317-335, p. 323, Vol. 14, No. 3, 2000, Global Society
\textsuperscript{631} The unavoidable English language, Financial Times UK, September 24, 2005
\textsuperscript{632} Europeans and Their Languages, Special Eurobarometer 243, Sammandrag på svenska, pp. 1-10, p. 1, 2006, European Commission
a common way to solve it has been to agree on one language for legal and contractual matters while increasingly flat structures of management and an encouragement for internal networking between employees strengthens multilingualism putting the monoglot – a person who only speaks one language - in an increasingly unfavourable position.\(^{633}\) This is true for a monoglot in a small international business language but, to a lesser degree, also for native speakers of English and for speakers of a small language whose only foreign language is English and that is not so rare and - in many ways - increasingly the case for Swedish business people.

There are more than a hundred million of non-native speakers of English but Ferraro says English is only one of the major world languages and just 5% of the world’s population has it as native language\(^{634}\) where the poor foreign language skills of many native English speakers, and notably Americans, are described by Mauser referring to a US businessman in Manila in the Philippines who says in every developed country but the US knowledge of a foreign language is self-evident.\(^{635}\) English monolingual speakers face difficulties and drawbacks and Kassis-Henderson says the monolingual English speakers could encounter disadvantages when English is used as a lingua franca in international teams since they could miss the atmosphere of exchanges as well as the creative and innovative climate stemming from the inter-lingual dynamics facilitating interaction of perspectives.\(^{636}\)

There is a widespread idea in Sweden that English is the only foreign language you have to speak while other major European languages like German, French, Spanish, Russian, Italian and Polish receive far less attention from people in general, students, media and power holders. In fact the two most spoken native languages in Europe are Russian and German followed by English, French and Italian with about 60 million native speakers each in Europe and then come Spanish, Polish and Ukrainian with about 40 million speakers each in Europe. Spanish is one of the most spoken languages in the world and on many lists of the world’s most spoken languages these four languages – Spanish, Russian, German and French - are usually among the top ten and always among the top twenty both in terms of native or native plus secondary speakers (people who speak the language regularly or even more frequently than their mother tongue) and


weighing in the number of major fields where the language is used internationally and its global socio-literary prestige, the number of countries speaking it and their population and economic power all these four languages are among the top ten in the world.\textsuperscript{637}

As there are several thousand living languages in the world (Ethnologue lists 6912 living languages worldwide) it is obvious that a top ten or top twenty language is by no means a small language of lesser importance - it is often a world language or at least a regionally important one.\textsuperscript{638} Seeing these major European languages as less important reflects and explains the fact that so relatively few Swedes want to learn a second foreign language after English and it is a problem for Swedish companies and for Sweden as a country being highly dependent on its export industry for its standard of living. The need for such European languages in trade and generally for broad language skills is observed in the ELAN-study which found that the animosity towards the Russian language which was observed after the fall of the Soviet Union in the former Soviet republics decreases so Russian is now extensively used in Eastern Europe together with German and Polish whereas French is used in trade with African countries as is Spanish when doing business with countries in Latin America. It was found that English could do at initial market entry but in the long run building and management of relations is vital where knowledge of the culture and the local language are central but there is an Anglophone complacency which is not only restricted to Anglophone countries.\textsuperscript{639} Sweden is such a complacent country.

Yet there seems to be some awareness of the situation in Sweden where Phillipson says in Sweden scholars and officialdom have done more than in any other European country to explore whether English threatens the national language Swedish and Sweden’s official goals for the Swedish language are to maintain Swedish as the primary language for all in Sweden and make sure it is a complete and correct language and to have parallel competences in Swedish and English for the university, business, political and media elites along with good competence in other languages.\textsuperscript{640} If Sweden has done more than any other European country – which seems rather improbable to me regarding France’s perseverant and intense defense

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\begin{itemize}
\item \textsuperscript{637} A summary of various rankings of the world’s most widely spoken languages, found on Internet under http://www2.ignatius.edu/faculty/turner/languages.htm
\item \textsuperscript{638} A list of world languages including the number of living languages in the world, found on Internet under: http://www.nvtc.gov/lotw/months/november/worldlanguages.htm
\item \textsuperscript{639} CILT, the National Centre for Languages, \textit{ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise}, p. 6, December 2006, London
\end{itemize}
\end{footnotesize}
of the status and usage of the French language at international meetings and that Swedish ministers and other high Swedish representatives at international conferences often give their speeches in English instead of in Swedish even though interpreters are or could be available - the situation and lack of awareness of the position of the mother tongue in other European countries would seem to be alarming.

An indication of a need for broadening the language skills is given by LEAP/E2020\textsuperscript{641} in their GlobalEurope Anticipation Bulletin (GEAB) on which languages the Europeans will speak by 2025 concluding that there will be four dominant trans-European languages, English-German-French and Russian where German, French and Russian will strengthen their positions due to demographic reasons and ceasing of political reasons to exclude Russian whereas the position of English as the hegemonic language of modernity will be weakened due to a diminishing US influence on the world and on Europe but also on their own territory where more Spanish is spoken in the USA and more Celtic languages on the British isle. LEAP/E2020 predicts a stronger international role for Spanish where the three European international languages will be English, Spanish and French stressing that even though Asian languages such as Chinese or Arabic will change the linguistic world map these international European languages have a strong advantage due to their geographic extension on many continents that will remain for the next generation.\textsuperscript{642} In line with this view CILT found that the importance of Chinese, Arabic and Spanish in the business world will increase in the future\textsuperscript{643} and – referring to a report from Nuffield foundation - noted that the global dominance of English is likely to be challenged due to a shift of economically powerful states in the world.\textsuperscript{644} Regarding the position of English in the U.S. Johan Falk\textsuperscript{645} says the southern parts of The United States are undergoing a social, cultural and linguistic metamorphosis since a few decades ago due to the intense immigration from Latin America amounting to roughly 2000 persons per day and if the current

\textsuperscript{641} LEAP/E2020 (Laboratoire Européene d’Anticipation Politique/Europe 2020) is a French-dominated think-tank having a European focus where some of their members since more than a decade have conducted a deep analysis of the tendencies within the linguistic sphere of the European Union


\textsuperscript{643} CILT - The national centre for languages, Talking sense: A research study of language skills management in major companies, pp. 2-50, p. 7, 2007, CILT - The national centre for languages, London, UK


\textsuperscript{645} Johan Falk is professor in Spanish language at Stockholm University
development continues there will be 100 million Hispanics within the United States in 40 years making it the second largest Spanish-speaking country in the world after Mexico. He says whether the United States will become officially bilingual is an open question since there are forces for it – such as a strong immigration of Hispanics – and against it as the young people of the second or third generation of Hispanics often turn away from the Spanish language and its limitations in the U.S. and there is also a strong social mobility to other parts of the U.S. where English is more dominant. The vital economic impact of language skills is also reflected in the European Commission’s Lisbon Strategy from year 2000 aiming at making Europe the most competitive economy in the world which has identified language skills as a key factor to achieve this goal.

One should not completely role out the risk of French wishful thinking reducing the role of English as a hegemonic lingua franca including a sometimes critical view of the USA and one might ask to which extent Celtic languages would replace English in business in Great Britain but there are also others foreseeing a diminishing role of English in the future. However – if this prediction is to come true it could mean significant problems for Swedish power-holders who often have poor if any knowledge of other foreign languages than English but this could force them to learn other foreign languages which could have the spin-off effect of broadening their perspectives and understanding of other European cultures and countries. Learning another foreign language brings costs in terms of course fees, time and energy but the losses of influence or contracts could be much more costly.

That English is insufficient in international business life is indicated by Charles saying foreign languages are central for anybody who does business internationally. As she writes in English her readers include native English speakers who consequently also need skills in foreign languages. There are difficulties to understand the local culture due to poor language skills along with an underestimation of the need for linguistic competence in English speaking countries and due both to the difficulty to acquire foreign language skills and English being seen as the lingua franca of international business linguistic competence is not sufficiently stressed in English speaking countries reflecting a lack of understanding for its usefulness in

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646 Falk, J, *Södra USA på väg att bli tvåspråkigt*, Kulturdelan – under strecket, p. 11, Svenska Dagbladet, 2009-12-01
negotiations and daily business activities and missing that skills in the local language are needed to really understand the local culture.\textsuperscript{649} There is a usage of intermediate languages and the ELAN-study found that when companies identified the languages they used on their major export markets there was a widespread use of different languages where English was mostly used (51\%) followed by German (13\%), French (9\%), Russian (8\%), Spanish (4\%) and other languages (15\%). There is a clear domination of English but many other languages are used in international trade. The ELAN-study found that in several cases, 10\% of the SMEs, the target market was selected based on knowledge of language and culture the firm had and more specifically the language competence of the SME’s staff influenced the choice of export markets for 13\% of the companies where the highest figures came for German in Germany and French in France.\textsuperscript{650} As I understand it the last figure (13\%) also covers other languages than the local one, like intermediate languages that may be useful on that specific market.

Feely and Harzing argue the idea of one language, English, fits all is totally flawed since it doesn’t consider linguistic nationalism where countries in Asia, South America and in particular the Middle East demand to use their native language when doing business and disregards the increasing importance of languages such as Chinese, Spanish and Arabic which over time could challenge English as the Lingua Franca and it makes negotiations risky since contracts, rules and legislation are always written in the local language so a company that can’t work in it is vulnerable.\textsuperscript{651} The risks of using one corporate language are similar to the ones of English native speakers communicating in English though the probability that some persons in that company using one corporate language speak other languages is higher since the parent company might come from a country with a small native language but chooses English as corporate language making many individuals speak at least two languages opening up their possibilities to see things from different cultural and linguistic perspectives. The insufficiency of English as the only corporate language is also discussed by Charles and Marschan-Pierkkari who in a case study on horizontal communication between subsidiaries in a Finnish MNC found that English as a corporate language doesn’t solve all communication problems, in particular not when having several subsidiaries located in non-English

speaking countries and they also argue that the focus of corporate language training schemes should be a broad spectrum of international communication instead of emphasizing a systematic knowledge of any one language.⁶⁵² There are firms that have understood the value of native speakers and in the ELAN-study almost a quarter – 22% - of the SMEs of all EU-countries plus Norway, Turkey and Iceland had employed native speakers on full time to support their foreign trade whereas the figure for Sweden was considerably higher – 32% - indicating an understanding of the usefulness of cultural and linguistic skills.⁶⁵³ Such employments could also be seen as a reflection of the linguistic diversity discussed here above.

In contrast Chris Johnson - a native English speaker speaking a few languages - taught foreign languages for three years, sold banking services to Germany in German for four years and worked in a French bank for 18 years performing business trips abroad and he says his foreign language skills helped him but the weight of languages in international business shouldn’t be overestimated and they aren’t vital in a worldwide organisation.⁶⁵⁴ It seems Mr Johnson hasn’t worked as an expatriate so he hasn’t had the same need to speak a local tongue as people living abroad on a foreign assignment, but it’s clear that in some situations it isn’t needed to speak the local language. Contrary to Feely and Harzing saying the functional multilingualism strategy runs the same risks as the lingua franca strategy⁶⁵⁵ the risks of functional multilingualism could be smaller as companies having it use many languages increasing the chances to speak the customer’s language, giving perspectives reducing the risks of ethno-linguistic narrow-mindedness. Some risks with functional multilingualism could be having to manage higher complexity and deal with various coordination problems which both may lead to confusion and loss of focus. The recruitment may be hard and costly yet the personnel may be broadminded and insightful. Barner-Rasmussen and Björkman claim MNCs are almost by definition multilingual where language skills are vital for their interunit communication and people who speak the same language have a tendency to cluster and exchange knowledge in a freer way.⁶⁵⁶

⁶⁵³ CILT, the National Centre for Languages, ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise, p. 28-29, December 2006, London
⁶⁵⁴ Johnson, C., Language fluency has limited impact on export potential, Financial Times UK, September 12, 2006
Regarding useful languages in Europe in general and particularly in CEE, German has to be mentioned. In line with this view Nekvapil and Sherman say German still has a strong position in Central Europe and at the end of the 1990s German was taught more than English.\textsuperscript{657} The weight of the German language is confirmed in the ELAN-study that did a review of some earlier studies such as REFLECT (2001, 2002), ELISE (1999/2000) and ELUCIDATE (1996) and put the results together concluding that although English is the foreign language that is most commonly used German is widely used as a second lingua franca when doing business in Europe except for in Spain and Portugal.\textsuperscript{658} Talking about foreign language skills in international business and Sweden’s role Kirsch refers to the head of the German-Swedish chamber of commerce, Klaus Bohler, who stresses the lack of skills in the German language in Sweden saying nothing can replace the capability to use the language of the business partner and a person who doesn’t speak the language can’t sell products or services. Kirsch also refers to a Swedish lector in Greifswald – a part of the current Germany that belonged to Sweden from 1648 to 1815 - Carin Reijler who regarding trade between Sweden and Germany says Germany as a trading partner demands Swedes who speak German and it becomes increasingly evident to everybody involved in trade between Sweden and Germany that using English is insufficient.\textsuperscript{659}

Marschan-Piekkari et al. say some MNCs – especially those originating from countries where one or several world languages or important regional languages are spoken – could have many official company languages or at least support learning and communication in many languages.\textsuperscript{660} On multilingualism Fredriksson et al. found that in a German MNC, Siemens, the common corporate language wasn’t as widely shared as the term suggests due to the multilingual nature of most MNCs and their employees’ varying degrees of language proficiency. Fredriksson et al. found that language competence was seen as vital by all informants and Siemens is - despite attempts by top management to make the MNC monolingual or bilingual - a true multilingual company where many different languages are used at work and top management at the Munich headquarters frequently switched between English and German where both were corporate

\textsuperscript{658} CILT, the National Centre for Languages, \textit{ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise}, p. 11, December 2006, London

216
languages although the former CEO had stated English to be the official corporate language and French and Spanish were second-place languages used when important things happened and yet also other languages were used at work. Fredriksson et al. found that older employees and more traditional business areas relied more on German while younger employees and newer business areas such as telecommunication used English more so overall English was the most used language by the informants while the role of German was diminishing.\(^{661}\) So more people will speak English but it isn’t enough and Janssens et al. say English as a common language in international business is exaggerated where multilingual communi-cation is a daily phenomenon in international organisations, which inter-national research starts to acknowledge, since international communication is no more confined to an elite of expatriates because managers and people at different hierarchical levels with different native languages and consumers from non-native English countries expect information in their own local language and non-western languages will be studied more and more.\(^{662}\)

Regarding international working-teams Kassis Henderson argues language diversity will more and more be seen as a valuable resource\(^ {663}\) and Feely and Harzing say due to social, demographic and business trends a company that goes multinational will simultaneously have to go multilingual.\(^ {664}\) Welch et al. argue sooner or later companies expanding world-wide will have to deal with multi-linguistic environments and crossing language borders has consequences for internal information flows, formal and informal communication as well as for knowledge transfer and top management often tries to solve these problems by imposing a common corporate language, often English, but it could create more problems than it solves by pushing the language problems further down the hierarchy to subsidiary level so even if a common corporate language is introduced at an early stage continuing expansion into linguistically distant markets makes the language issue more complex.\(^ {665}\)

There are differences between SMEs usually largely doing their international business on markets on their own continent while big MNCs


do business worldwide on a more global scale and these differences are found in the ELAN-study covering all 27 EU-countries plus Turkey, Norway and Iceland listing the languages the companies will need in the next three years where English was the most needed by both SMEs (26 %) and MNCs (29 %) but then the three following languages for the SMEs were German (18 %), French (13 %) and Russian (12 %) whereas for the MNCs the following ones were Spanish (20 %), Chinese (17 %) and Arabic (10 %). An interpretation is that MNCs in Europe do much business in English but on other continents they must use the local language to a higher degree while European SMEs mostly do their business in Europe and have to use the local European language to a larger extent. It might also be that businesspeople in big MNCs have better English skills than SME-employees and MNCs have other possibilities to demand such skills and to train employees who don’t have sufficient language skills.

3.7.7 Multilingualism bringing enhanced creativity and other spin-off effects
Multilingualism may also bring a rich variety of useful spin-off effects which are highly relevant to the business world where it could improve the management ability in various ways and provide a range of competitive advantages to companies with multilingual employees and managers and these benefits often go beyond the direct language ability itself providing an increased intellectual and mental capacity along with valuable multi-competences in different areas. Marsh et al. say multilingualism can increase creativity – which is seen as a key driver of economic and social success in the knowledge society – as it can realize and expand the creative potential of people strengthening opportunities of individuals and society. They say multilingualism can also enhance learning – through superior functioning of the episodic and semantic or general memories, conceptualisation skills, flexible and abstract thinking, ability to see reality from different perspectives, problem solving capacity, metalinguistic awareness - understanding how language works going beyond words and reading between the lines. They say multilingualism may enhance interpersonal and interactional ability to communicate in terms of contextual sensitivity as well as understanding and responding to communicative needs. They argue that multilingualism could provide added value where

666 CILT, the National Centre for Languages, ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise, p. 44-45, December 2006, London
668 Marsh, D, Hill, C. & Many researchers and country experts covering EU-27 plus Norway and Turkey, Study on Contribution of multilingualism to creativity – Executive summary, p. 4, 2009, European Commission, Brussels
knowing two or three languages brings more benefits than the sum of the parts in terms of just speaking the languages, i.e. more than the sum of the parts, so multilingualism could provide multitasking capability and multi-skills in interpersonal interaction. Marsh et al. stress that progress in neuroscience and in neuroimaging techniques on how the language works in the brain could contribute to more and deeper knowledge in this field adding that multilingualism could reduce the age-related mental diminishment by slowing down the mental decline.\textsuperscript{669} This could then contribute to preserve people’s working capacity and so be vital as the retirement age may increase in the future. Speaking a foreign language is a versatile task requiring using your fantasy to create combinations, draw analogies along with making interpretations and inferences which all involve and stimulate the brain forcing it to do an effort, find new combinations and thus keeping it fit. Regarding this stimulus aspect there is a analogy with solving crosswords though speaking a language is usually an activity in a higher tempo as it mostly takes immediate responses. All these stimulating effects may develop the brain making these positive spin-off effects of multilingualism including higher creativity, learning and conceptualization ability, abstract and flexible thinking, problem solving capacity, multitasking and having interpersonal skills with contextual sensitivity and a multi-perspective view etc. seem a bit more plausible as training often enhances capability and performance.

Another interesting evidence in the field of how language skills may have indirect effects is given by Knowles et al. studying decision-makers in success-fully internationalised British SMEs where they found that for English native speakers foreign language skills indirectly contributed to the international business success as those decision-makers were more likely to hold foreign language skills, often at a high level, and they had experience from international activities also possessing an international mindset being able to move forward in international trade and more than the pure language skills it actually is this integrated combination of foreign language skills, intercultural competence and international experience that are crucial to successful SMEs on the international markets.\textsuperscript{670} It thus seems that foreign language skills indirectly bring knowledge, a broader mindset and empathic ability all contributing to business success.

\textsuperscript{669} Marsh, D, Hill, C. & Many researchers and country experts covering EU-27 plus Norway and Turkey, Study on Contribution of multilingualism to creativity – Final report, p. 5-9 & 23-24, 2009, European Commission, Brussels. This footnote covers the entire paragraph apart from the two lines beginning after the hyphens that have the two individual footnotes.

Explaining the mechanism in terms of a broader perspective and the added value that multilingualism could give as compared to monolingualism, Cohen says unilingual speakers lack a comparative perspective while a second language provides an Archimedean point with an external outlook from which the first language’s otherness can be discerned and reflected upon. A reference point permits a deeper understanding of a phenomenon and a second or third language could do giving perspective and insight.

### 3.7.8 The Current status of foreign language skills and multilingualism in EU

People’s general foreign language skills are vital for their usage in international business and as 75% of the Swedish export goes to Europe, also dominating import to Sweden and Swedish companies facing European competitors, we show foreign language skills in EU. Figures on the situation in 2005 are given by the Eurobarometer 237 covering EU-25 countries plus Bulgaria, Romania, Croatia, Turkey and the Turkish part of Cyprus – and on average 50% of the citizens in these 30 countries spoke a foreign language within a span from 99% in Luxemburg to 30% in the UK and 29% in Hungary and Turkey. In 20 of these 30 countries English was the most spoken foreign language, in four – the Baltic states and Bulgaria – it was Russian, in two – The Czech Republic and Hungary (shared by English) it was German, in two – Luxemburg and the UK – it was French, in Slovakia it was Czech and in Slovenia it was Croatian, a part of the Czechoslovakian and Yugoslavian heritages, and on Ireland it was Irish/Gaelic. Adding the native speakers and the ones speaking it as a foreign language, the most spoken languages in the 30 countries are found below where people estimate their skills in the foreign language they speak.

The table here below says that between half and two thirds of the people claiming to speak a foreign language think they have a good or very good command of it. Such subjective statements risk overestimating the skills but if their estimation is true it enables professional usage when and if needed. Such language competence and being used to learn and understand foreign languages could be a competitive advantage for Europeans on the global market. The Eurobarometer 237 Wave 63:4 survey found the best foreign language knowledge in smaller countries like Luxemburg, Latvia, Malta, the Netherlands, Lithuania, Slovenia, Denmark, Sweden and Estonia all on 87

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672 In the Eurobarometer 237 - Wave 63.4 - a total of 29 328 persons - who were 15 years or older - were interviewed in May and June 2005 and the study was published in September 2005. The Eurobarometer 237 was carried out on the request of the European Commission.
673 *Europeans and Languages*, Special Eurobarometer 237 - Wave 63.4 - TNS Opinion & Social, pp. 1-9, p. 1 & 3-7, 2005, European Commission
% or more so at least 7 out of 8 persons in these countries speak a foreign
language and slightly more men (52 %) than women (47 %) could hold a
foreign language conversation and double as many young persons between
15 and 24 years (69 %) as persons over 55 years (35 %) can do it where the
difference is bigger between people who finished their school studies when
they were 15 years where 20 % think they can converse in a foreign
language while 79 % of the people who still study think they can do it as do
73 % of the managers and 47 % of the people in rural areas compared to 55
% of the people in large towns. That is a difference of only 8 %.

<table>
<thead>
<tr>
<th>Language</th>
<th>Percentage of population speaking it as a foreign language in 30 countries</th>
<th>Percentage of population considering they have a good or very good command of the foreign language</th>
<th>Percentage of population speaking it as a native language in 30 countries</th>
<th>Percentage of population speaking it as a native or foreign language in 30 countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>34%</td>
<td>69%</td>
<td>13%</td>
<td>47%</td>
</tr>
<tr>
<td>German</td>
<td>12%</td>
<td>58%</td>
<td>18%</td>
<td>30%</td>
</tr>
<tr>
<td>French</td>
<td>11%</td>
<td>55%</td>
<td>12%</td>
<td>23%</td>
</tr>
<tr>
<td>Spanish</td>
<td>5%</td>
<td>65%</td>
<td>9%</td>
<td>14%</td>
</tr>
<tr>
<td>Russian</td>
<td>5%</td>
<td>54%</td>
<td>1%</td>
<td>6%</td>
</tr>
<tr>
<td>Italian</td>
<td>2%</td>
<td>No information</td>
<td>13%</td>
<td>15%</td>
</tr>
<tr>
<td>Polish</td>
<td>1%</td>
<td>No information</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Dutch</td>
<td>1%</td>
<td>No information</td>
<td>5%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Table 7: Percentage of population speaking it as a foreign or native language and their estimation of level of command of the foreign language in EU-25 plus Bulgaria, Romania, Croatia, Turkey and the Turkish part of Cyprus

In Eurobarometer 243 “Europeans and their languages” published in 2006 results had improved and the table below shows the average percentage of people able to converse in foreign languages in EU-25 countries plus Bulgaria, Romania, Croatia and Turkey where on average 56 % of the

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674 Europeans and Languages, Special Eurobarometer 237 - Wave 63.4 - TNS Opinion & Social, pp. 1-9, p. 1 & 3-5, 2005, European Commission
675 Source: Eurobarometer 237 – wave 63.4, p. 6-7, 2005, European Commission
676 The survey itself in terms of people answering questions was carried out between November 5th and December 7th 2005 in EU-25 countries plus Bulgaria, Romania, Croatia and Turkey and it included 28 694 individuals who were 15 years or older and citizens of EU-countries living in any of the se 29 countries or in Bulgaria, Romania, Croatia and Turkey citizens on one of these four EU-candidate countries. The report was published in February 2006.
citizens could converse in a foreign language, i.e. 9% more than in 2001\textsuperscript{677}, of which 4% more speak English or Spanish, 3% French and 2% more speak German – while on average 28% of the citizens could speak two foreign languages and 11% of all citizens speak three or more foreign languages.

<table>
<thead>
<tr>
<th>Number of foreign languages spoken</th>
<th>Percentage of population in the 29 countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>None - no foreign language</td>
<td>44%</td>
</tr>
<tr>
<td>At least one foreign language</td>
<td>56%</td>
</tr>
<tr>
<td>At least two foreign languages</td>
<td>28%</td>
</tr>
<tr>
<td>At least three foreign languages</td>
<td>11%</td>
</tr>
</tbody>
</table>

Table 8: The percentage of the total population speaking foreign languages in EU-25 plus Bulgaria, Romania, Croatia and Turkey\textsuperscript{678}

The most spoken languages in Eurobarometer 243 come in the table below.

<table>
<thead>
<tr>
<th>Language</th>
<th>Mother tongue in % of population in 29 countries</th>
<th>Foreign language in % of population in 29 countries</th>
<th>Total speakers in % of population in 29 countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>13%</td>
<td>38%</td>
<td>51%</td>
</tr>
<tr>
<td>German</td>
<td>18%</td>
<td>14%</td>
<td>32%</td>
</tr>
<tr>
<td>French</td>
<td>12%</td>
<td>14%</td>
<td>26%</td>
</tr>
<tr>
<td>Italian</td>
<td>13%</td>
<td>3%</td>
<td>16%</td>
</tr>
<tr>
<td>Spanish</td>
<td>9%</td>
<td>6%</td>
<td>15%</td>
</tr>
<tr>
<td>Polish</td>
<td>9%</td>
<td>1%</td>
<td>10%</td>
</tr>
<tr>
<td>Russian</td>
<td>1%</td>
<td>6%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Table 9: The most spoken languages in EU-25 plus Bulgaria, Romania, Croatia and Turkey\textsuperscript{679}

In 2005 Luxemburg topped by 99% of its population speaking a foreign language and 92% speaking two ones followed by 97% of the Slovaks and 95% of the Latvians speaking a foreign tongue along with 75% of the Dutch population and 71% of the Slovenians speaking two ones and

\textsuperscript{677} In 2001 only 15 EU-countries were included in the study called Standard Eurobarometer 55 which was published in October 2001 whereas the fieldwork was carried out in April and May 2001. The inclusion of more countries in the new study could also have an impact on the results.

\textsuperscript{678} Source: Eurobarometer 243, p. 3, February 2006, European Commission

\textsuperscript{679} Source: Eurobarometer 243, February 2006, European Commission
English was the best known foreign language with an average of 38% speaking it as a foreign tongue peaking in Sweden with 89% followed by Malta and the Netherlands at 88% and 87% so adding native and foreign speakers of a language we obtain the table here above.  

As everyone in the European Union should speak two languages plus their mother tongue – the goal set in 2002 by the heads of states and governments in the EU-countries - on average 50% of the citizens in the EU-countries agree topping with 75% in Poland and 74% in Greece while Sweden and Bulgaria with 27% each are last and the three main reasons for the EU-country citizens for failing to study foreign languages are lack of time (34%) and motivation (30%) and too expensive language courses (22%).  
This very low figure for speaking two foreign languages in Sweden could impede future exports, especially as foreign language skills have clearly improved lately in the EU-countries and it reflects a Swedish self-sufficiency and complacency that speaking English is enough. Below we find a table with the two foreign tongues people think children should learn.

<table>
<thead>
<tr>
<th>Language</th>
<th>Percentage of people who think children should learn it as one of two foreign languages in school in 29 countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>77%</td>
</tr>
<tr>
<td>French</td>
<td>33%</td>
</tr>
<tr>
<td>German</td>
<td>28%</td>
</tr>
<tr>
<td>Spanish</td>
<td>19%</td>
</tr>
<tr>
<td>Russian</td>
<td>3%</td>
</tr>
<tr>
<td>Italian</td>
<td>2%</td>
</tr>
</tbody>
</table>

Table 10: One of the two most important foreign languages for children to learn in EU-25 plus Bulgaria, Romania, Croatia and Turkey

The most common place to learn foreign languages is school and most of the EU-country citizens (67%) say language teaching should be a political priority and most of them say children should start to learn both the first and

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680 Europeans and Their Languages, Special Eurobarometer 243, Sammandrag på svenska, pp. 1-10, p. 1, 3-4 & 10, 2006, European Commission
681 This was decided at the European Council meeting in Barcelona in March 2002 by the heads of states and governments proposing that two foreign languages should be taught to children from a very young age.
682 Bulgaria was not yet member in 2005 when the survey was carried out but became it on January 1st 2007
683 Europeans and Their Languages, Special Eurobarometer 243, Sammandrag på svenska, pp. 1-10, p. 5 & 7, February 2006, European Commission
684 Earlier referred to by Kirsch in this thesis in terms of wish to learn a second foreign language
685 Eurobarometer 243, p. 8, February 2006, European Commission

223
the second foreign language at six years of age and the two foreign languages people think children should learn are given in the table above.\textsuperscript{686}

Above we saw the two most important foreign languages people think children should learn while here below we find the major reasons people give to learn new languages.

<table>
<thead>
<tr>
<th>Reasons to learn a new language</th>
<th>Percentage of population in 2001</th>
<th>Percentage of population in 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>To use it on holidays abroad</td>
<td>47%</td>
<td>35%</td>
</tr>
<tr>
<td>To use at work (including travelling abroad on business)</td>
<td>26%</td>
<td>32%</td>
</tr>
<tr>
<td>For personal satisfaction</td>
<td>37%</td>
<td>27%</td>
</tr>
<tr>
<td>To be able to work in another country</td>
<td>18%</td>
<td>27%</td>
</tr>
<tr>
<td>To get a better job (in our country, i.e. mostly home country)</td>
<td>22%</td>
<td>23%</td>
</tr>
<tr>
<td>To be able to understand people from other cultures</td>
<td>24%</td>
<td>21%</td>
</tr>
<tr>
<td>To know a language that is widely spoken around the world</td>
<td>20%</td>
<td>17%</td>
</tr>
<tr>
<td>To meet people from other countries</td>
<td>21%</td>
<td>17%</td>
</tr>
<tr>
<td>To be able to study in another country</td>
<td>6%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Table 11: Reasons to learn a new language in EU-25 plus Bulgaria, Romania, Croatia and Turkey\textsuperscript{687}

As reasons to learn a foreign language the personal usefulness has increased in terms of enabling a person to use it at work (32 \%) or to work (27 \%) or study (14 \%) in another country in year 2005 compared to a similar study from year 2001 (only including EU-15 countries) while the holiday usage still is the strongest motive with 35 \% but declining as are other softer motives.\textsuperscript{688} A reason for this utilitarian tendency might be the inclusion of the new member states where people coming from poorer conditions are more focused on earning money and inclined to move abroad to find a better paid job in Western Europe.

3.7.9 Benefits from learning and speaking foreign languages

The enriching and mentally expanding nature of learning a foreign language is described by Gadamer saying “Indem die Menschen fremde Sprachen...
erlernen, ändern sie nicht ihr Weltverhältnis, wie etwa ein Wassertier, das zum Landtier wird, sondern indem sie ihr eigenes Weltverhältnis festhalten, erweitern und bereichern sie es durch die fremde Sprachwelt.  

Freely translated this says that when people learn foreign languages they don’t change their relation to the world like a water animal that becomes a land animal but rather by keeping, expanding and enriching their own relation to the world through this foreign language world. Thus learning a foreign language widens your perspectives and deepens your insight and understanding of the world making you grow as a person but it doesn’t swap your whole identity or personality – it rather builds a more solid basis and strengthens you as a person increasing your orientation and understanding capability.

Ferraro admits the tough challenges of learning a second language but gives us reasons for learning the host country language as it sets the right tone and builds rapport for doing business abroad, it facilitates learning more foreign languages, it can prevent injury and death giving the best available medical aid, it can adjust to culture shock by minimising misunderstandings and frustrations and by giving a feeling of safety, self-assurance and mastery of the situation and it enables the learner to go inside the culture as language influences how we see the world and understanding the business partner’s mother tongue enables grasping how he or she organizes his or her world, the world view, vital values of that culture and its social realities such as status differences etc and the best way to grasp one’s own language and culture is by learning another language and culture.  

Mauser refers to a Swiss banker saying learning another language gives you insights enabling you to see other points of view making you a better negotiator.  

Swift says Turnbull found foreign language skills give six marketing advantages saying they show an interest in the country and culture of the counterpart facilitating social contacts and negotiations, help to build trust, strengthen communication flow from and to market, strengthen the ability to understand ethos and business practices of the market, strengthen the negotiation capability and adapt products and service offerings to meet customer specific needs and bring a psychological plus in selling.  

Marschan-Pikkari argues language skills can be a strong and powerful

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facilitator in inter-unit communication permitting the individual who holds these skills to build a much more extensive network by participating in meetings and training courses as well as raise his or her position within the company.\textsuperscript{693} Swift sees language as a tool to fulfil a task that may be very helpful when used rightly but a waste of time and resources when used incorrectly: He argues language competence makes establishing market closeness much easier enabling examination of the market in much more detail than otherwise possible and since a business person works in an environment learning a new language enables him or her to move from one market to another.\textsuperscript{694}

Studying alumni - from Thunderbird, The Garvin School of International Management in the USA - who had studied foreign languages for four semesters Uber Grosse found that of the survey respondents 82 \% said their careers had benefited from foreign language skills while 89 \% said it had benefited from cultural knowledge and the more proficient in language and cultural skills the individual was the stronger was their competitive edge and the likelier it was that their skills would be recognised and rewarded by their company.\textsuperscript{695} There is thus a positive correlation between the level of proficiency and the utility though another important factor is the context and the nature of communication in which the language skills are used. Leslie and Russell conclude that foreign language skills provide an added value in business in general and probably even more so in the tourism sector where good and effective communication is crucial - especially in promotional campaigns and in the interface between host and guest.\textsuperscript{696} This illustrates the importance of foreign language skills in interpersonal communication.

There are other international business languages than English and Feely and Harzing say to run their global networks a typical global company needs skills in about 15 languages including the leading Western European and some Eastern European languages as well as some Asian languages such as Chinese, Japanese and Arabic plus Hindi, Urdu, Bengali and Malay.\textsuperscript{697} It’s


226
possible Turkish and Korean could be more useful than Hindi, Urdu and Bengali since the latter three come from areas of the former British Empire so people there speak English more and better than people in Korea and Turkey. Babcock and Du-Babcock refer to Kotler saying apart from English other international business languages such as Spanish, French, Mandarin Chinese, German and Japanese are used in some regions of the world and particularly in marketing communication where speaking the customer’s language is vital. Much of world business is done in multiple languages. This indicates that multilingualism could be vital and valuable in international business.

Regarding foreign languages in CEE Natalia Churikova says German is still the most extensively spoken second language in Eastern Europe despite English being clearly ahead among the economic and political elite and she says in The Czech Republic, Slovakia and Poland very few speak French but at least as many speak German as the ones who speak English and she then refers to the Hungarian social researcher Janky Bela saying in Hungary officials and businessmen with regional interests prefer German.

3.7.10 Competence in the local language
Ferraro says language and culture are closely related so it’s hard to avoid learning about the one when studying the other and he says if international business people will succeed they have to learn about the language and the culture of their counterpart. Learning a foreign language well and fast usually – at least for an adult - takes systematic studies of grammar and other areas so due to that it’s probably easier and more efficient to learn the culture when studying the language than vice versa. Bjerke says local language mastery is often needed before a person gets acculturated to a new culture and that mastery must go beyond technical skills since every language holds words and phrases carrying culture and special values - and such words and phrases can only be understood in a context.

700 Churikova, N., *Up against the language barrier: The EU’s eastward expansion will expose a shortage of interpreters and translators. But it may be a boon for German Speakers*, Financial Times UK, April 4, 2001
A senior international businessman, Peter Jobs, sees an increased emphasis on language where even basic local language skills show the manager’s interest and commitment. Piekkari argues that to perform well at work expatriates have to communicate effectively with the subsidiary’s local personnel and that often takes proficient local language skills and not speaking it may undermine the job performance of the expatriate.

On language skills in South America Ferraro says an American who speaks with insight about the local culture in fluent Spanish has far better chances to win both respect and the business. Insight in a country’s sales psychology is helped by skills in its language and Mauser refers to a Danish executive in Indonesia saying sales psychology differs across countries and the only way to obtain a feeling for it is by speaking the local language. Local language skills rouse engagements and openness and about a cultural perspective on language and translation in international business Janssens et al. say using the local language increases the expatriate’s engagement with local employees creating an open atmosphere for local meanings and discourses. To adapt to the local language and its mood an experienced international businessman, Win Bischoff, says if he speaks his destination country’s language he reads and speaks only it on the business trip and if he barely speaks it he first reads the briefing in English and then the translation.

Local language skills could be particularly valuable in the area of sales and marketing and Holden sees local language knowledge as a valuable tool to reveal local attitudes and as a mirror that reflects local marketing thinking and behaviour.

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228
chances to take advantage of the opportunities that the market offers. Lavric and Bäck say there is an uneven power balance between sellers and buyers in international business where the seller linguistically has to adapt to the buyer’s language since the buyer usually has many suppliers to choose from while the seller is under strong pressure to meet the needs of the client by speaking his or her language. In a study on expatriates in China Selmer says there is a growing trend to work in the language of the customer who could require that the negotiations are completely held in Chinese and in markets having only a few customers the expatriate could have to adapt linguistically to the host country language to add a personal touch to the offer. Local language skills could thus increase sales and in a multiple-case study on three middle-sized export oriented Austrian companies Lavric and Bäck concluded that selling on Romance-speaking markets linguistic adaptation by speaking Romance languages, usually the mother tongue of the client, pays off in terms of business success.

In a survey covering final year students of business and commerce in sixteen European countries Harzing found that the students from Central and Eastern Europe are less willing to speak English instead of their mother tongue – although they have good English and not rarely also German language skills – and they are also less interested to work internationally than the students from the other countries. These findings indicate that speaking the local language pays off and taking a future view on CEE extrapolating these results the value of speaking the local language seems obvious to the point of being a clear competitive advantage, particularly for those who work with marketing and sales having to convince the potential customers of the benefits of their offer. The convincing power increases if the seller can win both the heart and the mind of the customer and speaking his or her mother tongue seems to be an optimal tool to achieve it.

Local language skills aren’t only useful for the expatriate in the workplace but also in normal life and for the family members to facilitate their adaptation to the new country. Suutari and Riusala say usually problems with social interaction and to some degree also the adaptation of the spouse or family were due to inadequate language skills where many expatriates in

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CEE stressed the importance for expatriates and their families of learning the local language as English isn’t enough when dealing with the locals.\textsuperscript{715} 

Studying Western expatriates in another important emerging market - China – Selmer found that proficiency in the Chinese language benefits the expatriate as it is positively correlated to interaction adjustment as well as to both general and work adjustments.\textsuperscript{716} So speaking the local language increases the possibilities for harmony and well-being of the expatriate and the family thereby indirectly improving the chances for a successful foreign assignment. Thus speaking the local language brings important social benefits. Regarding reasons for learning the local language for a linguist Crowley says it broadens your vocabulary as you are exposed to spontaneous conversations, it permits you to participate in monolingual conversations instead of having to rely on an interpreter speaking the lingua franca and it will give you much more joy as you mix with the local people.\textsuperscript{717} These reasons are also largely valid for a business expatriate. 

Lack of local language skills could pose problems and Mauser says although English is the most spoken language in business communication globally it could be a big handicap to lack local language skills\textsuperscript{718} and Welch et al. add that expatriates not speaking the local language could miss vital information either because they don’t grasp what the locals say or since the locals don’t tell the expatriate anything as they have no common language.\textsuperscript{719} Bjerke says there is an informal network in every organization and the network transmits information and holds up the organisation’s cultural values and the informal network is the primary source of information in an organization.\textsuperscript{720} Speaking the local language, and so overcome the language barrier, could make it easier for an expatriate to obtain access to, and perhaps even become a part of, the informal network at the subsidiary keeping her or him more updated with what’s going on at work and in society. Western international business people often lack foreign language skills and Ferraro says many westerners do international business with no foreign language skills where business people’s excuses and explanations for not learning

\textsuperscript{715} Suutari, V. & Riusala, K., Operating in "economies in transition" – Adjustment and management issues faced by Finnish expatriate managers in CEE, pp. 87-107, p. 97 & 104, LTA (Liiketaloudellinen Aikakauskirja - The Finnish Journal of Business Economics), No. 1, 2000
\textsuperscript{717} Crowley, T., Field linguistics – a beginner’s guide, p. 155, 2007, Oxford University Press, Oxford

230
languages reflect justification of past complacency and ethnocentrism. An example where no expatriates learned the local language is a study on Western acquisitions and post-acquisition management and learning in four countries in CEE where Villinger found that none of the Western managers learned the local language, they said it was very hard to learn and that they didn’t have time for it due to many business problems, and only a minority of the local managers learned the western language. He argued since that the Western managers didn’t develop local language skills it could put them in a defensive position claiming such skills aren’t important anyway. Confirming that expatriates working in CEE have poor local language skills Nekvapil and Sherman say foreigners in general and Western expatriates working for big MNCs in The Czech Republic or Hungary in particular usually don’t speak Hungarian or Czech.

Peter Job criticises foreign managers working in Japan not attempting at all to learn the Japanese language due to the potential risk of offending the Japanese counterpart saying speaking the local language is always an advantage since it shows respect and interest for the other party though the entire business negotiations don’t have to be held in the local language. On short-term assignments an experienced manager said it’s very frequent that people don’t speak the local language and their companies don’t encourage them to do it either which is a big mistake, instead people should be forced to study it. The work load is often heavy on a foreign assignment but the expatriates’ lack of skills in the local language could be seen as complacency, arrogance and even disrespect for the local people and their culture which in turn may impair the locals’ trust and work commitment.

Geoff Nairn says globally there are almost 7000 languages and Europe has 230 ones so by publishing web content in many languages companies can at a very low cost expand their market and he depicts a phenomenon called localisation where products and content are adapted to reflect differences in language and culture and MNCs use localisation to translate instruction

722 Villinger, R., Post-acquisition Managerial Learning in Central East Europe, Organization Studies, 1996, 17/2, pp. 181-206, p. 198-199
manuals and marketing material. Illustrating multi-lingualism’s extension in big cities Kelly says London has native speakers of 300 languages referring to Ulrich Kratz, head of a language centre at The School of Oriental and African Studies (SOAS) in London, who says company clients value the business edge when executives have at least basic local language skills of the region they are sent to as speaking it, or only trying speak it, makes a big difference even if everyone speaks English giving a different rapport to other people adding that motivation is always fundamental when learning a language. Lack of motivation could explain many cases of lack of language skills. If an expatriate really wants to learn the local language he or she will find time and a way to do it just like the old motivation saying goes: If there is a will, there is a way. This is also so well expressed in a song by Jimmy Cliff saying “You can get it if you really want it – but you must try, try and try, try and try, you’ll succeed at last.” The motivation is thus crucial to learn another language and it’s often necessary to take language lessons to speak correctly. Lundén says the capacity to communicate depends on how motivated a person is to understand the other person and the people around her, especially in her childhood, how diverse and well they communicated and the kind of language they used. He argues between closely related languages the motivation factor is crucial to learn the new language since you can to quite an extent learn it on your own from mass media without language lessons. There are obstacles for mutual understanding such as linguistic distances among people but they can be overcome and Lundén says a translation zone of bilingualism could exist between two very different languages, partly by persons speaking both languages and partly by communication tools like dictionaries, phrase books and grammar books. He shows us a way to reduce the linguistic distance is speaking clearly and distinctly giving examples and repeating the message in other words and making interruptions between the words as well as avoiding slang, fashion words, abbreviations and irony creating an atmosphere of mutual trust and confidence where people dare to tell you if there is something which they don’t grasp. These rules also apply to Swedes speaking English with local employees and customers in CEE who at times speak it poorly though many Swedish companies require the employees to speak it.

726 Nairn, G., A need to reflect linguistic and cultural variations: Commercial websites frequently need changes, but it often proves difficult to rapidly localise digital content, Financial Times Uk, July 3, 2002  
727 Kelly, J., From Abe to Zulu in a modern tower of Babel: A leading European language training centre has its home in London, a particularly apt choice in a city where 300 tongues are spoke, Financial Times UK, May 13, 2000  
728 Jimmy Cliff – a Jamaican reggae musician. The song called “You can get it if you really want it” is track one on the album called “The harder they come” with the soundtrack composed by Jimmy Cliff from the film “The harder they come”, 1972, Island Records  
3.7.11 A model for the ideal speech
Rhetoric and giving an effective and successful speech in a way and in words the local audience understand – preferably in their language - could make a difference having a strong impact benefiting the speaker and his or her company in intercultural business communication. By studying successful speakers a model for the ideal speech has been created containing the following parts in the given order as described by Johannesson:730

1. Exordium – the opening of the speech where the speaker must try to win the interest and the benevolence of the audience strengthening and deepening it to trust by showing respect for the audience as independent thinkers
2. Narratio – giving a short, clear and credible background to the subject including all relevant facts
3. Propositio – the thesis of the speech
4. Argumentatio – the main part of the speech consisting of two elements – probation or confirmatio – which proves the thesis and then the refutatio or confutatio where the speaker refutes the potential objections to the thesis
5. Peroratio or conclusio – the concluding part of the speech where the speaker summarises the strongest arguments and theses giving a strong and emotional appeal to the audience in the main question of the speech

An interesting aspect of rhetoric is the distinction between classic and new rhetoric which is described by Müllern and Stein saying the classic and new rhetoric complement each other in many ways but there are differences since the classic rhetoric focuses in a strict sense on conviction while the new rhetoric looks for creation of meaning in a broader sense, where the classic rhetoric emphasises the speaker and the text the new rhetoric looks at the context, the classic rhetoric focuses on argumentative situations while the new rhetoric looks at all human communication, the classic rhetoric views rhetoric as a technique when the new rhetoric treats it as a language, the classic rhetoric emphasises planned communication when the new rhetoric works with all kinds of communication.731

3.7.12 Language as professional competence
Language is vital in business life and Vaara et al. say language is a key element when you build and maintain professional competence and for a bank manager it is artificial to tell communication skills from professional

731 Müllern, Tomas, and Stein, Johan, Övertygandets ledarskap – om retorik vid strategiska förändringar, p 32, 1999, Studentlitteratur, Lund
competence where conceptualizing, formulation, negotiation and argumentation skills are key competencies. They say that when Swedish was chosen to be the official language of the merged bank it benefited Swedish speaking Finns considerably and their influence and power position grew far beyond their official position.\(^{732}\) As communication skills are a vital professional competence these language benefits seem natural reflecting a lack of internationalisation in the Nordic bank sector at the time of the merger when compared to the Nordic export industry. Internationalisation and globalisation put up other demands and Babcock and Du-Babcock say the migration of workers and international relocation of production facilities have created multilingual and multicultural workforces so international business communicators now have to develop and display both language and cultural competencies to meet the increasingly complex and diverse challenges of the evolving communication environment.\(^{733}\)

The credibility and ethos of a manager relies on his or her communicative capability and regarding the relationship between headquarters and subsidiary Harzing and Feely say when managers from the parent company cannot communicate fluently they could seem to lack leadership skills, confidence and charisma which may make the subsidiary management ignore their message.\(^{734}\) This is particularly relevant if the parent company managers have a worse command of the common company language than the subsidiary staff. This stresses that language is the tool by which a manager performs his or her job.

Welch et al. say individuals and not organisations possess language skills so a company’s language competence is the sum of the language skills of its employees.\(^{735}\) Welch et al. say language is person-bound and has a broad penetrating impact permeating all activities and the behaviour in a MNC.\(^{736}\) An individual’s language skills thus benefit both her and the company and in a survey on MNCs from ten different countries – but mainly focusing on the UK, France and Germany – CILT found that language skills give a competitive advantage both to the company and to the individual in terms of


234
recruitment and career possibilities. So there are mutual benefits. Piekkari and Zander say although language skills are individual skills the implications are much broader going far beyond the individual ranging from microlevel intraorganisational to macrolevel interorganisational interaction. This statement points towards the usage and utility of language skills in external contacts with customers, suppliers and other stakeholders of a company.

Luo and Shenkar discuss the key role of language when managing a MNC saying a firm is run via language since the executives develop policies and strategies disseminating and implementing them via language. The ELAN-study says a combination of language skills with business awareness will probably give a premium on the labour employment market in the future and the skills’ gap that the education systems hasn’t met will be met by native speakers. Piekkari concludes that the influence on career paths of foreign language competence goes far beyond sheer technical issues and deserves more attention from scholars. The dual company and individual impact of language is stressed by Luo and Shenkar saying language is critical to the capability of an organisation but also a strategic career asset varying in importance due to the organisation’s structure, strategy and language design. This stresses that adaptation is vital for language usage in general showing it’s good to know foreign languages but how useful they are is due to company needs. Still, all statements show an importance of cultural, linguistic and communication skills as well as potential economic and career benefits for those who possess them.

3.7.13 Consequences of poor language skills
Being unable to work in a common corporate language can cause exclusion and inclusion as well as distance and isolation in the merged company and lead to departure of people having insufficient corporate language skills.

A case study on a Finnish-Swedish bank merger (Merita Nordbanken) showed that many Finns did so after the merger but they didn’t admit it was due to the introduction of Swedish as a corporate language which most of them thought they spoke quite well and other Finnish-speaking employees escaped the company language via internal mobility starting to work in Finnish-speaking parts. Even if you have to stay people could try to avoid unpleasant communication situations where their lack of language competence could be exposed and Nekvapil and Sherman say lack of language and communicative skills quickly becomes evident in face-to-face communication in MNCs where local employees may try to avoid communication – avoidance strategies such as using interpreters or written instead of oral communication or even avoiding interaction altogether. They say avoidance strategies are often related to having a common company language – while expatriates could try to simplify their way of speaking using foreigner talk speaking slower or using a simpler vocabulary.

There are also other language avoidance strategies and describing the language barrier and problems in the communication and power-authority relationship between headquarter (HQ) and subsidiary representatives Harzing and Feely say the communication could become more formal, guarded and strained making it less effective in an ongoing vicious communications cycle where the communication problems are due to insufficient language skills. They say this may lead to language avoidance strategies where strategic decisions including delay of future market plans and selection of target markets based on their language could take place while national managers of the subsidiary could be replaced by expatriates or parent company language skilled personnel and the parent company may take control over some key functions in a vicious management cycle.

Employees with poor company language skills have difficulties to participate in training programs which promote relation building in addition to the technical skills they give so these persons get excluded from being sent to trainings and building up informal personal networks that could speed up decision-making, information search and asking for advice which

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hampers the company’s potential to use informal control mechanisms like personal networks that could strengthen horizontal communication and company cohesion.\textsuperscript{748} To take part in company training and management development helping career advancement and creating a company contact network, being promoted or sent on foreign assignments, common company language skills are often needed so for those who don’t speak or learn it participation in company-wide activities will be closed and these persons must stay at the local subsidiary.\textsuperscript{749} The passivity risk is discussed by Marschan et al. in a study on the Finnish elevator company Kone saying staff who only speak their native language, when it isn’t the company language, fluently risk to face problems when communicating over functional and national boarders of the company and a way to handle it is being passive neither reading nor translating the message coming in the company language and thereby prevent the communication but if the headquarters had anticipated this lack of company language skills the communication process could have been adapted to that fact.\textsuperscript{750}

In a Finnish-Swedish bank merger Finnish-speaking employees and managers disliked the introduction of Swedish as common corporate language weakening them due to their limited skills in Swedish so the language barrier made them look less intelligent, less professional and underperforming and Piekkari et al. claim introducing a new corporate language may rise tension between language skills and other professional competences required for the job saying language skills may excessively influence selection and promotion where the glass ceiling in form of company language skills may hinder management talented individuals from advancing in the organization\textsuperscript{751} so poor language skills may stop or turn a career. Yet in management activities communication is crucial to make things run smoothly so a lack of communication skills is serious and people lacking such competence have a real reason to feel less professional relativising the discussion of giving excessive importance to language skills since it’s a real core competence for many persons, notably in management. There are other competencies that must be considered when appointing somebody to a certain position but the discussion here highlights some risks

and limitations, for the individual and the company, in terms of reduced openings as well as less mobility and flexibility, which arise due to lack of language skills. A cultural factor may be Swedes valuing communication skills more than the rather silent Finns do.

Feely and Harzing say globalising companies will feel more uncertain and a bigger cultural distance when they in their globalisation process expand into markets with other languages than the native one of the company and salespersons working in their second language will feel less capable, less credible, less likeable and less convincing making the company less successful on their foreign language markets than on markets sharing their native language and since buyers feel less comfortable and less assertive in a second language they will demand that the negotiations will be conducted in their mother tongue, the customer language, so companies unable to speak the customer language will lose export market shares to linguistically more competent competitors and this risk is not confined to the sales department but to all personnel holding customer contacts. Hence the costs for such lack of language skills could be huge in terms of lost business.

Swift discusses companies with limited foreign language skills relying on intermediaries like agents who are the only ones speaking the customer language and the intermediaries can become barriers to communication and sources of information leakage. A similar relation in a subsidiary with locals is described by Welch et al. who say expatriates not speaking the local language could miss important information either because they do not understand what the locals say or because the locals don’t tell them anything as they have no common language. Being less informed is a price to pay for poor language skills.

There could be costly and direct consequences for expatriates due to lack of language skills. Darla Domke-Damonte says to succeed in a country it is critical for mangers to develop communicative competence in the country’s business culture whereas lack of communicative and language skills as well as inability to adapt to the foreign business culture environment are major causes for expatriate failure. A failed assignment abroad could be very expensive in terms of career problems or even a lost job for the expatriate

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along with company costs for lost business, impaired customer relations and the costs for finding a substitute who successfully could replace the failed expatriate on that position.

The lack of foreign language competence is particularly accentuated in Great Britain and Quentin Peel criticises the monotony of monoglotian in Anglophone countries saying learning a language is the root to understand cultures but he sees a collapse of language learning in many English-speaking countries which remain monoglot when the world becomes increasingly polyglot. He sees languages as rich and complex being at the peak of human achievement arguing we need languages to understand each other and British people have big difficulties to grasp European culture, history and thinking as they don’t bother to learn their languages and this complacency leads to Euroscepticism.\textsuperscript{756} Virginia Matthews refers to Larry Gould, the CEO of thebigword, saying this arrogance where British companies are unwilling to speak other tongues than English assuming it to be the only commercial language costs British companies billions of pounds as customers turn to language competent companies in Europe.\textsuperscript{757} Learning your counterpart’s tongue shows respect and commitment so in many ways it is easier and nicer to do business with people who have done a real effort to understand you and your culture instead of only paying lip service saying nice things not backing it up with hard evidence. The American saying “attitude is everything” shows the British unwillingness to learn foreign tongues is a severe and costly attitude problem with elements of ignorance, indolence, disrespect, complacency and arrogance. Poor language skills restrict the kind of business a company can run on a market, the company may be limited to activities where communication is very limited and Larsson says the ideal activity for CEE is standardised labour-intensive manufacturing that is hard to automatise and only requires little information exchange.\textsuperscript{758}

In extreme cases the very survival of a firm could hang on its language skills and Crick gives an example from the British Department of Industry and Trade that in 1996 reported that the official receiver in the filing cabinet found an untouched order - as no one in the firm could understand it - in German being big enough to have saved the firm.\textsuperscript{759} So lack of language.

\textsuperscript{756} Peel, Q., The monotony of monoglotian: Learning a language should be seen as the root of cultural understanding, not a means to attract tourists and sell widgets, Financial Times UK, January 8, 2001
\textsuperscript{757} Matthews, V., Bottom of the class for languages, Financial Times UK, April 10 2002
skills could mean the end putting the company completely out of business. The dangers due to lack of language competence and the lower flexibility that it means are also stressed by Andersen and Rasmussen who found that due to lack of language skills companies are extremely vulnerable to sudden changes in the market.\textsuperscript{760}

3.7.14 Language-related costs and gains

A study\textsuperscript{761} called “Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise”\textsuperscript{762} is the first attempt on European Union level to estimate the costs of not having skills in foreign languages and it found that 11% of the SMEs may lose business because of communication barriers, due to lack of language skills while another 4% of the SMEs may have lost business due to lack of intercultural skills and the authors presume they lost the contracts as they were unable to pay the in-house costs of language and foreign expertise while firms being more successful in their sales abroad easier could justify these costs and many of the SMEs were unable or unwilling to indicate the sum they had lost and only known or potentially known language-related losses were included so a conservatively estimated extrapolation\textsuperscript{763} over the entire European Union holding the same percentages would result in 945 000 companies losing on average 325 000 Euro over a three year period\textsuperscript{764} corresponding to a yearly loss of over 102 billion Euro (or 1000 billion SEK) only for SMEs. This indicates that investments in language skills for their employees could be highly profitable for many companies. This figure doesn’t mean the European economy would grow by 102 billion Euro yearly as many of these contracts were probably taken by local companies or foreign companies with better language skills but it shows there’s much to win having personnel with good foreign language skills.

\textsuperscript{760} Andersen, H., & Rasmussen, E.S, \textit{The role of language skills in corporate communication}, p. 240, pp. 231-242, Corporate communications, Vol. 9, No. 3, 2004, Emerald Group, Publishing Limited

\textsuperscript{761} The study was commissioned by the Directorate General for Education and Culture of the European Commission and carried out by the UK National Centre for Languages together with an international team of researches and the study included nearly 2000 randomly selected small and middle-sized Companies (SMEs) as well as 30 multinational companies and a group of experts from the countries included in the study and a couple of case studies. This information was partly found in: European Commission, IP/07/230, Flerspråkighet stärker EU:s konkurrenskraft, 2007-02-23, Bryssel


\textsuperscript{763} Many of these SMEs were unable or unwilling to indicate the sum they had lost and only cases where the companies knew that they had lost or potentially had lost business were included in the 11% figure so the real loss could be much bigger, e.g. due to unawareness of lost opportunities or an unwillingness to admit not only the size but even the very existence of business lost to insufficient language skills

\textsuperscript{764} CILT, the National Centre for Languages, \textit{ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise}, p. 4-5, 8, 52-53, 57 & 73-74, December 2006, London
Putting this conservatively and rather low estimation of losses due to lack of foreign language skills, 102 billion Euro or 1000 billion SEK, for SMEs in EU plus Norway and Turkey, into perspective it corresponds to over three quarters of the total Swedish export, 1456 billion SEK in 2006\textsuperscript{765}, and as most of it comes from big MNCs it corresponds to several times the total Swedish export from SMEs, a huge figure! Seen in figures out of the total export of 1456 billion SEK (BSEK) 1085 BSEK come from export of goods corresponding to 75 \% of the total export while 370 BSEK corresponding to 25 \% come from export of services\textsuperscript{766} and out of these 75 \% constituting the export of goods about 70 \% come from big companies with 200 or more employees according to statistics from the Swedish Trade Council.\textsuperscript{767}

Thus 52,5 \% of the total Swedish export are goods from big companies and considering some of the services export also come from big companies their dominance is even stronger than suggested by the figure just given, 52,5 \%. Another way to see it is that this figure of 102 billion Euro or 1000 billion SEK corresponds to over 2000 SEK per EU-citizen annually and that is, as we have seen here, a conservative figure that in reality probably is much higher if the cases where SMEs lost business they either are unaware of or don’t want to admit plus all the cases when big MNCs have lost business due to lack of language skills would be included. International trade increases productivity where international competitors and buyers from exporting companies can learn about new processes and products and face tougher competition which all could increase the efficiency and the productivity of the company and these productivity gains are substantial which is indicated as the ELAN-study refers to another study by Girma, Greenaway and Kneller (2002)\textsuperscript{768} where compared to the industry mean in the UK the total productivity factor for export companies could be as much as 3,7 \% higher, with the modest and conservative assumption that all export sales were at the expense of internal sales indicating that the real gains could

\textsuperscript{765} Statistics from the Swedish Trade Council, Swedish Export 2006, 2007, Stockholm, found on Internet under: \url{http://www.swedishtrade.se/exportinformation/DocFile/xportstatistics_2006_0437132c-18e2-41b3-92a5-5ebc3db90d0.pdf}

\textsuperscript{766} Statistics from the Swedish Trade Council, Swedish Export 2006, 2007, Stockholm, found on Internet under: \url{http://www.swedishtrade.se/exportinformation/DocFile/xportstatistics_2006_0437132c-18e2-41b3-92a5-5ebc3db90d0.pdf}

\textsuperscript{767} Gozzo, M., Små, medelstora och stora företags export 2002-2006, p. 5(9), 2007, Swedish Trade Council, Stockholm, Statistics from the Swedish Trade Council where small companies have 1-49 employees, middle sized companies have 50-199 employees and big companies have 200 or more employees, found on Internet under: \url{http://www.swedishtrade.se/dagensexportnyheter/DocFile/xportperf246retagsstorlek_c20ec6ed-9439-4a94-835a-923e14b6c8df.pdf}

be even larger due to higher total sales volume giving advantages of scale economies increasing the productivity more stressing the gains to be made for companies and countries by investments in language competence.\textsuperscript{769}

The potential of language competence to increase the export of a firm was indicated in the ELAN-study on SMEs which found that if a firm – that hitherto hasn’t done any language investments – would perform the four language investments of employing individuals with language skills – amplifying sales by 16,6 \%, having a language strategy – boosting sales by 13,5 \%, use translators – raising sales with 7,4 \%, and employ native speakers – enhancing sales by 7,0 \%, then summing up all these four investments that company would increase its sales with 44,5 \% (16,6 + 13,5 + 7,4 + 7,0 = 44,5) whereas agents would not improve sales – on the contrary using agents increases the probability of losing contracts abroad and using agents also reflects insufficient in-house linguistic expertise.\textsuperscript{770} Thus, all these four language investments – language skills acquisitions, language plan, employment of nationals and usage of translators - will boost export sales.

As German is a vital foreign language in many countries in CEE lack of competence in it can lead to lost business in these countries and lack of language skills can be very costly. Kirsch says Germany is the biggest trading partner both for Sweden and the Netherlands and an analysis from the Dutch export council found the Netherlands lose seven billion Euro yearly due to non-existent command of German preventing the reading of tenders and telephone conversations etc.\textsuperscript{771} That corresponds to about 1,5 \% of the Dutch GDP stemming from lack of skills in only one foreign language being close to Dutch and easy to understand for them. Germany is the Netherlands’ biggest trading partner but seeing other foreign languages the sum of economic losses would be much higher. Many Dutch people don’t have a positive view of Germans due to historical reason and commercial dependence on a big neighbour etc which plays a role for unexploited trade opportunities.

In an American context Honig and Brod discuss the need for foreign languages skills in different professions and refer to executives frequently meeting foreign businessmen saying such skills could be a huge advantage while lack of them could be a real handicap. The authors refer to a company director saying that commercially seen foreign language skills are absolutely

\textsuperscript{769} CILT, the National Centre for Languages, \textit{ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise}, p. 7, 50 & 56, December 2006, London
\textsuperscript{770} Ibid, p. 53-55
\textsuperscript{771} Kirsch, F.M., \textit{Good night, Sweden}, 2007-07-06, Dagens Nyheter, Stockholm
necessary while a company president said when conducting business it is frustrating not to understand what the others say during negotiations even though the proper negotiations are conducted in a common language and after two years of Spanish studies he become proficient in Spanish and his company went from zero to over twenty million USD yearly some 40 years ago corresponding to roughly 100 million USD in today’s value and the personnel’s multilingual skills made Latin Americans classify it as a non-gringo company where only a few words in the counterpart’s language gives a warmer atmosphere.\textsuperscript{772} Thus language skills may win heart, respect, contract and money.

Rebecca Dream refers to a survey by the British Chamber of Commerce covering 1000 exporting companies saying exporters are losing sales due to lack of foreign language and cultural skills where over three out of four companies that valued language skills highly had a turnover above 500 000 British Pounds (GBP) whereas only one out of three companies that didn’t value language skills highly exceeded 500 000 GBP and although 80 % of the companies had lost sales in the last two years, on average losing export sales for 350 000 GBP per year, two thirds of them hadn’t developed a strategy for improved language skills.\textsuperscript{773} A probable interpretation is that companies which put a high value in language skills grow more and become bigger while another interpretation might be that companies that have a higher export are more aware of the importance of language skills.

Sanghera refers to the British trade minister Brian Wilson saying UK companies yearly lose potential exports of billions of GBP due to their poor foreign language skills and one out of eight UK companies believes it has lost business due to inability to communicate internationally in an effective way, according to EU research, and Wilson says such lack of competence when exporting to Europe, Asia and Latin America means British firms risk to lose over a quarter of their export while Sir Peter Parker, chairman of the National languages for export campaign, says just 25 % of the total British export goes to English-speaking markets and John Bugeja, head of corporate business development at National Westminster bank, says they urge their clients to improve their language competence as they risk to negotiate contracts with much lower margins than they think.\textsuperscript{774} In such cases there may be culture-specific clauses whose meaning and importance


\textsuperscript{773} Dream, R., Exporters losing sales due to lack of foreign language skills, Financial Times UK, May 25 2004

\textsuperscript{774} Sanghera, S., Poor language skills may lead to loss of exports, Financial Times UK, February10, 1999
the native English speakers aren’t aware of and a remedy is cultural insight gained via local language skills.

Though the last articles regard the situation in Great Britain and one might argue Swedish companies posses better foreign language skills the risks of big economic losses due to poor language skills are considerable also for companies based in non-native English speaking countries. What many Swedish business persons have in common with a lot of UK business people is that English is the only internationally useable language they know and there is a risk they overestimate its extension, applicability and usefulness.

Phillipson says due to the current domination of English in education the United States, Great Britain and Ireland together yearly gain tens of billions of U.S. Dollars as they do not make big efforts to learn foreign tongues while other countries must learn English. On the other hand not speaking other languages could make you lose business so there might be a gain in the short run but a loss of business in the long run. Discussing this risk and monolingualism among Brits Phillipson in an article says monolingual Brits may lose ground in competition with multilingual individuals from continental Europe where an indication of it is that in comparison British students are interculturally insensitive. This may seem contradictory but what he actually says could be interpreted as putting short term gains against long term losses or complacency versus knowledge investments.

Intercultural insensitivity could increase the psychic distance to the customer or other counterparts which could make it harder to achieve business deals and although these persons are students and not business people it gives them a weaker point of departure in comparison to culturally sensitive students. A more severe consequence of this is given by Demont-Heinrich who argues that English monolingualism in the USA – particularly among their elite in the fields of business, education, politics and culture - could be a potential threat to their national security and economic competitiveness where some Americans say the hegemony of English makes it harder for them to become multilingual and where a potential remedy in form of linguistic assimilation where immigrants to the USA – who could reinforce the linguistic diversity that still exists below the elite - quickly give up their native language and begin to speak English instead.

Note:

shows that having your mother tongue as a lingua franca could be a two-sided sword bringing easy gains and benefits but at the same time impede understanding of your counterpart due to poor intercultural communication skills which may stop future business openings.

Language is also a business and a cornerstone in the international education market where Phillipson says the UK economy annually gains 11 billion GBP directly and another 12 billion GBP indirectly where the English-language industry receives more than half a million people who come to the UK to participate in language courses and he refers to Grin\textsuperscript{778} who has estimated that the UK and Ireland gain at least 10 billion GBP and probably 16-17 billion GBP per year from the current dominance of English due to privileged market effects with higher legitimacy and rhetoric skills along with savings in language learning and communication and alternative human capital investment.\textsuperscript{779}

### 3.7.15 Interpreters, translation and the non-transmittability of meaning

Interpreters could help the expatriate business person getting the message through but there are also disadvantages. The distance between the speaker and the listener increases if you talk via an interpreter instead of directly to the other person so the discussion isn’t as direct, the interpreter could have his or her own agenda and may not know the subject and context well enough to translate rightly. Rhetorically the speaker will find it harder to obtain a direct and effective rapport with the audience making it harder to build up a solid trust for him- or herself, the mission and message. Yet, if two parties have no language in common they must do their best to succeed and Lundén says if two persons who are used to talk via an interpreter discuss a theme where the speaker selects his words well and the interpreter has the time to correct possible misunderstandings the talks could succeed.\textsuperscript{780}

The fastest and easiest solution isn’t always the best and Selmer says using interpreters and translators to quickly overcome the language barrier could be costly and hard to provide in an efficient way from external sources.\textsuperscript{781}

Pointing at the cost aspect and other difficulties when using interpreters


\textsuperscript{780} Lundén, Thomas, \textit{Språkens landskap i Europa}, P. 44, 1993, Studentlitteratur, Lund

Feely and Harzing stress the problems of indirectness in conversation and the high costs claiming external language resources like translators and interpreters are expensive and it is sometimes hard for them to grasp the subject well enough due to its complexity, lack of time or unwillingness of the partners to reveal the wider context to an outsider. They say even though a good interpreter wants to convey both the meaning and the spirit of the communication there is a loss of rhetorical power when communication isn’t direct between the partners but transmitted by a third person which is hard in situations where negotiations, humour and persuasion are required.  

These difficulties in grasping the message’s underlying meaning are stressed by Villinger saying “language problems are clearly perceived to be the dominant barrier to successful learning following a Western acquisition in Central Eastern Europe. Although interpreters can be used to ease this problem, a real understanding of the true, underlying meanings is frequently impossible, if no means of direct communication, i.e. a common language, are available.”

The just mentioned need for and usefulness of humour is stressed by Tietze saying humour is a tool that can relieve tensions and build bridges and group cohesion.

Blenkinsopp and Shademan-Pajouh say untranslatable words or notions create two kinds of problems where the first is that the target language has no equivalent word or notion which is the case in English for the German word “Schadenfreude” meaning to be happy when somebody fails while the second problem is that although there is a corresponding word in the target language its cultural salience and connotations are lost in translation where the Chinese word “guanxi” meaning contacts and relationships and the Farsi word “tarouf” meaning compliment are two examples, both exactness and width are missing. Mauser says you can’t always trust translators referring to a Japanese stringer saying translators present things very selectively and the only thing you get is what somebody has decided to give you. This risk may be particularly high in countries such as Japan where saving the face is crucial but there is probably much generality to the statement.

Stefan Stern shows the danger for monolingual Brits and Americans neglecting foreign languages believing English is all that is needed saying

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this ignorance has cultural and commercial risks where top management in
global organisations lose vital information since they haven’t paid enough
attention to linguistic and cultural differences on the ground citing an Italian
proverb “Traduttore, traditore”, i.e. the translator is a betrayer. 787

This direct risk is also observed by Crick who regarding translation
problems warns us for translation sabotages where translators deliberately
harm their client. 788 Blenkinsopp and Shademan-Pajouh stress that whether
an interpreter translates an untranslatable and complex word or notion
depends on if it diminishes or enhances his or her professional status in the
eyes of the customer, so the interpreter’s personal business concerns decides
it. 789 Marschan-Piekkari et al. argue the usage of translators and interpreters
in meetings and trainings is limited and despite better electronic translation
tools the language barrier between the languages will hardly be removed especially not - referring to Nonaka and Takeuchi - regarding face-to-face
communication and tacit knowledge transfer. 790

Marschan et al. say staff who only speak their native language, in cases
where it isn’t the company language, fluently risk to face problems when
communicating over functional and national boarders of the company and a
way to handle the problem is using someone, often an expatriate speaking
the company language, as a language node providing the vital translation,
often in a multidirectional way communicating over unit and functional
boarders and even extending after the person has left the subsidiary and all
this could distract the person from performing his or her own and steering
tasks making him or her frustrated. 792 The same phenomenon, now called
language buddies instead of language nodes, referring to a language-skilled
person supporting a colleague with lower language skills, is described in the
ELAN-study where over 60 % of the respondents in the large companies
knew about such activities within their own company but due to the size of

787 Stern, S., Hold tight, we are entering the globish-speaking zone, Financial Times UK, January 16, 2007
788 Crick, D., An investigation into SME’s use of languages in their export operations, p. 21, pp. 19-31,
Vol. 5, No. 1, 1999
789 Blenkinsopp, J. & Shademan-Pajouh, M., Lost in translation? Culture, language and the role of the
38-52, p. 50
790 Marschan-Piekkari, R., Welch, D., & Welch, L., Adopting a common corporate language: IHRM
385
791 Nonaka, I., & Takeuchi, H., The Knowledge-Creating Company, 1995, Oxford University Press,
Oxford, in Marschan-Piekkari, R., Welch, D., & Welch, L., Adopting a common corporate language:
390, p. 385
792 Marschan, R., Welch, D., & Welch, L., Language: The Forgotten Factor in Multinational Management,
the company and the workforce language buddies are more rare in SMEs than in MNCs.\textsuperscript{793}

Studying the Finnish elevator manufacturing company KONE Marschan found Finnish expatriates – at least partly – filled the role of language nodes between subsidiaries and headquarters helping subsidiary staff with limited language skills strengthening their own position within the company, especially as people speaking the parent country language, i.e. Finnish, had more direct access to top managers and built up an informal network receiving and giving sensitive internal information unavailable via the formal company communication channels, giving them an important role in inter-unit communication.\textsuperscript{794} There are disadvantages and persons serving as language nodes risk to be impeded to do their formal organizational duties\textsuperscript{795} and there is a risk for miscommunication since the nodes might have to translate or interpret subjects which they do not know well enough causing miscommunication\textsuperscript{796} and they can become information gatekeepers filtering, distorting or blocking transmission of information\textsuperscript{797} and due to the parallel network they could weaken senior mangers’ positions who are bypassed which may cause conflicts.\textsuperscript{798}

Despite several risks and drawbacks when using interpreters many companies do it and in the ELAN-study an average of 45\% of the SMEs in all countries and 59\% of the SMEs in Sweden had used translators or interpreters in foreign trade and of the large companies in the study 80\% had used external language specialists where 47\% did so regularly.\textsuperscript{799} The last figure seems high since the interpreters were external and not internal but these large companies had their head offices or big business units in France where the usage of interpreters might be extensive and considering these large companies are so big it is no wonder if they use an external interpreter as an internal interpreter – even regularly.

\textsuperscript{793} CILT, the National Centre for Languages, \textit{ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise}, p. 47, December 2006, London
\textsuperscript{799} CILT, the National Centre for Languages, \textit{ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise}, p. 31 & 47, December 2006, London
When translating between languages understanding may suffer from semantic difficulties. Regarding interpretation problems in intercultural communication and in international negotiations Cohen says besides its core meaning every word has potential associations where most connotations are culturally bound attitudes or emotions of the members of a speech community and where the corresponding words in two different languages could have different value connotations, the concepts of a word in a language may be separated in another, the semantic fields of polysemic words that have multiple meanings could be overlapping but not coinciding, there might be no common referent or phenomena could be classified differently with different boundary lines between ideas and phenomena.  

Thus there are differences between languages and a word or expression in one might not have a direct corresponding word in another one. Linell argues this and other differences make it hard to translate a text word by word from one language to another. Guirdham says many words, terms and expressions couldn’t be properly translated as the underlying concepts differ and it’s often impossible to translate a message literally since the meaning is also translated as the words are translated and Ferraro emphasises this very issue saying there is often a loss of meaning when an idea is translated from one language to another and since all languages use idioms, euphemisms and slang it is complicated.  

There are translation risks and Welch et al. say due to lack of relevant language skills vital information may be ignored, disregarded or discarded and in a translation process it can be distorted intentionally or unintentionally by the receiver of the message to suit local conditions and subsidiary but not the headquarters and the message may be softened reducing its strength or even alter its meaning. Marschan et al. say on a company level poor translation quality from the company language to the local language could distort the original message resulting in misunderstandings and messages from the subsidiaries translated into the company language could distort the reporting and information systems of a company and if a translator will be used depends on the message’s  

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801 Linell, Per, *Människans språk*, p 63, 1982, Gleerups Förlag, Malmö  
perceived weight for the individual or the company and on the readiness and facility of the translator to do it.\textsuperscript{805} About translation problems Marx says English is a global language and people from diverse cultures use and understand it differently causing huge misunderstandings.\textsuperscript{806}

### 3.7.16 Language politics

Lundén says domain is an area in which certain rules and laws apply and the language legislation pays no heed to linguistic transition areas between different versions of the same language or similar languages. Languages are politically severely regulated means of communication teaching the population how to talk, write and communicate according to certain rules in certain frames and nearly all states have one or more official languages. He says a basic condition for communication over a border is a linguistic understanding and at an open border there’s almost always some kind of communication but the same language spoken in two states could develop in different directions.\textsuperscript{807} Lundén says the state and other organs want to make their citizens more loyal to the state using linguistic indoctrination to make all their citizens understand each other and alienate them from neighbouring people. He claims this leads to homogenisation and a standardisation of the language. This could probably lead to a stronger loyalty to the home state which could be a major objective of the political leaders of the country. He argues that the language has a symbolic role keeping the citizens together through the lyrics and melody of the national anthem and by giving geographic names in the official language when expanding the territory of the state. Another vital symbolic function is that language also defines the linguistic affiliation of a geographic area.\textsuperscript{808} Language politics could play an important role in big organisations or companies as well regarding common company languages.

Trudgill says language shows group identity where minority or regional languages could be signs of a different identity so to create a unified nation state leaders can use linguistic subjugation (or unification) as a tool to implement political subjugation (or unification). He says almost all European nations are, to a certain extent, multilingual and the number of independent European nation states rose rapidly from the eighteenth century and thereby also the amount of autonomous, national and official languages


\textsuperscript{806} Marx, Elisabeth, Breaking through Culture Shock – what you need to succeed in international business, p 200, 2001, Nicholas Brealey Publishing, London

\textsuperscript{807} Lundén, T., Språkens landskap I Europa, p. 35, 1993, Studentlitteratur, Lund

\textsuperscript{808} Lundén, T., Över gränsen, p. 96-98 & 101-102, 2002, Studentlitteratur, Lund
in Europe from sixteen to thirty during the eighteenth century and to more
than fifty by now.\textsuperscript{809}

3.7.17 Power and language as power
Power has a strong impact on both individuals and on communication,
where language is a key component, but also on the way people speak and in
other ways communicate so to understand language in a power context I will
give some of the characteristics of power. Regarding what power means
there is no universally accepted definition of power but Petersson gives
some important aspects of power here.\textsuperscript{810} Power as a property means that an
individual or a group is capable to carry out his or her own or their own will.
Power as a relation takes at least two actors, who could be individuals or
collectives, an action or a situation where an actor controls the other. In a
power relation an actor can force another actor, against the will of the other,
to do something. The power structures mean the power relations pattern and
the conditions under which power is exerted. Holding power gives a chance
to change something, to attain an intended result or to block changes. An
actor can hold power or exercise it. A latent power relation means he or she
just holds it while he or she exercises it in a manifest power relation. A
power resource can be regarded as an instrument to punish or reward
somebody and it is vital in both the latent and manifest power relation.
Exercise of power can occur between two actors but in modern society it
often takes place in institutional networks. In a totalitarian society a single
power centre controls society. So how power is exercised has an impact on
communication in a society regarding the substance – what people can say –
as well as the form – how they say it.

A very efficient use of power is to prevent that conflicts arise at all\textsuperscript{811}
whereas the use of power resources such as violence often has a cost in
terms of decreased confidence. Three power mechanisms can be used to
form or prevent conflicts: \textsuperscript{812}

1. One actor has superior power and negotiation resources in a conflict
situation
2. Barriers are raised against the participation of the powerless people
where some questions are taken away from the agenda and there is

\textsuperscript{809} Trudgill, P., \textit{Sociolinguistics – An introduction to language and society}, p. 124, 128-131, 1995, Penguin
\textsuperscript{810} Many of the aspects discussed here in this paragraph are found in: Petersson, Olof, \textit{Maktbegreppet}, p 9-
21, 1987, Carlsson Bokförlag, Helsingborg
p 34, 1987, Carlsson Bokförlag, Helsingborg
\textsuperscript{812} Gaventa, John, \textit{Makt och deltagande}, 1980 in Petterson, Olof, \textit{Maktbegreppet}, p 22, 36-38, 43, 1987,
Carlsson Bokförlag, Helsingborg
mobilisation of prevailing values, rituals and rules benefiting the
privileged people at the expense of the powerless ones
3. Through selective information, ideology, myths and socialisation
processes the power holders can manipulate the powerless people
concealing obvious injustices

Excellent linguistic and rhetoric skills are negotiation resources, which can
raise barriers and eliminate questions from the agenda presenting
information but concealing injustices. Abusing rhetoric skills to manipulate
people can be successful in the short run but it may, just as using physical
violence, have a cost in terms of lost confidence in the long run.

In order to obtain respect, stability and sustainability the way power is
exercised has to be regulated in a civilised society so therefore there are
power regulative principles and the open and democratic society is based on
four regulative principles:

1. Judicial regulation – a state, a public sector and monopoly of
   legitimate violence
2. Negotiations – leading to contracts and agreements
3. Auto-administration – the parties concerned voluntarily organise the
   activity
4. The Market – free competition gives efficient solutions

In the plan economy society these four regulative principles weren’t
respected in real life since the party stood above the court, there was no free
market, there were limitations in the types of activities you could do and
also regarding which things and areas you could agree upon. This heritage
probably still influences how people communicate in CEE.

Alvesson says in organisational communication the power aspect is
crucial. He refers to Frost who says through communication power can be
exercised, maintained, extended and developed but the communication
medium isn’t neutral since the channels, networks, structures and rules of
communication in an organisation are vital favouring some actors over
others. A very central aspect of power is that people’s conception of
reality largely results from negotiations between actors in asymmetric power
relations, where some actors have material and symbolic power resources

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813 Petersson, Olof, Maktbegreppet, p 18-19, 1987, Carlsson Bokförlag, Helsingborg
814 Alvesson, Mats, Kommunikation, makt och organisation, p 46, 1991, Norstedts Juridikförlag,
Stockholm
communication, Newbury Park, Sage, in Alvesson, Mats, Kommunikation, makt och organisation, p 46,
1991, Norstedts Juridikförlag, Stockholm
giving unequal means in how to define reality.\textsuperscript{816} In an organisation common conceptions, definitions of reality and implications are crucial since they build the core of the structures, such as patterns of behaviour and social relations, giving the organisation a relative stability and Alvesson says these common features are continuously reinvented and strengthened via the spoken language, the actions and the material structure.\textsuperscript{817} That these features are accepted and not questioned makes the world look natural, neutral and legitimate to the members of the organisation.\textsuperscript{818} To make a certain social system work and survive socialisation processes in society and in organisations are needed and they require that such ideas are reinforced and that alternative interpretations are excluded in a selective process.\textsuperscript{819}

Marschan-Piekka\textit{ r}i et al. say in MNCs language is an informal expert power instrument imposing its own structure on communication flows and personal networks and persons with limited language skills build supporting personal relationships with mediators while individuals with better language skills build much broader contact networks within the company using these skills as a strong facilitator in inter-unit communication, e.g. when they participate in meetings and trainings raising their position in the company.\textsuperscript{820}

In international mergers choosing a corporate language could be symbolic and sensitive. Studying the consequences of choosing Swedish as the corporate language in a merger of a Swedish and a Finnish bank Piekkari et al. say the chosen language could symbolically show how the power is divided initially between the merging partners and in the phase of implementation language could create difficulties for the transition teams, escalate integration problems and delay integration.\textsuperscript{821} On that merger Vaara

\textsuperscript{817} Alvesson, Mats, \textit{Kommunikation, makt och organisation}, p 43, 1991, Norstedts Juridikförlag, Stockholm
\textsuperscript{819} Alvesson, Mats, \textit{Kommunikation, makt och organisation}, p 43-44, 1991, Norstedts Juridikförlag, Stockholm
et al. say corporate language policies have complex power implications which are easily overlooked and language skills turn into empowering or disempowering resources in organizational communication leading to new social networks and the association of language skills with professional ones where they say language skills are an important element when constructing international confrontations and lead to a construct of superiority and inferiority also reproducing post-colonial identities in the merged bank.\(^\text{822}\)

History could explain the strong feelings since for many centuries Finland was a part of Sweden with Swedish as the leading language and Swedes in power positions so many Finns don’t want to speak Swedish as many people in the satellite states in CEE don’t want to speak Russian – the occupier’s language and an oppression tool being compulsory in school. So a politically and economically stronger party could impose its language in a business relationship or cooperation. This may seem arrogant and has to be handled sensitively. Nekvapil and Sherman say there are asymmetric power relations where the expatriates from the parent company in rich countries such as Germany, Austria and the Netherlands usually have the top management positions in the MNCs in relatively poorer countries like The Czech Republic and Hungary and in line with this higher status the expatriates’ languages are seen as more powerful resulting in the local employees being assumed to learn the Western language but the expatriates aren’t expected to learn the local one.\(^\text{823}\) Thus how rich and economically developed a country is may have an impact on which language that will be spoken - the stronger party’s - at least if it’s a major one as German.

Regarding the Nordic bank merger Vaara et al. say language skills make understanding and communication easier enabling the creation of networks to access information and knowledge where a selection of a particular language as a corporate language constructs and defines meanings and membership categories but also identity and subjectivity in an internationally merged company creating relationships of superiority and inferiority with dominating and dominated parties and so winners and losers depending on individuals sharing or not the language and culture resulting in a colonial relationship with colonizers and colonized where specific language policies create organizational hierarchies.\(^\text{824}\)


3.7.18 Power aspects of the dominance of the English language

It is obvious to anyone that in today’s world the English language holds a very strong and powerful position influencing the minds, thoughts and ideas of people on a global scale. Phillipson says that due to globalisation and European integration the English language has expanded significantly in continental Europe in later years. He says English has an increasingly dominant role as a neoimperial language serving the interest of Anglophone countries, driven by the United States and Great Britain (in forms such as the British Council) where capitalism is promoted by a discourse and rhetoric about democracy, free market and freedom justifying the U.S. domination where Global English – holding a product (the code), a process (the means) and a project (the normative goal of speaking English) - is a key instrument in the U.S. empire striving for expansionism. He says in particular in CEE the English language, the free market and liberal democracy were all marketed as the way to solve the situation after the fall of communism. These values are dear to many people around the world yet to understand the English global dominance a description of the history of the rise of English as a hegemonic language must be multi-faceted and balanced where Demont-Heinrich says the story of the hegemony of English doesn’t only include the benefits such as popular choice, global unity and equality as well as universal inclusion and progress but also darker sides like directed choice, persistent linguistic imposition, domination and homogenization along with linguistic hierarchy and privilege and also widespread exclusion, where British colonialism and U.S.-led global capitalism have been the strongest drivers for the global expansion of English. He says this current global hegemony of English could be very influential when we see it as a global standard that may affect global power relations and, referring to Maurais, other languages as capitalism strives for homogenization it could lead to choice restrictions.

Phillipson says that English isn’t solely a communication tool as it holds and is associated with certain values where journalists and academics internalise such values via generally accepted wisdom and reporting styles benefiting Western corporations by certain ways of organizing the global economy. He

stresses that in ideological control language is a key tool and there are many tools binding Anglo-American elites together consolidating English linguistic hegemony, which could lead to domain losses for other languages such as Swedish leading to a linguistic capital dispossessionsion, which in turn strengthens English giving it a linguistic capital accumulation.\textsuperscript{828} Such domain losses may occur in the native language or in other foreign languages than English. An example of that is given by Engdahl et al. who say that after the Second World War English became compulsory as the first foreign language taught in Swedish schools while German and French were taught at later stages in school enabling course literature at Swedish universities in all three languages but this procedure has been given up resulting in an impoverishment where courses only can be given in Swedish and English.\textsuperscript{829} This leads to a loss of views and understanding of other cultures, other people and their way of thinking – a mental, human and cultural loss of domain just as much as a linguistic domain loss.

The mental and cultural aspects are fundamental and also hold a continental factor as Phillipson says Europe has seen an Americanisation of mindsets and consumer patterns where the U.S. expansionism is no longer territorial but economical, technological and material using electronic and mental control through advertising and popular culture as well as collaborations in political and scientific networks to maintain an exploitative economic structure where the English language – and thereby linguistic neoinperialism - has benefited from communication technology changes and the information society of the corporate driven globalisation and individuals choose the neoimperial language as it is felt it is the linguistic capital that best serves their personal interests.\textsuperscript{830} This individual choice is both rational and understandable though it reduces our variety of perspectives.

This reduction of perspectives and the domain loss in undergraduate studies in Sweden is also seen at the post-graduate European level as Phillipson discusses the Englishisation of Europe where researchers tend to read just one foreign language, English, rather than several and the linguistic hierarchy is seen on the homepage of the European Commission where almost all texts can be found in English, most in French and only few in


\textsuperscript{829} Engdahl, H., Englund, P., Josephson, O., Käll, O. & Lindblom, P.Å., \textit{Övertyro på engelskans betydelse}, p. 5 (Brännpunkt), Svenska Dagbladet, 2009-11-20

other languages apart from the law documents for all member states. Such a development has to make us ask how well we will be able to follow and understand the world if even the researchers only perform their studies and publish them in one language? There seems to be a huge risk for bias due to this dominance of just one language.

Phillipson says in continental Europe English serves several purposes fitting globalisation where English is increasingly learned worldwide and it intrudes into domains where other European languages hitherto haven’t been challenged and in key domains like education, business and media where until recently English was a foreign language but now it is more and more used in private, professional and public life as it ever more fulfils the role of second language and gradually takes over from other foreign languages like French, German and Russian. He says its unbalanced dominance is illustrated by that 70-80% of the fiction films shown in Europe are from the U.S.A while only 1% of the films shown in the U.S.A are foreign. He further adds that Englishisation affects the content and form of other languages and it also is part of Americanisation and globalisation where he refers to Bourdieu who says globalisation and Americanisation are indistinguishable. This horrendous unbalance of cultural influence is part of the cultural imperialism contributing to make the world more and more conformist in its outlook and viewpoints.

There is also a power aspect on the dominance of the English language in international business and other areas and Tietze says English as a global language is imposed on other cultures and the dominance of English is seen in business and trade, entertainment, media and politics, education and science and the knowledge is packed into and often presented in English requiring basic skills in it to participate in the knowledge economy. She then refers to Robert Phillipson who discusses linguistic imperialism where cultural and structural inequalities between English and other languages assert and maintain the dominance of the English language through institutions, attitudes and teaching of the English language.

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that in Phillipson’s analysis a basis for the linguistic imperialism is that English has to be maintained to secure the spreading and growth of Western capitalism creating a link between global English and global capitalism.\textsuperscript{836}

A lingua franca could also be unbalanced, unfair and biased for the people who use it. Phillipson argues that if a lingua franca is a native language to some people and not to others this is invidious leading to an asymmetrical communication and it is misleading to say this language is disconnected from culture and neutral as he sees English as a crusade language for global corporatisation promoted by the words freedom and democracy.\textsuperscript{837}

Behind the usage of English as a common corporate language is its strong global position and Tietze says English is the lingua franca of international business and the combination of the English language as a globalisation instrument and a management discourse spread in English brings a strong force of power with self-perpetuating ideologies, truths and identities which become established as natural and normal where by expressing and reproducing ideologies and worldviews education is far from neutral as the management education originates from Anglo-Saxon countries (UK and USA) and is dominated by them favouring neo-liberal models of market economy where the vocabulary and language largely come from the English language which just as the management discourse raises claims for universal validity, truths and standards and they often occur together reinforcing each other. Yet they aren’t innocent and access to them isn’t equally distributed but reproduce cultural, economic and social structures holding indoctrination, exclusion, patronage and discrimination creating hegemony and power relationships which are hard to address or change.\textsuperscript{838} All these factors reinforce and maintain the position of English as the world’s business language and a common company language.

There are many examples of linguistic oppression throughout history and even today and Phillipson says English and languages of other European countries that historically have occupied other continents and countries could be seen as colonising languages where states aiming at internal monolingualism explicitly strive to eliminate linguistic diversity. He says such a linguistic policy favours a lingua Frankensteina leading to linguicide, the death of other languages, and there is also a hierarchy of languages where Global English is promoted and seen as a norm in a normative project

\textsuperscript{836} Tietze, S., \textit{International management and language}, p. 77, 2008, Abingdon, UK
\textsuperscript{837} Phillipson, R., \textit{Lingua franca or lingua Frankensteina? English in European integration and globalisation}, Vol. 27, No. 2, pp. 250-267, p. 263, 2008, World English
\textsuperscript{838} Tietze, S., \textit{International management and language}, p. 84-85 & 90-94, 2008, Abingdon, UK
and comes out on top. In Europe today the methods to promote the status and usage of the English language are much more directed towards the benefits for the individual to speak and understand it and they are much subtler and could be seen as encouraging rather than punishing. In the U.S. and the U.K. many other languages than English are spoken and accepted so there doesn’t seem to be a plan to eliminate other languages there but there are many who have an interest in promoting a wide-spread use of English. A strong promotion of global use of English could contribute to the extinction of other languages even when it isn’t intended and Bird and Stevens say that the number of languages spoken in the world decrease over time so that fewer languages are spoken though their geographic coverage is growing where over half the global population speak one of the top ten indigenous languages.

3.7.19 How to solve the language issue
Improving the language competence in business is a complex and lasting task and various actors can help to solve the language problem where both the state, through the education system, and companies have a responsibility and so do language schools and individual business persons. On the delivery of language skills the ELAN-study, covering all EU-countries plus Turkey, Norway and Iceland – found that 69 % of the influencers - persons such as academics, entrepreneurs, civil and political servants and business organisation representatives or language training schools - thought their own education systems could improve much, several influencers argued more languages should be made compulsory at school, 30 % of them argued their governments should introduce better language training procedures and 53 % thought business should give their staff better language training.

Regarding the companies Welch et al. say home-language international expansion is a strong tendency and a way used by many firms when expanding internationally where they initially try, if possible, to stay within the same language or language group reducing the perceived demands and risks but when expanding globally the language frontiers have to be passed although countries natively speaking world languages – particularly English – but also Spanish or other big languages could wait longer to cross this language barrier than companies from countries with internationally small and isolated languages that immediately have to speak foreign languages.

CILT, the National Centre for Languages, ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise, p. 40, December 2006, London
when expanding abroad thereby developing a consciousness about, responsiveness to and experience of language issues contrary to firms from Anglophone countries taking the home-language expansion-path ignoring it and even risking to overestimate similarities with other English-speaking countries resulting in a false confidence and carelessness having a negative impact on company performance.  

Samovar et al. discuss this claiming confusion may arise even when two cultures share the same language – just as British and American English where words that are spelled and pronounced the same still could have different meanings in these two kinds of English.  

In a quantitative study Zander, focusing on vertical communication in terms of interpersonal leadership communication between managers and subordinates in hierarchical relationships, found that country clusters with the same or similar languages will display similar preferences on leadership regarding empowering, coaching and supervising but not regarding communication style (general communication - in terms of speaking much or being more silent, personal communication - in terms of disclosing personal information about oneself - and proud-making by positive feed-back in terms of frequency and verbal or non-verbal praising) and she concludes that it isn’t possible to assume that language similarities go along with communication style similarities.  

This shows native language internationalisation requires intercultural skills and understanding.  

Marschan et al. say not only companies but also individuals at the subsidiaries develop common language paths and build up language alliances above the subsidiary at company level and thereby facilitate company communication over boarders. They say another way – probably the best long-term solution from the perspective of the MNC – is to learn the company language and there is a pressure and an encouragement - like free English classes after work – and often when recruiting new staff skills in English are required.  

MNCs have better possibilities to recruit language skilled individuals than smaller firms and the ELAN-study found that 94 % of the large companies had performed selective recruitment looking for people with the necessary linguistic and operational skills while only 40 % of the SMEs in the study

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260
had done that, according to the authors probably because the SMEs could not afford the higher fixed costs of language expertise.\footnote{CILT, the National Centre for Languages, \textit{ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise}, p. 47 & 56, December 2006, London}


Welch et al. stress the company’s need for a coordinated language strategy which includes hiring people speaking the corporate language, periodic language audits as most companies don’t know their state of language resources and language skills take practice and must be used at work, having language skills as a vital selection factor when sending staff on international assignments and recruiting staff to positions involving international business travelling are all crucial as is remembering that documents should be correctly translated to several languages. One should also remember the
limitations of translators regarding technical and specialized language and swift responses under time pressure.853

MNCs internationalizing from non-English speaking countries could use three ways to meet the demands on English language skills starting with using the language skilled personnel in a better way, secondly employing new people having the required language skills and thirdly organize language training for those who need it.854 Taking a broader view also including companies based in English-speaking countries and in order to manage language problems Feely and Harzing argue MNCs have many options when they formulate their language strategy and they propose the following ten strategies:855

1. Lingua Franca - companies from English-speaking countries can use it as lingua franca
2. Functional multilingualism relaying on a mix of languages, pidgins and gestures communicating by all their available means
3. External language resources in terms of translators and interpreters used at work
4. Language training or choosing a single corporate language where all recruitment and personal development are directed to reach the needed language standard in it
5. Language nodes where a company uses their language skilled personnel as default communication channels between the company and the external world
6. Selective recruitment hiring people who already have the required language skills
7. Expatriate management assigning expatriates to work as a language node at each subsidiary
8. Inpatriation sending an inpatriate, a person from the subsidiary, to the head office
10. Controlled language – a simplified language with limited vocabulary and syntax rules making the text more graspable - is expensive and time consuming to create and it works only in written form as the

reduced vocabulary would bereave people of their rhetoric power in negotiation, motivation and persuasive situations.

Luo and Shenkar present a strategic way to approach the language issue in a big company which is using a global language design to face up to the demands for integration, coordination and expansion since for multinational companies there is a need to simultaneously balance their global integration with local responsiveness which requires a strategically decided global language design between the parent (head office) and subunit (subsidiary) languages where these languages concurrently and recursively link each other through an intra-MNC communication network. The global language design affects the performance of the company in various ways such as improving intra-network and inter-unit communication increasing the accuracy, speed and effectiveness of intra-company information exchange, improving coordination and integration of multiple languages, improving inter-unit learning as well as intra-unit value creation and encouraging socialisation as well as intra-unit business communication.

The current situation and linguistic competence in the organisation and the company’s long term strategy must all be considered before management makes a decision on which measures to use and their individual weight in the combination of measures they chose.

Regarding the near-future competence needs for European SMEs - during the next three years - the ELAN-study found that on average 42 % of the
companies see an increasing demand of additional expertise in languages and 20 % of these SMEs see it in knowledge of the country and its culture. The languages in which this demand will increase are English (26 %), followed by German (18 %), French (15%), Russian (12 %), Spanish (7 %), Italian (5 %), Chinese (4 %), Polish (3 %), Arabic (2 %), and then Portuguese and Romanian 1 % each. These skills are mostly needed in negotiations, correspondence, meetings and exhibitions. Thus several languages are needed but the major European ones dominate showing how vital the European market and vicinity are for these SMEs.

3.7.20 Language competence when recruiting and training
Marschan-Piekkari claims as companies internationalise their workforce becomes more diverse and multinational where the MNC must handle their multinational workforce and the languages in which the company operates so as a response many companies adopt an official internal company language in a language standardisation process. This human resource management question affects selection and recruitment, training, development and international assignments including strategic positioning of language-competent staff because the language or languages in which the staff operates is crucial to obtain local responsiveness and effective coordination in an internationalizing company. Marschan et al. argue the language competence of the employees and their coping ability are vital to MNCs making sure the company’s language competence is strategically positioned in the entire global organization.

Welch et al. say a company’s language competence depends upon the language skills of the individuals working there where in a buyer-seller relation information and proficiency in the buyer’s language reduces human distance showing the supplier’s commitment and adaptability toward potential foreign customers. That is the external distance from buyer to seller but there are also internal distances in the MNC and Marschan-Piekkari et al. say the language distance reveals a language hierarchy showing the fluency of the subsidiary staff in the company language or in

863 CILT, the National Centre for Languages, ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise, p. 35-36, December 2006, London
the parent-country language reflecting the closeness or remoteness of the subsidiary to the headquarters.867

Another hierarchy is the company size and although they don’t have the same resources as big MNCs – where 44 % of the large companies in the ELAN-study trained their staff regularly in intercultural skills and another 22 % did it occasionally - SMEs working internationally also need language training for their staff and in the ELAN-study during the last three years 49 % of the European SMEs had offered their staff language training and 35 % of them had actually given it to them where the most taught languages were English (25 %) followed by German (18 %), French (15 %), Italian (8 %) and then Chinese, Czech, Dutch and Portuguese with 5 % each a followed by Danish and Estonian at 3 % each.868 So the share of MNCs that give their staff intercultural training is almost the double to that of the SMEs and seeing the languages in which the SMEs are trained one may ask how representative the sample is as 3 % of the language training has taught Estonian – a country with roughly 1,5 million inhabitants of which a couple of hundred thousands have Russian as their mother tongue. Moreover there are no signs of training in neither Spanish, which is one of the world’s most spoken languages with well over 300 million native speakers including more than 40 million people living in Spain nor Polish with almost 40 million speakers in Poland. These seemingly odd results show the tailor-made linguistic needs of SMEs where it’s natural to learn languages which are small by other standards but vital to that company while world languages might not be crucial for them. Such needs stress the importance of multi-linguistic skills in international business.

Coming back to the big MNCs regarding the recruitment of local staff the easiest and cheapest way to meet the company language demands is to recruit people who speak it869 and if they don’t or don’t speak it well enough training and development courses could help and Welch et al. argue at subsidiary level the introduction of a common corporate language may create difficulties so in a short term perspective expatriates could thus be transferred there for a period of time facilitating control and coordination but in the long run there is a strong incentive for hiring local people with

868 CILT, the National Centre for Languages, ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise, p. 34-35 & 47, December 2006, London
company language skills. On the contrary Feely and Harzing warn us for selective recruitment saying recruiting people already possessing the needed language skills could cause redeployment and redundancy of current post-holders lacking those skills and the desired mix of language skills may not be available in the marketplace.

Studying four firms in China Buckley et al. found language skills were crucial when engineers and managers were recruited and there was continuous in-house language training in all firms – both in the wholly owned subsidiary and in the three international joint ventures. The local staff learned Western languages, English and German depending on the home country of the Western company, while the Western managers didn’t learn the local language. Local staff learning the company language is smooth in the long run but it says something about Western business people’s attitude towards the host country, learning a language isn’t on equal terms and it’s easy to interpret is as a Western arrogance towards third world countries and its people. On the competition for qualified personnel in BRIC countries Lars Renström, Alfa Laval’s CEO, says it’s hard to recruit and keep qualified personnel with English language skills.

About the recruitment of expatriates Hendry claims two factors are vital for whether the expatriate will fail or succeed, the selection of an appropriate person sent to the foreign assignment and preparation through training of him or her, and both these factors deal with the intercultural competence of the expatriate. Jordan and Cartwright claim when selecting managers for international assignments there are seven important variables to make the assignment successful and they are divided into three stable personality factors – low neuroticism, moderate extroversions and high openness to experience – and four core expatriate competencies – relational ability, cultural sensitivity, linguistic skills and ability to handle stress. Studying

874 Renström, L., in *Tillväxten kommer till Kina*, Affärsvärlden, 2008-06-17, Stockholm

266
acquisitions in four countries in Central East Europe Villinger, contrary to Buckley, says Westerners should learn the local language, and local staff the Western language, and he says Western companies acquiring companies in CEE should stress language and cultural competence when they select and train those who will manage the post-acquisition work and let it stay in focus in the employee’s development which strongly will facilitate the knowledge transfer of more direct business skills.\(^{877}\)

A study on US-based companies found not much emphasis was put on foreign language skills in recruitment and career advancement while technical skills were decisive.\(^{878}\) Perhaps this low appreciation of language skills in the United States combined with the strong US domination of management literature partly could explain the low interest for language skills in international business operations and studies while another possible explanation may be the engineering and business administration background of managers might being more interested in questions in those fields than in foreign languages.

Feely and Harzing strongly urge companies managing multinational relationships to conduct linguistic audits, which evaluate the requirements and skills in foreign languages of the company as well as their language training and recruitment activities to provide the means for the company so the strategic aspirations can be met by their foreign language skills, and also language check-ups which are less expensive and easier to administrate being less rigorous but covering a wider field than the linguistic audit.\(^{879}\) Marschan et al., referring to Reeves and Wright, also suggest a language audit, evaluating the language proficiency of the people employed at the subsidiaries and so enabling to fit the language profile of the company to its strategies and extend its potential acquisitions of foreign companies.\(^{880}\) Also SMEs need systematic knowledge of their internal language skills and on average 57% of the ELAN-study firms keep a record of the staff’s language skills.\(^{881}\) In small firms it’s easier to know by heart who knows a certain language but they have less means than MNCs to employ native speakers or

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\(^{877}\) Villinger, R., Post-acquisition Managerial Learning in Central East Europe, Organization Studies, 1996, 17/2, pp. 181-206, p. 203


\(^{881}\) CILT, the National Centre for Languages, ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise, p. 34, December 2006, London
use translators or interpreters so it may be even more important for them to keep track of the employees’ language skills.

Horizontal communication is vital to develop less-hierarchical structures but it can be thwarted by language problems. To enhance horizontal communication Charles and Marschan-Piekkari give recommendations starting by conducting a linguistic audit to show potential language problems as a basis for the language training, give priority to specific comprehension proficiency for their working tasks, encourage staff to understand and negotiate in global Englishes and include English speakers in English communication training where seeing foreign language skills as strategic corporate communication has to make language and communication training a corporate level function.

In the merged Swedish-Finnish bank Swedish was used at corporate level and in Sweden, Finnish in Finland and often English internationally so skills in both Swedish and English became obligatory for all new recruits in Finland. But top management, all speaking Swedish well, overestimated the Swedish language skills of the Finnish employees and staff which had disintegrating effects on the merged company creating feelings of us and them along the language border unintentionally undermining the integration efforts and Finnish top managers admitted it was a mistake to introduce Swedish as the common corporate language in the merged company. These problems show a need for linguistic audits making top management aware of the language skills in the organisation.

Regarding recruitment and keeping of personnel in the CEE region Suutari and Riusala say in a study on Poland, Hungary and The Czech Republic that it is hard to find and keep qualified people, particularly managers, with sufficient competence and language skills and it is hard to motivate them to stay where the costs to keep them could be excessive so one has to be very careful when recruiting which could save costs for training and turnover of personnel yet the companies have to build up training, career planning and development functions along with attractive compensation packages and

268
other motivational factors in order to keep competent personnel. These problems to keep personnel is largely a consequence of a strong focus on money and materialism among people in the CEE countries and this behaviour is probably partly a kind of compensation for a poor level and amount of consumer goods in the plan economies.

We started this report by giving the background as well as the problem, aim and delimitations of the study followed by a discussion of the scientific perspective chosen – a hermeneutic one. In this chapter we have discussed culture and its central components, institutions and characteristics along with communication in verbal and non-verbal form and then intercultural communication including high- and low-context communication as well as elaborated and restricted codes and misunderstandings. Then came a long section on language, its characteristics and the Sapir-Whorf hypothesis along with the language barrier, a common corporate language and multilingualism, the benefits of speaking the local and foreign languages as well as the consequences and costs of poor language skills. The problems with interpreters and language politics as well as language as power, how to solve language issue and language aspects when recruiting and training were also dealt with as were various reports and studies on language in business. It’s now time to present the choice of method used as well as the countries in the study along with the strengths and weaknesses of the study and the possibilities to generalise the outcome of it.

3.8 Summary of chapter three
An overview of scientific articles on the role of language in international business shows not much has been written, though some lately, but not much on it in CEE, a gap I tackle.

Culture is vital in international business and a cultural barrier can stop a business. Culture holds five vital elements which are values, norms, beliefs, history and language and culture is collective based on shared symbols, learned and passed on from generation to generation giving people a feeling of belongingness standardising ideas and customs and it is dynamic but doesn’t change fast thus bringing stability helping people with social survival, adaptation, development and growth. A culture has different layers where the surface culture consists of the perceivable shared symbols while the deep culture is hidden to our sensory organs but reflected in the usage of

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language covering the deep values of worldview, language, history, social organisation, family and kinship system.

History is interwoven in culture and can explain much of a culture’s nature. A person’s personality goes deeper being a more intimate identity part than culture making it harder to do things against your personality than to break cultural norms. Culture and language influence each other so to fully understand a culture speaking its language is a key tool.

Language is vital for the cultural and professional identity – which is a basic human need to distinguish oneself from other groups - of an individual, particularly for a manager as language builds management and managers are socialised into management via language.

The plan economy lagged behind in technology despite having many engineers and it had inverse incentives as a product’s value partly was based on the input products, it was risk-avert, hierarchical, bureaucratic, militarised and corrupt featuring large-scale economics, heavy industry and raw materials with geographic interdependence of production plants. Changing the managerial behaviour from a plan economy to a market economy is a hard process and glocalisation - adapting global standards to local conditions - may be needed.

The CEE business culture features much authoritarianism – that western expatriates have to adapt to – and command economy thinking along with inefficiency, strong materialism and lack of both initiative power, work motivation and work performance as well as lack of quality thinking and will to assume responsibility. Many people in CEE have problems to plan, think and analyse in market economy terms, there is a heavy bureaucracy, much nepotism and the old, unqualified nomenclature has top positions in business and society.

Far from the rule of law terrible public show trials where leading communist politicians were sentenced to death based on fabricated accusations occurred after World War Two in CEE. The interrogation methods were brutal and the verdict decided by the party.

A society full of trust works better than a suspicious one. We must trust others to make business and cooperate with them. Trust is a belief in the rationality and correctness of others. Distrust in authorities, leaders and other people and sometimes to say what you think is a big problem in CEE and one cannot always rely on written contracts in CEE. Trust is crucial in communication so dense messages are best given in face-to-face meetings.
Speaking the other party’s language builds trust. Extensive corruption, as an agent betrays the principal, is a big and deep problem in CEE lowering investments.

There’s a cultural dynamism where managing culturally based change, learning, harmony and paradoxes will become more important in the globalisation era with individualism, free markets and consumerism featuring conformism and standardisation but jeopardising traditions, authenticity and identity yet language will remain a key cultural differentiator.

Communication enables us to understand, act and cooperate with others and is vital to get things done. It’s unavoidable, it doesn’t ensure understanding, it’s irreversible, it occurs in a context, it’s a dynamic process and it’s often interactive. It’s often complex relying on inferences having consequences. Communication has a source, a message, a channel and a receiver. The sender formulates, encodes and sends a message to the receiver who decodes, analyses and interprets it. It aims to distribute communicative control, negotiate, decide the affiliation level, communicate relationship and experience social relationship.

Non-verbal communication is vital and over 75% of the communication is non-verbal so when the verbal and non-verbal information is in conflict people believe more in the non-verbal message. Five basics functions are to repeat, supplement, substitute, regulate and contradict the verbal message. Posture, face, gestures, clothes and tone of voice are vital.

Culture and communication are intertwined and cultures differ as there is less contact and communication between them than in them, if it were as much contact they would fade. Intercultural communication increases and is about interpersonal communication between persons from different cultures. Proverbs express universal human wisdom being clear, pedagogic and powerful. Elaborated code has an advanced language full of information but restricted code is simpler but context-bound taking shared assumptions to be grasped. In high-context cultures most information is inexplicit and in the context so the speaker’s social role and formality are vital making the message interpretation context-bound and in low-context cultures most information is explicit. In collectivistic cultures high-context communication dominates while low-context communication does in individualistic ones.
Each person is a communication medium and a versatile communicator. A communicator style is individual and adjusted. Communication is vital to companies’ foreign operations. General language communication maintains relationships and is vital to the development of the company while functional communication is technical and easier to understand.

Misunderstandings are frequent problems for managers working with other cultures as they often can’t decode, translate and contextualise overt messages and publicly available information. A sender can only transmit a message and not the meaning. Pragmalinguistic misunderstandings are due to misunderstandings of words and are easy to correct. Socio-pragmatic misunderstandings are due to misunderstandings of values and lifestyles being harder to correct. Intercultural communication problems from deep structures may occur and deep cultural values may collide with another culture’s values so misunderstandings, offences and rejections follow while surface problems regard what is seen as polite or impolite. Personal critique is delicate. Professional intercultural communication at work is more task-oriented and explicit making it easier to understand for an expatriate than the general daily talk. Learning the local language reduces direct misunderstandings.

Language is a unique tool to obtain deep understanding. Language forms us as persons enabling us to think and express things but restricts what we can think and say. Children are integrated in society via an internalisation process divided into primary socialisation in the spoken language culture and the secondary one in the written language culture. A direct and literal meaning of a word in primary code is denotation and a secondary code is connotation giving a broader meaning and associations that differ across cultures. The spoken language is accessible, dynamic, passing and context bound but written language is static, permanent, objective and independent of time and place enabling development of logics, science and abstract thinking. Language gives information and establishes and upholds relationships. Metaphors can depict reality and reach reality’s deep structures.

The principle of linguistic relativity – in a slightly other form know as the Sapir-Whorf hypothesis – says that people speaking different languages see reality differently so how a person thinks is largely formed by the first language he or she learned forming thought categories functioning a as a grid through which a person perceives the world. The strong interpretation of the Sapir-Whorf hypothesis says language solely decides how a person
sees reality and can think while the weak interpretation says it only partly decides it.

Three aspects of the language barrier are language diversity – the number of languages a company must handle, the language penetration - how many functions and levels in each function that handle cross-lingual communication and the language sophistication giving the complexity and level of the needed language skills. Two other levels of the language barrier are the literal understanding of words and understanding of a country and culture.

Company communication can be facilitated by using a common corporate language for reporting and document reading, coordination and control, knowledge transfer, exchange of information, informal talks, minimising the risk of miscommunication and it can facilitate communication internally and externally but all managers and employees can’t speak and understand it and it can cause disintegration. In international business English is the most spoken language and the common corporate language for Swedish companies.

As a world language English has two edges: it’s easy to learn as a pidgin and a hybrid of Romance and Germanic languages but it could be insufficient as many languages are spoken and multilingual communication occurs daily in MNCs so functional multilingualism where a couple of languages are used to handle international contacts will be more appreciated as companies going multinational must go multilingual. Multilingualism can mean several things such as that a person can speak several languages (polyglot), that many languages are spoken in a certain geographic area or in an organisation. Working internationally can become harder for monoglots, persons speaking one language, and for persons speaking only one internationally usable language. Many Swedes think speaking English will do but notably Swedes lacking German language skills cause Swedish companies trouble.

English as a common company language could sometimes be just an illusion and a façade as the ideas and concepts given in English are conceived in the speaker’s mother tongue. Poor common company language skills could force an individual to avoid strategies.

Both MNCs and SMEs will in coming years need English but the SMEs go for European languages like German, French and Russian while the MNCs need Spanish, Chinese and Arabic. Among EU citizens the most spoken
language, as native or foreign language, is English and then German, French, Italian, Spanish, Polish and Russian. Over half of the population speaks a foreign language, a good quarter speaks two and a good tenth speaks three or more. Language skills are vital for companies and a career plus for a person.

SMEs in EU annually lose business worth over 100 billion Euro due to lack of language skills. To a lesser extent they do it due to lack of intercultural skills. A SME that has done no language investments could raise its sales by over 40% by employing native speakers and language skilled people, use translators and have a language strategy. MNCs lose money due to poor language skills so the total cost for it may be huge. The Dutch trade council found lack of skills in German yearly costs Dutch companies 7 billion Euro. Lack of language skills may ruin an assignment or, in exception, make a company go bankrupt.

Multilingualism may have many for business positive spin-off effects such as enhancing creativity, abstract and multi-perspective thinking, conceptualisation skills, interpersonal and learning ability, communicative and meta-linguistic awareness (reading between the lines), mental flexibility, problem solving capacity and multi-tasking ability but reducing age-related mental decline. These effects go beyond the direct language ability. Progress in neuroscience on how language and multilingualism affect the brain may bring insight.

An ideal speech holds the components exordium, narration, proposition, argumentation, and conclusion. A local language speech could improve credibility and audience rapport.

It’s hard but rewarding to learn the local language enabling an expatriate to go into and understand the local culture setting the right tone and build rapport with locals and for doing international business, it builds relationships, increase control and safety and minimises misunderstandings. It shows an interest in the country, it enables tailor-making offers to the local market, it facilitates social contacts and strengthens negotiation power, it builds trust and is a psychological edge in sales. So local language skills can strengthen sales and marketing and ease country adaptation. Besides English and the local language German, French, Spanish, Russian, Chinese, Japanese and Arabic are useful in business.

A manager’s ethos and credibility largely relies on his or her communicative capability. Language skills are individual skills and a company’s language competence is the skills of its employees. Globalisation forces international
business communicators to develop cultural and language skills. To become successful in business and get into a new culture learning its language well is often needed as expressions and words carry cultural values. Poor common company language skills can cause isolation, inclusion in the subsidiary and exclusion from company-wide activities and may stop a career or lead to lost export.

Using an interpreter may help an expatriate to get the message through but it increases the distance to the other party reducing rhetoric power and trust being costly. Expatriates with skills in the home-country and host - country languages can be language nodes.

Differences between languages may cause translation problems with information losses as a word or expression in one language doesn’t have a corresponding word in another as the underlying concepts differ so a sender can transmit the message but not the meaning.

Languages are politically controlled means of communication teaching the population how to talk, write and communicate according to some rules. Almost all European states are to some extent multilingual. To strengthen the cohesion within a country politicians can use linguistic indoctrination leading to language homogenisation and standardisation.

Power can be seen as a property where someone can execute power while seen as relation a person can force others to do things against their own will. Power can prevent conflicts. Four power regulations try to obtain stability and sustainability: The judicial regulation, negotiations, auto-administration and market. Power can be exercised by communication. In MNCs language can be a power tool. Language nodes can be powerful gatekeepers. In international mergers a choice of company language could create language hierarchies.

The strong dominance of English could lead to linguistic imperialism and domain losses of other languages in education, research, business, media, politics and entertainment. It favours Anglo-Saxon countries and their influence, interests, business and economies. It supports a conformist globalisation mildly imposing it on others so English isn’t neutral.

Home-language international expansion staying in one language group is a way many companies use when beginning to expand internationally but when expanding globally they must pass the language frontier. Persons at subsidiaries could create language paths to facilitate communication over boarders.
To formulate a language strategy MNCs can use ten possibilities; a lingua franca like English, functional multilingualism – relying on a mix of languages, external language resources – interpreters and translators, language training or choosing a common corporate language only recruiting employees who speak it, language nodes, selective recruitment – hiring language skilled people, inpatriation, expatriate management, machine translation and machine interpretation using computers and controlled language – using a simplified language. The companies can place language skilled personnel optimally and do language audits of company personnel.

A MNC has language hierarchies and subsidiary staff being fluent in the parent company language or the common company language reveals closeness between subsidiary and head office. It’s easiest to hire local people with such skills but it could be hard to find local people with sufficient expertise, competence and language skills. When recruiting expatriates two things are very important – selecting an appropriate person and preparing him or her well through relevant training including language and cultural competence.

Motivation is crucial to learn a foreign language. The linguistic distance is an obstacle for mutual understanding and it can be reduced be speaking clearly and distinctively, giving examples and repeat the message, making interruptions and avoiding slang creating trust.
4 METHOD FROM A MORE PRACTICAL POINT OF VIEW

4.1 Introduction
This study began with going through the importance of international trade and Swedish companies losing market shares globally and especially in Europe as well as the shift from vertical cost-cutting FDI to horizontal FDI aiming at gaining market share requiring better communication and language skills whereas Swedish students and young business people show a decline in language ability creating a gap between demand and supply. Then we discussed the need for cutting costs and for face-to-face communication despite extensive usage of e-mail, voicemail and other electronic communication tools. The unit of analysis, the Swedish expatriate business person, was presented and the scarcity of studies on the need for language skills in international business, particularly in CEE, was described as were the historical and current language skills among Swedish business people and the CEE region with its heritage and characteristics of economic growth, more trade and cultural and linguistic distance to Sweden. Finally the problem and the aim of the study were given with the delimitations as were some contributions from this study.

In chapter two the chosen scientific perspective, hermeneutics in an interpretative cultural study where meaning is important, was presented. Hermeneutics was described and a new variant of the hermeneutic circle including the two components of knowledge of the local language and knowledge of the local culture was introduced as was another one with the specific and the general. The difficulties with reflective interpretative research as well as the gradual progress and refinement characterising many cultural studies along with the study’s epistemological and ontological nature, the notion of typified description and a practical data collection and research method called pentangulation were all presented.

In chapter three we dealt with theory on business culture, intercultural communication and language in international business. Having the background, the geographic area, the problem, the aim and the delimitations of this study and the scientific perspective which is an interpretative cultural study leaning on hermeneutics along with theory on culture, communication and language we have a background, a problem and an orientation enabling us to proceed on site which is described in this methodological chapter.

Doing an intercultural communication study I try to avoid the three types of mistakes related to individual uniqueness, stereotyping and lack of
objectivity. I present this study - an ethnographically inspired case study with 35 semi-structured interviews performed on site in five CEE countries. I discuss living with the local people learning their culture and language and the extent of my studies, interviews and journeys. My observations on site and some ethnographic elements in my study are described as are the semi-structural interviews with fine access and cases of snowball sampling. My empirical data mostly consists of primary sources from my interviews and experiences in these countries.

I give some features of qualitative research methods and motivate my choice of research method discussing strengths and weaknesses of it. My pre-understanding where I worked for three and half year with international marketing, also in Poland, and much experience of studying and living abroad is told as is the weight of learning the local language on site. Finally there is an evaluation of the sources indicating they are valid and credible.

4.2 Three problems when doing intercultural communication studies

Samovar et al. argue there are three problems when doing intercultural communication studies and they are lack of objectivity, individual uniqueness and stereotyping. They say when studying intercultural communication all persons don’t exhibit all characters of the culture since every individual is unique and people are more than their culture as culture is only one of the sources influencing people and their behaviour. The way we perceive reality differs from one individual to another so reality isn’t the same to everyone. Meeting a person I see her as a unique individual, not a typical representative of a culture. In order to minimize the risk of stereotyping when doing cultural generalizations the generalizations should be seen as approximations and not as absolute representations and only the core values – which are stable over time and occur regularly and so marking most members of the culture – could be generalized. Using a qualitative research method in this study I am careful regarding generalisations and do not strive for them in the same way as in a quantitative study. There are still possibilities for generalisations and Alvesson and Sköldberg define the term domain as the maximal amount of empirical phenomena that a theory can cover claiming that - although

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generalisations of qualitative case studies often are put in question - also in qualitative studies successive extensions of a theory’s application area within a feasible domain are both possible and desirable.\textsuperscript{889}\\n
Bjerke says that in ethnocentrism you judge another culture by the standards of your own\textsuperscript{890} and that is the position most people in all places take when they face an intercultural encounter.\textsuperscript{891} Studies show that people are blind to their own culture.\textsuperscript{892} Samovar et al. argue that being ethnocentric and judging people from other cultures by your own – and not their – standards make intercultural communication more difficult as does overt and subtle hostility and negative attitudes when speaking to people from other cultures. So they say that these behaviours should be avoided arguing that elimination of the bad behaviours just mentioned is a way to increase the objectivity\textsuperscript{893} of the study. However, objectivity is a delicate matter and Bjerke sees culture as “the inter-subjective aspect of life” and is reluctant to use the term objectivity in a cultural study arguing that in order to avoid ethnocentrism a long stay abroad and mixing with other nationals is necessary for seeing subtle differences in behaviour adding that to work successfully with people from other countries you must understand your own culture.\textsuperscript{894}\\n
Studying several countries in CEE and previous experience of living and studying abroad reduce the risks of ethnocentrism from my part. According to Månsson Habermas argues communication is about dialogue holding at least two subjects and by nature language is inter-subjective holding a decisive role regarding the coordination of actions between people and social integration.\textsuperscript{895} Hence, both culture and language are seen as inter-subjective.

\textsuperscript{889} Alvesson, M., & Sköldberg, K., \textit{Tolkning och reflektion: Vetenskapsfilosofi och kvalitativ metod}, p. 39-40, 1994, Studentlitteratur, Lund
4.3 A pre-study followed by the main study and the choice of countries

The empirical part of my research project is divided into a pre-study followed up by the main study. In order to prepare myself and obtain a general understanding of the culture, life, living conditions and the role of the language in CEE I did a pre-study. I have some professional experience from the field and the region I study since I have worked for almost four years with international marketing, including an intensive project in Poland. Striving to cover different perspectives and nuances I chose countries in both the pre-study and in the main-study which differed from the others in the study group in dimensions like geographical position, language, dominating religion and economy.

The countries in my pre-study are Russia and Poland where Russian belongs to the Eastern Slavonic language group and Polish to the Western Slavonic one. Geographically Russia is located as far east as you can come in Eastern Europe whereas Poland is a part of Central Europe and far more to the West. The Orthodox Church dominates in Russia while the Catholic Church does it in Poland. Regarding GDP per head Poland is slightly richer than Russia. Poland and Russia both underwent an economic shock therapy in the 1990-ies. I did no interviews in Russia or Poland but I studied their language and culture.

The countries in my main study are Serbia, The Czech Republic, Ukraine, Bulgaria and Romania. Ukraine is geographically the most Eastern country in the main study, the Orthodox Church is the strongest and culturally it is an Eastern European country where Ukrainian is an Eastern Slavonic language. The Czech Republic is more Western with Catholic religion, strong historic influence from and frontiers to Germany and Austria and Czech is a Western Slavonic language. Both Serbia and Bulgaria are Slavic and Orthodox but more southern countries speaking southern Slavonic languages whereas Romania is an interesting exception combining a Romance language with the Orthodox religion. The Czech Republic is by far the richest among these five countries having a strong industrial history and Ukraine is the poorest putting Bulgaria, Romania and Serbia in between. All five countries have their own specific features and differences making them relevant study objects. The economic development was poor in these countries in the 1990-ies except for the Czechs when Serbia featured a war economy fighting four wars with its neighbouring countries. In the plan economy era before the 1990-ies Serbia – in Yugoslavia - had more market economy elements than the other four countries had.
4.4 The major research questions and case studies

Yin discusses the main research questions in terms of who, what, where, how and why.\(^{896}\) In my study who is my unit of analysis, the expatriate Swedish business person, what is the intercultural business communication including language and business culture, where is the region where these people work which is CEE, how is how the expatriate business people perceive communicating with local employees and customers as well as the role of language in this intercultural communication and how also reflects my striving to understand the local people and their culture and in that respect why is also involved although I do not strive for an explanation based on causal analysis. The main question in this study is the how although the why is not negligible, the surrounding is contemporary and all that points to my study being a kind of case study according to the scheme on different research strategies that Yin has put up where he argues that to chose case study as the research strategy in a study requires that regarding a set of contemporary events -over which the scholar has no or only little control - a how or why question is asked.\(^{897}\)

All these criteria are fulfilled in my study which in this sense could qualify as a case study. Yin sees the scope of a case study as an empirical enquiry investigating - in a real-life context - a contemporary phenomenon with no clear boundaries between the context and the phenomenon.\(^{898}\) The phenomenon in my study is the communication between expatriate business people and local employees and customers and the context is the business culture in which they all work. There is a close interaction between culture and communication, so in that sense there is no clear boundary between them.\(^{899}\) These ideas also point at the possibility that my study is a case study.

4.5 Living with the local people, their language and culture

In order to obtain a deeper and better understanding of seven countries in CEE I have travelled to them staying for two to three months in each country living in families and participating in their daily life, meeting and talking to their friends and other persons in these seven countries. These countries are Russia, Poland, Serbia, The Czech Republic, Ukraine, Romania and Bulgaria. My aim has been to understand the local people and the way they think, feel, live and work as well as possible. I have also taken


\(^{897}\) Ibid, p. 6

\(^{898}\) Ibid, p. 13

an extensive amount of individual language lessons, which also include much information about the country, its history and culture, traditions, business and economy, politics as well as the living conditions for its people and their mentality. In my opinion this has been the best way to, in a limited period of time, understand how people in these countries think, feel, work and live and to reduce the distance between us. To understand another individual as well as possible I think you should try to meet her on her terms speaking her language and try to see things from her perspective. Speaking the local language is crucial when trying to understand another culture.

About the local people there is for natural reasons a strong bias towards the language teachers with whom I daily spoke and to a lesser extent towards the people in whose apartments I lived during my visit in each country. But the local people are also represented by sales persons in shops, taxi drivers, people I have met or run into in the street, in the bus or in the train, in parks or in other places. In some countries, primarily Bulgaria and Serbia, I also watched the television to obtain a picture of the local political and economic conditions as well as to see how the local people were informed. The understanding obtained by gathering information in these ways gave me a knowledge basis on which I, in the later part of my visit in five of these countries, carried out interviews with Swedish and other business people and other ones in business related work. This travelling and these studies, interviews and life experiences have given me new frames of reference opening up new mental, human and geographic spaces for me.

4.6 The extent of my studies, travelling and interviews
The towns where I have studied the local language are Saint Petersburg, Warsaw, Belgrade, Prague, Kiev, Bucharest and Sofia. During my PhD study period I have taken altogether 3215 individual language lessons, each lesson is 45 minutes, in the Russian, Polish, Serbo-Croatian, Czech, Ukrainian, Romanian and Bulgarian languages and 472 individual Russian language lessons before being accepted at the Ph. D. program but by then working within international marketing and thereby being interested in the role of foreign languages in international business and also already having planned to do doctoral studies. Thus I have taken 417 individual lessons in Czech, 464 in Serbo-Croatian, 480 in the Polish, 556 in Ukrainian, 564 in Romanian, 590 in Bulgarian and 616 in the Russian language. That gives a total of 3687 individual language lessons in Romanian and Slavic languages before and during my Ph. D. study. In addition to this comes all the homework I have done in these language courses. So I have undergone extensive and intensive training to learn the local language and culture in
seven different countries. These lessons and living with the local people has been an important ethnographic element in my research project.

To obtain a better geographic understanding of the landscape and major towns I travelled extensively in the region visiting and seeing 10 capitals and over 50 other towns in CEE.

Most of the over 35 persons I have interviewed were Swedish expatriate business people working for Swedish Companies in Serbia, The Czech Republic, Ukraine, Romania and Bulgaria. Some of these persons also had extensive professional experience from working in Russia and a few in Poland. I have further spoken to some other Swedish business people working in Poland. Some local business people, expatriate business people from other Western countries than Sweden, diplomats, both local and expatriate bankers and information officers from the European Bank for Reconstruction and Development and other persons, including a few local assistants to some Swedish expatriates have also been interviewed, although the assistants by far not as extensively as the others. There are a handful of people who I have met and interviewed very briefly, only partly if at all answering the prepared questions, and they are not on the informant list, if they were there would be over 40 informants. The informants represented about 10 nationalities, at least two of them have double nationalities, but the majority of them are Swedes.

Regarding the language spoken in the daily conversations with the local people in each country I spoke their language. Most of the interviews were carried out in Swedish, some entirely and some partly in English, one in German, one partly in Bulgarian and one partly in Romanian with the rest in English. In addition to the longer interviews I also carried out shorter interviews and shorter conversations with assistants to Swedish expatriates and Swedish diplomats where one was carried out in Serbian in Belgrade, one in Czech in Prague, a few in Russian in Kiev and two in Romanian in Bucharest.

4.7 An ethnography-inspired case study with semi-structured interviews

In my study I have used some elements of an ethnographic method since I lived for two to three months in each one of the seven different countries in CEE, I observed what was happening around me and participated in daily life, bought food in shops and so trying to be observant about what was going on and how it occurred one could say my study has elements of both
direct observation and participant observation,\textsuperscript{900} as Yin discusses although these observations were not so systematic as I did not write down notes in a note pad. On observation Creswell stresses the importance of taking field notes on how the individuals at the research site act and behave.\textsuperscript{901} In most of these seven countries I have lived in a local family, partially sharing their daily life and learning their language to be able to speak with them. Creswell claims that in an ethnographic study the investigator - over a longer time period – studies an intact cultural group in its natural element - mainly collecting observational data.\textsuperscript{902} I have not conducted an ethnographic study of this kind since although I have lived with the local people, I have observed what they do, I have thought and reflected upon their behaviour but I didn’t take it down in a note pad on site. These memories, thoughts and reflections are woven into my dissertation as I wrote them down but that information came from my head and not from a note pad.

I have thus used a few elements of an ethnographic method, not the entire ethnographic method Creswell defines, in terms of trying to understand the local people and their culture thereby also obtaining a better understanding of the environment in which the expatriate business people work but the method is not ethnographic in terms of my study object, which is the expatriate Swedish business person, since I didn’t follow and observe any business person in daily work, I have received their points of view through long and rewarding semi-structured interviews and in some cases I have spoken shortly to their secretary who gave me a secretary’s view of this intercultural business communication. So my study is inspired by ethnography but it is not a full ethnographic study.

I have thus chosen to do a case study inspired by some elements of an ethnographic method and carried out semi-structured interviews in all these countries except for Russia and Poland. The interviews were of a general nature focusing on understanding the business culture and the ways of doing business in each country and in the region. In Ukraine, Romania and Bulgaria these general questions were supplemented by questions regarding communication between the expatriate and the local employees, intercultural communication, the importance of knowledge of foreign languages in general and of the local language in particular. These topics were dealt with in the interviews in Serbia and more so in the Czech Republic but still to a

\textsuperscript{902} Ibid, p. 14
lesser extent than in Ukraine, Romania and Bulgaria. Relevant specific and general business communication situations are general business conversations, presentations and meetings. Working in Poland for the Swedish telecommunication company Ericsson for five and a half weeks on an intensive project enabled me to speak to expatriates and Poles on business culture issues in Poland.

In a structured interview the questions asked have been prepared in advance whereas in a semi-structured interview these prepared questions are supplemented by follow-up questions and so providing more information to the researcher performing the interview. Another name for semi-structured interview is focused interview. Focused interviews have several positive features. The focused interviews I have done have been conducted face-to-face permitting the researcher to observe the informant’s body language which could provide additional information to the spoken word, both the researcher and the informant have possibilities to use body language, to write and draw permitting better ways to explain certain issues and so avoid misunderstandings. Dane explains these benefits saying conducting a face to face interview the researcher has more time and can make the interview longer than a telephone interview and focused interviews first and foremost strive to obtain information on the informants’ subjective perceptions. He says researchers use focused interviews when both the informants – constituting a specific group - and the interviewer are familiar with the research subject. All these criteria are well in line with my focus to study how Swedish expatriate business people – a specific group experienced and well informed about the subject - perceive communicating with local employees and customers in CEE giving me their own view of the subject.

Some interviews were postponed one or a few times but I still had an excellent access to the informants. I am very grateful to the generous and open attitude and the easy access to all the informants who I have interviewed! I have focused on face to face interviews supplemented by a few telephone interviews which only slightly influenced this study.

By slightly modifying what Dane argues is snowball sampling, also called informant sampling, the researcher obtains recommendations for other participants from the already interviewed informants.

By slightly modifying what Dane argues is snowball sampling, also called informant sampling, the researcher obtains recommendations for other participants from the already interviewed informants. This snowball sampling also became a part of my study since some informants recommended me to speak to some other persons, people who I in most

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904 Ibid, p. 161
cases also interviewed after having received the recommendation. A few Swedish and all non-Swedish expatriate business people were interviewed based on snowball sampling.

Most of my empirical data has come from primary sources, i.e. the semi-structural interviews I have had with the informants but some of the data also, at least indirectly, comes from my experience of living in these countries and problems of daily life and doing business in a little scale. As I took language courses I had to buy and to, together with the teachers, organise them and that was of course also a business activity and since I have become quite used to specify and buy language courses during this period and the teachers are used to sell their competence on the market, there were microscopic elements of business to business in these purchasing procedures as well. In all conversations with taxi drivers and in all shops traits of the local business mentality were exposed as well.

Some empirical data also come from secondary sources, often found on Internet such as the Swedish Trade Council and other sources providing statistical and other material in order to obtain a basic idea about the economic and cultural conditions in the country.

Qualitative research has several characteristics such as being emergent rather than prefigured, it is carried out in a natural setting using multiple interactive and humanistic methods and it is fundamentally interpretative where the qualitative researcher interprets the collected data and he or she also has a holistic view on social phenomena using a multifaceted, interactive, simultaneous and complex reasoning introspectively reflecting upon his or her own role in the study adopting to and using one or two strategies of inquiry as a guide for qualitative studies. This study is a qualitative one and Creswell says ethnographic studies are theoretically oriented qualitative studies while case studies are less dependent on literature. Though this study contains elements of both methods, it is closer to be a case study than to be an ethnographic one and a reason for that is the importance of the empirical material along with the way of collecting the information.

Using elements of an ethnographic study is useful to understand another culture and the people who work there, both natives and foreigners. Though my ethnographic elements have shortcomings, no taking of notes on site

except for the interviews, I use a qualitative method since I think the semi-structured interviews, where I wrote down notes during the entire interview, combined with my observations and experiences build up a kind of case study that will give deeper understanding than a quantitative survey study would do.

I have found most informants by asking for and receiving a list of Swedish expatriate business people working in these countries from the Swedish Embassies or the Swedish Trade Council there. The number of Swedish expatriate business people in these countries is quite low, and in some countries I have interviewed most of them who work in the capital area being known to the Swedish Embassy thereby obtaining almost a total investigation study of the expatriate Swedish business people in the capital. I have also interviewed persons working at the European Bank of Reconstruction and Development.

I have used some figures and statistical material in this study to show some facts about the current situation in various fields but I haven’t performed any statistical calculus. This is done in order to provide substantial facts and clarity. In the analysis chapter there are more tables based on some calculus performed in order to extract the cultural significance structures and there are more calculus performed to build the business flowers stemming from them in the concluding chapter. Thus there is an element of triangulation in this study as the mainly qualitative study is supplemented by some quantitative material.

Although such a study requires planning and structure it also needs flexibility, intellectual mobility and cultural adaptation capability on part of the researcher and this is so well expressed by the Spanish poet Antonio Machado saying “caminante no hay camino, se hace camino al andar” which freely translated says: walker, there is no ready-made path – you must make your own way as you walk. Furthermore – making your own way is also a development process that leaves impressions and traces in the researcher and the impact of the experiences and the study environment is exquisitely formulated by the Italian singer Enrico Ruggeri saying “il fiume cambia il legno mentre lo transporta via” which freely translated says that “the river changes the wood as it carries it away” where wood here probably refers to a wooden log.

908 Ruggeri, E. Confusi in un playback (song), Vai Rouge (album), 1987, found on Internet under: http://www.actionext.com/names_e/enrico_ruggeri_lyrics/edit_confusi_in_un_playback.html
4.8 Strengths and weaknesses of my method

A crucial and endeavoured strength of the chosen research method is the possibility of understanding the local people and the ability to speak with them on their terms, i.e. to speak their native language, that it provides. This has been a central objective in my way of doing research in CEE.

Another strength is the advantage of better understanding the culture and the environment in which these business people work. By first learning the local language and win insights into the culture I obtain my own frame of reference enabling me to compare the statements, ideas and answers from the informants with my own experiences and perspectives. I will thus be able to have a more critical perspective to what they say avoiding being too dependent on their ideas and thoughts. Having lived in and seen many countries in CEE gives me and my study a broad perspective reducing the risk of making incorrect generalisations. The wider your perspective is the lower the risk that you will be manipulated in one way or another provided you go deep enough in your study. Still, the risk is there for me and the Swedish expatriate business people doing business in these countries, and I am sure that although these Swedish expatriates have been very open to me there are of course many relevant things that they have not told me, in order to protect themselves, their company or for other reasons, perhaps they simply thought that piece of information was not relevant or interesting for me.

A minor strength is that I have a small element of triangulation in this study in terms of statistical tables and figures based on calculus in order to provide more solid figures (pictures) and clarity.

One weakness of my method is that the interviews with the informants are not recorded on tape. The main reason for it was the subject where delicate material such as corruption and more or less criminal behaviour has been dealt with so to make the informant feeling more comfortable and opening up telling me more and thus widening my understanding of the business culture in these countries I decided not to use a tape recorder and only to take written notes. Also for practical reasons, such as extensive travelling and already having much luggage, I decided to make things less complicated and omit the tape recorder. In some cases I also wrote down supplementary information shortly after the interview and in most cases I wrote it down as soon as I came back to Sweden. So these notes have - after the interview - been supplemented with information that I remember from the interview but did not have time to write down but also to some extent with my own thoughts and reflections regarding the themes that were discussed in the
interview. It is written in such a way that I can tell my own reflections from the statements and information given by the informant. If you don’t tape record an interview it is inevitable that you will loose some information, whether the lost information is crucial is quite another matter, since you concentrate on taking down notes on the central information during the interview. When you perform more than 35 interviews, as I have done, and when the interviews could take up to two or three hours, and in a few cases even more, it is likely that you, in at least a few interviews, also will loose some central information. This occurs when you miss some information, you do not hear or understand some things, you simply do not write it down due to limitation of time. On the other hand there is a clear risk that using a tape recorder you would never have heard that and other crucial information at all in the first place, so it is a question of balance. Yin gives some support to this view arguing that the usage of a tape recorder in the interview is in part a matter of personal preference and if the informant feels uncomfortable with it the researcher should avoid it\(^{909}\) and since there were many delicate questions, such as corruption, being discussed in my interviews I saw a clear risk a tape recorder could disturb the informant and prevent him from giving me relevant and interesting information on such issues. In a few interviews in Bulgaria I felt there was sometimes so much information that a tape recorder would have been useful but mostly and in the other interviews I didn’t miss it.

Another weakness of my research method is that I have only to a little extent observed my informants in their professional communication with employees and not with customers. I have not, except for a few very short interviews with the assistant of the manager, interviewed the local employees and customers either regarding how they perceive the intercultural communication between themselves and the expatriate manager, although I have interviewed a few local managers. Limitations in time and finances for my field study made me chose this method. Many informants complained about how difficult it was to find out what the local people really thought about different issues so it could have been rather difficult for me to find out that by interviewing them although I probably would have been able to read a few opinions between the lines. One has to remember though that due to the experience of a penalistic and authoritarian leadership style in these ex-communist countries people have been and still are afraid of speaking their heart out, due to risks of punishment and unpleasant consequences, much more so than in the West where that phenomenon also is frequent and well-known.

Yet another weakness is that I didn’t bring a note pad with me as I observed other people though I think they could have seen it as suspect if I wrote things in the pad as I observed them, especially considering the secret police history many of these countries have.

4.9 Pre-understanding and learning the local language on site
A vital part of my pre-understanding comes from my professional experience having worked three and a half years with international marketing in Europe, mostly back-office work in a marketing department where I participated in many internal company meetings, both in Sweden and in other countries. Doing tenders abroad in the subsidiary office was a central part of my work but I also, to a minor extent, gave customer presentations and actively participated in customer negotiations being the pricing manager. So I have some experience from the field I study, although more as an employee than as a manager, the latter being the unit of analysis in my study.

Regarding my understanding of the countries in my study I already in the communist era visited Eastern Germany for a few days and Bulgaria for a week. Thus to a small extent I have also seen these plan economy societies in real life with their poverty and scarcity that featured these countries in Central and Eastern Europe. I also saw that by then German was more used than English in Bulgaria. I have spent, as mentioned already, two to three months in each one of them learning the local language, living with its people and travelling around in the country to see its geography and its major towns. I have done this to improve my understanding of how the local people think and communicate as well as their culture and traditions. I have also extensively studied languages in Western Europe familiarising me with living in and trying to understand other cultures. This pre-understanding based on relevant professional experience and extensive language studies in many countries is a strength in my study.

A solid and profound understanding of a foreign language means you understand it naturally and automatically which is expressed by Gadamer who argues to understand a foreign language means you don’t have to translate it – you understand a language when you live in it – and the hermeneutic problem isn’t about correct command of the language but of understanding the subject that is dealt with through the medium of language.910 Such an understanding is in many ways easier on site in the

culture where the language is spoken and it is also easier to learn the
language there. In line with this thinking Bjerke refers to Wittgenstein who
says we cannot in a profound sense learn a language through dictionaries,
grammar books or cassettes, we have to learn the language on site in its
natural environment.\textsuperscript{911} Put in a business context Swift says achieving
market closeness enhances foreign language competence which cannot be
achieved in a cultural vacuum.\textsuperscript{912} I thereby find support from Wittgenstein
and Swift in my decision to travel to the countries in this research project
and on site learn the local language living in a local family, seeing and
participating in their daily life trying to understand how they live, their
traditions and values. Such experiences could open up one’s mind making
you see new dimensions and new things in the dimensions you already
possess.

These enriching and perspective widening aspects of learning a new
language are dealt with by Gadamer discussing Wilhelm von Humbolt who
argued that languages were the result of human spiritual power and said that
learning a foreign language is to be seen as winning a new point of view in
one’s worldview up until now and Gadamer argues that what brings this
new point of view is not the learning but the usage of the language in
conversations with foreigners and in reading of foreign literature.\textsuperscript{913} This is
true if you meet foreigners abroad but even more so when you meet them in
their own country where their language and the surrounding culture melt
together and become one in a natural way making the entire atmosphere and
impression much stronger and more intense. This practical total immersion
aspect is therefore a strong argument for learning the language on site.

The behavioural and activity aspect of language is brought up by Bjerke
referring to Wittgenstein who claims that understanding a language rather
means to know how to behave than grasping an inner core of meaning so
what is crucial are the functions of words rather than their meaning stressing
that language is action and speaking a language is an activity and a form of
life.\textsuperscript{914} My strive to learn and speak languages to understand people and
cultures has become a form of life for me as a person and it has helped me to
carry out this research project. The focus on activity rather than structures is
closer to my communicative approach. This is, as I see it, more in line with

\begin{footnotesize}
\textsuperscript{911} Bjerke, Björn, \textit{Att skapa nya affärer}, p 335, 1989, Studentlitteratur, Lund
\textsuperscript{912} Swift, J., \textit{Foreign language competence and cultural affinity: A study of UK executives in foreign
\textsuperscript{913} Gadamer, H.G., \textit{Wahrheit und Methode – Grundzüge einer philosophischen Hermeneutik}, p. 443 & 445,
1960/1990, J.C.B. More (Paul Siebeck), Tübingen, Germany
\textsuperscript{914} Bjerke, Björn, \textit{Att skapa nya affärer}, p 338 & 341, 1989, Studentlitteratur, Lund
\end{footnotesize}
language as social construction, you create something with the language instead of just passively interpret it.

## 4.10 Potential analytical generalisations and evaluation of the sources

Creswell says in a qualitative study theory emerges inductively from data collection and analysis at the end of the study, it is used inductively as a broad explanation, such as seeing aspects of culture in an ethnographic study, or as a theoretical lens or perspective to guide them and help them raising. He argues in a qualitative study the researcher can make generalisations according to theories from past experiences and literature.\(^9\) Hence there is a potential for analytical generalisations in this study by connecting the empirical findings and the conclusions from them to theory on business culture and intercultural communication. Although many countries are involved in this study and that I in a few of the countries have interviewed most of the Swedish expatriate businesspeople working in the capital I see no real possibilities to make quantitative generalisations. Yet I believe including so many countries in my study will make my conclusions more solid compared to a study in only one or two countries, but this depends on if the results are convergent in the different countries, if they are the conclusions could indicate what kind of results that would be possible to see in similar other countries and other emerging markets.

Evaluation of the sources is – according to Alvesson and Sköldberg - a rigorous and hermeneutic method to evaluate and interpret data and it originates from studies of history but is relevant to case studies due to their close connection to history and it is also a good supplement to theory. They say evaluation of the sources deals with distortion of information and particularly interesting is the triangle relation of researcher, medium and reality - where the researcher views reality through a medium - and the sources can be divided into relics (remains) and narrative sources – such as interviews and diaries.\(^9\) Alvesson and Sköldberg claim there are certain kinds of such an evaluation: The first one is the identification criterion - if it is a relic or a narrative source, then comes the authenticity criterion – whether the source is real or not, the contemporary criterion – how old (far away in time) the source is then the information is given to the researcher, the tendency criterion - the degree to which the source is consciously or unconsciously interested in biasing the information to the researcher, the dependence criterion – how many stages or levels the information from the

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source has passed until being examined by the researcher, the distance criterion – how far away from the researcher the source is and the closer in terms of time, space and reduced number of levels etc. the source is the better it is. They say the criteria given here can be supplemented by empathy where the researcher puts himself or herself in the position of the study object trying to imagine how it must be and feel.\textsuperscript{917} Actions have an outside – an action – and an inside – a meaning – where the latter only is accessible through sympathetic feeling\textsuperscript{918}, and there seems to be a parallel to thin description regarding the behaviour and thick description regarding the meaning. Anti-tendency, where the information given goes against other information given by the source - is a strong sign of the validity of that information.\textsuperscript{919} However, anti-tendency could also be contradictory or inconsistent lowering validity, particularly if the previous seems reasonable and is verified in some way.

The persons interviewed in this study were narrative sources and very real, most of the interviews were conducted in their offices and the information they gave all show they were authentic sources, they were at the same time and place as I during the interview, most information they gave was direct and regarded their own point of view although a tiny part of the information they gave came from other sources, and there is a tendency risk where the informants consciously or unconsciously could play down the importance of local language skills as very few of them spoke it - this risk has also been identified by Villinger.\textsuperscript{920} This indicates that the sources’ information in general is valid and credible.

A problem though – considering the issue whether their company had lost business due to lack of language skills and that most of my informants worked for big MNCs - is that it is harder to detect and trace business losses in a big MNC than in SMEs where the consequences of a single action or negligence or omission of an action are easier to trace making the cause and effect relationship more immediate.\textsuperscript{921} Doing a case study this complexity could make it harder for the informants working in MNCs to say whether their company has lost any contracts due to insufficient linguistic or cultural

\textsuperscript{917} Alvesson, M., & Sköldberg, K., \textit{Tolkning och reflektion: Vetenskapsfilosofi och kvalitativ metod}, p. 124-127, 1994, Studentlitteratur, Lund
\textsuperscript{919} Alvesson, M., & Sköldberg, K., \textit{Tolkning och reflektion: Vetenskapsfilosofi och kvalitativ metod}, p. 128, 1994, Studentlitteratur, Lund
\textsuperscript{920} Villinger, R., \textit{Post-acquisition Managerial Learning in Central East Europe}, Organization Studies, 1996, 17/2, pp. 181-206, p. 199
\textsuperscript{921} CILT, the National Centre for Languages, ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise, p. 42, December 2006, London
skills – and it could also be a delicate question touching on the personal competence of the informant or colleagues making it hard to answer. This issue came up in the follow up questions in a positive way – if their company had won any contract thanks to skills in the local language – but the coin’s other side was of course if they had lost business due to lack of language skills.

As researcher I spoke directly in their country to the locals with no medium other than the local language, which I for clear reasons, like a short learning period, didn’t master fully, about various things and although some local people may be interested in showing themselves, their compatriots and their country in a favourable light, such a tendency risk did not seem so strong. I lived with the local people and studied their language to improve my understanding of them and their thoughts, feelings and situation and to increase my independence not having to rely on interpreters or other persons increasing the distance between us so instead I obtained the information and views straight from the local people.

Regarding time and understanding I learned the language and spoke with the local people before, and also after, I interviewed the unit of analysis – the expatriate business person. The geographic distance to these countries is quite far away from my home university in Stockholm, many hundreds or even thousands of kilometres away. On the contemporary criterion the interviews were done from 2001 until 2003, i.e. seven to nine years ago. Things are dynamic and change quickly in CEE but my study focuses on language and culture which don’t change that fast – particularly not the cultural significance structures which I seek to find - so I think the information is valid and valuable. As noted in the introductory chapter the nature of the phenomena studied only change slowly over time and the more recent theoretical material in this study doesn’t indicate any radical changes so I think my findings are valid although the interviews now are a few years old.

Regarding some of the theoretical sources referred to in this thesis there are studies by people at language institutes and academics working professionally with language and language learning and they could of course have their own agenda advocating a need for more, wider and deeper linguistic and cultural skills to promote their own business or career and one has to be observant regarding that when reading their contributions.

We first gave a background to this study including the importance of international trade, Swedish companies losing market shares and then came up with the problem, the aim and the delimitations. Thereafter we presented
the scientific perspective and hermeneutics. In the theory chapter we looked at business culture, intercultural communication, language and various theories, studies and reports in these areas which could be interesting and informative helping us building a fundament supporting us when we start to describe and interpret the empirical material. Then we have seen the method used to carry out this study including the choice of countries in this ethnographically inspired qualitative case study, its extent and observations along with semi-structured interviews, the strengths and weaknesses of the chosen method as well as pre-understanding, potential generalisations and an evaluation of the sources. In the next chapter the empiric material is presented.

4.11 Summary of chapter four
Doing an intercultural communication study the researcher risks to do three mistakes related to individual uniqueness, stereotyping and lack of objectivity. To avoid them I see each person as a unique individual and not a typical representative of the local culture, I am very careful with generalisations to avoid stereotyping and having lived and studied in many different countries reduces the risk of ethnocentrism and lack of objectivity.

This study is an ethnographically inspired case study with 35 semi-structured interviews performed on site in five countries in CEE. Extensive notes were written down during all interviews and I had good access to the informants and some interviews were done with snowball sampling where some informants recommended me to interview other business people. First I did a pre-study in Russia and Poland and then a main study in Serbia, The Czech Republic, Ukraine, Romania and Bulgaria. In all seven countries I lived with the local people, in Serbia in a flat and in Romania in a house but with daily contact with the local people and in a room in a flat with local people in the other countries. In all these countries I studied the local language very intensively, eight private lessons a day six to seven days a week for two to three months in each country. I studied in the capitals, i.e. in Belgrade, Prague, Kiev, Bucharest and Sofia. At the start of my doctoral studies the first part of my pre-study was carried out when I learned Russian in Saint Petersburg and Polish in Warsaw in similar private lessons eight hours a day six to seven days a week which made me familiar with Slavic cultures and languages. The lessons also included information on culture, traditions, history, business, economics and politics. During the Ph.D. period I took 3215 individual language lesson and also including the Russian ones before the total number amounts to 3687 individual language lessons taken in CEE. I also travelled around in all these countries to see the landscape and other towns. My study has ethnographic elements and I observed what
happened around me and participated in daily life having conversations with locals in trains, shops, taxis and other places. Most of my empirical data comes from primary sources which are my interviews and experiences I have had from living in CEE. I have chosen a qualitative research method being interpretative, emergent rather than pre-figured and carried out in a natural setting. There were only few Swedish expatriate business people in these countries when I did the interviews providing another reason for choosing a qualitative method and the informants were mainly found in lists over Swedish business people doing business there provided by the Swedish Embassy in the country or the Swedish Trade Council there. In some countries the interviews I did were close to a total investigation study in the capital area.

A crucial and endeavoured strength in my study is that I could speak with the locals on their terms by speaking their mother tongue - a central objective for me in my research. Speaking it enabled me to understand the culture and the environment better than I would have done otherwise. By learning the local language before doing the interviews I had already familiarised myself with the local culture and its people enabling me to put the informants’ information into perspective and understand it better. Having lived and studied in seven countries in CEE gave a broader understanding and wider perspectives. A strength is that the study has some minor elements of triangulation where figures based on calculus and statistical tables provide clarity and substantial and graspable figures.

There are some weaknesses with my research method. I have only rarely observed my informants in their professional communication with employees and not with customers. I haven’t, except for a few short interviews with the assistant of the manager, interviewed the local employees and customers on how they see the intercultural communication with the expatriate manager, though I interviewed a few local managers. Limitations in time and finances for my field study influenced the choice of research method. I did not record the interviews on a tape recorder, mainly due to the delicate subjects that were dealt with.

Regarding my pre-understanding for international business and the role of language and business culture I worked with international marketing, mainly internally in back – office, but I also actively participated in international customer negotiations and meetings and I gave customer presentations in Poland bringing a professional experience from CEE. In the communist era I visited Eastern Germany and Bulgaria seeing plan economies in real life. I have lived, studied and worked in many countries in Western Europe and this has given me quite a broad international experience. The on-site
language studies in Europe show I consider learning and speaking foreign languages as an activity and a form of life.

There is probably a potential for analytical generalisations in this study if we connect the empirical findings and the conclusions drawn from them to the theory on business culture and intercultural communication. I believe that including many countries in my study will make my conclusions more solid compared to a study covering only one or two countries.

Evaluation of the sources is a rigorous and hermeneutic method to evaluate and interpret data and it is relevant to case studies. It is a good supplement to theory and evaluation of the sources deals with distortion of information. The researcher views reality through a medium. There are two kinds of sources, relics (remains) and narrative ones (interviews).

There are some evaluation criteria where the first is the identification criterion - if it is a relic or a narrative source, then the authenticity criterion – whether the source is real or not, the contemporary criterion – how old the source is then the information is given to the researcher, the tendency criterion - how consciously or unconsciously interested the source is in biasing the information to the researcher, the dependence criterion – how many stages or levels the information from the source has passed until being examined by the researcher, the distance criterion – how far away from the researcher the source is and the closer in terms of time, space and reduced number of levels etc. the source is the better it is. The persons interviewed in this study were narrative sources and very real and authentic, they were at the same time and place - usually their office - as I during the interview, most information they gave was direct and regarded their own opinion but some came from other sources and since most informants didn’t speak the local language there is a tendency risk that they consciously or unconsciously could play down the role and importance of local language skills but taken together all the information it indicates that in general the information from the sources is valid and credible. One should also be observant regarding some academics and people in the language industry referred to in this study, who could have their own agenda promoting their own business and career by stressing the need for more language learning in international business.

Regarding myself as researcher I lived with the local people and studied their language speaking directly to them in their own country without any medium other than the local language and I did not see much of a tendency risk that they would put things in an incorrect and too favourable light. There is a certain geographic distance to these countries from Stockholm.
and regarding the contemporary criterion the interviews were done from 2001 until 2003, i.e. seven to nine years ago. CEE is dynamic and things change fast but language and culture – especially not its cultural significance structures - do not change that fast so I still think the information is valid and valuable and the more recent theoretical material I have used in the study doesn’t indicate any radical changes.
5. VOICES FROM THE FIELD WITH MY COMMENTS

Change is seen in this study as the covered countries are emerging markets undergoing a transition from a plan economy to a market economy so some phenomena in this study may be temporary. In this chapter the word expatriate usually means a Swedish expatriate business person, if the expatriate’s nationality is another one it is usually written. A Kiev expatriate businessman means an expatriate businessman in Kiev etc. while GM means general manager and MD a managing director, being used when I want to stress position. Due to discretion not disclosing the informant the section on corruption is less specified.

In this and the following chapters including empirical material from this study CEE or CEE countries primarily refer to the five main countries in the study, i.e. Serbia, The Czech Republic, Ukraine, Romania and Bulgaria and to a lesser degree to Russian and Poland. At times it may refer to the entire CEE which then will be seen in the context. In order to widen the perspectives references to relevant parts in the theoretical and other chapters and to other studies mainly supplementing or supporting the informants´ views are also given in this chapter. It could help to put the informant’s statement into a context telling us who, where and what happened where we may use Harris and Moran saying communication occurs in a context – a place, a time and a media. The place is usually the informant’s office, the time is given overarchingly as the interviews were performed from 2001 to 2003 and the media which usually is a face-to-face conversation. Who is usually an expatriate, where is the usually the capital area of the country and what is the informant’s statement being discussed. By the notions authoritarian and hierarchical I primarily mean the vertical power structures, the big power distance and that the leader (or owner or top manager) decides everything as nobody else dares to make any decision.

5.1 Introduction

In this chapter I present the empiric material from my interviews with informants as well as my own observations and thoughts in my field studies in CEE. The first chapter in my report gave a background with the weight of international trade and Swedish companies losing market shares followed by the shift from vertical cost-cutting FDI to horizontal FDI aiming at gaining market access requiring more communication and language skills which is met by declining language skills among Swedish students and young

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922 Harris, P.R. & Moran, R.I., Managing cultural differences, p. 32-33, 3rd ed., 1991, Gulf Publishing Company, Houston, TX
business people. Then the need for face-to-face meetings and the geographic area of the study as well as the problem, the aim and the limitations in it follow. This background is tied to a scientific perspective in chapter two describing hermeneutics and an interpretative view on cultural studies. We then look at what’s written in the field of international business on business culture and language so theories from books on business culture as well as many scientific articles, economic reports and business paper articles on the role of language in international business are given in chapter three where the overarching parts were culture, communication, intercultural communication and language. How the study was carried out on site and the method used comes in chapter four with the field-studies in CEE including semi-structured interviews in a case study inspired by ethnography.

In this chapter five my empiric material corresponding to the theories in chapter three is presented. I begin with a concise presentation of the main empirical findings in my study and then comes the chapter’s core called voices from the field and my comments and some interpretations on the informants’ statements. I go through some aspects of costs, history, fear, behaviour, family, hierarchy and materialism along with trust. Regarding intercultural communication I discuss bureaucratic difficulties and short term thinking as well as negotiations and no win-win thinking and the need for clarity in communication. Then comes the role of language in international business dealing with the Sapir-Whorf hypothesis, the language and cultural barriers, general and professional language, English as a common corporate language along with multilingualism, speaking the local language and aspects on interpreters, language as power and language in recruitment and training. I discuss the brain drain problem and show a typified description featuring benefits from speaking the local language and another typified description exhibiting some costs for not speaking it. At the end there is a summary of the whole chapter.

5.2 Concise presentation of my empirical findings

5.2.1 Costs
I will here sum up the empiric material from my field studies in CEE. As already earlier discussed the material was gathered from 2001 to 2003 and therefore some things might have changed a little, like in areas such as the capability of market economy thinking and English language skills which probably both have improved somewhat in the years after 2003. Still I think my empiric material largely is valid. Low labour costs have been a key argument for establishing business activities and manufacturing in CEE. Yet transaction costs could be higher due to an often unreliable, corrupt and
poorly working judicial system and a lack of trust where people try to circumvent distrust and poorly working institutions by building up time-consuming and costly personal relations. There are costs for heavy bureaucracy, slow customs and slow, inefficient and cumbersome work procedures and processes. A lack of a holistic overview as locals focus on details instead of working with the whole picture in mind is costly for their company. Of central importance are the communication costs due to poor information systems, lack of skills in languages, cultural ignorance, rude and disrespectful communication ways demotivating and demoralizing colleagues and employees lowering their job performance, lack of information, misunderstandings as well as problems and costs for external interpreters either not knowing the matter or having their own agenda or internal employees functioning as interpreters who could do other things than interpreting for the expatriate.

5.2.2 Business culture
For centuries these countries have been part of and ruled by empires of which some have been very authoritarian and hierarchical ones and this historical heritage still plays a role today for the leadership style, trust and which kind of business activities that are suitable to conduct. Thus there is a strongly hierarchical and authoritarian management style in these countries where the boss, who often is the owner, decides everything, at least all vital issues, and other managers don’t dare to take any decisions. The owner has a one-man-show. There isn’t much room for delegation of decisions. The well-developed power structure and hierarchy form a machinery of power which is a brake on the development preventing freedom to act and delegation of responsibility, decision making and working tasks. Despite the power structure there is often a lack of solid leadership and it is seen by an American expatriate in Sofia saying there is no management just commanders and individuals. Some managers in these countries focus on the wrong things, they focus on details instead of obtaining an overall understanding and generating revenues.

These countries feature a tough and sometimes unofficial business culture without strictly following Western business rules and ways. It’s a hard business climate to handle and you have to be present there to defend your interests. Historically many of these countries have experienced management by fear and some of its elements remain. There’s much fear for different things such as fear for authorities in Romania, fear to acknowledge that you do not know in Bulgaria, and fear for the board amid some elderly Czech managers.
Over a decade after the fall of communism much of the plan economy thinking remains in peoples’ heads in these countries and it is difficult for them to think in marketing economy and business terms. There is a lack of management expertise and the ruling business mentality is a production one – not a marketing one. People often do not see that there is a cost for interest rate and that time is money. A major problem is a lack of ability to analyse problems business-wise. It is hard to find people who understand the market economy thinking and can analyse the market, the customer and the customer situation. Many power holders stem from the old nomenclature and they are often not educated for or have no previous experience from running companies which could make it harder for Western companies sometimes having to support their customer companies more than in the West. Many expatriate managers say it is hard to employ people who are above 40-45 years old as they are formed and marked by a plan economy thinking making it very hard for them to adapt to Western and market economy ways of thinking. But elderly persons often have wider networks and useful personal contacts and therefore hold top positions in the bureaucracy and at times also in some local companies. Thus the old nomenclature stills rules due to strong and efficient personal contacts and networks. Individual contacts are vital and nepotism is frequent. People buy loyalty. Some people, at times marionettes of vested interests, became very rich through the privatisation and other processes which weren’t always so ethical. So having a good personal relation to your customer, a good and efficient contact network and a reliable and honest business partner with a good contact network who you have examined are vital when doing business in CEE.

The business thinking is under-developed regarding investments where the focus is on reducing costs and price and not on generating revenues - people try to reduce costs but don’t grasp that they have to increase the revenues to make their business as profitable as possible. This lack of business thinking makes it difficult to find good local employees. Previous working experience, good professional skills, a good and reliable personality and – particularly for managers, professionals and white collar employees - good English language skills are vital factors when subsidiaries recruit local managers and employees. Many of the MNCs offer their employees language courses in English and there is also job related technical training like training in communication, teamwork and service etc.

There are many well educated engineers in these countries and in general people have a good theoretical education but they often have difficulties to transform their knowledge into practice. A diplomat in Romania claimed that there is a high professional, technical and scientific level in Romania
whereas a German expatriate in Romania said there is a lack of intellectual freedom and there are many good engineers and programmers where your work follows certain rules but not so many good business people, a profession that requires more fantasy and creativity and there are no ready-made rules for how to become a successful business person. A local informant explains this claiming the teaching is too narrative in schools in Romania, there isn’t enough practical work and too few questions asked to create constructive problem solving ideas. In many CEE countries people have a regional and national view of things with a limited knowledge about the outside world. There is a limited internationalisation of companies having their origin in these countries which probably to a great extent is due to having had half a century of planned economy.

Using Hofstede’s cultural dimensions these countries are masculine focusing on money and materialism, there is a big power distance with a strong hierarchy where the boss decides everything, there is quite much uncertainty avoidance in terms of fear for doing something wrong and lack of initiative power and there is individualism in the sense of much egoism, diplomas increase the economic value of an individual and there is low context description of working tasks. There is also a short-term business orientation where people want much money and expensive consumer goods very fast.

Materialism is very conspicuous in all countries in the study and there’s a strong focus on earning money where people want to get rich fast without understanding how long time it has taken for people in the West to reach a high standard of living. Having a high salary, a company car and a mobile phone are all important when a local manager chooses where to work. There is a strong desire for a beautiful façade giving a good impression. People want to show off with famous and expansive consumer goods because they want to have and show what they didn’t have and couldn’t get during the plan economy era and dressing well is important. Titles are important in some of these countries, which is no wonder in countries having lived so long under an authoritarian regime and still having an authoritarian leadership style. There is no real sense for quality, a lack of initiative power, a fear of doing something wrong and insufficient assuming of responsibility.

The authoritarian rule and unpredictability in life contributed to short-term thinking and egoism in CEE where people trust and take care of the family but don’t think much about what is good for their company or their country and there’s – with a possible exception of the Czech Republic – much focus on their own region and a lack of knowledge about the outside world. The
proper family is more important in CEE than in the Nordic countries and in Bulgaria family members often participate in business related activities.

5.2.3 Trust
The trust capital is crucial for an economy. If you do not trust another person you don’t do business with him or her and many a business and business opportunities have been lost due to lack of trust and the lack of well working institutions including the judicial system is very costly for these countries. There is much distrust and suspicion in these countries and much surveillance and control to compensate for it. From what I have seen people do not trust neither their fellow citizens, nor their leaders or the system, neither society nor the legal system with the courts. People rely on personal relations or resort to violence to solve business disputes. This lack of trust gives high transaction costs, slower processes, short-term thinking, an egoistic behaviour and lost business openings which altogether become costly for these countries, their citizens and companies doing business there. A conflict or an irritation moment can stop a business or a business relation. People are afraid to be cheated so it’s vital to build trust, which you can do by keeping promises, don’t start to talk business right away but get to know your counterpart and speak the local language. Business lunches or dinners are crucial to know people and to build trust.

In Bulgaria, and in some other countries, people do not trust the legal system, which is corrupt, and in business you usually don’t take anyone to court as the procedures could take years. The business culture wants to bypass the fact that you can’t trust the legal system so legal agreements are replaced by personal relations resulting in higher risk taking and higher transaction costs which all reduce business activities. Another way to settle business disagreements is by violence – a big problem in business life notably in Bulgaria. There are trust problems with accountability – as an American expatriate in Sofia said you have to do the calculus yourself as you can’t trust others and nobody trusts the system - take what you can as fast as you can and there is no mutual trust either where people try to get away with anything in a climate of cheat your neighbour. Except for the Czech Republic these countries suffer from a big brain drain, often well-educated young persons, as people don’t believe their country will give good jobs and living conditions.

5.2.4 Corruption and stealing
Corruption is a problem in these countries as it slows down processes and has a negative impact on investments and professionalism in business. In general it affects smaller local companies more than big MNCs which have better resources and sometimes powerful political contacts to keep it away.
Corruption and bribes are a reason for problems in the legal system. Some companies might use bribes to try to win new business or do a break-in business. To obtain construction permits paying bribes may be necessary. The customs and the bureaucracy are often corrupt and things could take time if you don’t pay bribes. In companies customers could stop paying the debts to obtain bribes. Delaying processes or stop paying debts are tricks used to obtain bribes. Some informants said corruption doesn’t decrease and the police is involved in it. A Belgrade informant said corruption exists in Serbia in form of consultancy payments. A local manager in Sofia said high corruption leads to high stagnation, i.e. corruption lowers investments hurting business.

The principal – agent problem is seen in corruption. If the purchaser is the principal, i.e. the owner of the company, there is no or little risk for corruption, it would just complicate things, but if the purchaser is an agent representing the owner there is a significant risk of corruption and the problem could be severe when doing business with the state. Usually corruption is done by the agent cheating his or her principal. In private companies in Ukraine there is a one-man-show, a strong owner who decides everything, and the owner has no incentives or interests in bribes as the owner’s own company, and thus the owner self, would have to pay for it. A Kiev informant said the Ukrainian state has tight budget restrictions and commerce with the state means corruption and bribes. So probably there are much more bribes and corruption involved in commerce with the state than in private companies. Some persons I have spoken to said stealing from the employer was socially accepted in the communist era and many persons stole from the state or their company. A way to steal after the fall of communism was the so called tunnelling where top managers built their own company where all the cash flow passed and the profit was made.

5.2.5 Expatriates
Some reasons for having an expatriate in these countries are to give a knowledge transfer to the local company and to obtain control over the business and the payments to the mother company. The expatriate should work through delegation and control the results and guarantee an avoidance of mismanagement securing correct payments to the mother company. In order to understand the local people and their culture building up a company or something else the expatriate manager needs to stay several years in the country.

For an expatriate business person it’s vital to be neither afraid nor naïve, but realistic and perseverant having courage knowing the mother company well and have a good contact network there as well as a spirit of
entrepreneurship. It’s preferable to have experience from foreign assignments in other countries, if possible from other emerging markets, and many of my informants also had such experiences from one or several such countries. It is crucial to be self-going and flexible and understand how the local people think, what should be developed in the company and how it should be done having the capability to implement these ideas and decisions. It may be wise for a business expatriate person to be humble and strong as well as honest and punctual avoiding tricks, irony and stepping on peoples’ toes and respect the local population. Preparing oneself for a foreign assignment by speaking to persons who have a solid experience of working in the country is vital as is finding and reading information on the culture and history of the country and the local conditions doing a good analysis of the situation before starting up a business or taking on a foreign assignment. Doing a thorough and detailed business plan is crucial and the expatriate business person has to remember that statistics do not tell everything; there is an important and big grey economy, which has a strong impact on consumer patterns. Furthermore having a long-term perspective and find good and skilled local employees and thereby show the commitment of his or her company to the country is important.

There are many social contacts and much representation for an expatriate business person and it is important both for the mother company and for the expatriate to make sure that the expatriate has no tendency to become an alcoholic or in other ways behave badly ruining the reputation of him - or herself and his or her company. Since it is expensive to have an expatriate it is important for the company to keep down the costs avoiding unnecessary expenses. The total costs - including an international school for the children and other fees - for having an expatriate business person in these countries could be up to 150 000 or 200 000 euro per year. Some informants criticised these high costs saying that it is too expensive and that it would be possible to make it less costly for their company. A local manager in Sofia claimed the expatriates were too interested in a comfortable life and not sufficiently focused on making money for their company. From what I have seen many expatriates work very much but of course they would also like to combine hard work with a nice life and another factor could be that many local persons have an intense focus on earning money making Westerners looking less interested in making a profit for themselves and their company. The high costs and that the establishing of companies and transferring knowledge largely already have taken place may also explain why many companies try to reduce the number of expatriates sent on long foreign assignments. The local Bulgarian manager said a few months of knowledge transfer is better than a long foreign assignment whereas several expatriates
stressed the importance of staying many years to first get to know the country and then do profitable business for your company.

5.2.6 Intercultural communication
Being clear in your communication and rhetoric is vital in intercultural communication. It is important to speak the language of the local people in terms of using metaphors which they use and are used to. Expatriate business people must be clear in their objectives and goals, there is no place for a hidden agenda, words and action must be one. They must also double-check that the message is both received and understood by the other party.

The Swedish rather democratic and informal way of communicating differs quite much from more authoritarian and hierarchical communication habits in many countries in CEE. Finding the right person to talk to, and see who the leader of the group is, is more important in the more authoritarian and hierarchical cultures in CEE than in Sweden as described by a Swedish businessman in Bucharest claiming you immediately have to find out who is the leader of the group you are talking to. There is less delegation and a more detailed way of managing your employees in these countries and that has an impact on intercultural communication between expatriates and locals. A manager has to be more involved in the work of each employee giving him or her more precise and specific instructions – what may be an extremely clear and over-explicit explanation to a Swede might be an insufficient one in these countries and a promise to a Swede might not be the same thing in these countries. Swedes come from a low context culture and usually speak in an elaborated code being specific and clear but when it comes to giving instructions to employees in CEE countries even more clarity is needed, the instruction must be detailed. This is also related to uncertainty avoidance and much fear in CEE countries. Being clear, distinct and control that both parties have understood the same thing is a way to avoid misunderstandings. A problem is that people often focus too much on details missing the context and the overall issues. That some people say what they think the other party wants to hear instead of their own opinion could result in further problems due to decisions based on incorrect information.

It is crucial to understand and respect the local people but in some of these countries they don’t admit there is something they don’t understand and such communication problems have to be solved immediately so that everybody understands what is going on. The expatriate manager must overcome the suspicion of the local people, the lack of trust and conspiracy thinking which often make communication in these countries hard. The local people at times have a tendency to understand what hasn’t been said but
don’t understand what has been said. There are also other communication difficulties which could occur if the expatriate and locals do not have a common language. The expatriate manager often has to repeat and nag all the time and the notions of timing and result might not be so obvious and well known to the locals. Many individuals in these countries want to expose and accentuate themselves, they complain and criticise others in a negative way but constructive criticism is much harder for them, there is a lack of generosity to admit and recognise the competence, skills and qualities of other persons. Self-assertiveness and pride as well as lack of respect, consideration and manners in these countries make it difficult to give, accept, receive and handle critique. Several informants have stressed the importance of Western expatriates respecting the local people’s competence and skills where some Western expatriates don’t show them sufficient respect.

Swedes and locals in some of these countries both think and talk in different ways making it hard to obtain clear, unambiguous and unequivocal information. When you ask a local person in Bulgaria a question the answer could often be a torrent of words, the local people have difficulties to condense the information making it concise and concrete – i.e. there is a low information density and the expatriate has to find the essential piece of information in a wave of rather empty information. An informant said what takes five seconds to say in Swedish or English takes a minute in a Slavonic language. Many things take much more time in these countries than in the West so patience and perseverance are necessary where it helps to speak and try to understand with gestures and body language expressing thoughts and feelings and supplement when somebody is short of words. Another problem is that many people do not share what they know with others, they keep it for themselves which means that there is no spreading of information. Much guarding of one’s preserves means the expatriate manager has to get used to not taking an answer for granted. A low transparency and incapability to handle information in an efficient way could create communication problems. A local Bulgarian informant said that there are differences in mentality – Swedes are formal saying yes and no whereas Bulgarians compromise and there is a very direct approach when selling products to Bulgarian customers where there is a lack of communication with Swedish expatriates and he daily answers customers about questions that the Swedish expatriate does not even understand. This contradicts other informants though who claim Bulgarians are stubborn and people in CEE often see compromises as a weakness while Swedes usually strive for consensus.
There is much win-lose instead of win-win mentality in many of these countries, if one party wins the other one must lose, making negotiations more difficult. Other negotiation problems that sometimes occur are unrealistic and impossible demands which could make it difficult to regain a good and constructive atmosphere, as could deadlocks and blockings due to stubbornness and inflexibility. Some other difficulties in some of these countries are an obsessive focus on earning money holding elements of envy and greed, frequent changes and provoked delays to obtain advantages and a lack of structure when negotiating. Local business people insisting on crazy and very expensive bids provoke the patience of Western business people who do not have the time to negotiate crazy bids.

5.2.7 Interpreters
Having an interpreter enables the expatriate to speak English (or some other language he or she knows) and could clarify the message but there are difficulties using an interpreter increasing the psychic distance to the counterpart or the employees making it harder to build up a direct, good and effective rapport with them making it cumbersome for the expatriate to build up trust for him- or herself, the mission and message. The interpreter could misunderstand what the expatriate says as the interpreter doesn’t know the subject or the context well enough and there may be a lack of trust since the interpreter could have his or her own agenda. Due to these reasons the expatriates often don’t use external interpreters and instead they use an internal one who both understands the industry, the subject and the counterpart and should be loyal to the employer. Being consistent and communicating with distinctiveness, clarity and no euphemisms are all vital when you use an interpreter and reading the face and the body of the counterpart is important in order to make sure he or she has understood your message. Still it could be difficult to use an interpreter since the expatriate is totally dependent on him or her where the expatriate is exposed and vulnerable and there is a risk of misunderstandings.

5.2.8 Language
Regarding the Sapir-Whorf hypothesis the word for something could be the same but the connotations it gives could be very different in these countries compared to how they are understood in the West. Some areas where these differences show could be words related to initiative, responsibility, service and security where these countries due to the heritage of the plan economy often feature a fear of doing mistakes and a shortage of service mindedness and security thinking as well as helping your fellow citizens and lack of foreign language skills. People in these countries, except for Yugoslavia, were locked in behind the Iron Curtain and couldn’t, except for a few persons, travel to the West making them more isolated and therefore the
weak version of the Sapir-Whorf hypothesis where the native language influences the individuals - without totally steering them in their thoughts – is probably to some extent relevant to the countries in this study.

For an expatriate it is often easier to understand professional local language, because its vocabulary is more limited and it often holds many technical terms, which are the same worldwide and/or in English, whereas the concentration of such international words is lower in the general local language making it harder to understand. Proverbs hold much of human wisdom and are often down-to-earth, clear and understandable for people from other countries and therefore very useful in intercultural communication.

The main languages in the countries of my study are very different from English and Nordic languages and for a Swedish expatriate quite difficult to learn thus becoming a language barrier. The language diversity is mainly the local language and the common corporate language which in these cases is English although some other languages such as German, French, Italian and Russian could be useful. Regarding the language penetration top management, sales and marketing people and generally people working in the office and people who must read internal company instructions must speak English and the local language is very important for people in sales and marketing as well as for others having customer contacts. The language sophistication is that you must understand and make yourself understood in the local language and handle both professional and general themes and top management and other persons with many international contacts have to speak the common corporate language - which mostly is English - fluently.

Discussing how much you and your company will benefit from your skills in the local language depends on your customers; if, which and how well they speak foreign tongues, the industry they are in, how global and communicative it is and many other factors. If you work with sales and marketing it is important to speak the local language to build up customer relations, to reach all the way and obtain a direct communication with your counterpart. On higher management levels it is easier and it works better to use English than on lower ones. An expatriate manager in Sofia said if you speak English you will reach a part of the way, perhaps half the way, but not all the way, to reach all the way you need a local partner. Due to these differences depending on your working tasks and other reasons some informants say speaking the local language is of marginal importance while others claim it is vital. Many informants claim saying greetings and other polite or similar phrases is important and appreciated, it could break up barriers and resistance, but others consider it of minor importance. Learning
the local language and integrate into the local culture is important but the personality and the fundamental professional skills are more crucial when you employ somebody according to an expatriate in Kiev. A local managing director in Sofia, being sceptical about the possibilities of Swedish expatriates to become successful when doing business in Bulgaria, said it’s a question of communication, not of language so even if the Swedes would speak the local language they would probably not grasp enough to succeed and it’s vital to understand how Bulgarian business people think.

Regarding language sophistication the required level of local language skills seems to be that the expatriate business people must be able to have normal business communication, they must understand what the others say and make themselves understood both in the professional area and regarding general conversation themes. Expatriate business people must also keep a balance, they shouldn’t pretend they speak the local language better than they actually do, if they speak it at all, yet they must show respect for the language of the local people. Some informants claim saying the same amount of information takes more time in Slavonic languages than in Swedish or English but in my view, speaking several Slavonic languages I suppose it is largely due to cultural reasons for the local people, an expatriate doesn’t use many more words saying something in the local language than in English or Swedish and the local people may use many words also if they speak English.

Most of the companies whose expatriates I interviewed have English as their common corporate language and at least all locals who work in the office must speak it and in some companies all employees must do it. Speaking English with the customer you often need an interpreter in The Czech Republic, Ukraine and Bulgaria but less so in Romania. Good English skills are required when the subsidiaries recruit managers and often also when they look for professionals and white collar employees but not always when they try to find workers and the employees often receive language training in English.

Multilingualism in terms of other foreign languages than English which could help an expatriate working in these countries exist and the languages which are good to speak often depends on geographic position and historical ties. So besides English other foreign languages which are useful to speak are German in the Czech Republic, Bulgaria and Romania, Russian in Ukraine – where it is to be seen as a native language – and in the Czech Republic and Bulgaria as well as French in Romania and to some extent also in Bulgaria and then Italian in Romania along with Macedonian and Serbian in Bulgaria.
My interviews indicate there is a generation factor, younger local employees often speak English whereas the ones who are a little older more often speak Russian and sometimes German or French depending on which country we deal with. Poor skills in foreign languages among locals could prevent successful export and taking locals’ skills in foreign languages for granted by for instance starting to speak German at a meeting in the Czech Republic could be highly unpopular showing us that respect for the local people and their culture and language is crucial, both when doing business and in private life. A diplomat in Ukraine said that many Ukrainians speak English better than you would think – especially younger ones in the private sector wanting to handle international contacts.

In countries like The Czech Republic and Bulgaria and also in some parts of Romania it is often more useful to speak German than English but if you speak to people below 30 or 35 years English often works quite well. Speaking English you often need an interpreter doing business in these countries or in some cases a lawyer or someone else who fluently speaks the local language. English works better in the capital area than in other parts of the country. Generally speaking people in private companies have a better command of English than people working for the government and in the public sector. In Ukraine, and I suppose also in other countries in this study, the managers are in general younger in the private sector than in the public one which also gives the private sector an advantage in terms of English language skills. An informant in Sofia said international business is often done in English while local business often is done in the local language in Bulgaria and that is probably true also for many of the other studied countries. The nature of the business plays a role, as an informant in Bulgaria said claiming that using English when doing business is easier in the service sector in the capital than at manufacturing plants in other regions of the country where speaking the local language is much more important and you have no control if you do not speak it. It is vital that expatriate managers speak English well but they should avoid showing off with very elegant English since that could make the other party feel inferior ruining their confidence in the expatriate manager. In many of the capitals of these countries there are newspapers in English for foreigners enabling them to keep up to date with what is going on in the capital and in the country.

Only a few of the expatriates speak the local language, one in the Czech Republic, one in Ukraine and two in Bulgaria and in addition two diplomats also speak it. There are also four Swedish business people who understand the local language a little without speaking it; one in Ukraine, another one in Romania and two in Bulgaria. Some of the expatriates regret not having
learnt it. An expatriate in Ukraine said foreigners working in Ukraine generally don’t speak the local language and a diplomat in Kiev said as an expatriate business person you don’t have to speak the local language adding that speaking Russian is seen as quite normal since quite a few foreigners do it but speaking Ukrainian is a strong goodwill factor, both in business and in politics. A local manager in Romania said the local people don’t expect foreigners to speak Romanian. Having worked for a big Swedish company in Poland my experience is that very few of the Swedish expatriates working in CEE speak the local language. A local managing director of a Swedish MNC in Sofia claimed that, although he would probably learn it in one to two months, learning Swedish would not make him run his business any better – it would only make him lose the business of one to two months in Bulgaria and he did not want to lose that. Some expatriates may think in the same way regarding the need to learn the local language.

The local people are proud of their language which has an historic importance and is a résumé of other things there and there are different mind sets in different languages. All this stresses the importance of speaking the local language. Speaking it gives expatriate business people many benefits and it can be decisive making them and their company win a business. Being an expatriate business person speaking the local language some specific advantages are that it gives you more, broader and deeper information improving your understanding of what is going on in society, in the company and at work enabling you to hear things which weren’t meant for your ears giving you better control. It facilitates your understanding of the local culture and to see and exploit business opportunities. What you hear comes directly from the source and it isn’t filtered as it could be if it is translated. It reduces the risks of you being manipulated and cheated lowering the risks of economic losses thus resulting in improved profits. You will obtain new frames of reference and become more broad-minded. Your rhetoric power will increase enabling more convincing speeches and you can avoid interpreters and all problems related to that. You get to know people faster so it facilitates and speeds up contacts and processes by building trust and make the local people happy and you more appreciated as a person. It is often easier to do business if you speak the local language and it can open up a new world for you making you become one of them and they look upon you as a native. It could help you greatly making you obtain more open and true answers, people aren’t afraid of you the way they are with other foreigners not speaking the local language. Speaking the local language gives you respect, goodwill and credibility and it shows a commitment to the country, especially as local people know how difficult it is to learn and speak their language and – as just mentioned - it may be
decisive making you win the business over competitors who don’t speak it. All this means you can earn more money and save costs increasing the profits of the company. In short speaking the local language helps the expatriate business people to be as successful as possible when doing business, it could be a significant plus both in their professional and in their private life. Hiding their skills in and understanding of the local language could provide the expatriate business persons with additional and useful information bringing them benefits as an expatriate manager in Romania told me.

The local language is often also a problem, it could be a barrier to do business and it is the biggest communication problem. An informant in Ukraine said the way to solve it is that both parties learn a language that the other party speaks well, i.e. the Ukrainians learn English and the Westerners learn Russian. There is a language barrier which is hard to overcome and if the expatriate business person doesn’t speak a single word of the local language it could in some situations be seen as a small offence, especially if the local partner doesn’t speak any foreign language. Consequently there are costs for expatriates if they don’t speak the local language. They run the risk of being less integrated and more isolated from local employees and customers. There is a risk that important information could be hidden or kept away from expatriate business people leaving them uninformed which could cause high costs or lost opportunities. They may be fooled or manipulated which could have direct and indirect costs in form of frustration and discomfort lowering their professional performance. They could be less knowledgeable and uninformed of the local culture and people living there and thus lose or not even see business opportunities being impeded to earn money for their company and it could be hard for them to exploit the full business potential their company has. An American expatriate in Sofia said local business people could try to negate contracts in English wanting to have them written in the local language instead which could become a problem for expatriate business people, especially if they don’t speak the local language but even if they do since paragraphs and clauses etc are often difficult to understand, especially in a foreign language. Another problem could be that if it is written in the local language the influence of the local legal system with all its potential peculiarities could be stronger and it could be more difficult to use common international rules and use international courts making everything more risky and hazardous for the expatriate business person and the MNC. On language as power I found no expatriates being active as language nodes as they rarely speak the local tongue but have so high positions they don’t have time to be it while I found some locals who may be seen as language nodes acting as internal interpreters for
the expatriates and internally it doesn’t seem to be much need of it as most employees speak English.

This is the end of the concise presentation holding a detailed summary of my empirical findings. Here the main part of this empirical chapter begins having voices from the field with some comments, reflections and interpretations of mine. If a phrase doesn’t specify that it is an informant who says something by a word or a personal pronoun like he or she the information usually doesn’t come from an informant, it is rather my view on it. To be even clearer and show where the informant’s statement ends my comments, views and interpretations of them often begin with concluding words such as thus, so or therefore etc. When I use businessman/men instead of business person/people it is usually the informant’s own formulation. About 90% of the informants are men while on the contrary about 90% of the language classes were given by female teachers and there was also a clear dominance of women in the families where I lived. As I had well over 3,000 private language lessons I spent much more time with the teachers in the class-room than with the informants in their offices. My tutor is a man and so am I and all these persons have influenced this thesis while the kind of influence could vary depending on the individual and his or her role in this project where the women largely gave me a cultural and linguistic understanding while the men gave me more of a job perspective though both men and women covered both these aspects. So my overarching and overall view is that there is a rather good balance regarding the gender-related influence in this study.

There were many questions on languages asked in Ukraine, Bulgaria and Romania while the theme was also dealt with in the Czech Republic but to a lower extent and to an even lower extent in Serbia which is reflected in this chapter in terms of need for skills in the local and foreign languages where Serbia isn’t referred to as the other countries though some language aspects in Serbia are still dealt with. Yet the cultural questions were just as many in Serbia. The most common type of informant in this study is a Swedish businessman – often having an education in engineering or business administration – holding a leading position in a subsidiary to a big Swedish originated MNC in the engineering industry. Yet there are also leading managers for smaller companies, for other industries and professions as well as persons with other nationalities and a few women included among the informants. So both the dominating actor as well as other kinds of actors are covered in this study. Thereby I strive to give a more nuanced picture. These interviews were performed face-to-face to the informant in his or her office in the capital region of the studied country between 2001 and 2003, more

5.3 Cost-cutting thinking but lack of revenue focus yet much corruption

Low costs have been a major reason for establishing business activities in CEE and one expatriate manager working in Sofia said manufacturing for export has a bright future in Bulgaria being competitive in labour intense production with high productivity and low costs but lack of language knowledge could sometimes be a problem. Another potentially costly information problem for some CEE countries in terms of lost openings is that their people aren’t so well informed about what is going on in the world. Thus to build up an export organisation and the corresponding network it is absolutely necessary to be able to communicate internationally for the sales force and the supportive organisation as well as for top management and that requires foreign language skills for the countries in CEE. Communicative inability in other languages is an obstacle and a blockage to export and internationalisation of the company and furthermore a business person has to be informed about the world to see and exploit business opportunities.

Not just Bulgarians but also expatriates could lack language skills where there is a risk of being uninformed and having to pay high costs as a result of not speaking the local language as a Sofia expatriate manager told me saying that information could be hidden and kept away from the manager if he does not speak the local language. Being uninformed could cause high costs and lost opportunities for his company. Another Sofia expatriate manager said you have to rely on an expensive assistant if you are handicapped by not speaking the local language. In this context the risks of being uninformed could potentially be much higher but the costs from preventing your assistant from doing other things due to a necessity to assist you as an interpreter are not negligible. This lack of information could lead to false priorities and non-optimal direction of business activities causing losses and frustration. These problems could – apart from the expatriates having very much work to do as well as social and family obligations and therefore not much time for language and cultural training and learning - stem from indolence and a lack of respect for the citizens and their culture among the expatriates or that they are more interested in technology and financial matters than in obtaining a deeper understanding of the business culture. That may be due to the expatriates’ educational background – as many of them are engineers or business administrators - or to what is most valued and promoted in their company’s culture.
A Prague expatriate said people in the Czech Republic do not see that there is a cost for interest rate and that time is money – this is a reminiscence from plan economy thinking - and people focus on reducing costs but do not try to increase revenues. A Kiev expatriate said in Ukraine there is a lacking understanding of analysing an investment, the focus is only on the price and not on generating revenues by high reliability and uptime. A Sofia expatriate manager said Bulgarians don’t see revenues but they are afraid of expenses and only a few of them have entered into the thinking of market economy, that time is money and that there are no free lunches. In a plan economy a person earned the same salary no matter whether he did a good job or not so people were used to receive a constant amount of money being unable to influence how much money they earned. The only parameter to make ends meet economically was to reduce costs but not to increase revenues. This thinking largely remains making people focus on reducing costs. Saving costs is also easier and safer than increasing revenues which holds more risks and requires more initiatives and creativity – neither of which was encouraged in the plan economy where people tried to avoid making mistakes. Many expatriates claim people in these countries often, more than Westerners, don’t want to assume responsibility at work. An explanation for it is that in the plan economy era people weren’t encouraged or remunerated to take initiatives and come up with new ideas but punished for failures and mistakes creating an atmosphere and behaviour of avoiding risks and uncertainty. This lack of initiative power and assuming of responsibility and other problems in Central East Europe are stressed by Suutari and Riusala who also emphasise the authoritarian leadership in these countries.

I see an analogy here where both the MNCs and the local business people focus on cost reduction but now the trend changes towards putting more weight on market presence and thus on revenues. There is a difference though as the Swedish expatriates emphasize the importance of lowering the total costs of operation while people in CEE could focus on lowering the costs for some elements. This lack of an holistic overview is described by another Swedish businessman in Prague saying the Czech people can speak favourably about things they have no idea about, they are interested in technique and sometimes they can go into detail instead of grasping the context and the overall issues but the feeling for context is often lacking as is the subtle intuition and instinctive feeling and this may lead to too much talk about details without grasping the overall issues and there is also a lack of social intuition. This is a management problem and one expatriate

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manager working in Sofia said Bulgarian managing directors do not work with the right things; they control too many details instead of focusing on generating revenues. The same problem and phenomenon with a lack of an overall view is found in the bureaucracy and an expatriate manager in Sofia said the bureaucratic system is inefficient and has many sticklers for details, people going for the letter of the law instead of trying to solve the problems in a smooth and efficient way and there are too many people who have too few things to do. A possible explanation for this is the hard and authoritarian leadership style in CEE under the communist regime where people – as just mentioned – weren’t used to or encouraged to take initiatives or to assume an overarching responsibility for something or to create a total solution for something. Instead people could be inclined to show what they are good at and as there were and still are many engineers in these countries technical details were a natural subject. A rigid plan economy thinking may add to detail-focused discussions.

In these hierarchical countries the leader does the thinking and makes the decisions so people at lower positions do as he or she says and could think it isn’t worthwhile to obtain the whole picture. The lack of independent, innovative and creative thinking remaining from the communist era along with no interest in assuming responsibility all reduce the incentives to obtain a good understanding of the big picture which is reflected in the way people talk and interact focusing more on details and at times irrelevant matters. Having employees or middle managers who don’t get the big picture may cause less motivation, fewer constructive ideas and missed business openings which could be rather costly for their company. Another problem is also that when the new top director arrives at the top position he or she is often not used to and trained in a holistic thinking and it thus could take much time until he or she gets used to it if he or she does it at all. It means lost tempo and potentially lost business opportunities. Corruption is another aspect of this lack of overall view since a responsible person doesn’t take part in corruption as he or she sees its high overall costs for the company or organisation and for society at large. This lack of holistic overview is thus part of the plan economy heritage in CEE.

However, various types of costs – which we don’t have to the same extent in the West – give problems to do business in and with countries in CEE. A Swedish diplomat in Sofia said there are many difficulties when conducting business in Bulgaria and there is a lack of resources in the legal system and the immunity of judges is another problem – it’s hard to hold a person responsible for what he has done and the judicial system is unreliable and unpredictable and it is difficult to keep agreements so the business culture wants to circumvent or bypass the fact that you cannot trust the legal system.
so formal agreements are replaced by personal relations resulting in higher risk taking and higher transaction costs, which all may have a damping impact on business activities. Still today in January 2010 Novinite refers to a Transparency International report saying corruption is deeply rooted in some former plan economy countries of which Bulgaria is one and problems regarding the immunity of magistrates are discussed by the council of Europe.\(^9\) This indicates that the cultural problems in CEE may last long being time-consuming and hard to overcome indicating that my empirical findings, being a few years old, are still valid.

A reason for giving judges immunity is trying to secure their independence and avoid that they should be punished or dismissed due to verdicts they may come up with ensuring that they should have that possibility even in cases and processes including powerful persons. However, the other side of that coin is the risks emerging when you can’t hold a person responsible for mistakes he or she has made, even deliberate ones. This opens up for corruption when rich or influential persons could pay the judge or in other ways give him or her favours if the verdict goes in favour of that person, company or organisation.

Above all an investor or a business person wants stability, predictability and reliability but the immunity of judges could make the judicial processes capricious and very unfair so people avoid judicial processes in business life as some informants have confirmed. Corruption impedes rational and profitable measures and may change the priorities from generally benefiting the company to suboptimised priorities benefiting the individual at the expense of the company thus being very costly for the company or the organisation. A Swedish businessman in Sofia said there is a strong corruption in Bulgaria today that negatively influences the level of professionalism in business while another informant in Sofia said the corruption is a negative factor reducing investments. Support for this view where corruption has detrimental effects on investments comes from Shleifer and Vishny referring to Mauro who found that the higher the corruption the lower the investment.\(^9\) As earlier seen, also in the extreme case of the show trials, power had precedence over the legal system and the rule of law didn’t reign in these countries during the communist era. Still today many problems within the legal system remain in terms of attitudes and behaviour so people avoid legal processes in business life as some informants claimed.

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Compared to Sweden and some other countries in the West people in these countries also have a slightly different view of what should be considered a bribe and corruption. Some of the things we see as corruption – such as giving gifts in some occasions - are a totally normal behaviour to them. Thus there are cultural differences although much of what people in Sweden consider to be a bribe also is considered to be it in these countries.

Corruption is a form of theft and but there are also other - more direct - forms of thefts. Some informants said during the communist regime thefts from the employer were not so uncommon and to some extent also socially accepted but in some cases the situation in these countries may be better than in the West. A Swedish businessman in Prague said it was accepted, I presume he meant socially acceptable, to steal from your employer in the communist era. He added that before private persons stole from the development of the country. I found the same attitude in Belgrade where I spoke with a Swedish businessman working in Sweden but coming from Yugoslavia explaining that during the communist era in Yugoslavia people stole things from their workplace arguing that the company belongs to the state and since all citizens are or constitute the state that means that I take something which is mine as you cannot steal from yourself, can you? Yet the situation could be the opposite where the local employees may be more honest than employees in the West and a Sofia expatriate said the risks of thefts could be lower than in Western countries explaining that no tools have been stolen at the workshop of the Swedish company in the Sofia area while thefts of tools aren’t uncommon in Sweden or in other European countries showing that Bulgarians can be very honest persons. The risk of loosing a relatively favourable and well-paid job certainly also plays a role here. Being employed by a foreign multinational company often means a higher salary and prestige as well as other privileges and advantages compared to being employed by a local company.

There is much suspicion and distrust in CEE and you don’t want to take responsibility for something when you can’t trust the people you work with. Lewis says this suspicion and distrust in Russia are due to disinformation and power abuse in the Soviet era.\(^926\) The entire authoritarian system with security police and espionage where people were encouraged to be vigilant towards other people all contributed to this lack of trust during the communist era. Such distrust means less business, fewer foreign direct investments, less jobs, higher unemployment and a lower standard of living.

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in these countries with all its repercussions in terms of poorer health and less wellbeing etc. So the local people and the international companies have to bear costs and pay a price for a legal system that doesn’t always work as it should and that people don’t trust each other or don’t want to assume responsibility. A general lack of trust could thus be extremely costly for a country reducing the number of deals and transactions but increase transaction costs and lower the standard of living.

5.4 Culture

5.4.1 History
History is a crucial element in the culture of a country and it also plays a vital role in its business culture. In these CEE countries history goes further back in time than the plan economy era as an expatriate in Kiev described arguing the communist period hasn’t changed the mentality and the way people think in Ukraine where the mentality goes a thousand years back in time and the people there have always been under command of others and there has also been Russification. Historically Ukraine has been closely tied to Russia – but also, and notably in the Western parts of Ukraine, to Lithuania, Poland and Austria-Hungary – and there is much Russian influence in the way communism worked in CEE so the informant – who also worked for many years in Poland saying it is much closer to Western Europe than Ukraine is - has a point. Yet views of other informants and my own experience from living in many CEE countries show communism and plan economy have had a strong impact on the how people living there think, feel and behave.

History could have an impact on how interested a people are to learn new things and one Bucharest expatriate had earlier been on foreign assignments in Hungary and the Czech Republic and compared his experience in both countries. He told me people in Hungary, a country where agriculture has been vital for the economy, are open and eager to learn new things from foreigners and to change as they know they have to and the Hungarians are very well educated and nice persons so Hungary develops and have more and more people in high tech and service companies. On the other hand The Czech Republic has a long and successful history of industry and it used to be the most industrialised part of the Austrian Hungarian double Monarchy led by the Habsburg house so the Czechs had much basic industry and many engineers. He said this industrial strength has contributed to the Czech people showing more pride but they are not as eager to learn new things and to change as the Hungarians. Thus his view indicates that a successful past risks to make people too proud and too comfortable while other people are
aware of their insufficient past regarding the possibilities to meet today’s demands and requirements so they show more humility and eagerness to learn and improve their competence. It seems if things are obvious there is no need to try to hide them and there is no prestige to lose making it easier to be humble and interested. On the other hand, if you feel you have a history to be proud of in a certain field but during a period of time you have fallen victim under an authoritarian regime ruining parts of this heritage you might not be as keen on learning new things. There is a risk people think that what once made them rich could essentially be enough to do it again instead of seeing that so much has changed and you have to learn new things despite having a history to be proud of. There is a degree of complacency and laziness in this view where having to confront that you have to make big changes to become really successful is unpleasant and cumbersome making it easier to look away.

History plays a role for the best and most suitable location of different types of business activities. A German expatriate in Romania said the southern part of Romania features commerce and trade with Turks and Persians while the northern part of Romania is more industrialised and these differences make the southern part more corrupt so there is more fraud in southern Romania. He said there are opportunities for foreign companies and business people in Romania and the location of foreign companies planning to establish themselves in Romania depends on the activities they want to pursue so sales companies may be established in Bucharest, due to the centralisation there and manufacturing plants could be established in northeastern Romania where there is more a of Austro-Hungarian history of industry and discipline and where the wages and salaries are quite low. Thus professional traditions and skills could make people used to certain ways of thinking and working which are suitable for a specific profession and so build a local aptitude for certain kinds of work, there are specialised clusters in many geographically limited areas.

History may serve as an excellent guide to understand another culture but it could become counterproductive if it used as an excuse for doing nothing. An expatriate in Sofia touched upon this saying Bulgarians have to change themselves adding you cannot blame others for your own problems. There is a risk that history could become an excuse for not making the necessary changes to be successful on the international market. Still, it is vital to show respect for a people, their culture and history. A tough history can make people more sensitive and a Sofia expatriate said it’s important to show that you respect the Bulgarians and they are said to be more sensitive to lack of respect than many other people. I have seen that and it might be due to bad treatment by the Turks in the Ottoman Empire who ruled over and
controlled them for half a millennium. Another expatriate in Sofia said a Swedish business person planning to do business in Bulgaria should know the country’s culture and history. Thus insight in a country’s history shows an interest for it and its people giving the expatriate goodwill while lack of knowledge and thoughtless-ness stepping on people’s toes may give badwill and impair professional relationships. The one who has been mistreated before is thereafter more sensitive to such behaviour.

5.4.2 Fear, clothing and egocentrism as well as expatriate behaviour
There is much fear in many CEE countries. A Prague expatriate said when asked of their opinion on a certain issue the local elderly people didn’t say their own point of view but rather what they thought the other would like to hear and some managers are afraid of the board. This indicates fear to say things that the expatriate may not like. We recall Bürger et al. also saying it was hard for the Czechs to inform the Germans about failures and the Germans thus thought the Czechs hided things and that caused distrust. In authoritarian societies there is not much room for deviating ideas but rather for conformism and obedience to the leaders and if you are brought up in such an atmosphere it is hard to break that view and the corresponding habits. Such reminiscences can thus remain long after the fall of the authoritarian regime. It is probable that such fear could influence the communication between the managers and the board where some of the directors may avoid informing the board about certain delicate questions and matters. Even in the West it may be dangerous for a manager to have another view than the board as it could cost the job but the impact could be deeper and more extensive in these states, particularly in the past. In the communist era disagreeing with Stalin could cost your life and as there was no plurality but a unilateral communist regime there were few alternative ways back to power, though there are exceptions such as the Czechoslovakian leader Gustav Husak. There was a very high price for disagreement so people wanted to avoid it – people striving for power didn’t want to ruin their entire career. A Bucharest informant said there is a great fear for authority among people due to the very harsh dictatorship under Ceausescu from 1965 until 1989. Another Swedish businessman in

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928 The coming communist Czechoslovakian leader Gustav Husak was imprisoned from 1954 to 1960 but came back to be the leader of the whole country as general secretary of the Czechoslovakian communist party from 1969 to 1987 and president of Czechoslovakia from 1975 to 1989. This information is found in: Encyclopedia Britannica on the Internet: [http://www.britannica.com/eb/article-9041618/Gustav-Husak](http://www.britannica.com/eb/article-9041618/Gustav-Husak)
929 The Romanian communist leader Nicolae Ceausescu led Romania from 1965 to 1989 when he and his wife Elena were executed in December 1989 after having been hurriedly convicted for mass murder and other crimes by a special military tribunal. This information is found on Encyclopedia Britannica on the Internet under: [http://www.britannica.com/eb/article-9021952/Nicolae-Ceausescu](http://www.britannica.com/eb/article-9021952/Nicolae-Ceausescu)
Bucharest said he was disturbed by all the heavily armed guards he saw there showing an armed control remains, although in other ways. Authoritarian regimes often rule using fear as a power instrument. The communist regime in the Soviet Union and the satellite states had a hard secret police having built up a control society with an extensive denunciation system, physical and psychic repression and fear and millions of victims in working camps and of torture, death sentences due to politics etc. Historically Russia has had an authoritarian leadership which also influenced the way the leaders of the Soviet Union ruled their country and the satellite states in CEE. Ivan the terrible and Stalin are just two examples of ruling by management by fear. This historical heritage leaves traces of fear for the leaders and what they might do going back many centuries long before communism and it still influences people and did so even more in the communist era.

A frequent usage of heavily armed guards is seen in many of these countries giving a feeling of fear. If you are afraid you obey, you don’t protest but try to save your own skin and these things harm an innovative and open climate. A country that has an authoritarian and violent past showing contemporary examples of it makes violence very real and close always reminding you of the threats in life making you adjust to the environment. Fear can contribute to and uphold an authoritarian leadership style. In Prague I rented a room in an apartment from a landlady and during this period the terror attack on World Trade Centre in New York on September 11 2001 happened making her totally terrified saying there will be a war now and when I and a Spanish woman who rented another room in the same apartment tried to calm her down and responded that there won’t be any war in Prague the old landlady said that is easy for you to say who have lived in normal countries but for us who have experienced both the Nazi occupation and the communist dictatorship we know that terrible changes can come quickly. There was no war in Prague but the landlady was right in a sense since two wars began in Afghanistan and Iraq in the aftermath of nine eleven. Another observation is that also the Spanish woman came from a country that had experienced a long period of dictatorship under General Franco but she was much calmer. Just like in CEE I studied for a long while in Spain about a decade after the turn to democracy but although there was high unemployment and much poverty in Spain I never saw the same kind of intense fear there as I sometimes did in some of the CEE countries I studied. This says something about the intensity and the depth of the fear that the communist system generated among ordinary people. The terrifying show trials are another example of how fear was created in these countries.
Thus fear is still a real and substantial component in many CEE countries and it is seen in work procedures. There have been time consuming procedures remaining from the plan economy era and a German expatriate in Bucharest told me that when he came to Romania every employee who received a document had to sign a paper given by the person who also gave him the document in order for the giver to avoid being accused of not having fulfilled his duties. The informant stopped this time consuming habit of fear and non-confidence and he has worked with creating more confidence among the employees and thus avoiding losing much time on unnecessary administrative work. This habit shows how afraid people were and still are to do things wrong, clearing your back was much more vital than creating added value. This is related to the plan economy way of working where you should fulfil the plan and not come up with creative solutions to various problems. This fear impairs responsibility and a Sofia informant said Bulgarians don’t assume responsibility, people are afraid of doing something wrong and to be fired due to that and they are also afraid to acknowledge that they don’t understand. This fear stems from the risk for losing your job, security or status in a more authoritarian culture. The chances for decent living conditions and for a fair treatment if you have lost any of these basic things are much lower in these countries due to a much weaker social security system and often corrupt institutions than in Sweden or other Western European countries having an extensive welfare system.

A Swedish woman working in Sofia said it is easier to work with Bulgarian women since they are more social and want to live whereas Swedish women tend to analyse too much. She said on a personal level it has been good for her to see and work with Bulgarians, it has strengthened her social behaviour and she takes things a little easier than earlier without being irresponsible. A German expatriate in Romania advocated having a slightly less austere view on behaviour in professional life saying people from Italy, Austria and Southern Germany often succeed in Romania and that Swedes and people from Northern Germany should try to be a little bit more like people at the Mediterranean, not as strict and rigid as we often are but a bit more humane and easy going. Being a little more easy-going can make other people open up creating a nicer atmosphere benefiting relationship building and business. It can make them easier to talk with. A Kiev expatriate - who has worked in many countries - said Swedish business people aren’t so smooth socially, they have to dress in a better way and have a better stature and way, but they aren’t dangerous, they are predictable and good at planning but - just as the Ukrainians - a bit like farmers. Combining more attention to dressing and easy-going is seen among women in the region and I have seen women in Poland – also in office - and in Russia dressing in a more feminine way than Swedish women. A Swede in Bucharest said
Swedish business people must dress better as Romania is much more of a
class society than Sweden. The weight of appearance and attire is stressed
by Samovar et al. saying clothing is a form of communication signalling
social and economic status and there is a link between clothing and cultural
values.\(^{930}\) For a foreign business person it’s thus crucial to respect the codes
of clothing of a culture when doing business there to strengthen your ethos
and improve the chances to be successful. Dressing in a stricter way but
behaving more easily could seem paradoxical but it doesn’t have to be it. In
a more authoritarian country with greater power distance dressing well is a
way to show respect and be taken seriously but in these countries people
want to enjoy life hearing interesting things where the ability to discuss
non-job-related ones is vital so smooth talking and knowledge of the country
is well seen.

Egoistic behaviour is often very conspicuous in these countries. It’s often
careless and blunt with no finesse. A Swedish businessman in Sofia said
Bulgarians need management training and professional empathy, more
common sense and understanding the consequences of their actions. So
there seems to be too much ruthless behaviour making employees suffer in
an unnecessary way where normal respect for your employees is sometimes
missing. In plan economies there were no economic incentives to give good
service resulting in poor service, recklessness and lack of consideration paid
to others. It also seems that people could be reckless at work but full of
consideration with friends. People adjust their behaviour to how they are
rewarded and friendship is one type of reward. In the plan economy people
weren’t rewarded economically for doing an extra effort, the salary was the
same. So there were no benefits stemming from being nice and careful to
others, and many thought why bother if I don’t get anything for it? It could
be a good illustration of the weight of self-interest influencing and leading
the behaviour of a person that Adam Smith wrote where an individual
pursuing his self-interest leads to the wealth and well-being of a nation.

Here we see the opposite, that the lack of self-interest doesn’t lead to
economic well-being but to a socially inconsiderate, unpleasant and short-
term oriented egoistic behaviour reflecting a thoughtlessness of the
consequences when people don’t support each other or don’t try to make life
easier and nicer for each other. This is reflected by many expatriates saying
the employees could be theoretically well educated but they lack common
sense and could therefore behave in a very inconsiderate way never thinking
about the overall picture and consequences when most people do so. This

2007, Thomson & Wadsworth, Belmont, CA
phenomenon where people focus on details instead of trying to obtain and grasp the whole picture, and this lack of overall view is related to authoritarian leadership and the plan economy where people weren’t encouraged to think in independent and holistic ways. The lack of trust in other people may play a role here since people don’t think they will be treated in a better way if they behave nicely to others. So a constructive and well thought-through incentive-structure could make a country nicer to live and work in.

Another aspect of egoism is given by a Kiev expatriate saying a Swedish businessman often thinks about what is good for his company and his country and not only on what is good for his family while in Ukraine you can see the situation in this way: Most people just think on their own good and on their family’s good, few but an increasing number of persons think about what is good for their company and very few persons think about what is good for their country but he has seen some Ukrainian businessmen who also think about what is good for their country. Yet I think it is easier to look at the needs of others and your country if you have a financially good and stable situation – as Swedish business people usually have – than if you live in a rather poor country such as Ukraine.

It is also a well known phenomenon among people who live for a longer period outside their home country that they become more patriotic and think more about their native country than they do at home. These expatriates usually represent companies having roots in Sweden and such feelings could also make them care more about Swedish industry and companies than their colleagues at home and it could increase their will to represent not only their company but also their country. This view of representing your native country is found by Torbiörn studying Swedish expatriates and their families where two thirds of the accompanying women saw themselves as ambassadors for Sweden and this view increased by factors such as age, time in host country, time outside Sweden, knowledge about and contact with the local society as well as the higher the husband’s position in the company and in international contacts in social events. Torbiörn also refers to a study by Pool saying the longer American expatriates had lived abroad the more they adhered to the official US foreign policy and the more they saw themselves as representatives for the USA as a nation and not just and solely representing their company. We all need an identity and it is
largely bound to our native country. The identity and internal compass become more crucial on foreign ground when you have to navigate on unknown waters and as a survival instinct and feeling of security you preserve and take care of your roots and things related to them. It could make you feel you represent your country. The view is more internal for the Ukrainians and other people from CEE who haven’t had the same personally enriching opportunities as people from Sweden and other Western countries to represent companies from their own native country on foreign assignments. This could – along with poverty, distrust and how the country is governed - matter and influence the view of the well-being of their country and the weight and consideration they give it.

5.4.3 Family

Family is - according to Samovar et al. – together with community and worldview – a main institution of a culture and along with the other two also a deep structure institution of vital importance and influence in a culture. The role of the family is crucial in CEE. Despite much egoism in many of these countries people are more collectivistic than the Swedes who are quite individualistic in an international comparison. Contrary to Sweden in other countries it is more natural to involve the family in business life in many ways like dinners and other activities so the Bulgarian business dinners with the spouse present may be natural also in other countries. Family members are one of the few persons people in general trust and respect. A Swedish businessman in Sofia said a Bulgarian business lunch takes about three hours and people eat slowly and really enjoy their meal and often the entire family participates at the business lunch and at business dinners the wife takes part so you get to know the entire family, not just the businessman, and foreigners easily adapt to it as Bulgarians are very social persons. Alexandrova et al. say common meals are crucial in Bulgarian business communication having a social function and there are more contacts with the business partner’s family and close friends than in Sweden as business life and private life aren’t kept apart in Bulgaria as in Sweden. The friendship may still be delicate and vulnerable where the Swedish businessman in Sofia said even if you know the customer’s whole family a friendship relation may be dissolved and broken if there is a business conflict as the friendship isn’t so deep and he sees a difference here saying Swedes have a longer perspective on a business relationship and don’t want to break the relationship. This problem is confirmed by an expatriate in Sofia claiming that Bulgarians are suspicious towards other people in

934 Alexandrova, V., Tenselius, R., Rune, A., Lindqvist, B., Teknikföretag i Bulgarien – förutsättningar och industristruktur, p. 50-51, Oktober 2007, Teknikföretagen, Stockholm
general and if you have a conflict the entire client relation may be broken. Unlike Swedes Alexandrova et al. say Bulgarians are not afraid of conflicts but they don’t let themselves be stopped by a no seeing it as a natural element in a business process and if the no is definite they interpret it as lack of interest from the beginning.\footnote{Alexandrova, V., Tenselius, R., Rune, A., Lindqvist, B., Teknikföretag i Bulgarien – förutsättningar och industristruktur, p. 49, Oktober 2007, Teknikföretagen, Stockholm}{935}

This could explain the expatriate statement where a no to a part of deal is seen as general lack of interest breaking the business relationship. When communicating Bulgarians are, so Alexandrova et al., more committed, stubborn, and intense than Swedes and in Bulgaria it’s more vital to listen carefully to your interlocutor interrupting him or her with follow-up questions giving your own reflections than letting the interlocutor speaking to the point which could be interpreted as lack of interest.\footnote{Ibid, p. 49}{936} So what is seen and appreciated as respect in Sweden may be seen as impolite indifference in Bulgaria. Thus such a highly active participation in a discussion could either be seen as a positive interest for the matter or a negative interference disrespecting the counterpart.

A local manager in Sofia said the Swedish expatriates think too much on what’s good for themselves and their family and not enough on what’s good for their company. As far as I know he used to be the owner of the company before the Swedish company bought it and that could make his concern for it higher than normal. He said Swedish companies make poor profits in Bulgaria and their expatriates are so expensive they cost the money that should have been the company’s profit as a Swedish expatriate businessman, including school for their children and other fees, costs 150 000 to 200 000 Euro per year. For that amount of money he could hire very many well-qualified Bulgarians. He said so high costs are hard to carry for a small subsidiary. Indeed they are high. So why is the mother company prepared to pay so much? Many are not reducing the number of expatriates. Yet others want to have control over the business and run and manage it in an efficient way. It could also be a question of knowledge transfer. Still, if payments to the mother company aren’t correct or if there is some other abuse or if the company is run inefficiently it could be much more expensive hurting the company’s future potential on that market and perhaps also globally due to the rapid spreading of information around the world.

A reason for the expatriates’ criticised focus on the well-being of their family could be that when you are on a foreign assignment your family is
even more crucial to you than at home as your normal friends are far away and you have to adapt to a foreign environment where the support from the family is vital and that goes for all family members. The foreign assignment could often be harder for the partner than for the expatriate as the expatriate routinely goes to work just as at home while all is new for the accompanying partner who has to build a new life. Due to a stronger dependence and reliance on family members and other reasons such as common experiences and memories such foreign assignments often tie families together. Support for this view is given by Torbiörn who in a study on Swedish expatriates and their families found that 85 % of the accompanying women thought the foreign assignment strengthened the family cohesion, a whole 99 % of the women thought the foreign assignment was valuable to their personal development – where Torbiörn interprets it as they obtain a new enriching cultural frame of reference improving their understanding and interpretative capability of the surrounding world - and the higher these women’s education level the lower their feeling of isolation from the surrounding society.937 My interpretation is that a higher education provided these women with tools and language as well as perceptive and interpretative ability but also courage, self-confidence and curiosity all facilitating and strengthening their interaction ability with the local people. Another factor in this local Bulgarian manager’s point of view is the extreme focus on earning money featuring many countries in CEE where Swedes with relatively low salary differences, look less interested in earning money for themselves and the company. The strong desire to catch up with the Western standard of living may partly explain this focus on money where a compensation thinking exist in the CEE region as people fast want to obtain what they didn’t have in the plan economy era.

5.4.4 Hierarchy, privileges, a one-man show and personal relations

Many expatriates say CEE countries feature a much stronger hierarchy than Sweden does and a diplomat in Kiev said the power and decision making are centralised to one person, the manager, also in private companies while an expatriate working both in Romania and Bulgaria said companies there are run from the top, the owner has a one-man-show and the company owners want them to grow but the skills and ability to do so are often not there. There isn’t much delegation and an expatriate in Sofia said in Bulgaria there’s a one-man-show, the company owner makes all the decisions, there is no delegation of decisions and another expatriate in Sofia said there is a centrally controlled authoritarian leadership style where you don’t trust

people, the leaders aren’t good at delegating work and it is an immature leadership style. Doing business there you must adapt to the local situation and a managing director (MD) in Sofia said a Swedish business person coming to do business in Bulgaria must handle the cultural differences and shouldn’t be weak. So he or she must adapt the way of working to the fact that Bulgaria is more authoritarian than Sweden. The Swedish rather democratic and informal way of communicating differs from the more authoritarian and hierarchical communication habits in many CEE states. In one way regarding the degree of hierarchy in the home region there is an analogy between Swedes and personal oriented families treating everybody as equals on the one hand and people in CEE and position oriented families on the other hand where what you may say depends on the internal position you have in the organisation and the position of the speaker is vital both in high-context cultures and in restricted-code communication.

A huge and complex country with vast geographical and cultural distances is hard to lead easily resulting in huge administration and hierarchies. Geographically, demographically and culturally The Soviet Union was even more complex and larger than Russia. The Soviet Union exerted a strong influence and control over the communist countries in CEE which consequently featured a very hierarchical leadership in the plan economy era. Such a strong hierarchical management style is deeply rooted in the mind of people and doesn’t easily go away. Having a top position meant many advantages and privileges in countries having plan economy. There was one power centre in Moscow influencing the satellite states.

The extrapolation of that behaviour in the business is the one-man show where the owner largely decides everything in a more detailed and conspicuous way than in the West where the owners also influence the business strategy and how the company is run. This hierarchical structure is reflected in communication where Alexandrova et al. argue when doing business, contacting an organisation or looking for information in Bulgaria you directly have to come in contact with the decision maker, especially as decisions in general are taken by an individual and a Bulgarian proverb says that “you should drink the water from the source”. This behaviour is due to that the decision-maker has all the power and is the only one you can trust as the others often don’t have the real authority to inform about questions since they don’t have the final word. It thus may seem useless to talk to anyone else and a Sofia expatriate manager said he has contacts with customers and if he has spoken to the director of finance at the customer’s

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938 Alexandrova, V., Tenselius, R., Rune, A., Lindqvist, B., Teknikföretag i Bulgarien – förutsättningar och industristruktur, p. 53, Oktober 2007, Teknikföretagen, Stockholm
company the Bulgarian managing director asks the Swedish manager, i.e. the informant, why he has spoken to him and what is the sense of doing so, as if it were useless. This may reflect the one-man-show mentality in Bulgaria where the owner decides everything and there is not much sense in talking to anybody else. On the other hand it could be useful to know a couple of persons at the customer if there are changes of ownership or personnel there. This might also reflect a more long-term thinking among Swedish businesspeople paving the way for future contacts with new leaders while Bulgarian business people might think that could wait until he really is the new managing director, i.e. you shouldn’t waste time on people who don’t give you a fast feedback. A Kiev expatriate said he builds a relation both with the owner and the managing director although he recognised that Ukrainian companies are steered by one man – the owner of the company – and the managing director is there mainly to sign papers and to provide information for the owner for the decision-making process but the owner is very visible and makes decisions regarding big investments and the field, aim and mission of the company as well as all other important decisions.

A Kiev expatriate GM said being a manager in Ukraine means you work less, earn more and have more privileges, you are simply a higher caste exhibiting how much there is to win in terms of status, remuneration and other benefits where the work is done in an hierarchical way but as a manager you must have control over matters. The power and the privileges attract people so there is often not much patience to become a manager and a Sofia expatriate manager said Bulgarians want to become managers after having worked for just one year, and they do not want to work so hard or so much. There are thus strong incentives for employees to quickly become bosses. There are problems of egoistic and careless behaviour which is another reason to arrive at a top manager position, you’ll be treated more respectfully. Exaggerating and joking a little - but having a grain of truth - the Kiev expatriate said being a boss in Ukraine means you show up in the office around eleven o’clock and then tell at least one person off in a furious way making everybody understand who really decides in the office and then you leave for the day around two o’clock in the afternoon. This contrasts the Swedish flat organisation leadership style where ordinary people generally are treated rather well and the privileges and income differences and benefits of the leaders are not as big while the responsibility remains. So Swedes don’t have so strong incentives to become top managers as people in CEE.

Delegating working tasks is the contrary to a strict hierarchical structure where the top manager decides everything and a Swedish GM in Belgrade said he delegated work and responsibility to the local employees but it
didn’t work so he had to take it back and a German expatriate MD in Bucharest said people there don’t assume any responsibility but cry for being led under surveillance and a former employee of his had become manager living a more luxury life but he was unhappy with it. The common factor seems to be the importance of control and the difficulties for the locals to assume responsibility.

Personal contacts were vital in the plan economy, e.g. when exploiting material shortages to obtain personal benefits. After the fall of plan economy the lack of well-working institutions made the system unreliable enhancing the role of trust and personal relations when doing business. A Kiev expatriate GM said to get asked to do a business you must have the right contacts. Thus personal contacts are crucial for being informed about what’s going on and have a chance to participate. So you must build up personal relations which is time-consuming but you cannot enter as an outsider and win the whole business.

An expatriate businessman in Sofia said the nomenclature lies like a heavy blanket over the business community in Bulgaria and everything is politicised, it is not purely business wise, the politicians aren’t capable to change the system, it’s hard to change a corruption culture and the control apparatus such as the police, the prosecutors and the courts don’t work the way they should. The key role of the leading members of the Soviet communist nomenclature in the plundering of Russia is described by Castells.\textsuperscript{939} Other informants encounter similar problems like the Sofia expatriate did where an expatriate MD in Kiev said the nomenclature and the bureaucracy earn more money on making life hard for you, and then helping you if you pay them bribes, than by making it easier increasing Ukraine’s turn over making the country richer raising all salaries. This egoistic behaviour and power abuse harming economic growth and job creation explain many difficulties in CEE showing lack of consideration for the consequences for their own country. To me it seems many of these CEE countries lack a well-functioning social contract between the citizens and the state where the citizens behave well and pay taxes in return for a decent social security and well-working institutions including the judicial system and the police. Instead there is much egoism where people and authorities exploit the system to their own benefit. A reason for it may be that in a society full of distrust based on current and past power-abuse people mind their own business recklessly striving for short-term gains.

\textsuperscript{939} Castells, Manuel, \textit{Informationsåldern – Ekonomi, samhälle och kultur – Band 3 – Millenniets Slut}, p 203 & 206, 2000, Daidalos, Gothenburg
Among power holders it isn’t rare to find a lack of understanding for the market economy and a lack of experience from the industry and a Kiev expatriate said business activities are deeply oriented towards the person, personal relations are vital and the mighty men in Ukraine now are the men with the big fists who have fought their own way to power and richness being cunning, crafty, artful and unfairly appropriate stocks and other assets to themselves. He said most of them belong to the old communist nomenclature, whose members benefited from having all the contacts and the network, so this means much conservatism and slow changes as they want to maintain and increase their old privileges along with the structures and networks that gave them all the benefits but he said there is an increasing understanding of economic thinking and market economy and there’s some pragmatic analysis being done where the younger generation is more dynamic than the old one, for whom grasping and implementing the economic thinking is hard, but these old persons have the contacts and the network necessary to be a significant player in the Ukrainian business life.

This may result in a less professional way to lead the company and an expatriate in Sofia said the customers of his company - who are private customers, they are not state enterprises - don’t have any experience from that industry, they consist of people who happened to be in the right place on the right time and they aren’t qualified businessmen but were part of the old communist establishment, the nomenclature, being politicians, members of the communist party or the security police and these customers weren’t educated to lead firms so their companies need much support from their supplier so his company and he as the managing director must do their job as well because if the customer’s business doesn’t work well the business of his company won’t work either. Thus the customers’ lack of competence seems to be both a blessing and a curse since the customers are very dependent of its Swedish supplier which could create a kind of long-term partnership but on the other hand this support consumes much time and energy from the supplier which might take resources from business development and new customers.

5.4.5 Materialism, symbols, underestimation and lack of knowledge of the world

From my own observations and from many informants I know that the obsessive focus on earning money and then show it to the others, e.g. by buying expensive things, is seen all over CEE, there is a strong desire for a beautiful façade giving a good impression. It is also understandable, people now want to have and show what they did not have and could not get before and an expatriate in Prague said consumer products are important, people want to show that they can afford to buy certain things. Showing off
materialistically is common in these countries and an expatriate in Bucharest said people are vain and want to be seen having expensive consumer products where the façade and the surface are vital to people there and many Romanians live above their real standard of living, they have a Romanian built Dacia car and a mobile telephone even though they actually could not afford it but instead they eat very cheap etc. Money and materialism often have a decisive role when it comes to choose the workplace and a Sofia expatriate manager said the first priority for a Bulgarian when choosing where to work is the salary, then if he will have a company car and in third place if he will receive a company mobile phone.

Thus this strong materialism is a nonverbal communication where your house, car and mobile phone are vital attributes being a kind of extension to your clothing showing that you can afford a certain lifestyle with its attributes. People in these countries want to become rich very fast and a Prague expatriate said the Czech people are obsessed with money and want to have salaries just like in Germany and the desire for making money fast is stressed by an expatriate in Sofia who said Bulgarians in general have unrealistic hopes of becoming rich very fast without understanding, or wanting to understand, how much time and effort it has taken for people in the West to reach our current standard of living. The need for patience, that it takes time to build up a high standard of living and potential unpleasant consequences of high salaries, like the risk for mass unemployment, are often not considered. So there is un-reflected and strong focus on making money fast.

Being a political ideology communism and the communist era was highly symbolic with all its monuments and the personal cult of its leaders but it was a collectivistic symbolism striving to unite the people behind this political system and people in CEE were heavily exposed to these symbols while what we have seen since the fall of communism is that these collectivistic symbols are replaced as people strive for individual status symbols. One may say that also these materialistic symbols stand for a kind of society and a political as well as economic ideology - like the market economy, democracy and freedom which - as we recall Phillipson says - were notions used to promote capitalism along with the English language in what he sees a neoliberal empire serving the interests of Anglophone countries\textsuperscript{940} - but to me there is still a clear shift from collective political symbols to individual materialistic status symbols in former plan economies in CEE. Thus people in CEE were used to symbols and their impact but the

\textsuperscript{940} Phillipson, R., \textit{The linguistic imperialism of neoliberal empire}, pp. 1-43, p. 1,3,4 & 7, 2008, Critical Inquiry in Language Studies
development after the fall of communism has shown that they want other and more materialistic symbols now.

Expatriates working in CEE often live a luxury life in terms of expensive houses, cars and habits so there is a strong materialism characterising their way of living as well. Both a local manager in Bulgaria and some expatriates have criticised the high costs related to expatriates. These informants think that such costs should be cut, either by only having a short foreign assignment of a few months as the local manager proposed or by lowering the standard of living regarding accommodation and cars as one expatriate argued for or by simply returning home if there is not enough work to do as one Swedish businessman in Bucharest advocated. The high costs for expatriates force companies to think through when, for what purpose and how long they should send expatriates to emerging markets.

Titles are a type of symbol and they are often very important in CEE having a much more hierarchical society than Sweden has and a Kiev expatriate general manager (GM) said having the title “Glavni Direktor” or in English “General Manager” on your business card is vital and it shows that you really are somebody. Titles make people listen to you and a female Sofia expatriate said Bulgarians are led by titles and her title gives her respect among Bulgarian men and that titles are important is a heritage from the communist era. The countries in this study used to belong, partly or entirely, to the Austrian, Russian or Ottoman empires where the sheer size and extension of these empires also contributed to a hierarchical structure which made titles important also long before the communist era.

Underestimation is a deadly sin and a local managing director in Bulgaria stressed the risks of expatriates underestimating the general professional skills of the local managers complaining that among the expatriates there is much lack of respect of the qualities of local managers. Not only individuals but also markets could be underestimated and a Swedish businessman in Sofia said many Swedes have a totally wrong picture of CEE, they underestimate it and don’t see how fast the development in these countries is and you should not trust and believe too much in mass media. Preparations are thus vital and a local manager in Bucharest said a foreign company or a foreign businessman should be well prepared before starting business activities in Romania and he should do a thorough and detailed business plan which is crucial and he must remember that statistics don’t tell everything; there is a vital and big grey economy, which has a strong impact on consumer patterns. A reason for underestimation may be that the expatriates think the local people have a limited knowledge about the outside world and it may be the case. An expatriate working in both
Romania and Bulgaria said people there are not so well informed about the outside world, there is a strong dominance of regional and national thinking. He further said Romania is and feels closer to Europe than Bulgaria does. This was also my impression and a reason for it may be that Romanian is a Romance language and thus facilitates a better understanding of key European languages such as French, Italian and Spanish and thereby the knowledge about Europe and the entire world. Limitations in the Bulgarian outlook on the world are described by a Sofia expatriate saying Bulgaria is an introvert and introspective country, there is a lack of knowledge about the outside world and people think they have control over their own little world.

An indication of this is that my three Bulgarian language teachers, all with a University degree in Bulgarian philology, and at least two, I think all three, said they did not read the daily newspapers and they were proud of it! To be proud of being uninformed about what is going on in the world might not be an optimal strategy – particularly not for university educated persons having an intellectual profession daily working with foreigners. Still one has to consider that the newspapers in Bulgaria might not be up to Western quality newspaper standards which could make people consider they are not worth reading. There is also a historical heritage and in the Soviet era the disbelief and distrust in official information was deep and it was described in the Russian saying covering two of the leading newspapers in the Soviet Union, Pravda – which means truth and Izvestija which means announcement. The pun says: “V Pravde njet izvestij i v Izvestijach njet pravdi.” Freely translated it says that in Pravda (truth) there are no announcements and in announcements (Izvestijach) there is no truth. This regard on mass media was not unique to the Soviet Union but also existed in the satellite states. Such deep distrust still lingers on. Apart from this distrust heritage there could in the current newspapers be sensations and other unserious information making it less interesting and rewarding to read them. Having lived almost 500 years under the Ottoman empire has made Bulgaria more isolated from Western Europe than many of the other studied countries which could have an impact. Yet there are signs of improvement where a Sofia expatriate said in general a Bulgarian managing director travels more nowadays than before and so they now have more travelling experience than before. We know travelling brings a broader and better knowledge of the outside world.

My language teachers in Poland seemed to be well informed about what happens in the world and so were my teachers in Romania and this may be due to that they have travelled more abroad than my Bulgarian teachers had. At Sweden’s Belgrade embassy I met a Swedish trainee who said the television news and the people in Serbia were very focused on their own
country and region but not so interested in the outside world. Serbia fought four wars and was isolated from Europe in the 1990-ies impeding people to travel abroad. Ukraine also felt far away from Western Europe and their knowledge about what is going on in the world, at least in the Western world, seemed to be a bit limited in my eyes while the Czech people, living much closer to Western Europe and having a history strongly influenced by Austrian and German people, thinking and traditions seemed to be better informed about what was going on in the world. Knowledge about the world is wider than knowledge about the Western world but my impressions from having lived in these countries is that the Poles and the Czech people are best informed about the world in general followed by the Romanians and Serbs and then the Bulgarians and Ukrainians.

5.4.6 Trust and confidence, no compromising and an unofficial business culture
The trust capital is vital for an economy where the lack of trust makes things take more time and you also have to be more precautious when doing transactions so both these phenomena will cost you much money, especially if you see it on a nationwide scale. There is a big risk that lack of trust could stop a business that otherwise would have been done or that it right from the beginning excludes a business that for other reasons would have been beneficial for both parties and the country – people do not even consider such a business. Such lost opportunities could be very costly for all parties, the country and its population. If there is anything that has struck me during my travelling and studies in CEE it is the almost omnipresent lack of trust and from what I have seen I would say that people do not trust neither their fellow citizens, nor their leaders or the system, neither society nor the legal system or the courts. People therefore rely on personal relations or sometimes even resort to violence in order to solve business disputes. This lack of trust leads to fear, high transaction costs, slower processes, short-term thinking, an egoistic behaviour and lost business opportunities which altogether become very expensive and costly for these countries, their citizens and the companies doing business there. These problems and this distrust and suspicion have been stressed by many of my informants.

This distrust is so clearly formulated by a Ukrainian saleswoman in a grocer’s shop who I asked to describe the Ukrainian mentality who said: “I know my people well, how should I describe them, one word – mean!” and as I then replied that we also have bad persons in Sweden she continued: “Yes, I know they are everywhere – but we have more of them!”

Trust is in various ways related to age and being a few years older could give a person authority where an expatriate in Kiev said seniority is
important to build trust; a fifty-year-old person has seniority and you have to prove more if you are young, thin, or if you do not drink alcohol and even more if you are a woman because women are seen as a strange bird in Ukrainian business life. Thus deviating from a norm and normal habits makes business more difficult and this illustrates how hard it could be to go against one of the basic elements of a culture, in this case a norm, and it may be hard also globally. We also recall Guirdham saying norms enforce cultural values influencing work roles.\(^\text{941}\) This stresses the deep impact of basic cultural elements – such as norms - in daily life.

Speaking the local language is positive for the confidence the local people have in an expatriate and an Irish expatriate in Bulgaria said speaking the local language builds trust, the local people are happy that you speak their mother tongue and it helps you grasp how they think and it is important to try to understand how the local people think. Ferraro stresses the weight of gaining trust and respect by learning the other party’s language.\(^\text{942}\)

A Swedish expatriate MD in Sofia said Bulgarians are very price sensitive and there is a general suspicion about sales people, people are afraid of being cheated and it is very important to build up confidence, to get to know people who work in the business and it takes time to build up a reputation and in order to do it you must keep what you promise. The fundamental importance of keeping your word is also stressed by other Swedish businessmen in these countries and a Kiev expatriate said as a Swedish businessman you have to keep your word and be honest, what you say must be true and paying bribes is no way to long-term success. There are bad consequences if you don’t do it and a Sofia Irish businessman having a small firm said building trust is the most difficult thing, there is an inherent mistrust from the early 1990-ies when many Western companies with low moral standards cheated Bulgarian companies and so destroyed the trust in Western companies as these foreign companies did not pay for the goods and many of them were trading companies so numerous foreign companies doing business in Bulgaria have to face the trust problem but many local Bulgarian companies were also naïve and fooled by western companies. So this shows that short-term dishonest behaviour creates long-term mistrust emphasising how vital it is for Western business people to behave seriously and honestly thereby avoiding harming future business opportunities. Thus honesty is the best policy.


The Irish businessman also described violence related to business activities saying in Bulgaria people do not settle disagreements in court but by violence and big efforts are necessary to solve this big problem where payment problems can result in death threats adding that during the first years of the new millennium there were many, many bombs which were business related. He said regarding violence there is no pressure on big companies but much pressure on small business. Thus being more specific violent acts aren’t usually used against foreign MNCs but rather towards smaller local companies. The reason for it seems to be that big MNCs can in a credible way claim that threatening them could make more problems for the persons who threaten than for the big MNCs. This is due to economic force and contacts. The MNCs are big tax payers and as the power of the politicians largely is based on taxes they don’t want to harm the ones who pay them the most taxes and thus leading politicians have the means and the motive to tell these extortion persons to stay away from the MNCs. These MNCs could also have other contacts and means at their disposal to keep such unpleasant persons away from their business while small local companies usually don’t have such resources or contacts. In Western countries people do not resort to violent acts in business life and we trust the legal system more than people do in these countries where both personal relations and even violence may be used when doing business in Bulgaria.

Stressing the violence in business Castells says the Russian ministry of internal affairs claimed that 450 business related murders were committed in 1995 in Russia of which only 60 were resolved. An example of the violence in Bulgarian business life is that Ilya Pavlov – president of MG corporation and the wealthiest man in Bulgaria - was shot dead in Sofia in March 2003 one day after having testified in a murder trial of the former Prime Minister of Bulgaria Andrey Lukanov where Pavlov denied conflicts with the former Prime Minister. Thus it seems that people don’t trust the legal system and both personal relations and violence are used when doing business in Bulgaria but usually not violence against foreign MNCs. Although denying any connection in this case it still indicates a close connection between leading politicians and business people in Bulgaria. One may also suspect organised crime connections to politicians and business people and in 2008 BBC News said there have been around 150 mafia-style killings in Bulgaria since communism fell in 1989 but not one single conviction. Thus the legal system has severe problems and this failure to

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945 Information found at BBC on Internet under: [http://news.bbc.co.uk/2/hi/europe/7337210.stm](http://news.bbc.co.uk/2/hi/europe/7337210.stm)
convict people for the killings clearly illustrates why people don’t trust the legal system.

An expatriate in Kiev said a conflict can put a stop to a business and other expatriates have told me the same thing. A reason for business being delicate and vulnerable in this sense is that people in CEE are not used to compromise making it harder to make both ends meet when ideas and interests diverge. An explanation for rejecting compromising is found in the Russian history where all power was concentrated in the hands of the Tsar while in the West the power was divided where the Pope had the religious power and the Emperor the secular or political power. This indicates the profound and extensive impact a worldview or a religion has on a culture. So contrary to the West there is no tradition of comprising, instead it’s seen as a weakness to compromise, that you aren’t strong enough to enforce your will. This explains the one-man show business mentality where company owners decide everything and nobody else dares to intervene. An effect of this view is a lack of win-win thinking, there is rather a win-lose thinking where the winner takes it all.

Doing business means you have to take risks and live with uncertainty and a Swedish businessman in Sofia said personal relations are vital in Bulgarian business culture which makes doing business very hard, it is difficult and hard to trust somebody in Bulgaria and another Swedish businessman working in Bulgaria and in CEE should focus on three things to be successful and these are; consistency – you must trust people, flexibility – you must adapt to the local situation and finally focus – concentrate on what you do. An expatriate in Sofia said the Bulgarian is prepared to take risks, people are not aware of the risks yet Bulgarian businessmen are cowboys and they have made it just because they are cowboys. This need for trust is seen by a Swedish expatriate in Prague saying it is vital to have a sensitive ear for different signals; they don’t trust you so you shouldn’t trust them - but in the end, to do something, you have to take and accept the risk of not knowing. So this means an expatriate should be able to find essential information, think independently and have intuition but also be perseverant and courageous taking wisely calculated risks in order to successfully exploit the business opportunities coming up in CEE countries.

Business is based on personal contacts in CEE which is time-consuming including much wining and dining as an expatriate in Kiev said adding that in Ukraine you have to be a friend to your customer, while another expatriate in Kiev confirmed it saying you need to spend much time with the
customer including dinners and excursions to build up respect and confidence and a Sofia expatriate said a Swedish business person planning to do business in Bulgaria must have patience, things take time in Bulgaria, even more time than in other CEE countries, it takes time to develop things. Gaining trust and credibility is thus probably more crucial in intercultural business communication between Western European Business people and their colleagues in CEE than it usually would be when all business people involved in the deal come from Western countries. One reason for it is the lack of trust in the legal system making trust in your business partner crucial. I was made aware of this as a Belgrade expatriate said business is built on personal confidence. This insight may sound like a truism but it made me see the basic necessity for trust when doing business, particularly in CEE countries with their strong ambience of deep distrust.

Suspicion may complicate things and good intentions and a Sofia expatriate said Bulgarians are suspicious regarding foreigners and their information and his employees complained over not being informed about what was going on in their company receiving insufficient information so the informant decided to give them more information but this increase of information flow was received with much suspicion from the employees who began asking why did the director give us so much information, what does he want, what is in his hidden agenda? This suspicion may be typical for former communist countries in Europe where conspiracy thinking and lack of trust for all people and notably for the leaders, is widespread. This attitude and these problems show people take it for granted and expect their leaders to manipulate and exploit them somehow. So people may act as if they were in constant defence position defending themselves against power abuse. Apart from consuming much energy this behaviour impedes an open and constructive communication as well as progress based on sound and trustful business development.

There are differences in business culture regarding official ways and openness between East and West. A Sofia expatriate said the business culture in Bulgaria is similar to other East European countries, it is a very unofficial one in Bulgaria and an off the book one and in the West there is much more order, the business is done in a conference room in the office and there is an agenda, there are presentations and protocols while in Bulgaria business deals are done outside the office, in pubs or restaurants. I presume that there are some business done in conference rooms in Bulgaria as well though probably not as frequently as in the West and the magnitude of the business could probably also play a role where big business could be done more thoroughly although some involving mighty power holders might be decided more privately. A Kiev expatriate said in Western Europe you
send an offer to the purchaser who analyses it and then negotiations start but in Ukraine there is a very different process and the business very much depends on the reputation of the supplier. Everything is open, there are no business secrets in Ukraine and one day after having submitted the offer to the customer it is known by all purchasers and there is also a kind of competition with all Ukrainian customers versus all foreign suppliers. In the West we often complain about the lack of transparency in CEE countries but this is an interesting example showing another dimension of transparency loosening up some of the secretive power of a business to business selling company although some of it already has been lost for MNCs having global customers as in the telecom industry.

5.5 Intercultural communication

5.5.1 Bureaucratic difficulties, short-term thinking and humour
A Prague expatriate said the bureaucratic process is so slow while a Kiev expatriate said the Ukrainian customs are hopelessly slow demanding many turns of documents where what takes one day in Sweden may take three to four weeks in Ukraine and informants in The Czech Republic and Romania mentioned that obtaining permits takes much time as did a Sofia expatriate stressing the forces of inertia in the bureaucratic apparatus. In line with this Suutari and Riusala found problems with heavy bureaucracy in Poland, Hungary and especially in The Czech Republic. There are thus problems with bureaucracy and customs featuring a lack of service-mindedness as bureaucrats have another professional mind-set and another incentive-structure than businesspeople. They have more of a control-function with all the thinking and ways of working coming with it and contrary to most business people they can make money by creating problems for others and then offer to solve them which often mean bribes. To them but contrary to business people delaying processes mean real opportunities to make money. There’s an analogy with creating shortages of input products and then exploit that situation enriching themselves in the plan economy. This shows a lack of both overall view and consideration to others.

An American and an Irish informant in Bulgaria as well as a Swedish one in Prague have all stressed that there is a short-term thinking in the business culture and a local manager in Sofia said 90 % of the Bulgarian business has a short-term perspective while the Irish businessman in Sofia said the idea of customer satisfaction doesn’t work – sell the goods today and don’t worry

about tomorrow while the American banker in Sofia said nobody trusts the system – take what you can as fast as you can adding that people tend to get away with anything in an atmosphere of “screw your neighbour” and there is no mutual trust and also a mentality of “grab what you can when you can”. The banks play a key role in a country’s economy and how they act has consequences for other companies where a Swedish businessman in Sofia said there is a short term mentality in Bulgarian business culture and that also includes the banks while another expatriate in Sofia said the business perspective in Bulgaria is becoming more long-term and another expatriate there argued some people in Bulgaria start to think in long-term perspective.

The period of economic transition from plan economy to market economy has been very turbulent for many people with several quick changes and lack of stability resulting in hard living conditions and high economic insecurity for people. In that sense the plan economy period was more stable. But living under a communist regime also meant other risks and insecurity in countries where the security police had a strong position. All these things have contributed to a wide-spread insecurity where people were not sure they could keep what they had obtained or achieved, there was not such a well-working rule of law as in the West and people didn’t trust the judicial system. Under such conditions people often act in a short-term way. Traces of this quite probably still remain. So the high level of distrust in society may partly explain the dominance of a short-term thinking. As more and more institutions start to work properly trust will be built gradually making people feel safer and take a more long-term horizon in business. Still, it will take quite some time to build up such a solid confidence, it may take one or more generations to do it.

Due to the differences in cultures and mind-sets Swedish business people need time to get used to these cultures and build up something. A Swedish businessman in Bucharest said it takes time to get to know Eastern Europe where you have to travel around to familiarise yourself with it and understand it and an expatriate in Kiev said Swedish business people wanting to be successful in Ukraine must spend a year there to get to know people and learn how the country works, it’s a long learning curve and the company must give him or her four years in the country to build up something. This need for a longer foreign assignment period is stressed by another expatriate in Kiev saying as a managing director you must stay four to five years in Ukraine to get enough continuity and the long-term perspective is stressed by a Swedish businessman in Prague saying for Swedish business people and companies coming to these countries it is vital to have a long-term relation – both with the person and with the company.
while an expatriate working in both Romania and Bulgaria urged Swedish business people to be patient having a long-term perspective and avoid requiring profit immediately, i.e. right from the start. There is a cultural factor here and an expatriate in Sofia said long-term relations are vital in a southern culture such as Bulgaria and it isn’t easy to come from another country and build up personal relations where networks are vital. Being over-optimistic about how fast a local company can be built up an expatriate in Romania thought he could build it up in two years but it was not possible so he said it takes up to five years to build up the company there since building up your own staff takes time so we see that patience and perseverance are crucial. So for an expatriate to grasp how business is done and build up the necessary personal networks takes much time in these countries and even more if the entire company must be built up.

Most of the information we receive is of nonverbal nature – we recall Trompenaars and Hampden-Turner referring to research showing that also in verbal cultures over 75% of the human communication is non-verbal\(^{947}\) - where gestures are crucial and such communication can supplement the verbal one helping people grasp the meaning of and the intention behind the message’s literal words so a Swedish businessman in Kiev said as interpreter he uses his secretary when doing business in Ukraine and you have to read the face and the body language of the customer and check that you and the customer mean the same thing, especially if you get unexpected reactions or unexpected answers while a German expatriate working in Romania told me it is important to understand with gestures when doing business in Romanian. Thus in this way you can grasp the ideas and feelings in the message the local people want to convey. If business expatriates are short of words body language and gestures can get their message through so understanding and usage of body language mutually help the understanding of intercultural communication. So according to the view of Samovar et al. on the five basic functions of nonverbal communication these expatriates show that repeating is vital in this context whereas complementing could clarify the message. As I see it substituting and regulating could be used when suitable or when the expatriate is short of words while contradicting seems to be clearly unsuitable due to the need to build trust in CEE, particularly as Samovar et al. say that people when receiving conflicting information rather believe the nonverbal than the verbal message\(^{948}\) and this would then ruin their verbal message and their credibility.


A Swedish businessman in Sofia said that to become successful in Bulgarian business a Swedish business person has to adapt to the local culture and learn about the differences in culture between your home country and the country you are assigned to work in, to understand what is specific for a certain country and keep that in mind when you make decisions and it’s crucial to respect the local population while an expatriate working in both Romania and Bulgaria said a Swedish business person planning to do business in Romania should be humble and try to understand the local conditions, have a long-term perspective and find skilled and good local employees.

A Sofia expatriate argued it’s vital for foreign business people to understand the Bulgarian mentality but in Bulgaria there’s fear to acknowledge that you don’t understand something while a Swedish businessman in Bucharest said Romanians are patriots but they weren’t allowed to think during the communist era and Romanians don’t admit that they don’t grasp something and they do not know to say thank you either, which could be rather irritating, but they speak fast and hot-temperedly so to solve such communication problems you must have patience and do not be provoked by it but solve it right away and it’s vital to find the right person to speak to. Learning about and grasping other cultures you develop as a person and an expatriate managing director in Bucharest said the most interesting side of his work is the personal development and obtaining a better understanding of other people, that the job has led to. What these informants say comes down to the fundamental need for openness, humility and curiosity along with an eagerness to learn and a strong interest for other people and cultures, flexibility and adaptability, thus the opposite to ethnocentrism and one-size-fits-all thinking and these are some core demands on expatriates to succeed on these markets.

Humour may be seen as a factor in the psychic distance between persons from different cultures where having a similar humour may reduce the psychic distance and increase the market closeness, i.e. increase the psychological proximity to the market, thus improving mutual understanding and business climate where an expatriate in Kiev said Swedes and Ukrainians have the same humour, which of course helps mutual understanding between our people. The communicator style could sometimes be very important and a Swedish businessman in Sofia said in professional communication he could use funny phrases, also in the local language, which can create a relaxed and good atmosphere. This can build a nice business climate paving the way for constructive talks and good results but the usefulness of it probably to a large extent depends on your counterpart, he or she might not appreciate it, you must wisely judge if and
when to use such funny phrases. So this expatriate’s communicator style is both individual and adapted to the situation just as Guirdham says.\(^{949}\)

Thus as several informants have stressed humour could be an excellent tool to obtain a more constructive and positive ambience. Using humour a variety of messages can be conveyed, it is a versatile instrument and Tiezte says it could to relieve tensions and also build bridges and group cohesion.\(^{950}\) So humour could ease up tensions, make people relax and show how human we are and that can in turn build trust. Through humour we expose our wits and our vulnerability at the same time. Humour may be a very subtle tool to get your message through. That may be very useful when the message is delicate or could come forward in a rather blunt or undiplomatically way when given in a normal phrase not to mention a frank or outspoken way. In CEE humour was a practical way to handle people’s wish to criticise the system and the political leaders during the plan economy era. The power of humour is illustrated by a phrase saying that one good joke makes more impact than a thousand leading articles in newspapers. But humour could be a very delicate matter. What is a suitable subject for humour and how to put it forward could differ from culture to culture. In negotiations some people could consider humour to be out of place and as a lack of seriousness and respect for the business, for those who are involved and generally for what is at stake. For others humour may be the key that could unlock a totally blocked situation. So use it carefully with good judgment as humour could be the oil making a rusty machine run or an ugly stain on a white dress.

5.5.2 Handle criticism, negotiations, no win-win thinking and what’s a real problem

For people in these countries it’s difficult to give, receive, accept and handle criticism and feedback, even harder than in the West where it also is a delicate topic. Constructive criticism may be rare in a culture having an authoritarian past with hierarchical power structures where power is in focus while better human behaviour and respect for the individual are not. Being seen as weak is not a good sign in this region and to make a career a solid façade is crucial and criticism is a threat to a solid image. There is a negative attitude to compromising which just like cooperation is seen as a weakness. A Swedish businessman in Prague said the Czech people are a bit too comfortable, yet they are proud having a strong ego combined with an insufficient amount of social intuition and social competence so it’s hard for them to use feedback, which hurts their high self-esteem and ego as well as

\(^{950}\) Tietze, S., *International management and language*, p. 190, 2008, Abingdon, UK
their strong self-confidence. To me it seems one might wonder if their self-esteem and self-confidence could be slightly superficial and not so strong if it is not solid enough to handle constructive criticism.

A Sofia expatriate said in Bulgaria everyone wants to expose and accentuate oneself, it’s easy for them to complain and negatively criticise others but constructive criticism is much harder for them, there is a lack of generosity to admit and recognise the competence, skills and qualities of other people and Bulgarians are also rather pessimistic. Still there are limits and another Sofia expatriate said Bulgarian people can complain and yell at each other in internal work but still continue their job and you cultivate your customer contact where you don’t yell at the customer. That people weren’t rewarded for providing good services and taking care of others in the plan economy has probably left reminiscences. All this means people aren’t used to constructively criticise others and not to be careful when criticising them either. Thus criticism could be very harsh and inconsiderate.

There is probably more of an attitude of protecting yourself against the criticism than trying to find out what is correct and useful in it and how you can transform it into something constructive and helpful for your future career. Such a direct protective reaction could in my eyes be seen as a natural survival instinct in a tough and harsh environment filled with distrust and suspicion where people really have to assert themselves in a fierce competition for success and power positions. One may see traces of trying to save face in the difficulties to handle critique which could explain the statement of an expatriate in Sofia saying Bulgarians don’t want to admit that there is something they don’t understand. She said in Bulgaria the strong has priority and showing limitations such as not understanding or being the object of critique exposes your weakness which is negative for the individual. It may be hard for an expatriate too to criticise and as Hellspeng earlier said delicate themes like personal critique may cause intercultural misunderstandings ruining the ambience.951 This emphasises the importance of constructive elements also in a more negative critique.

Conducting international business negotiations is a key element in intercultural business communication where the ability to understand others, explain your ideas and complex issues, express your commitment and convince the other party are vital. Many informants say it’s crucial to build up good personal relations to do business in these countries. The authoritarian leadership is seen in negotiations and a Kiev expatriate said you negotiate with the owner, nobody else dares to make a decision.

951 Hellspeng, Lennart, Interkulturell retorik – Retoriken som redskap för att analysera kulturskillnader i kommunikation, p 43, Utkast till Rapport 1, Södertörns Högskola, 2000, Stockholm
Negotiations may be delicate and another Kiev expatriate manager said there are some negotiation difficulties when doing business in Ukraine, if somebody feels hurt or if unrealistic or impossible demands come up it could be hard to regain the constructive atmosphere and the goal of the negotiations is mutual agreement. He said a Swedish manager working in Ukraine should be open in the informal and unofficial contacts with the customers and discuss things in an open way being nice, straight and honest avoiding covering things which later could become obvious.

Keeping your head cool is vital in negotiations and a Bucharest expatriate said it is hard to negotiate with Romanians, they are not structured and there are often changes, they can provoke delays to obtain advantages and as an expatriate business person you must show patience and decisiveness in such situations but Romanians are better judges of character, i.e. they have better knowledge of the human nature, than Swedes. He said it is absolutely crucial to build up relations with the individual. These cultures feature much control and an expatriate MD in Sofia said it’s hard to negotiate in Bulgaria and you do it in big groups, where consensus is required, you never negotiate alone since you don’t want to be the sole responsible for something and that leads everybody to keep an eye on everybody and usually there are six to ten persons in a negotiating group and everybody must sign the document but the top manager almost never participates in the negotiations. This informant represents a big MNC with complex products which may make the groups negotiating rather big compared to many other companies. The complexity and paradoxes of international business negotiations appear here where one must build up good personal relations yet there is a need for strict control, then there is trust-building openness facing provocations to obtain advantages and then vulnerability versus impossible demands. To successfully handle and balance all these factors requires professional experience, solid cultural insight, a good judgment and excellent interpersonal and communication skills.

The amount of time and money that you and your counterpart dispose are often crucial in negotiations and an expatriate in Sofia said in customer negotiations it’s vital to know the customer’s time planning and Bulgarians prefer to haggle and beat down the price when they buy things and often in two steps so you have to have a price reduction margin in the initial price. Thus the purchasers want to feel they do a good job succeeding in reducing the price in two steps showing their bosses and others that they have worked hard and achieved something worthwhile, a sort of legitimising one’s job in this way of working. Negotiations could be conducted in many ways and a Swedish businessman in Sofia said how to pursue negotiations in Bulgaria is a very individual task. He creates a relaxed atmosphere with his counterpart,
he is very focused on his goal, and he has a clear and unambiguous message to the counterpart regarding what he wants to achieve and how it should look. He wants to be on the same side as his counterpart and create a win-win situation where it’s vital that the counterpart doesn’t feel inferior since by stepping on others many business opportunities have been lost.

So creating a climate of equality and even partnership may help building a solid business relationship based on mutual respect and interest. That could strengthen motivation and commitment from the counterpart. As the Western world is richer and often seen as more advanced the local people in CEE are sensitive to arrogant expatriates who may ruin the ambience and so stop a business deal. A way to obtain equality and partnership showing humility and respect could be to learn the other party’s language where we recall Mauser referring to a Swiss banker saying it would give you insights enabling new viewpoints turning you into a better negotiator.952 We also remember Swift referring to Turnbull who found that foreign language skills facilitate social contacts and negotiations strengthening the negotiation capability.953 Yet this Swedish businessman succeeded in building relationships without speaking the counterpart’s language. So speaking it helps by there could also be other ways to success.

Contrary to some other expatriates in these countries an expatriate in Kiev said people in business life understand the importance of long-term thinking and that requires a win-win mindset since the goal is to come to a mutual agreement while a Swedish businessman in Prague said the Czechs don’t believe in win-win business but rather in win-lose, if one person wins the other one has to lose and an expatriate working in both Romania and Bulgaria said there isn’t so much of win-win thinking in Romania. Sometimes bids with very high price levels beyond all reason occur and an American expatriate in Sofia said some Bulgarians wanted to sell agricultural land in the countryside for the same amount per square meter as in Central Sofia and such crazy bids, showing disrespect for the other party, occur quite often in Bulgaria and an expatriate in Sofia argued Bulgarians have a strong social competence but it is hard to talk business and negotiate with them due to an enormous focus on earning money risking to give no or only little room for adjustments.

A win-win thinking in business means respect for the other party and his or her legitimate interests as well as acceptance of various economic power centres. You must compromise and it isn’t possible to get everything leaving nothing to the other party. Having trust in the other party and a long-term perspective are also crucial ingredients. If you don’t trust the other party enough your strategy could be short-term business trying to win as much as possible on one deal. A short-term business practice is very common in CEE where many of these components are either weak or almost absent. The admiration of the strong and the disrespect for the weak could easily make people focus on obtaining power and money forgetting the long-term necessity of mutual benefit enabling the other party to survive so instead of win-win thinking there is quite much of win-lose thinking.

An expatriate in Sofia argued there is no holistic overview in Bulgaria and people aren’t so focused on the result here as in the West and there is often no meaning in the working activities in Bulgaria where evident things have to be explained, as a director you have to repeat, or to nag, all the time and the notions of timing and result aren’t well known in Bulgaria. He said there’s no win-win thinking and people believe foreign companies have limitless resources and as a Bulgarian it is your right to take as much as you can from it and there’s no loyalty to your company or to other groups in society, employees receive expensive company training for two to three years and then they just leave the company so some Bulgarian companies have required the employees to pay back the money the company had spent on training them and conversely there are companies that could exploit the loyalty of their employees not paying them what they deserve to be paid. Thus that both parties try to exploit the situation to their own benefit more than in the West is not so astonishing in cultures featuring much distrust, short-term thinking and egoism.

This may seem paradoxical but when an expatriate in Bulgaria says people are obsessed with earning money it refers to the owners who negotiate for themselves making all the profit while when another expatriate in Bulgaria says people aren’t so focused on the result it refers to employees not caring so much about the profit of the company which also is in line with the lack of loyalty for the company and a missing overall view not really understanding that they in the end could benefit from good company results.

An American expatriate in Sofia said one can negotiate with Bulgarians but they don’t have so much negotiation experience and what is a problem to Bulgarians might not be it to Westerners and vice versa where we worry about different things. So what constitutes a problem and why is it a problem? Through working experience we develop techniques and strategies.
to solve problems so what is a familiar problem to Bulgarians might look very complex or hard to solve to Westerners and vice versa. Facing a problem on a new ground is harder than handling it in a familiar context. A plan economy has many features far from market-economy thinking such as inverse incentives not economising with the input resources as the input value was part of the of the end product’s total value instead of optimising the output based on the input resources and such incentives might explain some differences regarding what each party considers to be a real problem. We remember Cohen stressing the need to learn and understand different negotiation discourses featuring other cultures and languages where just speaking English isn’t sufficient.954

There are other intercultural communication problems and a local secretary in Bucharest said things are complicated and bureaucratic in Romania, there are differences in the law system and in organisation between Romania and Sweden giving communication troubles between Swedes and Romanians as do the differences between Nordic and Latino people. So we face two dimensions of intercultural problems; The authoritarian and bureaucratic structure versus the democratic, consensus-seeking one and the north-south dimension.

5.5.3 A need for clarity but a secretive behaviour and poor spreading of information

There are many signs showing the Swedish expatriates come from a low context culture and strive for an elaborated code in their business communication with the local people. Many informants emphasise how crucial it is to be clear making everyone understand and avoid misunderstandings. The Swedish business expatriates in CEE are often engineers or business administrators not having such an eloquent way of speaking and neither they nor their counterparts have English as their mother tongue which doesn’t rise the eloquence level either so there is more of the modern rhetoric focusing on convincing in a general way than of the classic rhetoric focusing on eloquent speeches to convince other persons, as earlier mentioned where Müller and Stein say that largely the classic and new rhetoric complement each other but the new rhetoric strives to create meaning in a broader sense seeing the context focusing less than the classic rhetoric on the argumentative setting.955

955 Müller, Tomas, and Stein, Johan, Övertygandets ledarskap – om retorik vid strategiska förändringar, p 32, 1999, Studentlitteratur, Lund
An expatriate manager in Bucharest said you can avoid misunderstandings by being clear and distinct working with Romanians and during negotiations he uses a whiteboard and a pen writing in a step by step way to make sure everybody has understood the same thing. The need for clarity when describing working tasks is also related to a more hierarchical leadership style where the employees expect very explicit and detailed instructions about what they should do and how to do it, there is less delegation of working tasks and less individual thinking among the employees, the boss is supposed to do the thinking and tell the others what to do. This means less creative thinking for normal employees and more detailed thinking for the manager making him or her more aware of the employees’ work but consuming much time and energy preventing more strategic and long-term thinking.

An expatriate manager in Sofia said there are communication difficulties due to envy and differences in mentality between Swedes and Bulgarians and a Kiev expatriate said there is zero transparency in Ukraine but pride over Ukraine though the country can’t handle information in an efficient way. I saw this trying to find confirmation of train schedule information between two Ukrainian big cities found on Deutsche Bundesbahn’s Internet homepage but not in the main railway station in Kiev or in the main train tickets selling bureau in Kiev. A Sofia expatriate argued that it’s hard to obtain facts, Bulgarians don’t share what they know with others, they keep it for themselves, so there is no information spreading but much jealous guarding of one’s special preserves so you have to get used to not taking any answer for granted. These are all big obstacles for an extensive, systematic and well working knowledge transfer in a company. Short-term thinking, egoism and lack of both trust and a holistic view could all contribute to the poor spreading of information.

The secretive behaviour and lack of spreading of information where many persons keep the information for themselves to have a unique competence and lifeline making them harder to replace is a bigger problem now in the globalisation era where international competition requires that the employees learn much more and much faster than what was needed working in a plan economy. This is partly due to a lack of an overall view among employees who don’t see that if information is spreading faster in their company it will be more competitive and profitable making their jobs safer and providing opportunities for higher salaries and wages, although there’s a risk they still won’t get better salaries. Yet this behaviour shows egocentric thinking, suboptimisation all the way down to the individual level, distrust and fear for losing ones job. All these factors contribute to increasing the company’s vulnerability and to the lowering of company development,
output and efficiency impairing the company’s current profit and future opportunities.

5.6 Language

5.6.1 The Sapir-Whorf Hypothesis and yes or no
Regarding the Sapir-Whorf hypothesis people in the former satellite states in CEE lying behind the iron curtain were physically and politically isolated from the West probably making this hypothesis more relevant in this region than in the West where people could travel freely and often learned more foreign languages. Even though the words exist in the mother tongue their meaning and connotation may differ significantly across cultures so the connotations of specific words or notions such as quality, service, initiative power and assuming responsibility may have different meanings for people having been brought up in a plan economy than for those having lived in a market economy. The vocabulary of the consumer-oriented market economy, its logics and ways of thinking were new to people living in CEE and adapting to a market economy has been hard for many of them.

The lack of responsibility is described by an expatriate in Bulgaria who said in Bulgarian society there is very much of time-service, i.e. you work when somebody watches you but when he or she doesn’t you don’t and he saw this as a confirmation of that Bulgaria is not a civilised society and there is a social immaturity in the country. A Prague expatriate said communism gave customers who don’t put demands on the supplier or the product, there is no quality awareness, and all this means people don’t complain and they don’t assume responsibility either. To perform a high quality service or product you must do a good job and to do it you have to assume responsibility for what you do so it is obvious that high quality products require people assuming responsibility in their work. An expatriate working both in Romania and Bulgaria said there’s no consciousness of quality in either country and not much quality thinking, neither is there any thinking about the working environment. This is explicable since under relatively poor conditions people prioritise basic needs and not the working environment. We also remember that the lack of quality consciousness in Romania is mentioned by Petrovic and Paliwoda stressing the need to inform about high quality products in Romania.\textsuperscript{956} The plan economy had no economic incentives to give fine service so the service level was poor and people still face it and an expatriate in Sofia said there is a lack of service mindedness in Bulgaria but there are clear improvements where an expatriate in Sofia said

the vegetable market in Sofia had salespeople being much more service minded than 10 years earlier in 1993.

About the lack of assuming responsibility a German expatriate in Bucharest said people in Romania consider that the person being responsible for the quality of a product is the controller and not the person producing the item. Such a behaviour of the producer is not only irresponsible but also very inefficient requiring more employees to get the job done as there is a need for more controllers and also for somebody correcting the wrong-doings which takes more time than doing it correctly right away. It may turn into a costly waste of material resources. It is easier to let someone else take the responsibility and as people were not used to do it in the plan economy era it seems to be a natural behaviour to them.

Thus many people in CEE often don’t have a real feeling for quality and only go for what is famous and expensive revealing a lack of independent thinking. In the plan economy there was often a scarcity of products, there weren’t many products of the same kind so when you found the kind of product you were looking for you bought it. There wasn’t much attention given to the quality of the product. Competition could improve the quality of a product and the lack of competition in the plan economy didn’t spur manufacturers to improve the product quality. Thus people in CEE were never naturally trained to see, judge and appreciate quality. Then came the fall of communism, the transition to market economy and people were exposed to publicity for Western products. The respect in CEE for Western products often being clearly superior to the rather poor consumer products of a plan economy could also explain such a lack of quality feeling. So what is understood and meant by the word quality could differ much between Westerners and people in CEE.

In a certain way initiative and responsibility walk hand in hand. If you are responsible for something you must take initiatives making sure it works the way it should. But if you’re neither responsible nor financially or in other ways compensated for a contribution you make then there aren’t many incentives to take initiatives. Starting up and run a private firm means much responsibility, where you are forced to take initiatives to keep it all going. Thus the scarcity of private firms, not to mention a total absence of them, means lost opportunities to develop a culture of responsibility and initiative. A Swedish business -man in Prague said the Czech people aren’t so driving, they don’t take many initiatives and the Czech man is immobile, he stays in his home village and communism made the Czech person lazy and apathetic, there must be a real crisis before he does anything and he found an explanation for the Czech lack of initiative power telling me
Czechoslovakia was the only communist country where everything, 100%, was owned by the state and people working at the language school in Prague where I studied the Czech language said in Czechoslovakia there were no private firms at all in the last decades of plan economy.

An informant in Romania said the employees hesitate to make decisions, there is a lack of decision capacity. This may be due to fear since the communist era of being punished for doing something wrong and not being supported for taking initiatives. In CEE the owner or the boss often decides all important issues and an expatriate working in both Romania and Bulgaria said the employees take it for granted that the manager is a supervisor and controls them and they don’t want to assume responsibility nor to take any initiative and they are afraid of conflicts so he suggested to overcome these problems the manager should lead by example, by showing the good example, and by rewards and best practice.

An expatriate businessman in Sofia said the initiative power has to improve and another informant in Bulgaria said in the internal organisational work during the long communist period people in Bulgaria didn’t take incentives, they just did what they had to fairly well to save their own skin. That was probably the situation in all plan economy states in CEE.

The lack of democracy and all initiatives it could bring may add to this lack of initiative power. So it seems there was a shortage of natural opportunities where normal initiatives could be taken and people who were educated and formed during that era still suffer from it in terms of often possessing a lower initiative power. So the notions of taking initiatives and assuming responsibility may be different in CEE countries than in the Western world. A field where assuming responsibility is crucial is security and the communist countries were notorious for their low level of security in industries and society, the notion Soviet security thinking standing for poor security was well known in other countries and during my studies in Kiev there were several mortal accidents in Ukraine in mines and aeroplane crashes and the nuclear disaster in Chernobyl deeply affected people with whom I spoke even 16 years after it happened. The daughter in the family where I lived in Kiev - which is not far away from Chernobyl - was born in 1986 when the nuclear accident happened, and she went on a sponsored health trip to Crimea with other children being born in 1986.

Thus people still live the consequences of not assuming responsibility for security issues which led to the nuclear disaster. Poverty, lack of respect for human life and nonchalance regarding security measures and regulations
could be some factors explaining this deficit in security and security thinking compared to a much higher Western security standard.

An expatriate working in Romania and Bulgaria said people in both countries are afraid of conflicts while another expatriate in Sofia said Bulgarians take a conflict to strengthen their own position. An explanation for this paradox may be that people aren’t so afraid of horizontal conflicts with colleagues but they are afraid of vertical conflicts with their boss or higher people in the hierarchy. That phenomenon is seen also in the West but it may be more intense and far-reaching in CEE. Swedes often try to avoid conflicts, which are seen as very unpleasant among many Swedes. Having a more authoritarian leadership style and poorer social security system the economic risks of having a conflict could be higher in CEE than in Sweden although the social stigma of conflicts is strong in Sweden where people having many conflicts could encounter problems in professional life. The meaning of conflict as well as its connotations and associations could differ in Sweden and CEE.

An expatriate in Prague said in 2001 that even 12 years after the velvet revolution in 1989 the plan economy thinking and the communist way of thinking remain in people’s head in the Czech Republic and it is difficult for them to think in market economy terms which is reflected in hierarchical organisations where the boss decides while an expatriate in Kiev said people in Ukraine have a good theoretical education but they lack the practise and capability to take an initiative and to analyse problems business-wise where the weakest part is the lack of analysis where the marketing and sales people could come up with totally unrealistic plans such as projects covering not only Ukraine but also the entire CIS area, which is the territory of the whole former Soviet Union except for the Baltic States, with no substance behind the plan. He said it’s hard to find people who can analyse the market, the customer and the customer situation and we recall that Kyj et al. stressed the scarce analytical skills among decision makers in Ukraine some years after the fall of the plan economy while a Sofia expatriate manager said in Bulgaria there’s a lack of business wise thinking and service mindedness and many employees ask him what they should do. This shows lack of initiative power, working independently and planning. Making people take more initiatives and also thoroughly and skilfully analyse the market situation takes training, time, patience and perseverance.

The lack of ability to analyse problems business-wise and dynamic thinking in business terms are stressed by several informants as well as the difficulties for people in CEE to estimate and judge the range or limit of what is feasible to do now. There seems to be a lack of understanding of dynamics and proportions. To develop such a feeling and such skills takes time and it is certainly much easier when you are born into a market economy system where these things come a bit more naturally although it could be hard also for Westerners to develop such competence. A person who is used to assume responsibility and take initiatives has developed such a sense of proportions and a feeling for what is feasible. Obtaining such a feeling could in many ways mean a long development of gradual refinement through a practical trial and error process. Not having had the chance to step by step develop such skills has made it harder for people in CEE to develop good analytical skills of the market. It is probably not only a question of theoretical training but very much of practise as well as natural life- and professional experiences in a market environment. The notions and parameters used when developing and discussing a market analysis or a business relevant analysis could mean different things to people from former plan economies than to people having lived all their lives in a market economy. This shows that regarding business analysis both theories, models, notions and practise play a role for different conceptions and views among people from the East and the West.

Age is crucial in CEE and many informants said it is hard or even impossible to employ people who are older than 45 years as they work in another way and have great problems in adapting to a Western way of working and market economy thinking. An informant in Sofia said young people absorb and understand new things far better than the elder ones and another expatriate said his company has an organisation of young people in Bulgaria as it isn’t possible to work with elder persons. The education and the early professional years decisively influence and form the way an individual thinks and works. Working in Poland on a project I saw job-related problems that partly were due to age differences where younger employees neither liked nor accepted an older employee being educated and brought up under plan economy. Generation differences exist where older managers are risk avert whereas young ones are more proactive and a generation factor that some informants discuss is that the older generations work in the old communist way in terms of authoritarian management and lack of commitment for their job, their way of working is much more based on time-consuming personal contacts and less on general procedures, seeking the personal contact instead of going for broader, less personalised contacts and marketing solutions. The younger generations work in a way much closer to Western ones in terms of broader methods and procedures,
less relying on personal contacts. An expatriate manager in Prague said there’s a clear difference between generations where in the elder generation many managers speak Russian, they are educated in Moscow and they avoided taking risks while young people are positive to changes but elderly people aren’t and young persons are also proactive and take decisions. The way of selling depends on age and an expatriate in Sofia said the elder manager generation sells via relations and contacts with individuals based on trust in the individual whereas the younger generations focus their sales on the product and confidence in the system rather than in the individual. Still, many informants work with business to business marketing and sales and in that field personal relations are vital, which they also have stressed.

From the first section in the introductory chapter we remember Holden et al.958 claiming that even 15 years after the fall of plan economy Russia hasn’t internalised the language of market economy as lexical and conceptual voids hamper the transfer of knowledge management. This is nearly a generation so it takes time to change a society’s thinking. In this part of the study we have seen several examples indicating people not being aware of quality nor of service mindedness or solid security thinking and not taking initiatives or assuming responsibility could have difficulties working in the new market economy in the CEE countries. These habits and ideas shape language and how people communicate. There’s an age factor as younger persons below 40 years think more in market economy terms and business-wise and they also speak English better while people over 40-45 years are formed and marked by plan economy thinking and have difficulties to adapt to market economy thinking making it hard for foreign companies to employ people who are over 45 years. The older persons speak less English but often speak Russian. Besides language other factors like ideology and practical procedures, that both are influenced by language, have an impact. The different meaning words and notions such as security, service, taking initiatives and assuming responsibility have in a plan and market economies and what they mean in practical business-life as well as the problems stemming from new practices and ways of thinking indicate the importance of language in the transition from a plan economy to a market one which is enhanced by the isolation from the West and market economies during the whole plan economy era. Thus to me it seems that these words and notions weren’t really absent but rather pale and indistinct in the plan economy era. So compared to their meaning in the languages of the CEE countries the Swedish meaning of these words – here representing

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their meaning in a language that since long ago is marked by market economy thinking - in my eyes are more extensive, more intense, more direct and concrete and also deeper. What we have seen in this section thus suggests that the weak version of the Sapir-Whorf hypothesis saying your first language partly forms your way of thinking has some relevance for the former satellite states and Soviet republics in CEE and the way people there think still today though the influence will be reduced as time passes in the intercultural communication between Westerners and people in CEE.

5.6.2 The language, cultural and knowledge barriers and demands on expatriates
Recalling the three dimensions of the language barrier that Feely and Harzing showed earlier we find that the language diversity for these subsidiaries in CEE covers mainly the local language and the common corporate language which usually is English although other languages such as German, French, Italian, Russian and other Slavonic languages may help in some cases. Regarding the language penetration the subsidiary’s top management, people who work within marketing and sales as well as people having international contacts and often all white collar workers as well as all people reading documentation from the company have to speak the common corporate language. Knowledge in the local language is highly useful for marketers and salespeople as well as other persons holding customer contacts and other external contacts to the surrounding society. The language sophistication in terms of the language competence level is, at least for top management and other key positions having extensive international contacts, fluency in the common corporate language and many others must make themselves understood and understand what they hear and read. In the local language the expatriate has to understand and make him- or herself understood being capable of handling both technical, professional, and general and daily life situations and tasks.

From the expatriates I have interviewed other skills than bridging the language gap by speaking the local language seemed to be prioritised and such ones were understanding the mission and what has to be done and how to do it, what kind of resources are needed, where they can be found and of course also how to find, lead and motivate the employees to make them do their very best and be able of adapting to new situations understanding how people think and work both at the head office and in the subsidiary. Other important qualities mentioned by expatriates are understanding and being capable of carrying out what has to be done having the competence to build


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up subsidiary, holding control over the subsidiary having a good company network and often having experience of working on a foreign assignment are all desirable as are personal qualities such as being energetic, self-going, entrepreneurial, perseverant, patient, courageous, honest and consequent. There’s a high competence barrier to conquer and many tough demands on an expatriate manager and an expatriate managing director in Kiev with an extensive experience from working in many countries said generally the foreign business people you meet abroad are capable and skilled people, the ones who travel and work abroad are among the best.

When doing business the local language could be a barrier as said by an expatriate in Sofia and a local Romanian manager or a problem as a Prague expatriate claimed. There is also a cultural barrier and an expatriate working in Romania and Bulgaria said cultural differences put up a communication barrier. A Sofia expatriate said Bulgaria is an exotic country, it isn’t an easy step to get through and into the country and culture, it’s a higher entry barrier than in the West, it’s hard to find good information and Bulgaria should provide better information on companies which work and have business activities in the country. Preparations are crucial and another Swedish businessman in Sofia stressed it is vital to do your homework well, you must do a good analysis of the situation before starting your business in Bulgaria and you must break through a knowledge barrier. We recall Elisabeth Marx referring to Peter Jobs who stressed the weight of preparation by reading about the history and the politics of the country enabling to grasp its business culture when doing international business also in business trips and to me the need for such preparations seem to be even higher regarding being sent on a foreign assignment.

Thus Western business people need to prepare and learn things from these countries to work successfully there and regarding doing business in Ukraine a Kiev expatriate said the basic attitude when doing business as a foreign businessman in Ukraine is that we learn from each other and being humble and strong is a good combination and a winning concept, letting the counterpart see that you are strong and competent but have a humble interest for his concerns. Showing that you have both strength and a good heart helps you building up your ethos and trust. There is a stress on humility and a Swedish businessman in Bucharest said as a foreign businessman doing business in Romania you should be humble and you should not boast letting the person in a superior position decide the time for the meeting as well as the speed and tempo of it and this is emphasised by another Swede having

worked for many years in Bucharest who said as a Western businessman coming to Romania to do business you shouldn’t be dominant, instead you should be modest having a sensitive ear showing interest and respect for the customers. He argued you have to build up a confidence and you should not start by talking business right away and visiting the customer you should have a local representative of your company with you in order to build up confidence. By hiring local employees a foreign company shows their commitment to the host country, that they mean real business working with a long-term perspective. It thus shows that they are not only there to make fast money and leave. This enables attracting highly competent local people who will have better career possibilities where locals play a key role. These measures are vital in order to build trust. He argued you must be patient, things take more time in Romania than in the Western World and Romanian business people are open and nice.

A German expatriate in Bucharest said as a foreign businessman you must integrate both with other expatriates and the local Romanian people when doing business in Romania and honesty as well as transparency are vital so you should avoid using any tricks as using tricks may result in you being extorted or blackmailed, which of course is a very weak and unpleasant situation for anybody, especially as a professional working in another country. He said as a foreign businessman you have to adapt to the local conditions seeing and understanding how things work but you also have to be clear and distinct when you lead other people. So the demands that an expatriate has to face to succeed in these countries are often high but the conditions are not easy and you have to adapt your behaviour and the way you do business to the local market.

A Swedish businessman in Belgrade said to succeed doing business in Serbia you cannot do business the Swedish way, you have to adapt to the local conditions and a willingness to take risks, creation of unconventional solutions and flexibility are all vital for success and you cannot pay in advance. The tougher business conditions are confirmed by a Kiev expatriate saying there is a wild business culture in Ukraine and people do not follow normal western world rules for doing business while a Swedish businessman in Bucharest said it is a tough business climate in Romania where people fight tooth and nail and you must have the right contacts, but it’s a normal market, you must have contacts and a contact network. So once again the basic need of personal relations in business is stressed. Overarchingly this section shows an expatriate business person must be flexible and creative but also strong, patient and perseverant. There is a risk that too much adaptation may lead to an unethical behaviour so he or she
must have a good internal compass and conviction about what one can do and what one should avoid.

5.6.3 General and professional language, proverbs and metaphors
Language is used to establish and maintain social relations, which is vital in a society and in an organisation, and we speak different languages in different situations and contexts such as talking to family members, with friends or discuss a technical problem at work. An expatriate in Sofia said he understands Bulgarian, especially as many of the technical terms are international ones, i.e. mostly English terms, showing it could often be easier to understand the specialised professional language than the general language of daily life. Thus it’s often easier for expatriates to grasp the professional local language, being more explicit and task-oriented in line with the elaborated code in addition to holding more technical, international and English words, than the daily and general local language that has more jargon and taken for granted-knowledge in analogy with the restricted code.

Another reason could be that when having a professional conversation the pronunciation is often clearer and the articulation more distinct in such a serious discussion than the at times abbreviated and chopped words and expressions in the more relaxed and easygoing daily language that could be harder to perceive and catch for foreigners. The connotations and associations of the words and expressions are well-known in the professional context while that isn’t always the case for a foreign business person regarding a more culturally dependent context of daily language. Moreover the local speaker might not put as much effort and stress in making sure the other party understands the message in a daily talk as he or she would do in a professional conversation where the seriousness of the matter is more obvious. So the level of attention, articulation, seriousness and care is higher in professional language than in the daily, general language explaining why the former is easier to grasp for an expatriate even when speaking the local language. The differences of understanding would probably be even greater if the expatriates don’t speak the local tongue as the frequency of words which they anyway would grasp would be much higher in the professional conversation holding specific expressions and words than in the daily talk in the general language and this is the experience and view of the above mentioned Sofia expatriate not speaking Bulgarian but partly understanding it. This whole view is in line with Andersen and Rasmussen saying a more general core communication is
harder to grasp for an expatriate than the functional communication being technical.\textsuperscript{961}

Proverbs and sayings often express accumulated human wisdom in a clear and pedagogic way that usually is immediately understandable. Samovar et al. say they express powerful universal truths giving authority in intercultural communication.\textsuperscript{962} A Swedish expatriate in Bulgaria said it is hard to negotiate with Bulgarians as they are stubborn and inflexible often causing deadlocks and blockings in negotiations and there is a Romanian proverb saying “stubborn as a Bulgarian”. Showing off with expensive and luxury products is a frequent sight in these emerging markets and a German expatriate in Bucharest said people in Romania buy more things than they can afford and he described this behaviour using the German saying “Mehr Schein als sein” which means to look better or richer than you actually are and he said people always want the newest products, all that matters is that it’s new and famous and people don’t know how to value quality. This behaviour is seen in all these countries. He argued that repatriates almost always fail on assignments in their former homeland describing it with a German saying “Sie sind mehr Catolisch als der Papst” – literally translated into “they are more catholic than the Pope” meaning they are so strongly influenced by the country where they lived before the assignment and as I understand him thus don’t have enough humility and flexibility to adapt and to learn new things resulting in conflicts and lack of understanding. A certain arrogance from the repatriates might add to the difficulties.

Regarding a similar problem one of my language teachers in Kiev also told me that persons from the Ukrainian Diaspora like to tell the people in Ukraine what they should do to get things in order and that is not popular among the Ukrainians. A Swedish businessman in Bulgaria said a Bulgarian saying goes “The fish rots from the head” meaning the leaders have the lowest moral and their immoral behaviour is reflected in the entire organisation they lead. He said in Bulgaria people detoured to obtain personal benefits using their creativity for barter. That saying clearly illustrates the moral level of the ways in which many of the now powerful persons in CEE enriched themselves during the transition from plan to market economy. A local woman in Kiev said in Russian “Skolka jezikov ti govorish stolka raz ti chilavek” which in English would be something like “for every language you speak you are a human being once more” referring to the conquest of a new frame of reference and new ways of thinking and

\textsuperscript{961} Andersen, H., & Rasmussen, E.S, \textit{The role of language skills in corporate communication}, p. 236, pp. 231-242, Corporate communications, Vol. 9, No. 3, 2004, Emerald Group, Publishing Limited
understanding which come with a new language enriching the individual who learns it giving him or her new perspectives on and insights in life and society. This stresses that a crucial benefit of learning a new language is an improved understanding of other people and cultures based on new insights and perspectives where speaking the local language is practical, a strong source of joy as well as a self-confidence booster.

An expatriate in Sofia stressed the importance of using metaphors familiar to the local people. Proverbs and metaphors are excellent communication tools being understandable, clear and sometimes a little funny making the local people understand what the expatriate means as well as making them feel understood and thereby meet their need and desire for familiarity and respect. Proverbs and metaphors can build linguistic and cultural bridges, understanding and trust. From a psychological point of view they could make us feel more human, binding us together and give us a feeling of having something in common. What makes them so useful is their immediate concreteness, their illustrative down-to-earth expressions, their human touch and their universal character being understandable for everyone. Correctly used they are very powerful and enhance the credibility of the speaker and his message. They bear a sort of accumulated human wisdom for which man has a profound, solid and wise respect. With this background they aren’t easy to discard.

5.6.4 English
Most Swedish MNCs whose expatriates I interviewed use English as a common corporate language in international communication and for these expatriates it seemed natural also in internal intercultural company communication. We recall Welch et al. saying English is the lingua franca in international business and the most common company language while Marschan-Piekkari et al. argue for many MNCs English often almost automatically becomes the common corporate language as it dominates international business. Thus English is really crucial in international business. An expatriate in Bucharest said Swedes must be at the cutting edge in English and should not underestimate the local employees’ skills in English while another expatriate in Sofia said Swedes should not show off by speaking very elegant English. This seeming contradiction indicates it is good to have a solid language command without making a point of it, just let it be natural, not stressed. Regarding underestimating the local people’s

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English language skills we also recall Peter Job saying an effective international businessman should take a long-term perspective and avoid underestimating the capabilities of others\(^{965}\) while Maureen Guirdham argues an organisation should highly value its employees’ communication skills.\(^{966}\) So as earlier seen about the difficulties to handle criticism in these countries it seems that both locals and expatriates have to improve seeing, recognising and valuing the capabilities of others.

Still it isn’t obvious that an expatriate can use English when communicating with locals and an expatriate in Prague said less than 5% of the Czech people speak English while another Prague expatriate claimed language knowledge of English in the Czech Republic is lousy. This was said in year 2001 and as ever more people learn English this figure has probably risen. An expatriate manager in Kiev said using English you can’t do business in Ukraine without having an interpreter claiming between 15 to 20% of the customers can handle English and younger people do it better as more people in Ukraine learn to use English on a professional level. Another Kiev expatriate said you can speak English using an interpreter when doing business in Ukraine but it may cause problems and a third Kiev expatriate said speaking English a foreign business person can do business rather well in Ukraine. A Swedish diplomat in Kiev said the language is no big problem when doing business in Ukraine, many Ukrainians speak better English than you would think, notably younger people and there is a new generation of business people in private companies with younger managers in the private sector than in the public one and the English skills are much better in the private sector than in the public one but it’s also a question of age as younger persons want to have international contacts so they must speak English.

The situation seems to be a bit better in Romania since Romanian is a Romance language being closer to English than the Slavonic languages and an expatriate in Bucharest said in Romania you usually get on well doing business in English. Still you may need assistance and a Swedish businessman in Bucharest said you can be assisted if you speak English and another Swede doing business in Bucharest said youngsters speak English well and people under 30 years do it. On geographical differences an expatriate said to do business in English works quite well in Bucharest but it’s harder in other parts of Romania and an informant working in Romania and in Bulgaria said doing business you get along well speaking English in


366
Romania but not so well in Bulgaria and for an expatriate business person it’s vital to speak English well. In political contacts English may do and a German expatriate in Bucharest said speaking English a foreign business person could get along rather well in Romania and most ministers speak English on a professional level where a local manager in Bucharest said you get on well doing business in English in Romania.

The expatriates have divided views on how well you get along by speaking English in Bulgaria. An expatriate in Sofia said doing business in English in Bulgaria you get along quite well as Bulgarians speak it quite well and another Swedish businessman in Sofia said it works fine to do business in English in Bulgaria but showing off with elegant British English is counterproductive ruining the atmosphere as you don’t speak at the same level as the Bulgarians, it may be seen as arrogance or trying to position yourself above them. A third Swedish businessman in Sofia said the younger generation speaks English well. Contrary to these views another Sofia expatriate said English doesn’t work so well when doing business and it isn’t enough in the grocer’s shop where you buy food indicating the difficulties in everyday life resulting from not speaking the local language. The daily life aspect is crucial and as earlier shown Suutari and Riusala say lack of local language skills often lies behind problems in social interaction and the adaptation of the spouse or family and many expatriates in CEE stressed it is vital that expatriates and their families learn the local language as English is insufficient in contacts with the locals.\footnote{Suutari, V. \\& Riusala, K., \textit{Operating in “economies in transition” – Adjustment and management issues faced by Finnish expatriate managers in CEE}, pp. 87-107, p. 97 \\& 104, LTA (Liiketaloudellinen Aikakauskirja - The Finnish Journal of Business Economics), No. 1, 2000}

This is vital as an expatriate must live in the country and making oneself understood outside the office could be crucial for one’s general well-being and influence professional performance since if one gets frustrated due to frequent misunderstandings outside one’s office it could become a problem on one’s job as well. Skills in English don’t seem to be so common among the customers to these companies and a Sofia expatriate manager said only a few customers speak English and he works through delegation of working tasks in the organisation arguing if you speak to people under 30 years English works well and all employees at this Swedish company in Bulgaria, except the workers, must speak English where the employees receive English teaching for free. So intercultural communication in these companies seems to work well without an interpreter internally but one is needed in the external customer contacts and this is described by another Sofia expatriate saying the customers rarely speak foreign languages, perhaps Russian, but everyone in his company speaks English so it still
works using English in Bulgaria since you bring somebody who interprets for you when you meet people who do not speak English. This requirement on employees to speak English is confirmed by another expatriate manager working for many years in Sofia claiming you don’t get along so well doing business in English in Bulgaria, there is a need for interpreters but all employees at his subsidiary to a Swedish MNC speak English, they must be able to read instructions and manuals. There are signs of improved English skills in the business internationalisation process where such skills are vital.

A dominance of younger employees in MNCs is seen by a manager in Sofia saying that regarding managers in Bulgaria there is changing process with more young people in decision making positions where most people under 35 years speak English. A local manager in Sofia had a more pessimistic view saying it’s mostly not possible to do business in English in Bulgaria, yet it’s the most common foreign language in business. Raising the local employees’ English skills can be vital and another Sofia expatriate said as Swedish expatriates and local employees talk both want to understand each other and he encourages and pushes their communication in English.

There’s a language difference between performing local and international business and an American expatriate in Sofia said as a business person you can succeed fairly well in business only speaking English but it depends on the business’ nature and international business is done in English while local business is done in Bulgarian. The industry and geographic position influence how well an expatriate professionally can succeed only speaking English with locals at work and an Irish businessman in Sofia said how well you succeed in doing business only in English depends on your business’ nature and if you work in Sofia or in the service sector there’s no problem but if you are in the manufacturing business it is hard and you have no control if you don’t speak Bulgarian. A higher education level and more foreigners could make it easier to get along with English in the CEE capital regions than in the provinces.

5.6.5 Multilingualism
A Western linguistic complacency was seen in Buckley’s study on Western companies working in China where only the Chinese people learned Western languages, English and German, while the Westerners didn’t learn Chinese\(^\text{968}\) - the most spoken native language in the world. The mighty can enforce their language as it’s easier for them but it’s also a power tool and a symbol showing who’s the real project leader in technology, know how, or

financial resources. But there is a price to pay for exerting power, such as badwill due to linguistic complacency and the risk of being left behind either due to being uninformed or lacking relevant language skills, if you only speak English imposing it on others.

Apart from English other foreign languages could be useful for expatriates doing business in these countries. The location and historical ties influence which languages that may be useful and a Prague expatriate manager said many elder managers speak Russian being educated in Moscow and a Swedish businessman in Prague said German is the dominant foreign language, more crucial than English, but the Czech people dislike Germans taking for granted that the Czechs speak German and starting to speak it at meetings assuming the Czech people will speak it is unpopular. The type of industry the expatriate works in could play a role and another Swedish businessman in Prague in the construction industry argued knowledge of the German language is lousy, just as the knowledge is in English.

Lying further away from Western Europe and having been a part of the Soviet Union from the 1920-ies until 1991 Ukraine is different and an expatriate manager in Kiev said knowledge of other foreign languages than English is of marginal use where a Swedish diplomat confirmed it saying skills in other foreign languages than English, like German or French or others, isn’t so relevant in Ukraine. In Ukraine Russian is the mother tongue of many persons and due to history being part of the Soviet Union, Russian has to be seen much more as a native than a foreign language so one may say Ukraine has two mother tongues, the official language Ukrainian and Russian. Geography is often a key factor for languages and the answers from my informants reflect the fact that I did my interviews in the capital Kiev but in some other parts of the country, particularly in regions close to neighbouring countries, knowledge of some other foreign languages than English may be useful. The western part of Ukraine with the town Lviv used to belong to the Habsburg Empire until the First World War and then to Poland so in those areas knowledge of German and even more so Polish – which linguistically also is quite close to Ukrainian - may be useful as could probably Romanian be in areas close to Chernivtsi just north of Romania which belonged to Romania between the First and the Second World War, and since Ukraine also has frontiers with Hungary and Slovakia knowledge in Hungarian and Slovakian might be useful as well. After the First World War Hungary suffered from a dramatic reduction of its territory leaving a few millions of Hungarians outside its new borders in Diaspora which means there are important Hungarian minorities in some of its neighbouring countries, notably in Romania and Slovakia but also in Serbia and Ukraine so Hungarian is to some extent spoken in all these countries. The
neighbouring countries may generally influence which languages that could be useful but the Ukrainian history with different belongings of different parts of the country makes it highly interesting.

History and education influence people’s skills in foreign languages and which languages they have learnt and a Swedish businessman in Bucharest said speaking to elder persons German may be useful and an expatriate working in Romania and in Bulgaria said skills in French, German or Italian could substantially help you when doing business in these countries on Eastern Balkan. Speaking several languages increases the possibilities to talk directly with the counterpart and an expatriate manager in Bucharest said in Romania you can do business in English, German or French and skills in Romanian are appreciated and speaking Italian helps, since it is the major European language being closest to Romanian while speaking Hungarian is a plus due to Romania’s rather big Hungarian minority. The variety of useful languages makes the intercultural communication easier and a Bucharest expatriate said in general it’s not difficult to communicate with Romanians in foreign languages like English, German and Italian where German helps in Transylvania. He said French is a cultural and English a business language but speaking a Romance language helps as Romanian is a Romance language. I saw it was useful to speak French with elder people in Romania. A German expatriate manager in Bucharest said many speak French and some German and a local manager in Bucharest said German and French are useful business languages and Romanian children learn two foreign languages in school.

Bulgaria has historical ties to Germany and Russia making their languages useful in Bulgaria and an expatriate in Sofia said the younger generation speaks English well and the elder generation speaks German and it is a plus to speak German, Bulgaria is still a German Friendly country. The importance of the German language is stressed by another Swedish businessman in Sofia saying there is much German spoken in Bulgaria, and speaking to people between 30 to 60 years old German is more useful than English and yet another expatriate in Sofia said German and French are important languages to speak and many people speak and understand Russian. In school Russian was the first foreign language being compulsory for everyone to learn in the communist era. Like Bulgarian Russian is a Slavonic language and so easier to learn and grasp for Bulgarians. English used to be the language of the former enemy, the United States, so few people spoke it, it wasn’t appreciated by the communist regime, so more people learned German or French, since although these countries were capitalistic, they weren’t such a direct enemy as America was. There are historic ties between Bulgaria and Germany and East Germany was a
communist satellite state in CEE. This historical influence is seen in Bulgaria today and a Swedish businessman in Sofia said there’s a big German colony in Bulgaria and many Bulgarians have studied at universities in Germany so Bulgarians speak German more than English, but if you speak to people under 30 years English will do. Speaking other Slavonic languages could be useful in Bulgaria and a Sofia expatriate said apart from English other foreign languages such as Russian, German, Macedonian and Serbian could all help you doing business in Bulgaria. There are different ideas on the weight of skills in other Western European languages than English and a Sofia expatriate said the customers seldom speak foreign languages, perhaps Russian, but in his company every employee speaks English and you could sometimes speak French or German if you bring in an interpreter, but it’s of marginal importance. Another Swedish businessman in Sofia stresses the weight of Russian arguing speaking Russian could be a plus as Bulgarian people in their fifties more frequently speak it than English, and in the industry Russian is useful and at times also German. All don’t agree and an expatriate businessman in Sofia claimed doing business in Bulgaria there is no direct need for knowledge of other foreign languages than English such as Russian or German or others. Yet a Swedish manager in Sofia speaking Swedish, English, German and French said French and German help him in his job and foreign languages that are useful to speak when doing business in Bulgaria are, except for English, German and French other Slavonic languages where an employee from Ukraine gave a presentation in Russian and the Sofia local employees understood it.

Germany is the single biggest trading partner of Bulgaria making German skills useful in Bulgaria. The generation factor is stressed by an American expatriate in Sofia who said everybody above 40 years speaks Russian so it is useful and most equipment is German so quite a few people speak German making it good to know. A reason for different opinions on the utility of skills in English and other foreign languages depend on the kind of customers and business partners the informants and their companies have. The age, the industry, the education, the professional background and if it’s a private or state company all influence the language skills of customers and business partners. Some industries have many international contacts and some of them might be influenced by Anglo-American and others by German or Russian companies whereas other industries are more national, young people often speak English and elder ones German, Russian or French depending on the country. People having new educations in economics, business administration and engineering possess better skills in English than people with older educations. Some professions have customers having more international contacts than others and language skills
could sometimes be better in the private sector than in the state one. There has been more need and stronger incentives to learn and speak foreign languages in some of these areas than in others and this is reflected in the level of language skills people have.

We may conclude that German is useful in the Czech Republic, Bulgaria and Romania, Russian is in many ways a native language in Ukraine and useful in the Czech Republic and in Bulgaria while French is good to know in Romania and to some extent in Bulgaria and Italian is an asset in Romania. Macedonian and Serbian could be useful in Bulgaria.

5.6.6 Respecting, speaking and understanding the local language
Generally speaking and referring to Guirdham’s five primary communication functions speaking the local language may facilitate the distribution of communicative control as an expatriate could communicate in a more relaxed and less tense way, it could increase the level of affiliation providing a feeling of communicating membership and relationship in the local culture and give an expatriate a social identity of community membership and it is a plus in negotiations grasping what the local people say. It gives cultural proximity. A Swedish expatriate in Sofia said Swedish businesspeople shouldn’t ridicule themselves pretending they speak the local language better than they do but they should respect it. So either you just know some greetings and daily phrases or you have to command daily and normal working conversations if you claim you speak it. It is vital to avoid ridiculing the local language by using it ironically or in other ways improperly. Irony is a very delicate matter and it may harm and hurt the other party and yourself or the company. The native language is so close to a person’s identity and culture so deliberately mistreating it could be seen as a personal insult or disrespect for your counterpart and his or her culture.

We recall Piekkari saying expatriates often have to speak the local language to perform well at work and be effective in the intercultural communication with local employees. Being an expatriate business person speaking the local language could at times be crucial, to the point of winning the business thanks to it and a Swedish businessman in Prague said it’s a big advantage to speak Czech and the Czech language survived despite German and Austrian historic attempts to eliminate it and in some situations speaking it may have a decisive impact on who will get the business, the one who speaks Czech. This decisive impact is stressed by a Swedish businessman in

Sofia saying it is vital to speak Bulgarian and his company has won contracts just because he - the managing director - speaks it. Language can also in other ways bring more business and a Sofia expatriate said speaking Bulgarian you get to know people faster and it brings new business openings for you and your company giving higher profits and the risks of you being manipulated are lower if you understand what your counterpart says and how he or she thinks avoiding economic losses and she said you must rely on an expensive assistant if you don’t speak the local language. Time is money and not speaking the local language you not only lose accuracy, flexibility, directness and rhetoric power but also time and pace waiting for translations.

Speaking the local language is almost always appreciated among the local people, it shows interest in and respect for their culture and it could give goodwill and even direct benefits and advantages to the expatriate and his or her company. It is also a strong sign of commitment and an expatriate manager in Prague said it is a plus to speak the Czech language, it gives you respect, goodwill showing your commitment to the country and its people, especially as the Czech people know how difficult it is to learn and to speak it. It is a superb instrument to grasp the culture and another Prague expatriate said coming to the Czech Republic a Western business person must learn about the culture and it is an advantage to speak the Czech language and if there is anything he regrets when working in the Czech Republic it is not having learnt it. There is an informative aspect where a Swedish expatriate, speaking the Czech language as he learnt it in his foreign assignment in Prague, said speaking it gives you goodwill and information making you more aware about what is going on in society and another Swedish businessman in Prague said it is an advantage to speak Czech when doing business there. So it is a plus to speak the local language in the Czech Republic and it could in some cases make you win the business.

There is a significant trust potential in speaking the local language where an expatriate’s ethos and credibility could be strengthened if speaking it and a Swedish businessman in Kiev said knowledge of the local language, Russian or Ukrainian, could help the foreign businessman obtain more and broader information, to hear things not meant for his ears giving him more respect and credibility among local customers and employees. Contrary to this another expatriate in Kiev said it’s of marginal importance to speak Russian and of even lesser weight to speak Ukrainian. He said in general foreigners working in Ukraine don’t speak the local language. Yet another expatriate speaks Russian, not Ukrainian, and he would like to speak Russian better than he does today saying the local language is the biggest communication
problem and the way to solve it is Swedish business people learning Russian and the Ukrainians learning English, i.e. is both people have to learn a language that the other party speaks well. This seems to be a wise sign of mutual respect. He said speaking the local language is vital, it is highly appreciated among local people, employees and customers, and the language is a résumé of very much regarding thoughts, ideas, opinions and culture. It could help you make the most of your possibilities and one, I presume British, expatriate in Kiev said you have to speak the local language to be as successful as possible in Ukraine and you can’t build up a company in Ukraine if you do not speak it and about 30% of the expatriates in Ukraine speak Russian or Ukrainian. Yet I’ve met many Swedish business persons who have started up businesses in Ukraine and other CEE countries not speaking the local language so it doesn’t seem totally necessary to speak it but it seems to be an advantage, perhaps an underestimated one, to speak it. The situation in Ukraine is a bit special since there are more or less two native languages, Ukrainian and Russian, widely spoken and the official language in the Soviet Union where Ukraine was one of fifteen republics until the Soviet Union was dissolved in 1991, and a Swedish diplomat in Kiev speaking both Russian and Ukrainian said there are many persons who are bilingual speaking both languages though Surchik is a pejorative word for a mixture of Russian and Ukrainian. He said the Ukrainian language will become stronger in schools and other institutions but Russian will remain in Ukraine and as a foreign business person you don’t have to speak the local language and if you speak Russian it is viewed as quite normal as it isn’t so rare among foreigners but if you speak Ukrainian it’s a big goodwill factor in business and also politically. On the importance of Russian in Ukraine an expatriate in Kiev said the most common language in Ukraine is the Russian language though the official language is Ukrainian and in year 2000 as much as 55% of the Ukrainian households spoke Russian at home but in the western part of Ukraine the Ukrainian language dominates while in office, the employees speak Russian. But the Ukrainian language grows in importance so the figures might have changed now.

Many processes and procedures could be speeded up by speaking the local language and an expatriate in Romania said skills in Romanian are appreciated and he stressed the time factor saying it’s vital to be appreciated as an individual if you do business in Romania and without speaking Romanian it takes a little longer. The widening of opportunities is stressed by another expatriate in Bucharest saying as a foreign business person speaking Romanian is a door-opener, it’s a strength and an asset. Having an open attitude helps and a Swedish businessman in Bucharest since many years said speaking Romanian is important and it’s vital to send open and communicative expatriates to Romania, you cannot send introvert persons to...
Romania. So openness and communicative skills are generally important for an expatriate and since Romanian is a Romance language tied to a Latin temper this need is even stronger. An expatriate working in Romania and Bulgaria said knowledge of the local language helps you doing business though it isn’t necessary but then you need good local employees who could help you to translate and interpret. This shows that an expatriate not speaking the local language in Romania, or in other countries in the region, becomes more dependent on other persons and loses some control and directness. This is stressed by a German expatriate in Bucharest who doesn’t speak Romanian but can read newspapers and thus knows what’s going on in Romania and he argued if you speak and understand the local language nothing is filtered so you will obtain the whole picture and not just parts of what has been said, which will help you understand and control what is going on and in customer meetings the customers don’t think he understands Romanian but his employees know it and his understanding of the local language could at times be an advantage. The information aspect is stressed by a local manager in Bucharest who said the importance of knowledge in Romanian depends on who you do business with and not speaking it could be a problem in business though Romanians don’t expect foreigners to speak Romanian but speaking it you become better informed about what is going on in the country and how society works which is vital and foreigners working in her company learn Romanian. It is vital to be respected when doing business and a Swedish diplomat in Bucharest said knowledge of the local language gives you respect and to become really successful in Romania you should speak Romanian.

The psychic distance may be reduced by communication ability in the local language and a Swedish businessman in Sofia speaking Bulgarian said you come closer to a Bulgarian and it’s easier for you to do business if you speak Bulgarian and not speaking a single word of it is a small offence, notably if your counterpart doesn’t speak foreign languages. He said Bulgarians have a poor self-confidence but they build up a boasting attitude to conceal it and if you speak Bulgarian a new world opens up to you in Bulgaria, you become one of them and they look upon you as a Bulgarian. This is understandable as if an expatriate speaks their language they feel respected and open up much more than they otherwise would have done. This stresses the already mentioned close relation between culture, language and identity as described by Tietze. Closely related languages could do and an expatriate speaking Macedonian, which is very close to Bulgarian, as both languages have the same origin, said speaking Bulgarian really helps you in Bulgaria, you get more open and true answers and people aren’t afraid of you the way they are

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for foreigners not speaking it. A long term expatriate in Sofia said speaking it facilitates your job enormously regretting he didn’t learn Bulgarian at the beginning of his assignment in Bulgaria, but by then he did not know that he would stay for 10 years in Bulgaria, as he had when I interviewed him. He understands Bulgarian, notably as many technical terms are international, i.e. mostly English ones. He said speaking Bulgarian would increase the trust among the people you work with, both externally and internally, and you can better grasp what people mean. Working directly with customers it may be very useful and yet another Sofia expatriate has many customer contacts saying it’s a big plus to speak it and he would like to do it better than he does now, though he understands some of it. Another Sofia expatriate, who like most expatriates interviewed didn’t speak the local tongue, said there’s a limited use of speaking it, i.e. it isn’t vital. What you do influences how much it may help you and a Swedish businessman in Bulgaria said whether it is useful to speak it is due to the type of business activities you do, but it surely is no disadvantage to speak it.

5.6.7 A speech and greetings given in the local language
Skills in the local language are often used in conversations and in discussions with locals but also possible and advantageous to use when you give a speech. Some potential benefits won by giving the speech in the local language will be described shortly here.

We recall the different elements in a successful speech as described by Johannesson. The ideal speech holds exordium, narration, proposition, argumentation and conclusion. Speaking the local language makes the exordium much easier for the expatriate business person, as one has won in respect and goodwill strengthening one’s ethos by speaking it as many informants said and what one says will be clearer and easier to understand for the audience. These gains could also increase one’s credibility and using relevant facts in a sensitive way having a better knowledge of the arguments that would best suit the expatriate and one’s speech thanks to one’s competence in the local language and culture could make one’s narration more successful paving the way for one’s thesis. Possessing a deeper, broader and better knowledge of the local culture and wisely refer to it may strengthen one’s argumentation and thereby also one’s logos. As the emotional appeal to the audience is crucial in the final part, it is certainly a plus to make the conclusion in the local language speaking straight to their hearts reinforcing one’s pathos. So speaking the local language could strengthen the expatriate’s ethos, logos and pathos and the message being a

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vital advantage to him or her when giving a speech to customers or employees.

As earlier mentioned Kassis-Henderson says performing routines such as greetings is a sign of competence\textsuperscript{973} while Tietze argues greetings and small talk create emotional ties and social cohesion.\textsuperscript{974} So there are both professional and emotional aspects to greetings where performing them in the local language shows respect and could bring goodwill. Many expatriates argue saying greetings and other short daily and social phrases in the local language is important and sometimes an advantage whereas others consider them of marginal importance. Saying such words and expressions you show respect for the local people, their culture and their language which often is appreciated and an expatriate in Kiev said using greetings and saying how do you do and goodbye in the local language gives you goodwill while an expatriate in Bucharest told me saying greetings and similar phrases is a plus when doing business in Romania. Politeness is vital where a German expatriate in Bucharest said greetings and polite phrases are good to say in Romanian. An expatriate in Sofia stressed this saying greetings and phrases of politeness in Bulgarian are deeply appreciated since under the surface it is important for the Bulgarians to obtain a confirmation and an acknowledgement that their language and culture, and in some way also their identity, are all important. Yet other persons put less value in saying greetings in the local language where a Sofia expatriate said greetings and similar phrases in the local language could break up resistance and barriers when you meet other people but it is of marginal importance. So greetings have a symbolic value showing commitment and respect for the local culture and its people making them useful but to which extent varies.

5.6.8 Who needs local language skills and which level of skills is required at work?

How much your company will benefit from your skills in the local language depends on the level of language skills your local employees and customers have, if, which and how well they speak foreign languages, their industry, how global and communicative it is and other factors. Speaking the local language could be more important in external contacts than in internal work, particularly if your colleagues and employees speak English, and an expatriate manager in Sofia said skills in the local language, Bulgarian, aren’t so vital when you lead an organisation but to sell your products it’s central to employ competent local people who can run that business but if you don’t have good local people then local language competence is vital.

\textsuperscript{973} Kassis Henderson, J., Language Diversity in International Management Teams, Studies of Management & Organization, Vol. 35, No. 1, Spring 2005, pp. 66-82, p. 71 & 75-76

\textsuperscript{974} Tietze, S., International management and language, p. 29-32, 2008, Abingdon, UK
To achieve full communication contact speaking the local language is crucial and another expatriate in Sofia said it’s useful and practical to speak Bulgarian and if you work with sales and marketing it’s vital to speak it to build up customer relations, to reach all the way obtaining a direct communication with your counterpart but on higher management levels it’s easier and it works better to use English than on lower ones and if you speak English you’ll reach a part of the way, perhaps half the way, but not all the way, to do it you need a Bulgarian partner.

That language skills in the local language could be more important for sales and marketing people having many customer contacts than for top managers who meet people who probably more frequently speak English or other Western languages is mentioned by other expatriates. We recall Welch et al. discussing the buyer-seller relation saying that information and proficiency in the customer’s language reduces the human distance showing the adaptability and commitment of the company for potential foreign customers.975 This general view on the benefits of speaking the customer language could be more country specific. Discussing China we recall Selmer reporting an increasing trend to work in the language of the customer who could require that the negotiations are completely held in Chinese976 while Lavric and Bäck found that speaking a Romance language – usually the customer’s mother tongue – pays off when selling on Romance-speaking markets.977 Yet the head of an organisation has customer contacts and the CEE customers often don’t speak English where speaking the local language facilitates to grasp what is going on in the organisation in terms of hearing more and more direct information which isn’t distorted in translation. This means also the head of an organisation has good reasons to learn the local language.

Regarding how well you must speak the local language to carry out your profession one expatriate in Kiev said the level of knowledge in the local language required of a foreign business person is the ability to have normal everyday business conversations. A Swedish diplomat in Kiev said speaking the local language the areas you must command are your professional area and also the normal general conversation themes. Mutual understanding is crucial and a Swedish businessman in Sofia said the level of skills in

Bulgarian that he recommends is that you grasp what the others say and make yourself understood. Put in figures another Sofia expatriate said the skills needed for a business expatriate means he or she should be able to carry out 80% of the working tasks in the local language.

An informant explicitly told me he had won business just because he speaks the local language and another informant said speaking the local language could make you win the business. However, no-one has said they have lost a business because they didn’t speak the local language. There could be some explanations for this. First, they may not have lost any business due to insufficient language skills, perhaps their communication skills were good enough or that competence wasn’t decisive regarding who would obtain the contract. Second, the expatriate might not be aware of and didn’t know that it was lack of communication and language skills causing the loss of business. Thirdly, he didn’t want to admit the loss of business was due to insufficient language skills, it is unpleasant and humiliating to admit the loss of a business was due to your own individual incompetence.

Most expatriates in this study didn’t speak the local tongue and only four of the Swedish business expatriates I interviewed in The Czech Republic, Ukraine, Romania and Bulgaria spoke it, one in Prague, one in Kiev and two in Sofia. Four more spoke some of it and/or understood the local language a little without speaking it, one in Ukraine, one in Romania and two in Bulgaria. Two diplomats also spoke the local language.

5.6.9 Interpreters
Using an interpreter could help the expatriate business person to get the message through being clear and unambiguous. But using an interpreter creates a distance to the counter-part or the audience making it harder for the expatriate to obtain a direct and effective rapport with the counterpart or audience which makes it cumbersome to build up trust for oneself and ones mission and message. It could be difficult for an expatriate to trust an interpreter – particularly an external one. There are also other difficulties with using an interpreter who could misunderstand what the expatriate says since the interpreter doesn’t know the subject or the context well enough to translate correctly or he or she could have his own agenda. Thus the expatriates usually don’t use external interpreters but internal ones understanding the industry, the subject and the counterpart and who should be loyal to the employer. Still it may be hard to use an interpreter since the expatriate is in a weak position without control. An expatriate working in Romania and Bulgaria said if you don’t possess skills in the local language you need good local employees helping you to translate and interpret as you can’t trust a professional interpreter - they aren’t concrete or specific enough
so clarity, distinctiveness and consistence are needed, there’s no room for euphemisms. Expatriate managers working in small firms could need interpreters when they meet big company customers and a Swedish businessman in Bucharest said there are interpreters who can help you when you speak English in Romania and another expatriate in Bucharest said on the big companies they have translators. Even if the big companies have interpreters it might be dangerous having to rely on the interpreter of the counterpart - who is loyal to them – so it may be better to have your own interpreter in negotiations.

When using an interpreter English is usually the language the expatriates use and many expatriates in Ukraine and Bulgaria say you cannot conduct business in English without having an interpreter. Accordingly an expatriate in Kiev said you can speak English with an interpreter but having an interpreter could cause a few problems since it could be hard to trust an interpreter, who either could misunderstand the subject or have his or her own agenda. The need for an interpreter is stressed by another expatriate in Kiev saying using English you can’t conduct business in Ukraine without having an interpreter and there’s a difference in mind-set in different languages but there’s no other communication problem and he has interpreters or translators with him in all negotiations and at all dinners but it’s difficult to find a good interpreter who grasps what each part wants to say so he uses his secretary as an interpreter. He said you have to read the face and the body language of the customer and check that you and the customer mean the same thing, especially if you get unexpected reactions or answers and misunderstandings are the most common problems but differences in attitude and substance could occur. We recall Hellspong referring to Jenny Thomas regarding pragmalinguistic and sociopragmatic failures and what this Kiev expatriate says indicates that the pragmalinguistic misunderstandings - due to lack of understanding of words and language - are more frequent than sociopragmatic ones – which are due to lack of understanding of values and lifestyles etc. In line with the earlier mentioned view of Swift on the language barrier these misapprehensions correspond to the two levels of the language barrier where the first level deals with the barrier for literal understanding of the words and the second level deals with the barrier for grasping the culture of another person or the market culture. In situations when it is vital to get the message through interpreters could be used and a Sofia expatriate said to be clearer and

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380
unambiguous the respondent uses an internal interpreter at internal meetings but it is cumbersome since you are totally dependent on the interpreter, you are exposed and vulnerable, and there is a risk for misunderstandings.

The mentioning by this Kiev expatriate of the different mind-sets in different languages indicates a relevance of the Sapir-Whorf hypothesis and both the usage of interpreters and intensively interpreting the non-verbal communication may partly be seen as a kind of compensation for the lack of local language skills though especially the non-verbal communication also is a supplement to the verbal communication whether you speak the language or not. My interpretation is that by different mind-sets he means we see things in different ways depending on the language we speak where associations, connotations and meanings differ across languages. We recall Guirdham’s view on the non-transmittability of meaning where the sender only can transmit the message and not the meaning and where the receiver of the message must create a meaning. Accordingly a Sofia expatriate said to grasp the message knowledge in the local language has a certain impact. This is also in line with Villinger’s view saying direct communication through a common language is often needed in order to obtain a real understanding of the true, underlying meanings. So the entire concept of a business could differ due to language differences. Such differences may lead to misunderstandings so it is no wonder that this Kiev expatriate GM relies on non-verbal communication in order to minimise that risk.

It is vital that an interpreter knows the subject and the industry and a Sofia expatriate said without an interpreter it can be hard to do business in English in Bulgaria so his assistant interprets for him as he knows both the industry and understands the counterpart, which is necessary and thus an external interpreter is nothing even to consider. Another Sofia expatriate says at the initial contact stage with the customer speaking the local language may be important but then you find ways around the problem, perhaps by bringing an interpreter who is an employee who understands the matter of the discussion and skills in the local language has a certain impact when it comes to grasping the message and you can’t trust that they translate as they should, you say something and then they translate it to something else but you receive immediate feedback. As I grasp it if the information is distorted or incorrect you have a possibility to see it and then you have to repeat it or by other means make sure that the other party receives the information you want to give. Locals’ lack of English skills is a reason for having an

981 Villinger, R., Post-acquisition Managerial Learning in Central East Europe, Organization Studies, 1996, 17/2, pp. 181-206, p. 200
interpreter and a Sofia expatriate said most Bulgarians are weak in English so you have to bring an interpreter with you.

The issue of trust is vital when it comes to interpreters where an expatriate in Sofia said you cannot trust the interpreter, you say something and then they translate it to something else. We recall Mauser saying that translators are not always to be trusted where he also refers to a Japanese stringer who warns us for selectively biased translations where the information could be limited.982 The core reason for a company to send an expatriate on a foreign assignment may be that the headquarters need a loyal person who they really can trust, someone who will not manipulate or cheat them. The problem by using an interpreter is that this potential risk of disloyal behaviour is pushed a step further away, from the manager to the interpreter but the problem is reduced by using an internal interpreter. Still, there’s the earlier told Italian saying “traduttore-traditore,” the interpreter is a traitor, as Stern said.983 Even an internal interpreter may have his or her own agenda. We recall the expatriate working in Romania and Bulgaria saying you can’t trust an external interpreter they are not concrete and specific enough. Perhaps the external interpreter softens the message trying to avoid potential conflicts and clashes - which could stem from harsh and direct messages - that could be rather unpleasant for the interpreter. An internal interpreter has a loyalty to the employer while an external one could think about potential future assignments and be more concerned with not burning bridges and avoid being very specific on delicate matters. Another explanation may be that the external interpreter doesn’t have enough knowledge in that field and isn’t able to be specific enough as much of the communication may be field-specific, industry-specific or even company-specific making it even harder for the interpreter to interpret correctly.

5.6.10 Language as power
The usage of English instead of learning and speaking the local language is also a power tool that is much used by MNCs in CEE in communication between expatriates and local employees and managers. There are many good reasons for it such as you may use it in global contacts within and outside the company and the company documentation is in English etc in line with the arguments for a common company language. Still, Westerners by financial strength and domination, impose their chosen language, English, on the local employees in the subsidiary and that is a way of institutionalising and exercising power.

983 Stern, S., Hold tight, we are entering the globish-speaking zone, Financial Times UK, January 16, 2007
We remember Marschan et al. discussing expatriates acting as a language node - which is a kind of internal translator - helping subsidiary colleagues with limited language skills – particularly in the common company language - when communicating over linguistic and national borders, though it could distract the expatriate from doing his or her own job. I haven’t seen many language nodes among the informants apart from a special variant of it when local employees act as internal interpreters not helping the compatriate colleagues but rather the expatriate who mostly is a manager. There are some reasons for it. Firstly there are only a few expatriates in the companies whose representatives I interviewed, in most cases it the subsidiary has only had one Swedish expatriate and that individual has often had a leading management position, like managing director or another top position with a huge workload making them so busy they don’t have the time to work as language nodes. Another reason is that so few of these expatriates speak the local tongue making it harder to become a language node. Yet another reason is that many of the employees, in some cases all and in some others all but the workers, speak English so there is no actual need for a language node since by speaking English they can communicate with the head office and other subsidiaries.

I have not met many, I don’t remember any, local employee or manager speaking Swedish either and the expatriates I met already have so powerful positions that they can’t advance much further in terms of having more power although expatriates speaking the local language could be harder to replace and thereby obtain a safer position and a stronger negotiation position having more authority when negotiating with head quarters and also having a stronger personal position being more flexible and mobile on both the local and the international labour market and less dependant on their home company. Still, all this means there aren’t so many possibilities to obtain more power by being a language node in these companies in CEE. Yet, language skills in general and local language skills in particular could make the expatriate manager more powerful and flexible both internally in the company and externally outside it enhancing the possibilities to build and integrate into external networks and such local language skills can make the expatriate better informed seeing the market windows and openings earlier, if he or she would have seen them at all without local language skills, and exploit the business potential more effectively and efficiently as well as obtain more respect on the market which in turn could make his or her company stronger, more powerful and more profitable on the local market.

There’s a risk that these companies can’t develop to their full potential and thus lose business, profitability and power due to the expatriate’s lack of local language skills, notably if he or she is the managing director but also having some other leading role and position in the company. Another point is that by speaking the local language the expatriates would be more included in the local society but since most of them don’t speak it they are more excluded and isolated from the local society often spending leisure time with other foreigners in the expatriate-colony. This isolation may cause lack of vital information and fewer contacts and so lost business opportunities. Yet, having contacts with an expatriate network may be good and lucrative for business. A risk with it is that a biased and incorrect view on the local society may develop among the expatriates that might not be in accordance with reality and so ruin business openings.

5.6.11 Recruitment, training and brain drain
We remember Welch et al. discussing home-language international expansion where a company expands internationally staying within its own language or language group and thereby reduces the perceived risks and communication demands on its personnel. For Swedish based companies home-language international expansion means expansion to the Nordic countries including Denmark, Norway and Finland where Norwegian and Danish both are Nordic languages and Swedish also is an official language in Finland but home-language international expansion is for many of these companies since long ago a past stadium. Swedish is a small language and only about 18 million people speak Nordic languages of which almost all can understand Swedish. This limited number of persons speaking or understanding Swedish forced them to use another language so English has become the language of Swedish companies as they expand internationally beyond the Nordic countries. Most companies whose representatives I have interviewed have tackled the language issue by introducing a common company language, English, as a lingua franca in the company using selective recruitment where English skills are a pre-requisite for employment for a position and they give their employees English language training.

Many people in CEE have good theoretical education but there are other difficulties the expatriate manager has to handle regarding recruitment of local employees and managers. An expatriate in Prague said few persons

986 Nationalencyklopedin, under “Nordiska Språk” or more specifically found on Internet under: http://www.ne.se/jsp/search/article.jsp?i_art_id=270946&i_word=nordiska%20sprak%e5k
have a Western way of thinking and it is hard to find competent personnel while another Swedish businessman in Prague said it’s hard to find the right persons to employ, both managers and other employees, and there is a lot of nepotism. An expatriate in Belgrade said it is hard to find competent personnel in Serbia. We remember Suutari and Riusala arguing it is hard to find competent people with good language skills and it could be very expensive to keep them due to high salary demands so being careful when recruiting is vital and the company has to motivate their qualified personnel to stay with training, development programs and career planning.987

As a foreign business person you don’t only have to know your own employees but also your business partners outside your company and an expatriate in Kiev said a Western business person coming to Ukraine must thoroughly analyse his or her business partners through personal conversations, by investigating their reputation on the market and also by analysing their contact nets and hire local employees who must find that information and to find good local employees you read the CV of the candidates, you do an interview with the most interesting ones and you use your intuition. The character of a potential employee is crucial when employing somebody and a Kiev expatriate with an extensive experience of working abroad - as many of the informants have - said the most important when you employ another person is his or her personality and values and the impression you get of him or her, the second most important is the professional competence and the third most important is the knowledge of the local language. He said you employ good people while you hire services of experience and knowledge and it’s better to employ an excellent marketing specialist who doesn’t know the local language and then teach it to him or her instead of hiring a mediocre one who already knows the local language and as an employer you try to see if the candidate has the required knowledge and qualifications but it’s very much a question of fantasy imagining how he or she would act and perform at work working with colleagues and customers. So employing someone is a complex and thorough process requiring research and intuition where knowledge and understanding of people and earlier recruitment procedure experience are useful qualities for an employer.

There is a question of legitimacy and a Swedish businessman in Bucharest said a foreign business person doing business in Romania must find the right people to work with and it may be hard to do it but it’s vital to show that he or she wants to stay by employing local people, i.e. Romanians. This is

stressed by another expatriate working in Romania and in Bulgaria saying a Swedish business person planning to do business in Romania should be humble and try to understand the local conditions, he or she must have a long-term view and find skilled local employees. Finding people understanding business thinking and how to communicate in it is important and a local manager in Bucharest said there are different languages spoken in Romania varying with the generations but the language of market economy is becoming increasingly important and to find people speaking it the companies employ young persons having relevant and modern educations. For them such thinking is natural permitting them to act instinctively and intuitively working in a MNC.

Speaking the language of your colleagues and counterparts has various dimensions where speaking and understanding the local language could be a vital one where an expatriate in Sofia since many years said as a future selection criterion for who to send to a foreign assignment in CEE you should send people who speak Russian, as they can learn other Slavonic languages much easier than people who don’t speak Slavonic languages. This is a HRM task in line with the earlier mentioned strategic positioning of language skilled staff within an internationalising company that Marschan-Piekkari et al. advocate in order to obtain local responsiveness and effective coordination. This criterion requiring skills in the Russian language mainly applies to CEE countries with Slavonic languages, and not to Hungary and Romania for instance. English language skills are often required for locals to be employed in a MNC and a Sofia expatriate said good command of English is one of the general requirements when you want to employ someone in Sofia, referring to recruiting local people to his company. Another Sofia expatriate said when his company wants to employ someone in Sofia the general requirements are: Good English skills, experience from the industry, good social competence, driving license and high demands in general. He said employing someone is a trial and error process and the managing director should meet the newcomer with a fair and honest approach taking good care of them so they feel they matter and are privileged. To me it seems he has understood the earlier discussed importance of not underestimating the local staff showing them respect and appreciation where he has internalised this view into his daily way of working and behaving. This manager’s behaviour could make his staff feel more comfortable at work which might increase their loyalty to the company and reduce the high – and presumably costly - personnel turnover featuring many CEE countries after the fall of plan economy.

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MAP 386
The level of education is a vital factor when a company employs people and a Swedish businessman in Sofia said there is a good educational basis in CEE, many people are well educated, so you only have to find the right persons for key positions and then send them to language courses, i.e. to learn English as I understood him. Recommendations could be important when recruiting new people to the company and an expatriate in Sofia said his company has a good organisation having done good recruitments of people being friends to persons working at the company. As a consequence of the plan economy heritage it could be hard to find good managers and an American expatriate in Sofia said it’s hard to find competent people in Bulgaria, there is a lack of management expertise and the ruling business mentality isn’t a marketing one but a production mentality which also was the ruling logic in the plan economy as earlier mentioned by Bedward et al.\footnote{Bedward, D., Jankowicz, D., Rexworthy, C., *East meets West: A case example of knowledge transfer*, pp. 527-545, p. 527 & 529, Vol 6, No. 4, 2003, Human Resource Development International} Yet an Irish businessman in Sofia saw it differently saying in Bulgaria there is an excellent and cheap workforce and most people are well over-qualified for the job they are doing. This Bulgarian paradox of being both over-qualified and not competent enough might be explained due to their field of profession. There is a lack of management thinking in market economy terms and thus a lack of qualified managers but at the same time there are many well-educated engineers or other specialists who have to do working tasks well below their qualification level. The transition to a market economy takes new expertise.

Regarding the expatriate business people these MNCs don’t seem to put much emphasis on competence and skills in the local language, neither with language course preparation before the foreign assignment nor during it on site in the assignment country considering how few of the expatriates who spoke the local language even after having been several years in the country. As earlier shown Nekvapil and Sherman give a similar view saying foreigners, and particularly Western expatriates in big MNCs, in The Czech Republic or Hungary usually don’t speak the local language.\footnote{Nekvapil, J. & Sherman, T., *Pre-interaction management in multinational companies in Central Europe*, pp. 181-198, p. 189, Vol. 10, No 2, May 2009, Current Issues in Language Planning, Routledge} This lack of local language skills goes against Villinger who – as we recall - advocated that Western companies should stress language and cultural competence when recruiting and training staff for post-acquisition positions in Central East Europe thereby facilitating knowledge transfer of direct business skills where Westerners learn the local language and the local staff learns a Western language.\footnote{Villinger, R., *Post-acquisition Managerial Learning in Central East Europe*, Organization Studies, 1996, 17/2, pp. 181-206, p. 203} This study is performed with the subsidiary in focus.
but during this study I haven’t seen any language audits or language check-ups which Feely and Harzing eagerly recommend in order to find out the linguistic competences and needs and what has to be done linguistically regarding recruitment and training\textsuperscript{992} but I have also worked close to the head office of a big Swedish MNC for many years and I didn’t see any of it there either. Thus in order to obtain a clearer picture of the language competence and needs of their staff and in their organisation Swedish companies have to improve using language audits and check-ups. This might be due to their strong focus on having just one common company language – English – where skills in it but not in other languages is considered.

Thus these companies prioritise other things than communicating skills in the local language when they select persons for foreign assignments and considering the extensive international experience and already having been on one or several earlier foreign assignments, often in emerging markets, featuring many informants that seems to be an important selection criterion, particularly for top positions. It seems the managers selecting who to send on the foreign assignment, and it may be hard to foresee how a potential expatriate will perform, value previous similar experience and general expatriate capability but don’t emphasise preparing the selected individual for the local conditions in the assignment country. Though general expatriate experience and skills could be very useful in many ways there may be a risk of over-estimating them and underestimate the qualities needed in the local business culture and market as earlier experiences aren’t always transferable or relevant on another market since foreign assignments differ so success in one doesn’t mean you will have it again. It is hard for me to judge as I haven’t seen the expatriate managers in such job-related situations but my impression from my interviews with them regarding the seven important factors when selecting expatriate managers to make the foreign assignment successful - as presented by Jordan and Cartwright - it seems the expatriates I interviewed featured low neuroticism, high openness to experience and also sensible and sufficient extroversion regarding the stable personality factors while concerning the core expatriate competences they seemed calm and able to handle stress also having a good relational ability, there was a cultural sensitivity and they had good or at least acceptable English language skills but usually a lack of local language skills.\textsuperscript{993} So superficially seen these expatriates met most of these criteria but not the criterion of having competence in the local language. Why is that? It

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seems that apart from local language skills most of the other criteria may be development over time – if you are not already born with such talents - and are applicable globally so they have become part of the expatriate’s general professional competence while the local language is specific to that market and has to be learnt for that very assignment which of course requires time, energy, an extra effort and good motivation to learn it.

Some of the expatriates who haven’t learned the local language still would like to speak it, and some who speak it would like to speak it better than they do, so they are motivated to reduce the linguistic distance between themselves and the local people but they haven’t yet achieved their desired level of language skills. Most of the languages in CEE are very different from Swedish or English and thus hard to learn for the expatriates also having many other important things to do, both work-related and taking care of their own family, on the foreign assignment despite of often having to work many hours a day. Between the expatriates and the local employees and managers there’s a drive and desire to understand each other clearly expressed by a Sofia expatriate. But only having a common language – mostly English, which is foreign to both parties - brings limitations in terms of grasping and possibility to explain things in a specific and detailed but clear way. A more limited vocabulary and insufficient grammatical skills in a foreign language result in a less fluent communication with fewer nuances, less precision and higher risk of misunderstandings.

Stressing these problems and risks we recall Lundén saying if none of the interlocutors has English as native language a conversation in English easily turns superficial or leads to misunderstandings which may impair negotiations and other talks.994 This lack of solid and real understanding as well as communicative depth could easily breed insecurity and distrust which may aggravate the difficulties even more. As earlier mentioned a remedy to it could be that the expatriate learns the local language – despite the unbalance and bias favouring the locals that this creates - so that at least one of the interlocutors speaks in the mother tongue and thereby has a good command of the language enabling complex talks. What the expatriate may lose in linguistic inferiority may be regained in deeper and more detailed understanding, trust and goodwill by speaking the counterpart’s mother tongue. Yet in some situations it might be wiser and preferable to speak a neutral and common language that none of the parties has as mother tongue. It also depends on the character of the communication, if it has a co-operative nature then speaking the counterpart’s native language may be optimal but if it’s more of a competitive atmosphere, such as very tough

994 Lundén, T, Språkens landskap i Europa, P. 68, 1993, Studentlitteratur, Lund
negotiations, then it would probably be wiser to use a neutral language in order to avoid that the other party takes advantage of the situation exploiting their linguistic superiority by speaking their mother tongue. This choice of language has to be well thought through.

Motivation and commitment are crucial factors when recruiting somebody for a foreign assignment and some expatriates have expressed their desire for challenges saying in the Western world so much is ready and done and everything functions so there isn’t much to do to improve things while in these countries in CEE you have to build it up and create something so you can really make a difference as an individual which is a very inspiring and interesting task and mission so they prefer to work in such emerging markets. Having worked in several emerging markets an expatriate in Belgrade expressed this ambition saying there is an exiting and volatile business climate there with high growth giving a business person the chance to make a difference having a real impact in the company and on the market. Thus succeeding on a foreign assignment could bring insights, knowledge and competence being personally rewarding and developing for a professional person.

Motivation is crucial also for learning a foreign language as earlier stressed by Lundén.995 We saw that business people can win a business thanks to speaking the local language and consequently they may also lose it if they don’t speak it, particularly if one of their competitors speaks it. To optimise the possibilities to win new business it would be good if the individual who is selected to perform the foreign assignment either speaks the local language or is motivated and determined to learn it. I strive to understand other people and cultures by learning their language while for the expatriate business person the main task is to build up or develop a subsidiary, the market and the country where knowledge of the local language and culture are tools to achieve it and not the ultimate goal. Yet, they are very useful tools and lack of motivation is a well-known reason for unsuccessful language studies. Lack of time and much to do are reasons for not learning it but knowing that speaking it could win a business may increase the expatriate’s motivation to learn it.

As earlier mentioned Baron sees trust as a public good and a kind of human capital that organisations need to work and operate properly internally and externally.996 Trust is also therefore a key reason for recruiting and using expatriates and a Swedish businessman in Belgrade said trust creating

measures are vital and to succeed doing business in Serbia you need personal contacts and a local manager but also an expatriate controlling him or her is required not to be manipulated. Some trust reasons for having an expatriate are to secure the subsidiary doesn’t abuse the situation but pays the mother company correctly and a Swedish businessman in Prague said Swedish companies in the Czech Republic shouldn’t be naïve, you keep expatriates longer than planned to avoid mismanagement where Czech managers employ their wives and do things for their own benefit. In view of that a German expatriate in Bucharest said to have the necessary control and avoid abuse of power and waste of money an expatriate is needed. Another risk is corruption and an expatriate in Prague said there is a high rate of corruption in CEE and foreign companies often put an expatriate as managing director or financial director to ensure the subsidiary pays correctly to the mother company. A Sofia expatriate said a managing director could do many things and to avoid mistakes or power abuse there is an expatriate. So finding a specific individual competence, avoiding various forms of mismanagement and abuses and securing control and correct payments seem to be core reasons to give a certain job to an expatriate and in these areas trust is vital. Failures in these areas could be very costly.

About trust we just saw warnings for nepotism where a manager could employ his wife and over-employment is a problem in CEE where Parkinson’s law where you make three men do one man’s work often exist in these countries. I saw very much of it in shops in Kiev where there were many more employees than needed and a Swedish businessman in Belgrade said to get the job done you need four to five times more employees in Serbia than in Sweden and there is a high personnel turn-over in private companies in Serbia, around 50 %, and it’s vital for the employer only to employ the employee over a specific period of time and not permanently since then there’s a risk they would relax too much not doing their best at work. Illustrating this risk and regarding low salaries a Serb in Belgrade said a well-known Serbian saying that goes: “Ne mogu oni toliko malo da me plate, koliko malo ja mogu da radim” or freely translated “They cannot pay me as little, as the little I can work” and in Belgrade a local employee at the Swedish Embassy said he knew local managers having Western level salaries but they really work for it, hinting that if the salary is low you don’t work much. This Serbian saying shows an ambiance of conscious mutual cheating that almost is deliberate where both parties know what’s going on and such behaviour is a kind of antipode to assuming responsibility as well as taking a constructive overall view and having a win-win-thinking – instead it shows a lose-lose-thinking that impairs the economy and the country’s development. Also an unwillingness to compromise may lead to lose-lose outcome with no deal and wasted time, commitment and energy.
With a personnel turn-over at 50 % deep specialisation and continuity could suffer. A Swedish businessman in Ukraine said due to a weak social security system companies cannot - for human and social survival reasons - just lay off people even if there are too many employees and the company would need it. He said people now earn just enough to survive but they cannot buy normal capital goods that they need as this over-employment keeps the wages and salaries at a lower level than they would be if fewer people made the same job and this lack of consumer power has a negative impact on Ukraine’s economy. So much work remains to be done in terms of transforming the country to a well functioning and efficient market economy with a higher living standard.

Regarding recruitment of local employees there are many well-educated persons and many qualified engineers in these countries where an expatriate in Prague said Czech people are often very interested in technique and there are many engineers in the Czech Republic. An expatriate in Kiev said his employees were very well educated and 50 % of the employees working in the factory had a Master degree in engineering. We remember Castells referring to Aganbegyan saying the Soviet Union had more engineers and scientists than any other of the world’s major countries.997 This competence heritage from the plan economy era still partly remains and accordingly a Swedish expatriate in Sofia said there are many knowledgeable engineers in Bulgaria. Bulgarians are very ambitious and they really want to learn new things working overtime and you must study and have a good education in Bulgaria where the forwarding agents working with transports have a university education, which is rare in Sweden. There are practical problems though and a Sofia expatriate said Bulgarians have a solid theoretical schooling but they can’t transform it into good practise and titles are crucial. A university degree is a vital title to obtain a qualified job and there is more stress on education in CEE than in Sweden.

The local employees and managers receive various types of training, often technical and sometimes language training in the common company language, English, so an expatriate managing director in Kiev said one of the three salesmen in his company takes an English language course and so does the combined driver and office manager of the company and they understand that speaking English improves their labour market chances so they are very motivated to learn it and in general the employees get professional training courses a week yearly. Regarding the ten language

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392
strategies proposed by Feely and Harzing\textsuperscript{998} the companies whose representatives I interviewed used a common company language – the international lingua franca English, they used selective recruitment hiring people who speak English, they give English language training and use interpreters and translators although they usually are internal company employees and not external interpreters. One may see them as language nodes interpreting for the expatriate who often has a top post making the task a more official part of their work than if they would have helped their compatriots to communicate in the common company language. I have seen inpatriates in Sweden – who already spoke the common company language English - but not in the studied countries while the expatriates didn’t act as language nodes since they had a too high position, too much to do and usually didn’t speak the local language. There have been examples of functional multilingualism but it has mostly been on an individual level than on a company level. I don’t know if any of these companies use machine translation – at least I didn’t see any of it during my interviews and haven’t seen any examples of controlled language using a simplified language to facilitate written communication. To sum it up the language strategies that the companies use mostly to communicate in an efficient way seem to be having English as a common company language and performing selective recruitment of English speaking local individuals as well as giving English language training for local employees and using internal interpreters for expatriates. Some individuals use functional multilingualism and external interpreters could be used.

There’s training aiming at improving the ability to cooperate in a smooth and efficient way and such training could be vital for persons who were brought up under the authoritarian leadership of plan economy and a German expatriate in Bucharest said the employees at his company receive training in communication and in teamwork. At times it’s for practical reasons impossible to receive training neither in your native tongue nor in the common company language but it is still possible to find a satisfactory solution and a Sofia expatriate said Bulgarian mechanics receive after market training, i.e. training in spare parts and services, in Hungary and the training is given in Serbian language, as the workers don’t speak English and Serbian is the closest language in which there is a manual for the company’s products. There could be a need to unlearn counterproductive or obsolete ideas and habits as well as to remove fear and other factors impeding the full development of one’s abilities and a Sofia expatriate told me her company trains their personnel that you are allowed to commit

mistakes, although not all the time, and they give their employees much training in giving service, in security thinking and measures, in first aid and lessons in English and on average an employee receives one to two days of training monthly. About knowledge transfer from the headquarters to the subsidiary a local manager in Sofia said an expatriate can train local staff for one to two months and then go home and the longer the expatriates stay the less they do. This goes against the view of many expatriates who have said an expatriate needs several years to do a good job as it’s a long learning curve to understand how business is done in the these countries, what to do and build up the necessary contacts to do business on these markets.

Apart from the solid arguments of each party there may be conflicting interests behind these statements where a local manager wants control and lower costs as expatriates are costly while the expatriates want to live a long-term expatriate life abroad and achieve results. Such a short period of knowledge transfer requires a high communication and linguistic quality where Holden as earlier mentioned said in cross-cultural knowledge transfer the management language should describe the management tasks, it should facilitate interpersonal communication and thereby team learning and knowledge sharing and hold the company’s knowledge, image and visions in a subjective language. So an effective and successful knowledge transfer takes a clear, well-formulated and inspiring language. Apart from all the potential practical problems to secure a successful knowledge transfer with the high competence demands it could put on both locals and expatriates, once such knowledge is transferred it has to be implemented in the daily work procedures which is a continuous process and one reason for having long-term expatriates securing the process.

Bulgaria, Romania and Ukraine all suffer from strong brain drain where well educated and skilled persons try to find a job in other countries with higher salaries, if possible in the West. Good language skills facilitate the possibilities to find a job abroad and a high competence in English or some other major European language is probably particularly important for well-educated persons who look for a qualified job requiring ability to communicate on a professional level. Hard living conditions are a reason for this brain drain and an informant in Kiev said Ukraine suffers from low quality of life and a huge brain drain. These both phenomena are connected to each other and a local manager said Romania suffers from a major brain where very many young people leave the country for a better and richer life, or at least many years, in a Western country. My language teacher in

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Bucharest said her daughter had studied a semester in Sweden and as she came home all of the mother’s friends asked her why her daughter came back to Romania instead of staying abroad as so many other Romanian students had done. Taking for granted that if you can stay abroad you do it reflects a strong desire for a better life and living standard.

There’s a real risk that a major brain drain will impoverish the future and the possibilities of a country and an expatriate working in Sofia said a big brain drain and low nativity are important problems for the current Bulgarian society. There is a risk for deterioration and a Swedish businessman in Sofia said there is a big brain drain in Bulgaria and it starts to become a problem for the country where it could become a severe problem for Bulgaria around 2015. More prosperous professional opportunities abroad could greatly reduce the number of people in certain professions and a Sofia expatriate told me there’s a big brain drain from Bulgaria, about 600 000 to 700 000 young and well-educated Bulgarians have left the country and almost 100% of the electrical engineers who have just finished their university education and speak foreign languages directly leave Bulgaria and Bulgaria has a fine theoretical education but not enough corresponding jobs for these graduates. Yet the entrance into the European Union could create interesting job opportunities in these countries enabling a reverse of the brain-drain where we recall Tung and Lazarova saying return migration of very qualified ex-host country nationals (EHCNs) having the same ethnic background as the host country people is critically vital to these countries as a big brain drain could reduce their FDI inflow.\textsuperscript{1000} Such highly qualified returnees with valuable international experience could then facilitate and improve the possibilities of a FDI inflow into these countries. Yet Tung’s and Lazarova’s stress on the critical need of return migration shows how severe the brain-drain problem is in many CEE countries.

5.6.12 The psychic distance increases with big language differences
We recall the psychic distance presented by Johansson and Wiedersheim-Paul including factors like language, culture, education and industrial development levels and political system - disturbing or preventing information flows between firm and market.\textsuperscript{1001} Thereby the psychic distance increases when two languages are so different that a person speaking one of them can hardly understand anything of what the other person speaking the other language says and that seems to be the case for

most Swedish and for many Western expatriate business persons as the Slavonic languages and Romanian are very different from Swedish, English and German. Thus language is a key component in the psychic or cultural distance between persons with different native languages having no common language. This means there is a need for learning a common language and it seems that mostly the local people in CEE have to learn a major Western language while few Western expatriates learn the local language which in many ways would be the best way to reduce the psychic distance as the expatriates live in the local culture and society where speaking the local language provides the best instrument to understand it.

The big differences between the languages could have a deterring effect discouraging expatriates from learning the local language. There is risk the expatriates could think it is almost impossible to learn it, as Villinger explained, but though it might be hard it’s certainly possible. Yet, if a general idea is formed among expatriates that it is almost impossible to learn it that could turn into an established fact where a combination of fear for failure, laziness and complacency with knowledge of one or more Western languages could interact preventing expatriates to make a real effort trying to learn it. Thus it could be so valuable to have expatriate colleagues who actually speak the local language because that makes the other foreign business people see that it isn’t so extremely difficult to learn it and that could inspire them to learn it which could be very profitable for their business.

5.6.13 Typified description of the benefits of speaking the local language

In this study one goal is to find the potential benefits of speaking the local language and the potential costs of not speaking it. In this respect I put together my empirical findings here – which dominate though they in many cases have been confirmed or supplemented by findings from other studies and sources - to construct typified descriptions.

There are several benefits for expatriate business people speaking the local language and I will here sum up some of them and then go through them in a little more detailed way. Thanks to speaking the local language expatriates can sometimes win the business and obtain more open and true answers leading to new business opportunities, their rhetoric and convincing power will increase in discussions and in speeches, they will be better informed and understand the local people and their thinking better and be more integrated in the local society showing they aren’t so easy to manipulate and

they will also obtain a wider frame of reference along with more trust and credibility, the barriers are lowered and processes are speeded up and they don’t need an interpreter to the same extent.

A crucial benefit could be winning the business thanks to speaking the local language and some informants said speaking it could be decisive when the customer decides who will win the business, the one who speaks the local language since it shows the commitment and increases the credibility as a serious supplier who won’t let you down. It’s needless to say in such situations very substantial profits could come from local language skills.

There is much distrust in CEE where speaking the local language can help people vastly enabling them to obtain more open and true answers and people aren’t afraid of them as they could be with other foreigners not speaking their mother tongue, and they will get to know people faster opening up profitable new business opportunities for the company.

Through learning and then speaking the local language the expatriates will obtain better and deeper understanding of how local people think and feel, as culture and mentality are deeply embedded in the language. Such knowledge and language skills could make them wiser and smarter business people and more integrated in society which could help them in their professional and private life which directly and indirectly - in better well-being - could enhance their job performance and result in an economic gain for their company.

Speaking the local language the expatriates could win time, respect and credibility, the entire process is speeded up, the barriers are lowered, they can obtain more information, thanks to their higher credibility in the eyes of the local people who share information with them that they wouldn’t have received by only speaking English or another foreign language as they will hear the information straight from the source and nothing is filtered. They will understand local mass-media and they can speak with their employees who can express their ideas in their own mother tongue and finally they could hear and understand things which were not meant for their ears. All this will reduce their costs, increase their efficiency and effectiveness and in the end it could give them new business opportunities.

By speaking the local language they send a clear signal that it is not as easy to manipulate them as it is with other foreigners who don’t speak the local language. The risks of being manipulated are lower if they understand what their counterpart talks about and how the counterpart thinks. This means the expatriates could avoid unnecessary economic losses.
If the expatriates speak the local language well enough for professional issues, they don’t need to bring an interpreter, who often is one of their employees who can do other things instead of interpreting for them. In some cases they still may need to bring an employee, perhaps the expatriates don’t speak the local language well enough, or there has to be a few persons negotiating with the counterpart, since many persons perceive and grasp more than just one person. But then the employee can focus on his or her specialty and become more efficient and effective instead of translating for the expatriates who receive the information directly reducing the risks of having it distorted by failed translation. The problems related to having an external interpreter, such as lack of trust and understanding of the matter and a longer psychic distance to the counterpart or the audience making it harder to build a direct rapport to them, are avoided. The expatriates will increase their rhetoric power in conversations, discussions and speeches where they can speak much more directly to the heart of the audience being clearer and more understandable to them.

Many informants said how beneficial it is to speak the local language depends on the job and working tasks the expatriates have. If they have many customer contacts speaking it is more important, in some countries it could be more important on the countryside than in the capital and in some countries it is said to be less vital on top management level, where the chances that your counterpart speaks English, or another useful West European language such as German or French - are higher than on lower levels in the organization.

All this is correct in the direct dimension of their office working tasks but considering the indirect advantages of speaking it like better understanding of the local people, culture and society it seems to be important and beneficial for expatriates to speak it. I think the most important advantage of learning another language isn’t learning grammar rules or new words, which certainly both are vital, but obtaining a new frame of reference in terms of understanding how other people think and feel, reflected in the language and the way the local people communicate. Such frames of reference could help in business.

5.6.14 Typified description of the costs of not speaking the local language
There could be high costs for not speaking the local language and some of them are first summed up on a few lines and then presented in detail. Expatriates not speaking the local language risk missing potential business openings as they aren’t fully informed which could be hard in emerging markets with institutions that often work poorly, they may be manipulated
or fooled which may cause direct losses or frustration and discomfort lowering their professional performance so in the end they risk to lose money directly or indirectly due to their lack of local language skills which may be costly for the company.

Not speaking the local language increases the risks of the expatriate being manipulated or fooled both professionally, which could cause direct costs, and in their private life, which could cause frustration and discomfort and thereby lower their professional performance which in turn could result in losses and reduction of efficiency, effectiveness and profit.

Regarding the lack of knowledge in the local language there is a clear risk the expatriates will know less about the country, its people and its culture which indirectly and at times directly could cost their company money, either directly by them being manipulated or fooled as just mentioned or indirectly by them missing potential business opportunities due to ignorance regarding the market possibilities, the environment and the local people.

In cultures so penetrated by distrust and manipulation knowledge of the local language would probably make the foreign business person more street smart both in business life and in his or her private life. So it seems logical that the weight of local language skills could be higher in a country where the legal system and other fundamental institutions don’t work properly, as often is the case in many emerging markets in CEE. In such countries trust in your business partner is vital and some informants said that skills in the local language enhance the trust local business people have in the expatriate business people. Therefore poor language skills could be especially costly in emerging markets.

Very few of the Swedish expatriates in CEE who I interviewed speak the local language. Some of them who don’t regret they don’t speak it while others don’t think it matters.

It could be very difficult to quantify losses due to lack of skills in the local language. How should the expatriate business people know and understand that it was the lack of language skills that cost them the business and if they understood that it was it would not be easy for them to admit it. It would be even more difficult for them to understand the lost opportunities that they haven’t even seen due to lack of information and perspectives. Still, all these potential losses could be high and a lost business is possible to quantify.

Having gone through all the points here above there are reasons to believe that the lack of local language skills in CEE among Swedish expatriates
makes the Swedish companies lose money and these losses could be of both a
direct nature – losing business and have costs higher than necessary - and
an indirect nature – missing business opportunities and a suffering from
lowered professional performance. These expatriates can get cheated and
manipulated by the local employees, customers and partners. In Bulgaria,
and somewhat in other countries in the region, many locals think westerners
have an infinite amount of money and you can just try to take away as much
as possible from them. Such an attitude increases the risk of being fooled.
As a Swedish director in Ukraine said, speaking the local language would
have enabled me to hear and understand things which were not meant for
my ears, i.e. the expatriate manager would have better control over matters
and what is going on in the company by speaking the local language, not to
mention the amount of respect and goodwill he would gain among the local
employees and customers.

This study began with the weight of international trade where Swedish
companies loose market shares and the shift from vertical cost-cutting FDI
to horizontal FDI aiming at gaining market access requiring better
communication and language skills while there is a decline in language
skills among Swedish students and young business people creating a
competence gap between demand and supply and so a problem for the
Swedish export industry. Then came the unit of analysis, the problem, the
aim and the delimitations of the study and I then discussed the scientific
perspective and described hermeneutics followed by a chapter on theory and
reports covering various aspects of culture, communication and language
and then we discussed the method used when this study was carried out on
site. This chapter gave a concise presentation of my empirical findings and
then voices from the field giving more context and interpretations on the
study’s empirical findings including costs, various aspects of culture like
history, fear, behaviour and egocentrism, hierarchal thinking, corruption and
trust. Thereafter intercultural communication and the bureaucratic
difficulties and the short term thinking as well as lack of win-win thinking
were described along with difficulties to handle criticism and information
and the need for clarity. Then we discussed language including the Sapir-
Whorf hypothesis and the cultural and language barriers, demands on
expatriates, professional and general language as well as proverbs, the usage
of English in business life and multilingualism as well as the weight of local
language skills and who needs language skills at what level as well as
problems when using interpreters and language as power and then language
related to recruitment, brain drain and language training. We presented
typified descriptions on the benefits of speaking the local language and the
costs for not speaking it. The next chapter will present ideal types and build
up the cultural significance structures of culture and give metaphoric interpretations of them. Then the conclusions from this study are given.

5.7 Summary of chapter five
I will here sum up the core of what I found in my empirical work. Low labour costs have been a key argument for establishing business activities and manufacturing in CEE. However, transaction costs could be higher due to an often unreliable, corrupt and poorly working judicial system as well as a lack of trust where people try to circumvent distrust and poorly functioning institutions by building up time-consuming and costly personal relations. There are costs for heavy bureaucracy and slow customs and slow, inefficient and cumbersome work procedures and processes. There’s often a lack of independent, innovative and creative thinking with a lack of a holistic overview where locals focus on details instead of working with the whole picture in mind which could be costly for their company. Very important are the communication costs due to poor information systems, lack of language skills, cultural ignorance, rude and disrespectful ways of communication demoralizing colleagues and employees lowering job performance, misunderstandings, lack of information and understanding with problems and costs for external interpreters either not knowing the matter or having their own agenda or internal employees working as interpreters who may do other things than interpreting for the expatriate. An inefficient handling and spreading of information may partially be explained by secretive behaviour where people won’t tell others what they know to keep a unique competence as a lifeline on the job market. In the globalisation era of knowledge transfer it could be very costly.

These countries feature big hierarchies with many privileges for the leaders and a one-man show in business where the owner decides everything, as nobody else dares to make decisions, and a conflict could stop a whole business. In the plan economy era people were not encouraged to think independently or to assume an overarching responsibility. Having good personal relations and a good network are vital to conduct business in CEE. For centuries these people belonged to authoritarian, oppressive and hierarchical empires and this historical heritage still plays a role today regarding leadership style, trust and the kind of business activities that are suitable to conduct. There is wide-spread fear in CEE and this permeates business communication where managers could be afraid of the board and nobody but the boss dares to make any decisions. Materialism is conspicuous in all countries in the study and there’s a strong focus on earning money where people want to get rich fast without grasping how long time it has taken for people in the West to build up a high standard of living. People want to show off with famous and expansive things as they
want to have and show what they didn’t have and couldn’t get during the plan economy era and dressing well is important. There is no real sense for quality, a lack of initiative power, a fear of doing things wrong and insufficient assuming of responsibility.

The authoritarian rule and unpredictability in life contributed to much short-term thinking and egoism in these countries where people often pay very little respect and consideration to other persons and their needs which partly may be explained by distrust in others and low incentives to help and pay consideration to others stemming from the plan economy era but people trust and take care of their family but often don’t think much about what is good for their company or their country and there is also, possibly except of the Czech Republic, very much focus on their own region and a lack of knowledge about the outside world. The proper family is vital in CEE and in Bulgaria family members often participate more in business related activities than people do in the West. Many power holders stem from the old nomenclature and they often have neither such education nor any previous experience of running companies which could make it harder for Western companies that therefore at times have to support the customer companies more than in the West. Some persons, sometimes marionettes of vested interests, became very rich through privatisation and other processes and ways which were not always so ethical.

There is much surveillance and control in this region and also suspicion and distrust. The trust capital is crucial for an economy and lack of trust increases transaction costs a lot. In this region distrust is almost omnipresent, people do not trust neither their fellow citizens, nor their leaders or the political or legal systems. If you don’t trust a person you don’t do business with him or her and many business openings have been lost due to distrust and the lack of well working institutions including the judicial system is very costly for CEE.

Many things take much more time in these countries than in the West so patience and perseverance are necessary and it helps to speak and try to understand with gestures.

Expatriates must be careful when using humour when conducting international business but humour could be highly useful since when correctly used it could create trust in the other party as it shows the human side of us including our vulnerability and our wits.

Corruption is a problem in CEE slowing down processes both hurting investments and professionalism in business. In general it affects smaller
local companies more than big MNCs which have better possibilities such as stronger resources and sometimes powerful political contacts, to keep it away. Corruption and bribes cause legal system problems. If you do business directly with a company’s owner who’s its principle having no interest in taking bribes, it would just complicate things, corruption is no problem but it may be if an agent represents the owner and if you do business with the state. Corruption and bribes exist when asking for permits, construction permits, and when goods pass the customs. Bureaucrats could create delays and problems and offer to solve them in return for bribes.

It is crucial to understand and respect the local people but in some of these countries they don’t admit there is something they don’t understand. Harsh and disrespectful critique with no consideration to the other person has made it hard for managers and employees in these countries to handle criticism and give and receive constructive critique recognizing the qualities and competences of others and there is often a lack of win-win thinking but rather a win-lose thinking - if one party wins the other has to lose and compromises may be seen as a weakness. Other negotiation problems may be stubborn attitudes, delays and provocations, impossible demands and an obsessive focus on money beyond reason. Thus trust and respect are fundamental for win-win thinking but distrust, excessive greed, recklessness and no willingness to compromise may all turn a good business opportunity into a lose-lose outcome with no deal but waste of time, energy and commitment. So lack of the fundamental trust capital could turn potential mutual benefits and gains into mutual losses and waste of time, energy, money and commitment harming countries and people.

Swedes come from a low context culture and usually speak in an elaborated code being specific and clear but giving instructions to employees in these countries more clarity is needed, the instruction must be detailed and specific. Being clear and distinct controlling that both parties have understood the same thing is a way to avoid misunderstandings.

Regarding the Sapir-Whorf hypothesis the word for something could be the same but the connotations it gives could be very different in these countries compared to how they are understood in the West. Some areas where these differences show could be words related to initiative, responsibility, service and security where these countries due to the heritage of the plan economy often feature a fear of doing mistakes and a shortage of service mindedness, security thinking as well as helping your fellow citizens and lack of foreign language skills. These notions could be more intense and extensive as well as more direct and deeper in the West. People in these countries, except for Yugoslavia, were locked in behind the Iron Curtain and couldn’t, except for
a few persons, travel to the West making them more isolated so the weak version of the Sapir-Whorf hypothesis where the native language influences the individual, without totally steering his thoughts – is probably to some extent applicable to these former satellite states and Ukraine, particularly for elders.

For expatriates it’s often easier to grasp professional local language, as its vocabulary is more limited and it often holds many technical terms, which are the same worldwide and in English, and the professional language is more explicit, task-oriented and usually well articulated while such international words are fewer in the general local language relating to a cultural context making it harder to understand. Proverbs hold much human wisdom being clear and understandable for foreigners and useful in intercultural communication. Using metaphors familiar to the local people could also be effective and useful.

Most of the companies whose expatriates I interviewed have English as their common corporate language and at least all locals who work in the office must speak it and in some companies all employees must do it. Speaking English with the customer you often need an interpreter in The Czech Republic, Ukraine and Bulgaria but less so in Romania. Good English skills are required when the subsidiaries recruit managers and when they look for professionals and white collar employees but not always when they try to find workers. In these countries it could be difficult to find management expertise and people who understand market economy thinking, notably people who can analyse the market, the customer and the customer situation. The employees in these subsidiaries usually receive training, it may be language training in English or technical training in service, communication and teamwork. Except the Czech Republic the countries in this study suffer from a big brain drain of often well-educated and skillful young persons.

The main languages in the countries of my study are very different from English and Nordic languages and therefore quite difficult to learn thus becoming a language barrier. The language diversity is mainly the local language and the common corporate language which in these cases is English although some other languages such as German, French, Italian and Russian could be useful. Regarding the language penetration top management, sales and marketing people and generally people working in the office and people who must read internal company instructions must speak English and the local language is very important for people in sales and marketing as well as for others having customer contacts. The language sophistication is that you must understand and make yourself understood in
the local language and handle both professional and general themes. Top management has to speak the common company language fluently.

Multilingualism in terms of other foreign languages than English which could help an expatriate working in these countries exist and the languages which are good to speak often depends on geographic position and historical ties. So besides English other foreign languages which are useful to speak are German in the Czech Republic, Bulgaria and Romania, Russian in Ukraine – where it is to be seen as a native language – and in the Czech Republic and Bulgaria as well as French in Romania and to some extent also in Bulgaria and then Italian in Romania along with Macedonian and Serbian in Bulgaria.

There is a Western complacency and arrogance thinking their skills in major European languages, mainly English, are enough and so they don’t learn the local language of their assignment country which would improve their understanding of and communication ability in the country. Only a few of the expatriates speak the local language, one in the Czech Republic, one in Ukraine and two in Bulgaria and in addition two diplomats also speak it. There are also four Swedish businessmen who understand the local language a little without speaking it; one in Ukraine, another one in Romania and two in Bulgaria.

On language as power I found no expatriate language nodes as they rarely speak the local tongue having so high positions having no time to be it nor locals speaking Swedish but some locals acted as internal interpreters to the expatriate and were thus a special kind of language node. Internally it doesn’t seem to be much need of it as most employees speak English. Using an external interpreter permits the expatriate to speak English and could make the message clearer but it may cause problems such as lack of trust - as the message could be distorted, softened of somehow biased - and lack of knowledge about the matter and a greater psychic distance to your counterpart or employees making it more difficult to build up a good rapport and to overcome these problems an internal interpreter is used.

Germanic languages such as English, German and Swedish are quite different from both the Slavonic languages and Romanian so people speaking a Germanic language could hardly grasp what the other one speaking any of these languages says increasing the psychic distance which may deter Western Expatriates from learning the local language building a myth it is nearly impossible to learn so expatriates speaking it could be good examples for the others showing it’s possible to learn and speak it.
Motivation is crucial to learn a foreign language and lack of it is a reason for failed language studies.

There are several benefits for expatriates to speak the local language. It can be decisive making them and the company win a business, it gives them trust, respect and goodwill, it will be harder to manipulate them, it speeds up processes and enables the expatriates to be more informed about what is going on in the company and in the country and to better understand the local culture as well as see and exploit new business opportunities, their rhetoric power will increase enabling more convincing speeches and interpreters can be avoided. All this means they can earn more money and save costs increasing the profits of the company. They will obtain new reference frames and become more broad-minded.

There are also costs for the expatriates if they don’t speak the local language. They run the risk of being less integrated and more isolated from local employees and customers and to be fooled or manipulated which could have direct and indirect costs in form of frustration and discomfort lowering their professional performance. They could be less knowledgeable and uninformed of the local culture and people living there and thus lose or not even see business opportunities being impeded to earn money for their company and it could be hard for them to exploit the full business potential their company has.
6 ANALYSIS - IDEAL TYPES AND CULTURAL SIGNIFICANCE STRUCTURES

6.1 Introduction
The first chapter of this study showed the importance of trade where Sweden is loosing market shares globally and particularly in Europe and CEE where there is an ongoing shift from vertical foreign direct investments aiming at cost reduction to horizontal Fids aiming at gaining market shares that – together with more advanced production – requires better communication and language skills but this demand is met by poorer language skills among Swedish students and young business people and this constitutes a problem. The need for face-to-face communication despite the better and better communication technology tools is stressed and the geographic area of the study, Central and Eastern Europe, is presented along with the problem, the aim and the delimitations of the study.

Chapter two described the scientific perspective of the study – hermeneutics – along with meaning and an interpretative view on cultural studies inspired by Geertz’s view on thick description with gradual progress and refinement and then typified descriptions were shown. I see a link between the typified descriptions and the ideal types in this chapter. In chapter three came presentations of theories on culture and their basic elements along with the plan economy and show trials as well as on the characteristics of communication and intercultural communication with high and low context cultures and elaborated and restricted code. Then a long section on language and its characteristics came including the Sapir-Whorf hypothesis, the language barrier, a common corporate language where English dominates but multilingualism seems to be needed where also the current state of language skills in Europe were described. Then the problems with interpreters along with political and power aspects on language and language training and recruitment issues related to language were all presented.

In chapter four on method my ethnographically inspired case study with semi-structured interviews was presented as was the extent of my studies in CEE. My pre-understanding of the research subject as well as strengths and weaknesses of my method were discussed and an evaluation of the sources was performed. Chapter five presented the empirical material corresponding to the theories in chapter three. At first came a concise but yet rather detailed description of the study’s findings in order to grasp the main points. Then came the voices from the field with some comments of mine in which I dealt with aspects on costs, history, fear and egocentrism, hierarchy, trust,
bureaucracy, difficulties to handle criticism, no win-win thinking and the need for clarity in communication. A long section about my empirical material on language begins with the Sapir-Whorf hypothesis followed by the language barrier where the general language could be harder to grasp for an expatriate than the professional language though proverbs and metaphors are useful. Then the usage of English and multilingualism in international business along with various aspects on using the local language as well as problems with interpreters, language as power and issues on training and recruitment were all dealt with as were the psychic distance increasing with big language differences and also the benefits of speaking the local language and the costs for not doing it.

In this chapter a model of the hermeneutic spiral development process which is applied in this study is presented essentially showing the whole study procedure from the beginning to the end in terms of the cultural significance structures. I will use a hermeneutic method inspired by Gadamer and then develop and apply it on Weber’s ideal types. This chapter presents seventeen ideal types for different phenomena - covering CEE on how an expatriate may behave and communicate, leadership characteristics, how to build trust and typical difficulties when doing business as well as the benefits and importance of speaking the local language and the drawbacks when not doing it. Similarly the benefits and disadvantages as well as the consequences and characteristics of having a common company language and the advantages and disadvantages as well as the consequences and characteristics of using multilingualism are given. Ideal types for the problems when using interpreters, language nodes and agents and then for language norms and usage related to power and politics are presented and so is an ideal type for actions in training and recruitment for language skills in business. All these ideal types are then transformed into tables which are put together resulting in two cultural significance structures which gradually have emerged through the entire working process with this study - influencing the intercultural business communication between Western expatriates and local people where each cultural significance structure is given a metaphorical interpretation. The cultural significance structures influence the intercultural business communication between Western expatriates and their local employees and customers.

All ideal types and also the cultural significance structures are illustrated in figures where the ideal type elements have been categorised into ovals labeled by one of the cultural significance structure elements. The ovals in each ideal type figure are interconnected by one-directional or two-directional arrows showing how these ovals and the elements they hold are influenced by one-another. The weight of the oval is also given by the
number of ideal type elements that it holds while the frequency of a cultural significance structure element in terms of the number ovals carrying its name shows how common that cultural significance structure element is in that culture. For each ideal type there is a table showing the kind of cultural significance structure elements it has including the nature of its arrows and the number of ideal type elements in each cultural element. The ideal type elements in each oval are not numbered to show their order or weight but just to give the quantity of elements in that oval. In order to obtain an overall view the number of cultural elements are summed up in overarching tables where the sums of them are weighted to obtain a balanced view where each of the columns frequency, arrows and ideal type elements have the same weight and both differentiated tables – where trust and distrust are separated – as well as accumulated tables – where the sum of trust and distrust is given – are shown. All these tables constitute the basis for the cultural significance structures. Thus the overarching tables will be analysed and turned in cultural significance structure interpretations which then will be metaphorically analysed. The metaphorical interpretations of the cultural significance structures could in a way be seen as a kind of thick description that Geertz advocated for when doing cultural studies. This description may seem a little complicated now but it will become more specific and clarified throughout the whole chapter. Briefly one may say that Gadamer’s hermeneutics will be applied on Weber’s ideal types which finally will result in cultural significance structures and the metaphorical interpretations of them are inspired by Geertz thick description. About the cultural significance structures first and as a point of departure there is the balanced Viking ship cultural significance structure interpretation featuring total equality between all the cultural significance structure elements that is presented followed by various significance structures of these elements. My interpretations of both the ideal type tables as well as the overarching tables along with the cultural significance structures are presented.

6.2 The hermeneutic spiral development process and analysis
The analysis has an integrative character where content and material from the earlier chapters come together being processed, analysed and elaborated in order to obtain clear and comprehensible results. To achieve these objectives through building up ideal types – being illustrated and categorised by corresponding pictures and tables – and the cultural significance structures I – based on an initial item of advice from Bjerke – have constructed and used the hermeneutic spiral development process. My pre-understanding has gradually been built up through education as well as both personal and professional experience from living, studying and working in several countries including some in Central and Eastern Europe. This pre-understanding including living several years abroad forms the basis.
for my empiric study whose findings come together with the theoretical material in a fusion of horizons building up the ideal types which are then illustrated in pictures and tables. Through these and earlier processes the cultural significance structure elements emerge and they are at first presented in a balanced Viking ship structure figure based on total equality between all cultural elements but by using the ideal type tables new accumulated tables emerge leading to the cultural significance structures which are then shown.

Figure 3: The hermeneutic spiral development process

6.3 Ideal Types sometimes coming close to typified descriptions
Striving for a clear, understandable and pedagogic presentation of my results which yet isn’t too simplistic permitting flexibility and a little more complex description without the limiting and compromising oversimplification that many models feature, I find these requirements met in a kind of model conceived by Max Weber called ideal types. A well-known example of ideal types are his three domination types “Die Typen der Herrschaft” – which were – “Die legale Herrschaft mit bureauratischem Verwaltungsstab” (the legal domination with bureaucratic administration staff), “Traditionale Herrschaft” (traditional domination) and “Charismatische Herrschaft” (charismatic domination).1003 Regarding his three principle forms of basis for the legitimacy of domination in terms of his three ideal types, also called pure types - tradition, charisma and bureaucracy -Weber says you rarely find them in their pure forms in reality but there are combinations, transitions and deformed varieties of these ideal types.1004 There are some other economically relevant examples of ideal types and Weber argues some pure

types are economic systems such as monetary economics, which is an economy where you deal with money, and barter economy where goods are exchanged without money while a third ideal type is a closed economy completely without exchange of goods or money and as examples of ideal types Weber mentions notions and laws of economics. Thus the economic man could in that way be seen as an ideal type.

Discussing ideas about historical events and market economy featuring free competition and rational behaviour Weber says ideal types are a sort of utopia that stress some moves and characteristics of reality and in a pragmatic way are understandable: He says they are not an average or a depicture of reality but bring the presentation of the idea clear-cut and unambiguous means of expression providing a uniform thought-picture free from contradictions. He adds that ideal types aren’t an end but means to obtain understanding and they must be objectively feasible or possible and also adequate adding that the ideal types could be used for development processes and to present ideas in history studies and on various types of cultural phenomena that are important in different respects. He further says that ideal types should be logically consistent and free from value judgments and the ideal types are notions of limits - i.e. guidelines for the scientific work - that clarify some vital empirical facts. Thus the ideal types are adequate and clear-cut ideals facilitating our understanding of different phenomena.

Generally speaking ideal types are a strong model and an analytical construction being a help tool to researchers where ideal types show how a social phenomenon in its pure form would function or be in an ideal situation, not necessarily how it functions or is in reality and as science can’t capture and reflect all aspects of reality the ideal types are based on a selection stressing the most crucial factors for understanding and explanation of a phenomenon are while less vital ones are deemphasised. Bjerke says to obtain a conceptual clarity ideal types deliberately simplify and exaggerate some facts and observations that the scholar has selected and stressed which should give a clear and meaningful picture of reality in form of a model that can be criticised, improved and compared to other descriptions of a phenomenon or historic situation for which Weber had invented this tool called ideal types for the researcher enabling him or her to discover essences and processes in history.

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1007 Nationalencyklopedin Found on Internet under: [http://www.ne.se/artikel/209826/?l_h_word=idealtyper](http://www.ne.se/artikel/209826/?l_h_word=idealtyper)

411
descriptions in the ideal types but I try not to exaggerate or oversimplify by blowing them up out of proportion - not even for pedagogic purposes - and I find the endeavour for clarity and meaningfulness useful for understanding of the phenomena I try to describe and explain.

Arbnor and Bjerke explain that ideal types describe phenomena in a pure form under ideal conditions but the ideal types are still anchored and rooted in the social reality in an essential way focusing on the core meaning of the phenomenon and not on the situation it currently is in. Bjerke says an ideal type is a model of how an agent would act rationally according to existing criteria for rational behaviour and he explains that Weber focused on an interpretative understanding in cultural studies and developed the concept of ideal types which should give systematic, clear, and unambiguous descriptions of a phenomenon or of how to act rationally.

Presenting my findings in form of ideal types therefore suits the hermeneutic method that I use in this study. An example from the area of this study emerges as Weber says that irrational behaviour could be understood as a deviation from a rational behaviour presented in form of an ideal type which is immediately understandable where the deviation is due to a disturbing factor such as emotional affect or a mistake and by stressing this deviation the research could obtain an understanding of the real motives lying behind an action. So in intercultural communication cultural and communicative misunderstandings could be due to irrational behaviour in some way by one party as seen through the eyes of the other party.

Weber’s ideal types have been used in business studies before and some examples of that will be given here yet the way ideal types look in my study differs from the studies seen in this paragraph. One of them is performed by Brinkmann who says typologies can be used to bridge the gap between theory and empirics in research and he has done a study on marketing and business ethics using Max Weber’s ideal types to exhibit individualistic and caring climates taken from value statements from international business students.

In a study of 166 subsidiaries to 37 MNCs in nine countries Harzing uses and empirically confirms Bartlett’s and Ghoshal’s three-fold typology of multinational companies giving the characteristics of the global company and what in many ways is its opposite, the multi-domestic company while

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1009 Arbnor, I., & Bjerke, B., Företagsekonomisk metodlära, p. 219-220, 1994, Studentlitteratur, Lund
the third typology is the transnational company which in many respects lies in between the two others. Yet Harzing argues it is too early to consider these three types of MNC as ideal types since the variables in the configurations must be chosen and measured in a more careful and sophisticated way where objective performance measures have to be comparable across countries. Thus Harzing puts high demands on what she would call an ideal type based on a statistical quantitative study.

For theory building ideal types could fit and discussing theory building in corporate social performance (CSP) while building an integrative theory of business and society Swanson argues that in theory building ideal types - formulated from classification of research subjects – and these classifications are seen as complementary steps. She uses two ideal types of corporate social interactions – value neglect – elaborating on lack of integration – and value attunement – showing the potential of a normative-descriptive unification - and these could be seen as two ideal types of responsiveness. Yet another study using ideal types is performed by Ouchi and Jaeger who present three ideal types of work organisation where type A shows the Western organisation, type J the Japanese organisation and type Z is an emergent hybrid of them where each ideal type holds seven dimensions giving the characteristics of that type of organisation. Thus ideal types may be used in different studies for aims such as building theory and bridging theoretical gaps.

In this study the contents in the ideal types mainly come from the empirical and theoretical chapters but it may also from my empirical and theoretical material that hasn’t been presented in those chapters along with some thoughts of mine all coming together in these ideal types.

One could discuss the number of ideal types which is ideal to use when presenting the result of a study and there could be arguments for having only a few ones to make the picture clearer while others striving for a more nuanced view may advocate a higher number of ideal types to present what the study has found. For my purpose aiming at a broad and multifaceted description of various phenomena in the fields of language, culture and communication having quite a few ideal types is suitable giving the most

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encompassing, detailed and accurate description. A more specific motivation follows here. One may of course ask why I would like to have as many as 17 ideal types in the analysis chapter. There are a couple of reasons for it and I would like to be more specific about them. First there are three major types to handle the intercultural communication between the expatriate and the local employees and customers. One is that the expatriate learns the local language, another one is the usage of a common company language – which mostly is English for Swedish companies – and the third is multi-lingualism where a combination of languages is used to secure successful intercultural communication. These three linguistic strategies carry advantages, disadvantages and general features and summing them up we end up with nine ideal types which I all find important to give a nuanced picture covering the crucial aspects of these strategies. In situations when these strategies don’t work a possibility is to use interpreters or language nodes and that brings some problems which are described in one ideal type. To implement these strategies takes a well thought through training and recruitment policy which is described in another ideal type. Just like business the norms and usage of language are related to power and politics and therefore another ideal type covers these linguistic aspects. Together these aspects of linguistic strategies, norms and training and recruitment and the usage of interpreters provide a broad picture of the role of language in international business which is my aim and thus a vital part of my study. So there are 12 ideal types directly tied to language.

The usage of spoken language takes place in a cultural context so the cultural aspects are crucial to communicate successfully across cultures and therefore there are also a number of culture related ideal types. An expatriate’s trustworthiness and credibility deeply relies on the expatriate’s ethos making it highly vital to be a good expatriate in general which is covered by one ideal type while the direct aspects of how an expatriate may communicate interculturally are given in another ideal type. These phenomena are both related to trust, but as distrust is deep and widespread in CEE it is very important to build trust which is described in another ideal type. As the countries in CEE are more authoritarian than Sweden it is even more important to understand the characteristics of leadership in these countries in order to communicate successfully and these leadership characteristics are presented in another ideal type. Another vital factor that may influence the intercultural communication making it harder are the kind of difficulties that an expatriate may encounter in these countries when doing business there and thus such difficulties are presented in another ideal type. So many of these ideal types are related to each other but as it is my conviction that each one of them deserves a full picture and thus an ideal type in order to satisfactorily cover the linguistic and cultural aspects of the
phenomenon - being a crucial element of the big picture of the role of language and culture in the intercultural communication - and as this holistic view has to be sufficiently deep, wide and nuanced to be useful and interesting the number of ideal types amounts to 17.

These close relationships mean that there could be an overlap between the ideal types and the cultural significance structures - especially regarding the ideal types for the difficulties to do business in CEE and in some cases also in between some ideal types. This is natural as some of the cultural significance structure elements may be hard to handle for Swedish and Western expatriates and it is crucial that each ideal type holds its key elements and in that sense is as complete as I can make them which may lead to a few overlaps between different ideal types.

Regarding the importance and benefits for an expatriate to speak the local language and the disadvantages for not doing it as well as the typical difficulties rendering doing business in CEE harder one might speak of characteristics instead of ideal types but since the structure is the same I use the ideal type figure there as well. That also applies to the similar ideal types of using a common company language and using multilingualism. The earlier presented typified descriptions could also be helpful. Using a theory or a model is usually an approximation when applied on reality and not every single element in my ideal types is ideal in terms of being an example to strive for. In this and other senses – such as they also reflect reality and not only an ideal - one may say that the some of them or parts of these ideal types that I use could in a few aspects come close to typified descriptions which I interpret as being slightly closer to reality and less ideal or idealistic. As earlier mentioned Weber says ideal types are a means to obtain understanding and the clarity, structure and straightforward character of the ideal types and their earlier mentioned usefulness in interpretative cultural studies make them suitable for my study and an excellent pedagogical instrument to present the findings of this study. Yet one has to keep in mind that there is some share of typified description and closeness to reality in the ideal types I use in this study but it is a question of nuances.

The ideal types have emerged step by step in a hermeneutic spiral process in a recurring procedure where my empiric results have come together with the earlier presented theory and other studies on culture, intercultural communication and language in a business setting gradually building up each ideal type and reinforce it making it more substantial and solid.

Regarding the ideal types on languages the negative aspects are found under the disadvantages of not speaking the local language whereas the other negative aspects are the disadvantages of using/having a common company
language and the disadvantages of having/using multilingualism. The reason for this special treatment of the local language is that it usually isn’t any disadvantage to be able to speak the local language while it could be one not to speak it. Yet it could be a disadvantage to speak it if the expatriate overestimates his or her skills in it where the expatriate either isn’t capable to say what he or she wants – due to lack of words, grammatical competence or clarity - or cannot grasp what is said and both these problems could lead to misunderstandings. Another potential disadvantage of speaking the local language is if the expatriate has to learn it or improve skills in it as that takes time and resources which could have been used to do other things. There is thus an alternative cost for speaking the local language and there could also be potentially higher recruitment costs to find a qualified individual for a specific position. The ideal types are in a way a foundation for the cultural significance structures where the content from the ideal types will be ordered in a comprehensible over-aching structure. This is described here below.

6.4 Cultural significance structure elements in Central and Eastern Europe
Gradually throughout the work with primarily the empiric material - but also with theory and other studies - the cultural significance structures have emerged. They cover phenomena which have a profound influence on how people in the studied countries think, feel, behave and act. It is vital to emphasise that what we here discuss is the business culture as perceived by Swedish expatriates in CEE. This means that there may be other vital cultural significance structures in these cultures which don’t affect the expatriates as much as the cultural significance structures which are described here. The relative weight that the dimensions and antipodes of these structures are given reflect the view of the Swedish expatriates and also of other business studies. This means that some cultural dimensions of high general important in these cultures might not be important for the Swedish expatriates and thus don’t obtain a high weight here. As earlier mentioned my cultural significance structures are not icons but rather interpreting mechanisms to place my empiric material in a comprehensible context and they are my tools to make intelligible what I have found. The cultural significance structures give my interpretations of both earlier international business cultural studies and my informants’ views on business related cultural and linguistic phenomena in CEE. Here below we find the twelve cultural significance structure dimensions which have emerged in this study. As one can see some of them are divided by brackets by words such as lack of, is, no or less giving the antipodes of the cultural dimensions. This division of some of the cultural dimensions but not all of them is
largely based the magnitude and impact of the influence on my empirical material that these cultural dimensions have where the most vital ones have been divided but consideration has also been given to which elements which seem natural to divide and combining these both factors the divisions below are given. This means that the divisions also here reflect the weight of a cultural dimension from the view of Swedish expatriates and other business studies on primarily the business culture where the most heavy and vital dimensions are included and the most important of them are differentiated. This division of some but not all cultural dimensions is also in line with the ideal type thinking of focusing on and giving priority to the most important factors. As you can read from the description written after each of the divided headlines here below there is a focus on the problematic and negative division and they are also difficulties which the business expatriates have to handle in these countries. The positive aspects will be dealt with later where we also will see that most of the elements which are divided here really are the most significant cultural elements in the studied cultures.

1. **(Dis)Trust** - omnipresent suspicion and distrust in the leaders, the system and fellow citizens with secretive behaviour, lack of transparency and inefficient spreading of information along with a strong control mentality in society manifested with guards and surveillance making personal relations and contacts very important

2. **(Less) Fear** - deep fear for authorities of all kinds where the state often is seen as an enemy

3. **Hierarchy and authoritarianism** - hierarchical and authoritarian leadership including a one-man show in business leadership, no division of power but a big power distance between leaders and people/employees where the business customs often are faster and a little wilder than in the West whereas the dress-code is stricter with more attention given to being well dressed

4. **Admiring the strong one** - admiration of the strong but disrespect for the weak along with seeing that the strong is right

5. **(No)Win-win thinking** - seeing compromises as a weakness and no win-win thinking but rather a win-lose thinking where this unwillingness to compromise may lead to no to a deal but a waste of time, effort, energy and commitment

6. **(Lack of) Responsibility and initiative** - difficulties to assume responsibility with a lack of initiative power along with a fear to commit mistakes and high uncertainty avoidance

7. **(Lack of) Independent thinking** - difficulties to think independently and constructively originating from earlier authoritarian leadership where people weren’t encouraged to think independently along with poor or no feeling for quality - people cannot independently evaluate
the quality of a product but go for what is famous and expensive, for what others say is best

8. **Egoism and lack of consideration and respect** - strong egoism and egocentrism paying little consideration to others with lack of both respect for and generosity to recognise the competence, skills and qualities of others featuring difficulties to give constructive critique, to receive critique and generally to handle criticism constructively along with lack of service-thinking and service-mindedness as well as short-term thinking

9. **(Lack of) Holistic view** - focusing on details having difficulties to see and think holistically with detailed and specific work descriptions along with ethnocentrism and isolationism with heavy focus on the own region but not much focus about what is going on in the world

10. **Plan economy thinking** - remaining ideas from plan economy seen in difficulties for people to think and analyse in market economy terms, to perform realistic business planning and to estimate and judge what is feasible to do and its range confirming that people are marked by the notions and thoughts of plan economy which thus shows some relevance for the weak versions of the Sapir-Whorf hypothesis

11. **Materialism** - a strong focus on earning money featuring exhibitionistic materialism with conspicuous consumption and superficiality – the façade is very important

12. **Corruption** - deep and wide-spread corruption and not satisfactorily functioning rule of law

6.4.1 **Figure and table on the cultural significance structure elements**

Having put much work into elaborating the cultural significance structure elements, which have emerged throughout this whole study process and primarily are founded on the study’s empiric material, we need a figure clarifying how these elements are interconnected to obtain an overarching view of the cornerstones in these cultures. In the table that follows further down in section 6.4.4 the influence of the cultural significance structure element is given by the number of connections that each cultural significance structure element has where a one-directional arrow is multiplied by one and a two-directional arrow is multiplied by two. So the relations are illustrated by arrows where there is one arrowhead if the influence only goes in one direction but if the influence is mutual going in two directions then the arrow consequently also has two arrowheads.
6.4.2 Some explanations for the connections between the cultural significance structure elements given in the figure here above

All seven elements on top and to the right are strongly interconnected and they all constitute obstacles to run a well-working market economy. Thus many of the most influential cultural significance structure elements impair the possibilities to run a market economy. Accordingly there are also market economy problems where the economic growth in many CEE countries primarily has been driven by consumption and doesn’t stem from companies producing goods or services. This is a natural compensation for earlier scarcity as the plan economy featured a production focus – often of heavy goods and militarised – and consumption goods were given a lower priority so people in CEE have had a strong desire to materialistically catch up with the West resulting in a loan based consumption fever and often high trade balance deficits for CEE countries. Let’s now take a more detailed look on how the elements are interconnected.
The deep distrust in many CEE countries can easily turn into fear for others and fear may in turn lead to distrust since you often don’t trust somebody you fear. Much distrust leads to fewer initiatives and a lack of assuming of responsibility as confidence is a prerequisite for such actions and commitments but distrust leads to lack of holistic view and also to egoism and lack of respect where you neither care for the cause nor for the persons. Corruption breeds distrust and so do reminiscences of plan economy thinking as the plan economy had much corruption. Distrust leads to no win-win thinking which in turn enhances distrust.

Plan economy thinking along with a lack of both holistic view and independent thinking as well as lack of responsibility and initiative all contribute to no win-win-thinking.

Having a holistic view facilitates assuming of responsibility and taking of initiatives since having the whole picture you better understand the need for them whereas plan economy thinking and lack of independent thinking along with fear and distrust all lead to a more fragmented view and thinking which in turn will reduce responsibility and initiatives.

Fear - making people afraid, hierarchy and authoritarianism where the boss decides almost everything and plan economy thinking where people weren’t used to think individually all lead to a lack of independent thinking which in turn hampers a holistic view and may contribute to a lack of responsibility and initiative.

Distrust and lack of holistic view along with admiration of the strong all breed egoism and lack of consideration and respect which in turn could accentuate materialism.

The plan economy thinking with its hierarchical structures along with fear for the bosses and admiration for the strong all contribute to the hierarchy and authoritarianism which in turn aggravates the lack of independent thinking.

The plan economy thinking along with the desire for conspicuous materialism both lead to corruption which in itself brings distrust.

Many factors making it harder to conduct business in CEE countries are shown here as cultural significance structure elements but although lack of foreign language skills could have been included I do not put it here as I primarily see it as a problem in the intercultural communication between Westerners and people in CEE and not as a cultural element in CEE. The
local language is certainly a key component of the local culture and one may argue that foreign languages are also a part of the culture. Yet I haven’t included it among these elements. Having explained the connections between the cultural significance structure elements it is now time to show their influence on each other to give a clear overview.

6.4.3 **Table from the cultural significance structure elements figure**

The table from the just shown cultural significance structure elements figure with all twelve cultural elements is shown here below. The number of arrow connections per cultural element (where there is a multiplication by one if there is an arrow in one direction and by two if the arrow goes in both directions) shown in the figure, i.e. the number of arrowheads arriving at or coming from a specific cultural element, are added together giving the total score. For each arrow the head could be incoming, outgoing or two-directional, i.e. going in both directions. The parentheses mean that both the antipodes – such as trust and distrust or independent thinking and lack of independent thinking – of the phenomenon are included on that row and those rows are therefore called accumulated as it encompasses both extremes. During my living in CEE and from the interviews I made there the negative aspects of these differentiated cultural significance structure elements seemed to be very strong and these negative aspects will also be dealt with in my analysis. This means both the accumulated and the differentiated cultural significance structure elements will be dealt with in the analysis. Yet in this table we find the accumulated ones - and the ones which aren’t differentiable here - on each row.

**Below: Table from the cultural significance structure elements original formula**

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Incoming</th>
<th>Outgoing</th>
<th>Two</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Dis)trust</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>(No) win-win thinking</td>
<td>1</td>
<td>0</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>(Lack of) holistic view</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>(Lack of) independent thinking</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>(Lack of) responsibility and initiative</td>
<td>5</td>
<td>0</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Plan economy thinking</td>
<td>0</td>
<td>7</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>(Less) fear</td>
<td>0</td>
<td>4</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Hierarchy and authoritarianism</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Egoism and lack of consideration and respect</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Corruption</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Materialism</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Admiring the strong one</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total score</strong></td>
<td><strong>23</strong></td>
<td><strong>23</strong></td>
<td><strong>12</strong></td>
<td><strong>70</strong></td>
</tr>
</tbody>
</table>

Table 12: The cultural significance structure elements original formula
Table 12 illustrates how closely interconnected the cultural significance structure elements are to each other and how strongly they influence one-another where the most interconnected ones are found at the top of the table. As earlier mentioned regarding the corresponding figure 4 the cultural significance structure elements at the top of this table 12 cause problems to run a market economy but the way they do it seems to be by a combination of disorientation, anxiety, helplessness and passivity as well as a lack of adequate instruments to handle the situation. These difficulties could help us understand how hard the transition from a plan economy to a market economy has been for so many people living in CEE. Some reasons for the here mentioned difficulties are that a holistic view is vital in order to be able to orient yourself in a market economy which becomes even harder due to a lack of independent thinking and no win-win thinking which in itself means missing a basic instinct in modern business life where a lack of responsibility and initiative could lead to passivity that in turn is aggravated by distrust and fear enhancing anxiety making it difficult to rely on others. All these factors along with an admiration of the strong in a hierarchical and authoritarian but also corrupt society are well-known characteristics of communism and plan economy and its thinking while a conspicuous materialism could be seen as a kind of compensation for the scarcity of consumer products during the plan economy era. Among the top cultural significance structure elements the influence seems to be rather balanced and mutual with two clear exceptions where the corresponding figure 4 exhibits that the plan economy thinking exerts an influence on many other cultural significance structure elements – but there is no influence in the other direction as the plan economy isn’t in practice any more - while many cultural significance structure elements seem to strengthen and aggravate the lack of responsibility and initiative indicating that it to a large extent was a consequence of many other elements in the plan economy since the reverse influence isn’t as strong. Looking at why there is such a lack of initiative and responsibility one must consider that free enterprises didn’t exist in the same way in the plan economies as they did in Western market economies and that had many consequences. Entrepreneurship is closely related to and a natural and fine training in the taking of initiatives and assuming of responsibility but the plan economies did not encourage entrepreneurship depriving and impeding people to develop such behaviour and skills in daily work and practices. An authoritarian leadership style in business and society aggravates that problem making it harder, more alien and riskier to come up with initiatives and assume responsibility.

6.5 The Ideal types with corresponding figures and tables
Having shown and explained the cultural significance structure elements in a figure and how they generally are connected the ideal type figures will
now be described. First there is an explanation of how the ideal type pictures and the corresponding tables are constructed and in order to obtain a better understanding of the structure and the notions in the text below it may be helpful to begin by taking a look at the ideal type figures and their corresponding tables presented a few pages ahead of here clarifying these issues. There are 17 ideal types in this chapter and all ideal types have twelve sub-elements called ideal type elements apart from the ideal type on training and recruitment actions for language skills in business which has 16 ideal type elements. Therefore there are 17 corresponding ideal type pictures and 17 tables.

In the ideal type pictures there are dimensions between antipodes such as trust and distrust etc. The division or differentiation is consequent in each ideal type figure so that only one of the two antipodes exists thus avoiding paradoxes in each ideal type figure. The different text-content-ovals are arranged according to this principle of consequence, unambiguity and univocity. The positive values and impact of the dimension describing the phenomenon is the short form while its negative influence is preceded by small words or expressions such as dis-, no or lack of. The interesting part thus becomes the dimension itself, such as trust-distrust or independent thinking – lack of independent thinking, rather than the antipodes. This has to be explained. Why is the dimension more interesting than the extreme positions? The dimensions cover phenomena while the position covers an often extreme position of that phenomenon. Thus the dimension is more general and encompassing than the position. So a phenomenon is characteristic for these cultures where often an extreme position is conspicuous but we focus on the dimension and phenomenon although it is labelled by a vital position in the cultural significance structure interpretation to come as close to reality as possible. Still, there is also a tendency that the more central a phenomenon and dimension is, the more it indicates how strong the corresponding extreme point problem is and has been in these cultures. Many and strong measures regarding a specific phenomenon indicate the urgency to deal with it. Thus a high impact of trust reflects the severity of distrust which could be a dominating force but as the ideal types also show how a rational person would act in line with existing criteria on how to behave rationally it follows that if an atmosphere or even a culture is full of distrust it is thus rational to build trust and in an analogue way deal with other cultural significance structure dimensions having two or more positions such as antipodes or other specifications. The rational need for such compensating or counter-weighing action to handle a hard reality to a sizeable extent explains the strong impact of many cultural elements in this study. Thus in order to describe the culture the dimensions are crucial but when it comes to taking measures to handle the problems related to the
cultural dimensions then the antipodes become highly important as we will see in this chapter and the next one.

The choice of labelling the cultural significance structure elements being the headlines in the ovals affirmatively – such as trust and independent thinking – or negatively – such as distrust and lack of independent thinking – is my interpretation of whether what is presented in the oval - including its subordinated ideal type elements - is mainly beneficial (e.g. trust) and a constructive way to handle the issue or mainly harming (e.g. distrust) being a problem for the communication and the possibilities to carry out the work that has to be performed. Yet these differences pinpoint that we deal with nuances and interpretations on where to put the stress since the reality that these ideal types are based on isn’t a binary world of yes and no or black and white but rather a world which is complex, intricate and interdependent on various actors and phenomena. Regarding holistic view there are three alternatives – the normal ones in terms of holistic view and lack of holistic view but then also holistic view difficulties which also is rather negative just as lack of holistic view. This is because in this particular case the name and notion of difficulties is more appropriate than a shortage named lack of.

As several elements don’t instinctively fit into a specific cultural significance structure element oval one may ask whether the cultural significance structure elements really are well chosen and correspond to reality but I think they are as they – according to my empirical findings, other relevant studies and theory - seem to be deeply characteristic for these cultures and for the phenomena that feature these cultures. If it is so then one may ask whether these cultural significance structures are a good way to present the content from the ideal types, and if one should use the same (hermeneutic) pictures for the linguistic sub-elements as for the cultural sub-elements and then add them all together to create a cultural significance structure. Having worked intensively with these structures and ideal types making them as clear and comprehensible as I can I see a logic in using the same pictures for the ideal types pertaining to both cultural and linguistic sub-elements. Yet it has been hard to select to which oval that an element fits the most and in such cases after a more general reflection and overview the element has been put into one chosen oval. In which oval to place an element is primarily based on the element’s content but there is also a reasoning process where I have weighted various factors and aspects and then taken an overall judgment where it would fit the best.
6.6 Tables from the ideal type and cultural significance structure figures

How many times that a cultural significance structure element occurs in these 17 ideal type pictures gives its frequency exhibiting its presence in the culture. However the cultural significance structure elements also have the ideal type elements listed under its headline in the ovals in the ideal type pictures and the number of ideal type elements that each cultural significance structure element has indicates its intensity and strength in the picture. Thus the oval is multiplied with the number of elements in each oval. But the cultural significance structure element also has an influence in terms of the number of connections that each cultural significance structure element has where a one-directional arrow is multiplied by one and a two-directional arrow is multiplied by two.

So in order to obtain the total score for each row in the ideal type tables and then for the entire table the procedure is as follows: For each ideal type figure where a phenomenon, i.e. a cultural significance structure element, is found the total score is obtained by adding the sum of the number of arrowheads in each figure - where the one-directional arrows are multiplied by one and the two-directional arrows are multiplied by two - and the number of ideal type elements in each oval. Thereby both influence and intensity are shown. This procedure has to be repeated for each ideal type figure. Later when constructing the compound tables all these tables have to be summed up. Thereby a total figure corresponding to a hierarchy of cultural significance structure elements of these cultures will be obtained.

We now continue with the ideal type pictures, the ideal types themselves and the tables. In the second column to the right in the tables the number of elements in the oval (NEO) is given and the sum of arrowheads and the elements is given in the column most to the right.

In order to give a more cohesive presentation we begin by showing the ideal type picture and then the ideal type itself and thereafter the table relating to the ideal type and its picture in a recurring manner for all the 17 ideal types. Each table is followed by comments and a short analysis of how it looks and of what it tries to tell us. Chronologically the ideal types came first from which the pictures were made up and then followed the tables but for pedagogical and clarity reasons we first show the picture of the ideal type to facilitate an overarching understanding of the ideal type which then is followed by a more detailed description of the ideal type and then comes the table which is analysed and the same procedure is repeated with the next ideal type. This framing stresses how these three different parts are
interrelated. We here present the seventeen ideal types with figures and tables beginning with the ones on expatriate behaviour and culture aspects followed by the linguistically related ones on local language, common company language and multilingualism and then problems with interpreters, power aspects and measures to deal with training and recruitment are exhibited.

**Ideal type for how to be a good expatriate manager in CEE**

![Diagram showing ideal types for expatriate managers]

1. **Inform, train and prepare yourself** – it facilitates the expatriate’s job to be informed and learn about the history and culture of the assignment country understanding its cultural, commercial and industrial traditions and how they affect the local people’s way of thinking, feeling and acting. It is wise to speak to people who have worked in the assignment country and learn about the local conditions as well as analyse the business situation and do a thorough and detailed business plan remembering that statistics don’t tell everything since there is often a big grey economy there affecting consumption patterns and business life. It is preferable for the expatriate and his or her family to prepare themselves and undergo
linguistic and cultural training before taking on the foreign assignment

2. **Get and gather expatriate experience** - it is valuable to have an expatriate experience from other foreign assignments, particularly from other emerging markets

3. **Be prepared for tough conditions** – the risks of being manipulated or paralysed by unpleasant surprises are lower if you as an expatriate are prepared for a tough and egoistic business climate and if you aren’t naïve but realistic and aware of the existence of hidden agendas and people wanting to use you in some way, often for their own personal benefit so don’t take all answers for granted

4. **Stay adaptive** – as an expatriate your assignment will be easier and more successful if you adapt to the local people and their culture being socially smoother and slightly more relaxed dressing better than a usual Swedish business person as well as eat the food and other things that you are offered within reasonable limits

5. **Be knowledgeable and self-going** – for an expatriate it is fundamental to know what has to be developed and done in the company, how to do it and be capable of implementing these ideas and decisions into business activities. It is further crucial to be self-going and have a spirit of entrepreneurship being creative and flexible coming up with new and unconventional solutions

6. **Keep control** – it is fundamental to control results and guarantee an avoidance of mismanagement securing correct payments to the mother company and secure knowledge transfer to the local company as well as to the headquarters

7. **Take reasoned risks** – it is vital to be strong, courageous and brave prepared and willing to take risks but also to find information about and control the background of your potential business partners to reduce risks and to see how reliable and financially strong they are as well as the kind of personal network they have

8. **Be committed, curious, optimistic and humble** – the assignment will be easier if you are curious and optimistic having a good attitude where you appreciate differences and are humble showing respect and interest for your business partner or customer as a person and for his or her competence, concerns and needs

9. **Act according to solid ethics** – risks are lower if you have a well thought-through business ethics and compass regarding what to do, how to do it and what to avoid

10. **Behave honestly and properly** – as an expatriate it is fundamental to be honest and sincere behaving properly avoiding frequent and heavy drinking as well as other kinds of misbehaviour hurting or ruining the
reputation of yourself and your company and also avoid any tricks which could make you extortionable and vulnerable

11. **Build up a contact network** – as an expatriate it helps to integrate both with expatriate and local business people and build up a good contact network in the assignment country but also know your mother company well having a good contact network there

12. **Have a long-term perspective** – as an expatriate it is important to have a long-term perspective being perseverant and patient. You must find good and skilled local employees showing your company’s long-term commitment to the assignment country where you usually have to stay for several years in order to understand the local market and its people and then perform well doing good business there

**Below: Ideal type for how to be a good expatriate manager in CEE**

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Incoming</th>
<th>Outgoing</th>
<th>Two</th>
<th>Total</th>
<th>NEO</th>
<th>Sum</th>
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</thead>
<tbody>
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<td>4</td>
<td>2</td>
<td>6</td>
</tr>
</tbody>
</table>

**Table 13: Ideal type for how to be a good expatriate manager in CEE**

This table 13 shows that an expatriate business person must know what to do – which is reflected in the need for a holistic view and independent thinking – and be reliable and capable doing his or her duty which is reflected in the stress on trust and in the strong emphasis on assuming responsibility and taking initiatives. These qualities take a good judgment and seem to be rather straightforward and universal not only being applicable in CEE but rather on many markets if not even globally and this view may be strengthened by the fact that many of the expatriates who I interviewed had done other foreign assignments before their current one. There is also an air of predictability and safety in these qualities striving to minimise risks and big surprises where good relations to the head quarters seem to be a prioritised goal and the younger – particularly in the starting up phase - or more troublesome the subsidiary is the more important these qualities seem to be and as many of the expatriates who I interviewed had started up or expanded activities for their companies in these countries this view seems quite natural.
Ideal type for how an expatriate may communicate interculturally in CEE

- **TRUST**
  1. Be clear and consistent giving a true, relevant and well structured message
  2. Use gestures, familiar metaphors and proverbs
  3. Use internal interpreters
  4. Speak the local language

- **RESPONSIBILITY AND INITIATIVE**
  1. Be patient, cool and perseverant
  2. Respect the local people, the local language and titles
  3. Control understanding of your message

- **HOLISTIC VIEW**
  1. Analyse the situation being motivated, perceptive and assertive.
  2. Find what is essential

- **EGOISM AND LACK OF CONSIDERATION AND RESPECT**
  1. Don’t count on Western language skills

- **INDEPENDENT THINKING**
  1. Identify the leader,
  2. Use humour sensibly

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Figure 6: Ideal type for how an expatriate may communicate interculturally in CEE

Ideal type for how an expatriate manager may communicate interculturally in CEE

1. **Analyse the situation being motivated, perceptive and assertive** – as an expatriate it is vital to be interested in and motivated to communicate with people from the local culture and be able to analyse the situation – grasping how people in the local culture think, feel and behave - and what it communicatively requires from your part being perceptive getting into the tune of your counterpart. You also have to be assertive regarding your own and your company’s
capability using this rhetoric sensitivity being both humble and strong to achieve your objectives

2. **Be clear and consistent giving a true, relevant and well structured message** – as an expatriate it is crucial to be clear and distinct in your communication where the message must be relevant, true and well structured as well as consistent. You should also avoid having a hidden agenda - words and action must be one: Furthermore it is important to give explicit and detailed work descriptions – a kind of elaborated code and it also indicates the strong uncertainty avoidance in these countries

3. **Use gestures, familiar metaphors and proverbs** – to reduce misunderstandings and gain clarity as an expatriate it is vital to check the body language of your counterpart using gestures and body language to understand the other party and make yourself understood. It could be helpful to use metaphors that the local people are familiar with and also use proverbs - both from the local and other languages

4. **Control understanding of your message** – as an expatriate it is vital to double-check that your message is both received and understood by the other party where you may use body language to repeat and complement your message and manage the situation. There is a risk that some people don’t say that they don’t understand and if you suspect that you may directly give a more understandable explanation

5. **Identify the leader** – to be effective and avoid wasting time, energy and resources it is important to immediately identify and find the right person to speak to - usually the leader of the group - and talk to that person who is the real decision maker. This may be seen as an analogy with a position oriented family where it is of the utmost importance who it is who says something and what that person may say

6. **Be patient, perseverant and cool** – to reach your goals it helps to be patient and perseverant in your communication and avoid being provoked by possible tricks and manipulation, so keeping your head cool is vital, particularly in negotiations

7. **Find what’s essential** – a clear focus and wise selection of information is crucial and may be performed by finding and picking out the essential information also when it comes in a vague torrent of words with low information density

8. **Respect the local people, the local language and titles** – humility is vital showing a genuine respect for the local people and their competence and skills as well as for their language using titles - which are important in CEE - correctly
9. Use humour sensibly - using humour could contribute to build up a good rapport and atmosphere but you must carefully choose when and how to use it and avoid irony which easily can hurt people.

10. Use internal interpreters – as an expatriate it is important to be consistent, distinct and clear avoiding euphemisms when you speak through an interpreter helping him or her to be clear and unambiguous facilitating for you to get your message through. It is often preferable to use an internal interpreter who knows the industry, the subject and the counterpart and should be loyal to his or her employer which is your company. You still have to remember that in general using an interpreter makes you vulnerable, exposed and dependent on him or her increasing the psychic distance to your counterpart making it harder for you to obtain a direct and effective rapport with your counterpart or audience making it cumbersome for you to build up trust for yourself and your mission and message.

11. Don’t count on Western language skills – as an expatriate it is vital not to take for granted that your counterpart speaks English, German or some other major Western language. Such an attitude could be seen as disrespectful, arrogant and it is unpopular just as it may be when Germans right away start to speak German in the Czech Republic. If you speak English with the counterpart you often need an interpreter.

12. Speak the local language – it may give several advantages if you speak the local language, if not during the meeting at least in the small talk as it builds trust and shows your respect for and commitment to the assignment country and its people.

Below: Ideal type for how an expatriate may communicate interculturally in CEE

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Incoming</th>
<th>Outgoing</th>
<th>Two</th>
<th>Total</th>
<th>NEO</th>
<th>Sum</th>
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<tbody>
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<td>9</td>
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<tr>
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<td>1</td>
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<td>6</td>
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<td>2</td>
<td>0</td>
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</table>

Table 14: Ideal type for how an expatriate may communicate interculturally in CEE

Table 14 indicates that the way an expatriate is perceived – in terms of the trust he or she wins and how responsible he or she comes forward – is slightly more important than the analytical capability of the expatriate to assess the situation and find the leader to talk to whereas the inconsiderate and disrespectful counting on the local people to speak Western languages could cause badwill and even resentments. A reason for this order of priority.
may be that to be successful when communicating it is absolutely crucial how the communicator and the message are received and interpreted where a trustworthy, reliable and responsible character could be more important – particularly as trust is fundamental to do any business at all - than an independent and broadminded intellect although both latter qualities could contribute to strengthen a person’s credibility. It is easy to see that taking for granted that the counterpart will communicate in the most convenient way for you, in your preferred language, isn’t always so appreciated.

**Ideal type for the characteristics of leadership in CEE**

**HIERARCHY AND AUTHORITARIANISM**
1. Hierarchical and authoritarian leadership
2. No delegation of decision-making restricting freedom of employees
3. Sometimes a rough tone

**ADMIRING THE STRONG ONE**
1. One-man show
2. A strong leader but no solid leadership or management,
3. A tough business culture giving the leader much freedom

**INDEPENDENT THINKING**
1. The manager does the thinking
2. Detailed involvement in employees’ work

**HOLISTIC VIEW**
1. Extensive contact network
2. Family involvement in business

**PLAN ECONOMY THINKING**
1. A production business mentality

**MATERIALISM**
1. Managerial privileges

Figure 7: Ideal type for the characteristics of leadership in CEE

432
Ideal type for the characteristics of leadership in CEE

1. **Hierarchical and authoritarian leadership** - The leadership style is hierarchical and authoritarian with centralised power and a big power distance between the leaders on the one hand and the people and the employees on the other.

2. **No delegation of decision-making restricting freedom of employees** - there is not much delegation of decision making restricting the freedom and possibilities to act for the employees where the manager must have control over things.

3. **One-man show** - there is a one-man-show where the owner or manager decides everything.

4. **The manager does the thinking** - as the owner or manager of the company you do the thinking in the company.

5. **Detailed involvement in employees’ work** - as the manager you are involved in the work of each employee giving specific and detailed work instructions – more so than in Sweden.

6. **A strong leader but no solid leadership or management** – in these cultures the leader is dominating and strong but there is no solid and developed management, it’s more of commanders and individuals.

7. **Managerial privileges** - the manager is on quite another level having much higher salary and prestige along with more privileges and power than other persons in the company.

8. **Extensive contact network** - for a manager having an extensive contact network is fundamental.

9. **Family involvement in business** - in some countries such as Bulgaria the family is more involved in business - including lunches and dinners - than in Sweden.

10. **Sometimes a rough tone** – there could sometimes be a tough and harsh – not to say rude or disrespectful - tone in the communication between colleagues and considering the authoritarian leadership style most probably also between the manager and the employee not showing esteem and consideration.

11. **A tough business culture giving the leader much freedom** – the way of doing business in these business cultures is often less organised and a little wilder than in the West giving the leader much freedom to act in an authoritarian culture as the studied ones. This improvising potential and unpredictability makes it more important to be on site in order to defend one’s interests.

12. **A production business mentality** – the ruling business mentality is a production one and not a marketing one where the investment focus could be on reducing costs more than in generating revenues making it harder to find good employees.
Below: Ideal type for the characteristics of leadership in CEE

<table>
<thead>
<tr>
<th>Cultural element</th>
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<th>Total</th>
<th>NEO</th>
<th>Sum</th>
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<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 15: Ideal type for the characteristics of leadership in CEE

Table 15 reflects the importance of history and traditional way of managing and ruling in these countries where a hierarchical and authoritarian leadership style admiring the strong one - now resulting in strong materialistic and other privileges - was prevalent during the plan economy era but often also long before it but still the plan economy thinking influences the leadership way in these cultures. Such attitudes and ways of thinking aren’t easy to change, it could often take new generations to do it as is also the experience of many expatriates telling me about the difficulties to employ people over 45 years still living in the plan economy thinking instead of in a market economy one which creates problems regarding how to work both for employees and also when such persons – often with a background in the old nomenclature - are the top managers which could give the expatriates more work sometimes having to do both their own and the customers’ job since if the customer’s business doesn’t run well the expatriate’s company won’t do it either as an expatriate in Sofia told me. There is often disrespect for the weak where it is worse to be seen as a weak person in CEE than it is in Sweden. The strong privileges for the leaders also touches upon the leadership’s need for acceptance and legitimacy in a culture where people are used to it although many of them could, even strongly, dislike the excesses in terms of leaders enriching themselves beyond rhyme and reason. As the manager often does the thinking in a company and is involved in the employees’ work even on a more detailed level the manager needs to be able to think independently and to have a holistic view but the authoritarian leadership style has not really permitted people to think independently or holistically at work which then could make them ill prepared for the managing task when they reach top positions resulting in priority problems where managers focus on the wrong things in terms of too many details instead of grasping the whole picture and focus on the strategic issues which could lead the organisation efficiently towards the overarching and essential goals. Thus the corresponding figure 7 stresses the leadership’s need for independent thinking and holistic view although the cultures feature a lack of both of these qualities.
Ideal type for how to build trust when doing business in CEE

**TRUST**
1. Overcome suspicion
2. Build personal relations which are crucial
3. Spend time with customers
4. Get to know the family
5. Keep promises
6. Start with small-talk
7. Speak the local language
8. Reduce uncertainty and anxiety
9. Use non-verbal communication wisely
10. Bring local employees to meetings

**Hierarchist and Authoritarianism**
1. Dress properly and respect formality

**Materialism**
1. Have a fine house

---

Figure 8: Ideal type for how to build trust when doing business in Central and Eastern Europe

**Ideal type for how to build trust when doing business in Central and Eastern Europe**

1. **Overcome suspicion** - there is much distrust and suspicion in CEE countries which you have to overcome
2. **Build personal relations which are crucial** - personal relations and networks are paramount when doing business in many CEE countries and must be built
3. **Spend time with customers** – as an expatriate you spend much time with your customer or business partner – also outside the office at dinners or sometimes doing leisure activities since personal meetings are crucial to build trust
4. **Get to know the family** - in some countries, such as Bulgaria, you meet the family to get to know the business person in his or her context
5. **Keep your promises** – it is fundamental to keep what you promise being reliable and consistent
6. **Start with small-talk** – when meeting the customer it is often wise to begin with small talk and thus not starting to talk business right away

7. **Speak the local language** - speaking the local language builds trust showing your interest in, respect for and commitment to the assignment country and its people and it sets the right tone for building a solid rapport

8. **Reduce uncertainty and anxiety** – it is vital to make the other party feel at ease and in order to create a more relaxed atmosphere non-verbal communication can reduce anxiety and uncertainty and you may use it to confirm your verbal statements strengthening them by showing consistency and clarity

9. **Use non-verbal communication wisely** – since people believe more in the non-verbal than the verbal expressions of a person when they contradict each other it is wise to be careful not contradicting one’s verbal statements by gestures, facial expressions or tone of voice: One should remember that non-verbal communication is useful to express and understand feelings and attitudes while verbal communication is good when giving information or expressing intentions

10. **Bring local employees to meetings** - as an expatriate it is important to bring a local business person with you on business meetings to show your company’s long-term commitment to the host country

11. **Dress properly and respect formality** – it is vital to show respect for your counterpart by dressing properly and formality is more important in CEE than in Scandinavia and this includes showing respect for hierarchies and using titles correctly showing that you understand the local culture and its rules

12. **Have a fine house** - in Serbia it is important to have a fine and representative house to do business showing your credibility, financial strength and reliability

**Below: Ideal type for how to build trust when doing business in CEE**

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Incoming</th>
<th>Outgoing</th>
<th>Two</th>
<th>Total</th>
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</tbody>
</table>

**Table 16: Ideal type for how to build trust when doing business in CEE**

In these cultures there is a widespread and deep distrust strongly influencing private, public and business life and therefore coming to terms with it is crucial in order to do successful business in these countries. This means that an expatriate must tackle distrust by building up a solid trust in him- or herself and his or her company which is what this figure 8 focuses on, so
although it reflects how the current situation is it primarily focuses on how to handle it. Many decades of political propaganda and manipulated information as well as propaganda urging people not to trust others along with a huge secret police system all ruined people’s trust in others, in their leaders, in the political system and in society. Regarding what so many people in these countries have experienced in terms of distrust there could be an analogy with a person who has been deeply let down and felt an intense deception which could mark a deep scar into that person’s soul making it very hard to regain his or her confidence. As confidence and trust can be lost in a moment but yet it takes very much time to restore it one may easily understand that several decades of extensive distrust go very deep into people and to build up confidence from that point of departure could be an immense task and this could also explain why there is so much emphasis on building up solid personal relations as there is no trust in the system which has been and still in many ways is rather corrupt with a poorly working judicial system and often weak institutions. In the old plan economy system it was in many ways rational not to trust others and to act with a short-term orientation. Yet to build up a smooth, efficient and well-working society trust is vital so a foundation for trust has to be built holding many different components. The expatriate often has to overcome the suspicion where spending quite some time with the customer may create a relaxed atmosphere reducing anxiety and uncertainty where using calm and reassuring gestures and body language could build confidence as well. Being honest and keep one’s promises respecting the local people and their culture as well as their language – preferably by speaking it - making them feel they and their culture are taken seriously are all vital to build trust. When an expatriate brings local employees to customer meetings it enhances credibility showing the company’s long-term commitment to the country. There is also a materialistic aspect to trust where proper and good clothing as well as a fine house or other valuable assets show strong resources increasing trust in an individual and so indirectly in his or her company. A hierarchical and authoritarian society – of which the already mentioned attentiveness to being well dressed is an indication - where people weren’t and aren’t always treated with dignity and respect but rather in an inconsiderate and at times reckless way also breeds distrust as people couldn’t and to some degree still can’t rely on others. Therefore expatriates have to put much effort into building trust as it is a fundamental precondition to do business – particularly in CEE counties.
Ideal type for difficulties making doing business harder in CEE

Figure 9: Ideal type for difficulties making doing business harder in Central and Eastern Europe

1. No win-win thinking and other negotiation problems
2. Bureaucracy, corruption and high transaction costs
3. Educated but egoistic and reckless
4. Lack of responsibility and initiatives
5. Distrust and conspiracy thinking
6. No common language
7. Information problems
8. Poor market economy thinking and analysis
9. Old nomenclature’s influence
10. No holistic view
11. Short-term view
12. History blockings and age divide
13. Educated but egoistic and reckless
14. History blockings and age divide
15. Educated but egoistic and reckless

438
Ideal type for typical difficulties making doing business harder in CEE

1. **Information problems** - it is often hard to obtain clear, concise, correct and unambiguous information and there is low transparency and no efficient handling or spreading of information. There is sometimes a secretive behaviour where people keep important and relevant information for themselves as a job lifeline and assurance.

2. **Poor market economy thinking and analysis** - there is a lack of business-wise market economy thinking and remains of plan economy thinking – featuring processes, structures, incentives and other characteristics being very different from the ones in a market economy - among many persons in these countries where local business people could have difficulties to analyse the market, the customer and the customer situation. There is sometimes too little focus on revenues where people don’t understand that time is money and uptime is fundamental to be profitable.

3. **No holistic view** - local business people often put too much emphasis and focus on details where people don’t obtain a holistic overall view and managers therefore don’t do the most important things.

4. **Bureaucracy, corruption and high transaction costs** - the bureaucracy is often extensive, inefficient, slow and cumbersome and there is deep and widespread corruption making business life unpredictable and less professional impeding rational and profitable measures and reducing investments as well as economic development and growth thus being very costly to society. So are the problems in the legal system which often is corrupt and unpredictable not working properly where procedures could take long time so you often avoid taking people to the court. All these problems cause insecurity, delays and high transaction costs. In corruption the agent often cheats the principle where permits and business with the state could mean high risks for corruption but big companies with strong resources have better possibilities to fend off corrupt demands than smaller firms.

5. **Lack of responsibility and initiatives** - people are afraid of making mistakes and they often don’t assume responsibility or take initiatives sufficiently also showing lack of service mindedness and security thinking. Therefore the connotations from words such as initiative, responsibility, service and security are different in the West and in these countries due to the heritage of the plan economy. Thus the weak version of the Sapir-Whorf hypothesis where the native language influences the individuals, without totally steering them in their thoughts, may be relevant in CEE.

6. **History blockings and age divide** - there could be blockings due to history which could serve as an excuse for business failures and a pretext for not doing what has to be done. There is also an age divide.
where people over 45 years old due to education and professional experience are marked by the plan economy thinking and have difficulties to adapt to a market economy thinking and they are quite risk avert and many of them also rely more on personal networks and less on general procedures which usually are faster and more efficient, e.g. in the way of selling. Furthermore younger business people to a higher extent speak English

7. **Old nomenclature’s influence** - the old nomenclature lies like a heavy cover over society with leaders who often aren’t educated or trained for or experienced in running and managing business resulting in slow changes and conservatism along with lack of professionalism and more work for the suppliers also having to do the customers’ job. In business life very much is politicised instead of doing pure business wise activities where the nomenclature’s strong influence is part of it

8. **Distrust and conspiracy thinking** - there is frequently a lack of trust, confidence and honesty along with much suspicion and conspiracy thinking

9. **Short-term view** - there is often a short-term perspective with people striving for one-time profits and fast career climbing lacking a long-term perspective where distrust and uncertainty about the future and its conditions probably play a role

10. **Educated but egoistic and reckless** - in general people have a good theoretical education, particularly there are many well educated engineers, but also well educated persons often have difficulties to put it into practice where they could behave in a reckless and inconsiderate way lacking common sense in professional life. There is sometimes a lack of solid leadership featuring no management but just commanders and individuals and there is also much egoistic behaviour with a lack of respect for and loyalty to your company and colleagues

11. **No win-win thinking and other negotiation problems** - in negotiations some difficulties are lack of win-win mentality replaced by a win-lose mentality seeing compromises as a weakness, unrealistic and impossible demands, an obsessive focus on earning money beyond rhyme and reason, frequent changes, provoked delays and a lack of structure. The unwillingness to compromise could stop a deal and lead to waste of time, energy and commitment while a conflict over one issue could put an end to the entire business relationship and people generally have difficulties to give, receive and handle criticism in a constructive way
12. **No common language** - sometimes no common language due to lack of foreign language skills among locals and no local language skills among expatriates creates communication problems

**Below: Ideal type for difficulties making doing business harder in CEE**

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Incoming</th>
<th>Outgoing</th>
<th>Two</th>
<th>Total</th>
<th>NEO</th>
<th>Sum</th>
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<tbody>
<tr>
<td>Lack of holistic view</td>
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<td>Lack of independent thinking</td>
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<td>3</td>
<td>1</td>
<td>4</td>
</tr>
</tbody>
</table>

Table 17: Ideal type for difficulties making doing business harder in CEE

Table 17 shows phenomena making it harder to perform business in CEE for Western expatriates. In figure 9 many of the ideal type elements are – as earlier mentioned - more or less identical to the cultural significance structures elements which isn’t so astonishing since many of the cultural significance structure elements are hard to handle for Westerners. To start a business project one has to understand the situation and the conditions having a holistic view, trust others to at least some degree and assume responsibility taking the necessary initiatives to carry the project ahead but precisely in these areas there are flaws which also are related to the plan economy thinking that in turn aggravates the problems even more having a logic, incentives and a way of thinking very different from the ones in a market economy resulting in a poor understanding of how a market economy functions and the absence or at least lack of win-win thinking is a reflection of the plan economy thinking. These difficulties also contribute to the already strong distrust which further erodes the potential for sustainable business as do disrespect and egoism which in turn worsens corruption’s negative influence on business even more while the lack of independent thinking impedes the innovations and creativity that could make a business successful. Thus problems arise through a combination of flaws in the orientation ability in terms of lack of holistic view, lack of independent thinking but often a plan economy thinking with much distrust and no win-win thinking along with absence of dynamics in terms of lack of responsibility and initiatives and finally pure negative factors such as egoism, disrespect and corruption. So formulating it concisely the poor
orientation ability, lack of dynamics and trust along with various abuses and recklessness make it harder to do business in CEE.

**Ideal type for the benefits for an expatriate to speak the local language**

**TRUST**
1. Decisive for winning the business and increased market closeness
2. Respect, goodwill and speed
3. Directness, no interpreters and more rhetoric power mastering the situation
4. More effective speeches

**LESS FEAR**
1. More control and reduced financial and health risks
2. Belongingness becoming one of us, openness, informal networks and no fear

**HOLISTIC VIEW**
1. Deeper understanding of culture and meaning but a reduced culture shock
2. New frames of reference

**WIN-WIN THINKING**
1. Improved imaginative ability seeing and seizing opportunities

**RESPONSIBILITY AND INITIATIVE**
1. Increased mobility, influence, power and improved career possibilities
2. Negotiation advantages and improved knowledge transfer
3. Effectiveness, success and profits

Figure 10: Ideal type for the benefits for an expatriate to speak the local language
Ideal type of the benefits for an expatriate to speak the local language

1. **Decisive for winning the business and increased market closeness** - it can increase the market closeness, i.e. the psychological proximity to the market, and as an expatriate it gives you a psychological advantage in selling and in negotiations so it can be decisive making your company win the business and the contract over competitors who don’t speak the local language

2. **Improved imaginative ability seeing and seizing opportunities** – as an expatriate it strengthens and widens your interpretative and imaginative capability of what the local people say and it enables you to see analogies improving your understanding of people from other cultures. It also facilitates your ability to see and seize business opportunities – that mutually benefit your company and the customer – as well as your company’s possibilities to exploit its full market potential

3. **Deeper understanding of culture and meaning but a reduced culture shock** – as an expatriate it facilitates your understanding of the local culture and its people along with giving you more, broader and deeper information improving your understanding of what is going on in society, in the company and at work. It gives you a clearer and deeper understanding of the meaning of what the other party says thanks to an improved grasping of the local cultural context – in an analogy with high-context culture communication insights - which also enables you to formulate your expression in a way that becomes more understandable and meaningful to the others. Particularly in the initial phase of a foreign assignment or regarding sojourners it could lower the culture shock and reduce misunderstandings as well as frustration

4. **More control and reduced financial and health risks** - it gives you more control since what you hear comes direct from the source where it isn’t filtered as it could be if it is translated and it enables you to hear things which were not meant for your ears. It reduces the risks of misunderstandings and of you being manipulated and cheated lowering the risks of economic losses so in the end this results in higher profits. It also lowers the health risks where it may prevent injuries and even death as well as providing the best available medical aid being able to talk to medical staff in their language in critical situations

5. **New frames of reference** - you will obtain new frames of reference and become more broad-minded and wiser strengthening your capability to see things from different perspectives which could help to discover good business openings
6. **Respect, goodwill and speed** - it gives you respect, goodwill and credibility and it shows a commitment to the country, especially as local people know how difficult it is to learn and speak their language. You get to know people faster so it facilitates and speeds up contacts and processes by building trust making the local people happy where you are more appreciated as a person even if you only speak it a little - or try to speak it - and the business talks in the meeting are held in English since “attitude is everything” as the American saying goes.

7. **Belongingness becoming one of us, openness, informal networks and no fear** - it is often easier to do business if you speak the local language and it can open up a new world for you making you become one of them – positively seen as being one of us (the locals) - and they look upon you as a native. This could help you greatly making you obtain more open and true answers and information as well as better access to - and perhaps participation in - informal networks in the company or organisation that keep you updated about what’s going on in the company. Finally people aren’t afraid of you the way they are with other foreigners not speaking the local language.

8. **Increased mobility, influence, power and improved career possibilities** – speaking the local language your mobility on the local and global labour market will increase as will your influence and power both in the local subsidiary and in the entire company - showing greater cultural adaptability on a foreign assignment in an emerging market - and all this points towards better general career possibilities.

9. **Negotiation advantages and improved knowledge transfer** - hiding their skills in and understanding of the local language could give expatriate business persons additional and useful information making them get the upper hand in business negotiations bringing benefits to them and their company. Even if the counterpart knows that you speak the local language your cultural insights make you a better negotiator where also transferring and sharing of knowledge may be facilitated and improved by speaking the counterpart’s, i.e. the local, language.

10. **Directness, no interpreters and more rhetoric power mastering the situation** – you will have a direct contact with your counterpart or audience, your rhetoric power and impact will increase enabling more convincing conversations and speeches. You can also avoid interpreters with all problems related to that and it will give you a psychological boost of self-assurance and safety feeling you are able to master the situation.
11. **More effective speeches** - giving a speech in the local language could help you significantly making the speech more powerful and effective since it would improve your exordium by earning you respect and goodwill, it would strengthen the credibility of your narration and your argumentation since you would have a better knowledge of the local people by knowing which arguments would best suit you and your speech, and of course the emotional part in your conclusion would be stronger and more convincing speaking directly to the heart of your audience in their own language.

12. **Effectiveness, success and profits** – a global and effective communication ability is fundamental and necessary for a company to succeed in international business and speaking the local language helps the expatriate business people to become more effective and as successful as possible when doing business. It could be a significant plus both in their professional and private life so all this means you can earn more money and save costs increasing the profits of the company.

**Below: Ideal type for the benefits for an expatriate to speak the local language**

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Incoming</th>
<th>Outgoing</th>
<th>Two</th>
<th>Total</th>
<th>NEO</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
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<td>Trust</td>
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<td>0</td>
<td>4</td>
<td>8</td>
<td>4</td>
<td>12</td>
</tr>
<tr>
<td>Less fear</td>
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<td>0</td>
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<td>8</td>
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<td>Responsibility and initiative</td>
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<td>2</td>
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<td>9</td>
</tr>
<tr>
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<td>1</td>
<td>3</td>
<td>7</td>
<td>1</td>
<td>8</td>
</tr>
</tbody>
</table>

Table 18: Ideal type for the benefits for an expatriate to speak the local language

Table 18 shows that what speaking the local language first and foremost brings is safety in terms of trust and less fear but also an understanding of the local people and their culture in terms of a holistic view along with efficiency and dynamics in form of responsibility and initiatives plus stronger win-win thinking. Speaking the local language gives speed, viability, directness and respect in the business relation which may be transformed into more, more solid and more profitable business as well as new business opportunities for the expatriate and his or her company and for the expatriate also a more harmonic and personally rewarding foreign assignment that in turn could improve professionalism and results even more. So speaking the local language brings safety, understanding, efficiency and efficacy – which both increase profits - and potentially more business.
Ideal type for the disadvantages for an expatriate for not speaking the local language

Figure 11: Ideal type for the disadvantages for an expatriate for not speaking the local language

Ideal type of the disadvantages for an expatriate for not speaking the local language

1. *The biggest communication problem* - the local language is at times the biggest communication problem when doing business in CEE and could be very costly
2. **Trade tariff** - not speaking the local language is equivalent to a trade tariff that could reduce international trade significantly

3. **Barrier to do business** - not speaking the local language is a barrier to do business where the language barrier – consisting in difficulties to understand both the literal words and the culture of the counterpart - could be hard to overcome

4. **Loss of meaning and misunderstandings** – if the expatriate doesn’t speak the local language there is higher risk that he or she will miss the message’s meaning which may be culture-bound and therefore the risk for misunderstanding is higher

5. **Small talks riskier than technical discussions** – in business situations relaying on small talk and social conversations as a glue to make things run smoothly the risk of misunderstandings is higher – often due to taken for granted assumptions or jargon - than in technical discussions which often are more explicit, specific and task-based where many of the terms used could be international ones in English

6. **Seen as an offence** - if the expatriate business person doesn’t speak a single word of the local language it could in some situations be seen as a small offence, especially if the local partner doesn’t speak any foreign language.

7. **Isolation and a long psychic distance** - the expatriates who don’t speak the local language run the risk of being less integrated and more isolated from local employees and customers creating a long psychic distance – including cultural and linguistic distances - to them instead of bridging the gap

8. **Uniformed losing opportunities** – the expatriates could be uninformed or less knowledgeable of the local culture and people living there. Information could be hidden or kept away from expatriate business people leaving them uninformed which could cause high costs and also make them lose or not even see business opportunities and thus impede them to earn money for their company

9. **Difficulties due to aggravated information problems in emerging markets** - the information problems could be particularly severe and accentuated on emerging markets often featuring difficulties to spread and display correct and reliable information as well as poorly working institutions and incomplete or even misleading statistics - among other things often due to a big and hardly transparent grey sector resulting in people’s purchase power being stronger than the official statistics show. This makes the expatriate more dependent on a well-informed personal network which in turn requires familiarity along with adequate and well developed communication skills – often in the local language
10. *Fooled and frustrated* - they may be fooled or manipulated which could have direct costs but also indirect costs in form of frustration and discomfort lowering their professional performance.

11. *Unfulfilled business potential* - it could be hard for them to exploit the full business potential their company has

12. *Lack of local language skills particularly costly in CEE* - all in all the relatively big linguistic and cultural distance along with the poor and unreliable general information and the strong dependence on personal networks indicate that lack of local language skills may be particularly costly for Westerners working in CEE and probably also in other emerging markets not speaking Western languages

**Below: Ideal type for the disadvantages for an expatriate for not speaking the local language**

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Incoming</th>
<th>Outgoing</th>
<th>Two</th>
<th>Total</th>
<th>NEO</th>
<th>Sum</th>
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</thead>
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<td>10</td>
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<td>Lack of independent thinking</td>
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</table>

Table 19: Ideal type for the disadvantages for an expatriate for not speaking the local language

Table 19 exhibits that what really is missing when an expatriate doesn’t learn or speak the local language is a sense of equality, reciprocity and fairness in terms of a mutual win-win-thinking but also an overall and overarching understanding of the culture and the situation that a good holistic view would have given. As a consequence the expatriate could fear to be isolated and due to that perhaps also be fooled and frustrated as he or she doesn’t have the directness to speaking and understanding that facilitates an independent thinking and this distance could create a cultural gap of distrust showing a lack of responsibility and initiative on part of the expatriate being linguistically arrogant and complacent imposing his or her chosen language on the counterpart. So not speaking the local language means the expatriate doesn’t try to adapt and communicate with the local people on their terms speaking their language and this makes the expatriate self-restricted from fully understanding, thinking and communicating independently. So where the expatriate metaphorically speaking really would need the elaborated code provided by the local language with all its possibilities and precision power to get the message through and understand the situation he or she has to do with the restricted code of a foreign language with its limitations where all the understood assumptions typical for a high context communication that the restricted code requires aren’t
there as the tool of communication, i.e. the language, is foreign to the local people. Good language skills of the local people may reduce the problems. Still, the common understanding that speaking a foreign language assumes and requires isn’t there, at least not sufficiently to fully exploit the business potential. Hence one may not take for granted what doesn’t exist.

**Ideal type for the characteristics of an expatriate speaking the local language**

![Diagram](image-url)

**WIN-WIN THINKING**
1. Sales and marketing
2. Many customer contacts

**HIERARCHY AND AUTHORITARIANISM**
1. Depending on position and industry
2. Depending on customers, partners and employees
3. Sometimes less important at top management

**TRUST**
1. Greetings and political advantages
2. Don’t show off with posh English

**RESPONSIBILITY AND INITIATIVE**
1. Professional local language easier to understand than the general one
2. Work and conversation level

**EGOISM AND LACK OF CONSIDERATION AND RESPECT**
1. Few expatriates speak it and motivation is pivotal to learn a foreign language

**INDEPENDENT THINKING**
1. Seniors, countryside and public sector
2. Interpreters needed when speaking English

Figure 12: Ideal type for the characteristics of an expatriate speaking the local language
Ideal type of the characteristics of an expatriate to speaking the local language

1. **Depending on position and industry** – as an expatriate the importance of speaking the local language depends on your position, your industry, your customers, who and what you work with

2. **Depending on customers, partners and employees** – more specifically it depends on if, which and how well your customers, business partners, suppliers and people in your company speak foreign languages

3. **Sales and marketing** - if you as an expatriate work with sales and marketing it is vital to speak it to build relations and thoroughly understand what your customer needs

4. **Many customer contacts** - also for expatriates in other areas having many customer contacts it is important to speak it

5. **Sometimes less important at top management** - it is usually less important on higher management levels where English or other Western languages work better as it is probably easier for top management to use interpreters and this could outweigh the fact that junior managers often speak English better than senior ones

6. **Seniors, countryside and public sector** - English language skills are usually better among younger persons – often under 35-40 years of age - so speaking the local language could be even more important when you have a senior counterpart. Speaking English usually works better in the capital area than in the countryside and in the private sector than in the public one. So speaking the local language seems to be more important when dealing with people who either are senior in terms of being a little older, work in the countryside or in the public sector

7. **Greetings and political advantages** - it could be a plus to say greetings and other social and polite phrases in the local language and probably also to speak it not in the least if you professionally have many political contacts since it shows your interest in and commitment to the assignment country

8. **Professional local language easier to understand than the general one** – for an expatriate it is often easier to understand the professional local language - usually being well articulated and holding many international or English terms – while the general local language has fewer international terms and may be less distinct

9. **Work and conversation level** - the required level of language skills is usually to be able to have a normal business communication and a normal social conversation in the local language where you understand what the others say and make yourself understood
10. *Few expatriates speak it and motivation is pivotal to learn a foreign language* - only a few expatriates speak the local language and yet another few understand it more or less but don’t speak it and to learn a foreign language motivation is pivotal.

11. *Interpreters needed when speaking English* - speaking English in these countries you often need an interpreter – particularly when speaking to customers since in MNCs many of your employees speak English whereas fewer customers speak it and the need for an interpreter may be strong in The Czech Republic, Ukraine and Bulgaria and a little less so in Romania.

12. *Don’t show off with posh English* - it is important for you as an expatriate to speak English well but you should avoid showing off by speaking a very elegant and posh English which could make you look arrogant causing your counterpart to feel inferior and ruin a good atmosphere.

**Below: Ideal type for the characteristics of an expatriate speaking the local language**

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Incoming</th>
<th>Outgoing</th>
<th>Two</th>
<th>Total</th>
<th>NEO</th>
<th>Sum</th>
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<td>Egoism and lack of consideration and respect</td>
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</table>

**Table 20: Ideal type for the importance for an expatriate to speak the local language**

Table 20 illustrates the characteristics of an expatriate speaking the local language where the win-win-thinking also could create a positive atmosphere based on mutual respect and equality which along with the informative aspect could be particularly strong for positions holding many customer-relations but in some cases less urgent at the top of the hierarchy though it could be useful also there, particularly for top managers with many customer contacts. Speaking it strengthens the expatriate’s autonomy – particularly when speaking to senior people or people living in the countryside or working in the public sector as these people may have no or poor foreign language skills - and independent thinking, since the alternative is often to use an interpreter with all problems related to that. Speaking it also strengthens the possibilities to assume responsibility and take initiatives at work and it brings trust though only a few expatriates speak it being a little egoistic and disrespectful. Thus speaking the local language brings
autonomy and trust but its usefulness depends on the counterpart’s position where it could be particularly useful in customer related ones.

**Ideal type for the advantages of using/having a common company language**

![Diagram](Figure 13: Ideal type for the advantages of using/having a common company language)
Ideal type of the advantages of using/having a common company language

1. **Lower communication costs and higher speed** - it can cut communication costs and speed up a company’s processes and procedures

2. **Easier oral and written communication** – it lowers the barriers to begin conversations which could be good for cooperation and creative and innovative processes but it also facilitates writing and reading of reports and documents as well as it widens the number of potential readers

3. **Increased clarity and less miscommunication** – if people have a language in common they can help each other seeing things in a clearer way and reduce the risks of miscommunication and misunderstandings

4. **Improves exchange and spreading of information** - it facilitates informal communication, spreading of information and it reinforces information exchange

5. **Facilitating internal, horizontal and external communication and contacts** – in CEE countries it primarily facilitates a company’s internal communication – as the name common company language suggests where one could imagine that the company speaks in one language and in that sense in one voice – but it also helps the external communication and meetings as well as contacts with employees, partners, customers and suppliers and also the horizontal communication and cohesion within the company

6. **Easier participation in training and development programs** - it facilitates global participation in training and development programs

7. **Increased mobility** – it increases the global flexibility and mobility of managers and employees within a company facilitating knowledge transfer as well as the usefulness and possibilities to become an expatriate doing a foreign assignment

8. **Improved coordination and control** – such a language standardisation meets the needs for coordination and control in big MNCs

9. **An international atmosphere and a family feeling** - it creates an international atmosphere and a family feeling of belongingness to the company strengthening the company culture

10. **Brings personal relations and networks** – it helps to create and maintain personal relations – and thereby internal networks – across company units

11. **Focus on business** – both as a manager and as an employee having a common company language permits you to focus completely on doing your normal job and working tasks not having to invest time,
money, energy and commitment in learning a new language unless you have to learn or improve your common company language

12. **Easier to run a company** – a company is managed and run by language which also is seen and reflected in policies and strategies so using a common company language can in many ways make it easier to run and manage a company

13. **Below: Ideal type for the advantages of using/having a common company language**

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Incoming</th>
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<th>Sum</th>
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</thead>
<tbody>
<tr>
<td>Responsibility and initiative</td>
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<td>10</td>
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<tr>
<td>Win-win thinking</td>
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<tr>
<td>Independent thinking</td>
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<td>0</td>
<td>4</td>
<td>8</td>
<td>1</td>
<td>9</td>
</tr>
</tbody>
</table>

Table 21: Ideal type for the advantages of using/having a common company language

Table 21 indicates that using a common company language is in many ways a great facilitator enabling the assuming of responsibility and the taking of initiatives as well as lowering communication barriers both externally and internally improving the spreading of information and trust along with enhancing independent thinking providing a tool for both a holistic view of the company with better coordination and control and a win-win thinking with more clarity and less miscommunication. So having a common company language is a facilitating catalyst for more frequent and widespread communication and it increases the mobility, flexibility and autonomy of people working in the organisation. To use a common company language builds bridges to a range of different groups of people facilitating and strengthening human and professional contacts where much of its greatness lies in this very versatility of technical, functional and geographic application areas that it provides though it also has some limitations as the next table will show.
Ideal type for the disadvantages of using/having a common company language

**HIERARCHY AND AUTHORITARIANISM**
1. It may only work satisfactorily at top management level
2. Problem pushed further down in the organisation

**LACK OF HOLISTIC VIEW**
1. Difficulties to understand the information
2. Not a universal communication solution as everyone doesn’t speak it
3. Overestimation of employees’ common company language skills cause problems
4. More superficial and shallow information and message content
5. Passivity and poorly informed but uncontrolled, autonomous subsidiaries

**LACK OF INDEPENDENT THINKING**
1. It could lead to isolation and exclusion
2. Translation problems

**LACK OF RESPONSIBILITY AND INITIATIVE**
1. Other skills could be underestimated
2. Disintegrative effects and loss of competent people

**DISTRUST**
1. English is ambiguous

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Figure 14: Ideal type for the disadvantages of using/having a common company language
Ideal type of the disadvantages of using/having a common company language

1. **Difficulties to understand the information** – employees and managers not speaking it well could have difficulties to understand the information which could disturb the company’s communication flows causing delays and other problems and also hamper its accuracy which is vital since it is a basis for decision making.

2. **Not a universal communication solution as everyone doesn’t speak it** – it does not solve all communication problems and it doesn’t ensure a meaningful communication since introducing it doesn’t mean everyone speaks or understands it which could lead to miscommunication impairing the spreading of information.

3. **It may only work satisfactorily on top management level** – there could be a risk that it may only work well at top management level and not so well on middle or lower levels in the company where fewer people speak it although most people in Swedish companies speak English and thereby reduce this risk that still exists.

4. **It could lead to inclusion and exclusion** – the individuals who don’t speak it could have difficulties to communicate over national and functional boarders being left in the subsidiary in an inclusion. Thereby they could be prevented from being sent on foreign assignments and from participating in company wide activities such as international internal meetings, trainings or development programs and thus excluded which impairs information exchange, networking and professional development and thus career advancement.

5. **Problems pushed further down in the organisation** – it may push communication problems further down in the organisation where they can’t be seen or controlled by top management leaving both parties uninformed about what’s going on.

6. **Passivity and poorly informed but uncontrolled, autonomous subsidiaries** – people not speaking the common company language well could become passive not reading or translating messages from the headquarters, their own or other units. Both individual employees and whole subsidiaries could be isolated and excluded from information and knowledge transfer making these subsidiaries more autonomous beyond the control of top management at the headquarters.

7. **Other skills could be underestimated** – if command of the common company language is required other competencies which could be vital to the job may be underestimated and not sufficiently considered negatively influencing the output. Introducing a common company language could create tension between linguistic and other professional competencies not forgetting that communication skills
are a core competence in management, particularly in international business as vast distances and cultural differences put extra demand on clear communication and explications. It may lead to linguistic complacency where skills in the local or other foreign languages could be neglected or underestimated as people think the common company language is always sufficient. This could in turn lead to cultural and intellectual narrow-mindedness and conformism missing business opportunities, understanding of and adaptation to customers and the market and missed creative combinations of ideas.

8. **Disintegrative effects and loss of competent people** – introducing a common company language could have disintegrative effects creating a bad ambiance as well as groups of us and them making people leave the company. That tendency could be particularly strong below the top management level but also people who have good management skills but don’t speak the common company language at all or well enough could be impeded from career advancement. Thus the company may lose a competent manager or other skilled persons as people could leave the company due to insufficient language skills.

9. **Overestimation of employees’ common company language skills cause problems** – there is a risk that managers, particularly top management, could overestimate the employees’ skills in the common company language resulting in people being uninformed about what is going on in the company making them frustrated and disappointed and suspicious – particularly as there is much conspiracy thinking in CEE. The unfulfilled expectations on company language competence create problems because when the company’s communication rules and systems are organised and structured in a way where employees and managers are expected to communicate in the common company language and then some or many individuals don’t follow the rules – either because they aren’t capable to do it or because they don’t want to do it – various kinds of problems can occur such as the delays, unfulfilled orders, misunderstandings and communication breakdowns etc.

10. **More superficial and shallow information and message content** – if none of the parties has a good command of the common company language the conversation risks to be superficial and shallow without any real understanding, content or commitment.

11. **English is ambiguous** – as English is a global language people from different cultures could understand and interpret it differently which may cause misunderstandings.

12. **Translation problems** – poor translation from the common company language to the local language or vice versa could cause essential
information to be ignored and discarded or change its meaning and strength causing misunderstandings

Below: Ideal type for the disadvantages of using/having a common company language

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Incoming</th>
<th>Outgoing</th>
<th>Two</th>
<th>Total</th>
<th>NEO</th>
<th>Sum</th>
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</thead>
<tbody>
<tr>
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<td>9</td>
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<tr>
<td>Lack of independent thinking</td>
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<td>Hierarchy and authoritarianism</td>
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<td>0</td>
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<td>5</td>
<td>2</td>
<td>7</td>
</tr>
</tbody>
</table>

Table 22: Ideal type for the disadvantages of using/having a common company language

Table 22 is interesting indicating that where a common company language may give a holistic view of the company for people who speak it well it could still cause a lack of holistic view of the surrounding society for the expatriate and a lack of information and passivity for locals who don’t speak it well enough or at all. This could have disintegrative effects which may lead to isolation and exclusion where people may act irresponsibly not reading information they are supposed to read or providing information others cannot read due to lack of common company language skills and where the common company language may only work satisfactorily at the top management level thus having hierarchical aspects. There is a risk for overestimating the employees’ common company language skills and that the information exchange will be shallower. It could further fail in responsibility as other skills could be under-estimated and also in independent thinking where translation problems could impede a successful spreading of information and also cause distrust. It may also be harmful by being a de-incentive to learn the local language and give illusions of understanding where English is ambiguous and thereby could cause misunderstandings. Thus it may lead to people being less informed but more isolated feeling alienated and even linguistically discriminated by their company and their job which could have a negative impact on their commitment and performance. Thus a common company language may impoverish the message’s content and turn into an information-eroding distance-creator causing passivity and dissatisfaction.
Ideal type for some characteristics of using/having a common company language

LACK OF HOLISTIC VIEW
1. It could be an illusion
2. Underestimation of the need for other languages

LACK OF INDEPENDENT THINKING
1. Lowering expatriates’ incentives to learn the local language
2. Lack of fantasy, creativity and innovation due to linguistic complacency
3. Confusing international business with English

RESPONSIBILITY AND INITIATIVE
1. English is the most frequent common company language
2. English is easy to understand and learn
3. Language training

TRUST
1. English could be a neutral language in international mergers

HIERARCHY AND AUTHORITARIANISM
1. It is required for top positions and works better internally than externally in CEE
2. Selective recruitment
3. More power than the official position says

Figure 15: Ideal type for characteristics of using/having a common company language
Ideal type of some characteristics of using/having a common company language

1. **English is the most frequent common company language** – internationally – and particularly regarding big Swedish companies - English is usually the common company language but there could also be some other language and in some cases a big company may have two or even several common company languages

2. **English is easy to understand and to learn** – as a lingua franca in international business and a common company language English has two big advantages – it is a hybrid of Germanic and Romance languages making it familiar and relatively easy to understand for people in Western Europe, Latin America, as well as to some people in Africa and Asia largely due to a colonial linguistic heritage of European languages, and it is rather easy to learn on a basic level and as a pidgin

3. **English could be a neutral language in international mergers** – in mergers between companies from non-Anglophone countries with different mother tongues choosing English as a common company language could be a neutral and balanced way avoiding language power struggles and reduce nationalistic tensions and prejudices. This could make the partners equal linguistically though it might also decrease information accuracy and content depth and thereby professionalism

4. **It could be an illusion** – in international working teams having members with different native languages using expressions or interpretation mechanisms from their mother tongue when speaking in English make the common language a bit illusive which may enrich the conversation but also make it harder to understand

5. **It is required for top positions and works better internally than externally in CEE** - fluency in the common corporate language is a pre-requisite to reach a top management position. In CEE countries English works better in internal company communication than in the external communication with customers since many customers don’t speak English while speaking English is usually a pre-requisite for employment in Swedish originated MNCs for managers and white collar workers

6. **Selective recruitment** – the need for skills in the common company language has to be considered in the recruitment of managers and employees, where individuals speaking it are selected, particularly regarding white collar employees. Good English skills are usually required when Swedish MNCs recruit local managers and white collar workers in CEE
7. **Language training** – the need for competence in the common company language must also be considered in training where employees and managers are given possibilities to learn it or and improve their skills in it

8. **Underestimation of the need for other languages** – neither a company’s global affairs nor its headquarters can be run in only one language but having one common company language could make people complacent believing it is the only language they need. Thereby they don’t see the importance of competence in other languages where in some cases other foreign languages – such as German, Russian or French in CEE - could be as useful or even more useful than English and where multilingualism could be a clear advantage

9. **Lowering expatriates’ incentives to learn the local language** – a common company language could lower the expatriates’ motivation and incentives to learn the local language and thereby prevent him or her from deeper insights in the local culture with the professional benefits that it could bring such as seeing, understanding and grasping business opportunities

10. **Lack of fantasy, creativity and innovation due to linguistic complacency** – people having the common company language as mother tongue could become complacent and not develop their interpretative ability trying to understand what the other persons say which requires imagination, creativity and innovative thinking, qualities which are useful also in other fields in business and social life

11. **Confusing international business with English** – having English as a common company language there is a risk people could get their view of reality twisted by seeing other cultures through an Anglo-American linguistic-cultural grid which could by highly misleading and counter-productive, particularly as people from Anglophone countries often could be less informed about other cultures in the world than people from countries with less spread languages where people study foreign languages and cultures giving new perspectives and frames of reference bringing cultural insights instead of an ethno-linguistic narrow-mindedness

12. **More power than the official position says** – in situations with poor competence in the common company language people possessing such skills could gain more influence and power than their official position in the company suggests
Below: Ideal type for some characteristics of using/having a common company language

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Incoming</th>
<th>Outgoing</th>
<th>Two</th>
<th>Total</th>
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<td>5</td>
<td>2</td>
<td>7</td>
</tr>
</tbody>
</table>

Table 23: Ideal type for some consequences and characteristics of using/having a common company language

Table 23 stresses that there is a lack of independent thinking in terms of lack of fantasy and creativity and innovation due to linguistic complacency and lowering expatriates incentives to learn the local language etc. but at the same time a common company language could also facilitate internal and external communication and thereby increase a communicator’s independence. Analogically it features a lack of holistic view as the common company language could be an illusion if the employees and managers don’t speak it well enough or at all and it may lead to underestimation of the need for other languages yet a common company language facilitating communication could also help people to see more phenomena, more nuances of a phenomenon and more and wider perspectives all contributing to obtain a more holistic view. This double nature isn’t unique to independent thinking or holistic view but could also apply to trust, win-win thinking, fear and responsibility and initiative nor is it confined to this ideal type picture on having a common company language so it could to some extent also exist in some of the other ideal type figures that I have come up with where all these double natures beginning with lack of, dis, no or less or something similar, may occur. A reason for this is as earlier mentioned that this double nature covers the phenomenon rather than an extreme position of it. Having a common company language covers responsibility and initiative aspects focusing on – in the case of the Swedish companies that I interviewed – the international extension of the English language and relative easiness to learn it yet language training is necessary. There are also hierarchy and authoritarianism aspects to it as a competence in a common language – often in English – is needed for top positions and important in recruitment processes where furthermore people with a good command of it could obtain more power than the official position says if they also have skills in other languages in a situation where many employees or managers don’t speak it. Moreover trust comes into the picture as more people could be able to speak to each other which builds trust and English could be a neutral language in international mergers. Thus using a
common company language is in a way an ambiguous blessing integrating or isolating depending on the situation.

**Ideal type of the advantages of using/having multilingualism**

**RESPONSIBILITY AND INITIATIVE**
1. Can handle linguistic nationalism better
2. Flexibility along with reduced vulnerability and market risk

**WIN-WIN THINKING**
1. Facilitates network building and cooperation in multicultural working teams
2. Many intermediary languages permit fast action and taking on complex tasks
3. Better scale economics and productivity
4. Language investments could boost sales

**HOLISTIC VIEW**
1. Discover trends faster
2. Increased self-insight
3. Wider perspectives and see analogies

**INDEPENDENT THINKING**
1. Career openings and mobility
2. Facilitates learning of more languages, creativity and problem solving ability
3. Meeting increased linguistic demands

Figure 16: Ideal type of the advantages of using/having multilingualism

**Ideal type of the advantages of using/having multilingualism**

1. *Can handle linguistic nationalism better* – people having native languages such as Arabic, Chinese, Spanish or some other extensively spoken and big language could demand to use it when doing business making the idea of using one common company language in customer or business partner contacts less suitable and less applicable whereas multi-lingualism has far better chances to handle it well. In some CEE countries one could imagine similar situations where Russian or some other major European language may be demanded and used or more
likely the local language. A multi-linguistic strategy is likelier to provide the demanded or a similar language

2. **Discover trends faster** – combined with a good internal company information system the increased market closeness that multi-lingualism could bring may facilitate your chances as an expatriate to discover trends early on helping your company to obtain a leading position on the market

3. **Flexibility along with reduced vulnerability and market risk** – having a multi-lingual workforce a company is more flexible but less vulnerable when being exposed to external and market changes in the world since it could in an easier way – without facing the same language barriers as a company using a common company language - adapt to and work on many different markets reducing its general market risk

4. **Facilitates network building and co-operation in multicultural working teams** – speaking several foreign languages facilitates the possibilities for the individual to build an extensive personal network and to understand, communicate, work and co-operate in multicultural working teams

5. **Increased self-insight** – learning another language widens your perspectives and improves your capability to see and understand your own background, culture and language which sharpens your judgment which can be useful when doing business

6. **Wider perspectives and see analogies** - knowing and speaking several languages widens your mind and gives a helicopter perspective on international business where it further enables you to draw analogies to exploit business opportunities

7. **Many intermediary languages permit fast action and taking on complex tasks** – having a multi-lingual work-force means a company offers a rich and varied supply of many different intermediary languages enabling it to take on complex demands on short notice

8. **Career openings and mobility** – for somebody who is multi-lingual it improves the personal mobility on the job market and it also strengthens the career possibilities as language competence is a strategic career asset whose value and usefulness depends on the organisation’s strategy, language design and structure

9. **Facilitates learning of more languages, creativity and problem solving ability** – for an individual learning a foreign language makes it easier to learn yet another one with all new cultural insights, frames of reference and widening of perspectives – being useful in business life – that they give. Having some or even many such individuals could be highly beneficial for an internationally oriented company. Multilingualism also has many useful spin-off effects as it may
increase a person’s creativity, learning ability and problem solving ability as well as provide multitasking capability and multi-skills in interpersonal interaction – all highly relevant skills in a business context

10. *Meeting increased linguistic demands* – speaking several languages helps international business communicators to meet increasingly diverse and complex communication demands

11. *Better scale economics and productivity* – companies with good foreign language competence can in an easier way learn new things on the international market increasing their productivity enabling more sales and thus gains in scale economics which in turn could lead to even higher productivity etc. in an ongoing positive spiral

12. *Language investments could boost sales* – using the four types of language investments consisting in employing individuals with language skills, having a language strategy, using translators and employing native speakers could increase export sales very substantially whereas using agents doesn’t increase sales

**Below: Ideal type for the advantages of using/having multilingualism**

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Incoming</th>
<th>Outgoing</th>
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<th>Total</th>
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</tr>
<tr>
<td>Independent thinking</td>
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</tr>
</tbody>
</table>

Table 24: Ideal type for thee advantages of using/having multilingualism

Table 24 on using multilingualism features communicative versatility, reciprocity, respect, independence and autonomy as well as insight and broad-mindedness along with dynamics where multilingualism strengthens the win-win thinking by facilitating network building as well as scale economies and productivity where language investments can boost sales. The independent thinking it brings is seen in facilitation of learning more languages and meeting complex linguistic demands as well as providing the individual with career possibilities and mobility and it may also enable spin-off effects such as better creativity, learning ability in general and problem solving capacity along with better interpersonal and multi-tasking skills.

The amelioration in information capacity that multilingualism could provide is seen in a faster discovery of trends, wider perspectives and deeper self-insight all contributing to a better holistic view. A multi-linguistic approach and strategy will increase flexibility and reduce risks but also facilitate handling of linguistic nationalism better than a common company language strategy being used to many different languages as companies applying that
strategy believe in using a one-size-fits-all linguistic strategy to handle company communication whereas the aspects of multilingualism here above will boost the capability to assume responsibility and taking initiatives. So to sum it up a well working multilingualism provides the individual and the company with strength, insight, broadmindedness and independence making them less vulnerable but better informed. This is largely due to the mind-opening character and the versatility, flexibility and responsiveness that it features forming both the individual and the company with a stress on curiosity and linguistic equality.

Ideal type of the disadvantages of using/having multilingualism

**Distrust**
1. Loss of time and accuracy due to translation
2. Higher risks for information leakages

**Fear**
1. Losing employees or paying high salaries

**Responsibility and Initiative**
1. Harder recruitment process
2. Requires more and costly translation

**Holistic View Difficulties**
1. Exaggerating language but underestimating a need for other professional skills
2. Harder to obtain an overview
3. Harder for the information unit
4. Harder to coordinate the messages in different markets
5. Linguistic division may cause lack of communicative edge

**Responsibility and Initiative**
1. Demanding for managers and employees
2. A challenge to lead independent thinkers

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Figure 17: Ideal type of the disadvantages of using/having multilingualism

466
Ideal type of the disadvantages of using/having multilingualism

1. **Losing employees or paying high salaries** – having polyglot employees being very attractive on the labour market increases the risk for the company to lose employees or having to pay them high salaries

2. **Demanding for managers and employees** – using multilingualism is demanding and requires much competence, commitment and effort from both managers and employees

3. **Exaggerating language but underestimating a need for other professional skills** – there is risk the company could overestimate and focus too much on the need for broad language skills underestimating the need for other professional skills and that may prevent them from obtaining a cutting edge in key areas

4. **Harder recruitment processes** – the recruitment processes could be harder since it could both be difficult and expensive to find multilingual persons who are suitable for the open position. Although it may be hard or even impossible to require that each employee or manager speaks all of the company’s selected languages it would probably be preferable to ensure that the managers and employees at least have one language in common to make sure the company has a globally well functioning internal communication which also could facilitate external communication and such competence could be difficult to achieve or find

5. **A challenge to lead independent thinkers** – to lead and motivate people who speak several languages thereby having many frames of reference and being broad-minded enabling them to be independent thinkers could be a tough challenge for a manager

6. **Harder to obtain an overview** – having documents written in many languages could make it more difficult to obtain an overview and control over all documents that exist within the company

7. **Requires more and costly translation** – having a well working multilingual company communication requires much and costly translation

8. **Loss of time and accuracy due to translation** – the translation needed for multi-linguistic company communication is time-consuming and could lead to delays where the company loses tempo and in the translation process there is a risk for misunderstandings, and translation errors lowering the information accuracy

9. **Harder for the information unit** – having several company languages puts higher linguistic and cultural demands on the company information unit which therefore might has to grow in number of employees increasing company costs
10. **Harder to coordinate the messages in different markets** – as the company has many official languages it could be harder to coordinate the messages increasing the risk for incompatible messages or other problems harming the internal clarity and the external image of the company

11. **Higher risk for information leakages** – the complexity of using many languages and all the translation needed for the company communication may increase the risk for information leakages

12. **Linguistic division may cause lack of communicative edge and business focus** – if managers and employees try to speak or learn several languages there is a risk such an effort may divide their focus so in the end they might not be really competent in any foreign language and that they don’t focus and dedicate themselves enough on doing business

**Below: Ideal type for disadvantages of using/having multilingualism**

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Incoming</th>
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<th>Total</th>
<th>NEO</th>
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</tbody>
</table>

Table 25: Ideal type for disadvantages of using/having multilingualism

Multilingualism could be a fantastic tool and a great communication edge but it is very demanding and could be difficult to implement and carry out. There could be difficulties to obtain a holistic view due to overestimating the need for language skills while underestimating other skills when recruiting people and it could be hard to coordinate messages and obtain an overview where the linguistic division and multitude could be cumbersome. A harder recruitment process along with more and costly translation put high demands on responsibility whereas translation could cause losses of time and accuracy and the multitude of languages may increase the risk for information leakages which could lead to distrust. The companies may fear to loose competent personnel or having to pay high salaries where it could be very demanding for both managers and employees as well as a real challenge to lead such a competent personnel with many independent thinkers but high demands on both imaginative ability, adaptability and independent thinking on the managers. This means that if a company applies a multi-linguistic strategy it may either choose to have highly competent polyglots who could be hard to recruit and retain or go for people who speak different - but fewer – languages and then risk to end up having problems with coordination as well as with internal communication and flexibility.
Thus using multilingualism is a tough and highly complex challenge with a great potential and it means meeting many and high demands, coping with holistic view difficulties being able to coordinate information and to think independently. As shown here multilingualism isn’t the easiest language strategy to choose being complex and demanding but it could bring the company very far in terms of market shares, revenues and development when working well. Yet it takes heart, guts and wits to successfully implement and apply a multi-linguistic strategy and exploit it to its full potential.

**Ideal type of some characteristics of using/having multilingualism**

**HOLISTIC VIEW**
1. Going multinational means going multilingual
2. SMEs predominantly focus on their own continent while MNCs focus globally
3. Language nodes are often multilingual

**WIN-WIN THINKING**
1. Language skills are critical to an organisation
2. Valuing language skills gives higher turnover
3. Reduction of economic losses due to lack of foreign language skills

**TRUST**
1. A generation divide
2. Historical belonging, trade patterns and geographic closeness
3. Cultural and linguistic closeness

**HIERARCHY AND AUTHORITARIANISM**
1. Language nodes are powerful

**INDEPENDENT THINKING**
1. Language nodes may be superfluous or hard to find
2. German, Russian and French

*Figure 18: Ideal type of some characteristics of using/having multilingualism*
Ideal type of some consequences and characteristics of using/having multilingualism

1. **Going multinational means going multilingual** – a company that expands to other markets beyond its own native language territory must simultaneously become multilingual due to demographic, social and business trends and this could – at least in external contacts – reduce the domination of a common company language.

2. **Language skills are critical to an organisation** – the language competence of an organisation is critical for its capability to work efficiently and effectively.

3. **Valuing language skills gives higher turnover** – exporting companies that put a high value on language skills seem to have a higher sales and turnover. Using a multi-linguistic language strategy could increase both revenues – due to a closer adaptation to markets and customers that may result in more contracts – and costs – due to higher complexity and more administration to handle a higher number of languages.

4. **Reduction of the economic losses due to lack of foreign language skills** – using multilingualism wisely could probably significantly reduce the economic losses stemming from lack of language competence where conservatively estimated European SMEs annually lose over 100 billion Euro due to poor skills in foreign languages and considering this conservatism and also the losses in MNCs the real economic losses in terms of lost business due to lack of language competence probably amounts to hundreds of billions of Euro annually only in Europe.

5. **German, Russian and French** - apart from the local language and English, which usually is the common company language, other helpful languages could be Russian in Ukraine – where it is to be seen as a native language – in Bulgaria and in the Czech Republic whereas German could be very useful – often more useful than English - in The Czech Republic, Bulgaria and Romania, while French could be helpful in Romania and in Bulgaria, Italian is valuable in Romania and Serbian and Macedonian are useful in Bulgaria, there is thus both a need and benefits for multilingualism at work in these countries.

6. **A generation divide** – there is a sort of linguistic generation divide where younger local employees often speak English whereas the slightly older ones might speak Russian, German or French depending on which country we talk about.

7. **SMEs predominantly focus on its own continent but MNCs do it globally** – the kind of languages needed when doing international business could – among other things - vary with company size and where European SMEs predominantly focus on their own continent.
Europe needing skills in big European languages the MNCs do business globally and mostly need competence in languages such as Spanish, Chinese and Arabic apart from English which both SMEs and MNCs need the most

8. **Language nodes could be powerful** – language nodes could become key persons with direct access to power holders and obtain more power and influence than their official position suggests

9. **Language nodes are often multilingual** – speaking the local language of the subsidiary as well as the common corporate language and – in cases it isn’t the same as the common company language – the home country language of the company shows that language nodes often are multilingual and at least bilingual

10. **Language nodes may be superfluous or hard to find** – if all or many of the local managers or employees already speak the common company language or if few or none of the expatriates speak the local language then having a language node is either superfluous or impossible and if the expatriates have top positions at the local subsidiary they don’t have any time to be language nodes

11. **Historical belonging, trade patterns and geographic closeness** – a nations historic belonging to, its connections to along with the educational influence by and the exchange and trade with other states as well as the geographic closeness to other nations – not in the least in terms of neighbouring states – could all influence which languages that could be useful to speak in a country – although several such languages may not be big enough to be one of a company’s selected languages which it has chosen to be part of its multi-linguistic language group

12. **Cultural and linguistic closeness** – a country’s affection to as well as its cultural and linguistic closeness to and similarities with another country and its culture and language could also influence which languages which may be helpful to use

Below: Ideal type for some characteristics of using/having multilingualism

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Incoming</th>
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<th>Two</th>
<th>Total</th>
<th>NEO</th>
<th>Sum</th>
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</thead>
<tbody>
<tr>
<td>Trust</td>
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<td>8</td>
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</tr>
<tr>
<td>Win-win thinking</td>
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<tr>
<td>Independent thinking</td>
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<tr>
<td>Hierarchy and authoritarianism</td>
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<td>0</td>
<td>4</td>
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</tr>
</tbody>
</table>

Table 26: Ideal type for some consequences and characteristics of using/having multilingualism
Table 26 exhibits the characteristics of using multilingualism in a company stressing the importance of a holistic view where going multinational means going multilingual and where SMEs focus on the own continent while MNCs are more global in their operations. There is also a strong win-win-thinking as language skills are critical to an organisation where they can increase turnover and reduce economic losses. Multilingualism can build trust where the geographical closeness and cultural and historical closeness and affection could play a role regarding which languages which are useful. Multilingualism further permits more independent thinking where usage of German, Russian and French could be useful in CEE and if a company tries to find language nodes they could be hard to find and powerful stressing a hierarchy and authoritarian aspect, yet the more people who speak several languages the more those effects will be reduced. One may conclude that taking a multi-linguistic approach a company will feature a strong win-win-thinking with good conditions for building trust and potential rich holistic view and much independent thinking. Thus using multilingualism successfully we have a credible, independent and broadminded actor – individual or company - with a solid and versatile communication competence. Yet using multilingualism could – as seen in the previous figure – be hard creating problem in terms of tough demands, distrust, translation and recruitment difficulties and complexity and leakage risks in the coordination of information. Thus using multilingualism could be seen as having a fantastically well-equipped toolbox with both standardised and more specialised instruments permitting the company to take on projects which few competitors can handle in terms of the complexity but there is also a risk for disorder in the toolbox as it requires all the tools to be arranged in a clear and understandable way where it could be difficult to coordinate all tools and know which tool and how it has to be used to solve a problem. Moreover, it takes very skilful artisans to be able to handle all the tools properly and efficiently which could make it hard and costly for the company to find and retain them so the company run the risk of loosing both tools, orientation and employees in the strive for unique and tailor-made solutions. In the world of sports the Olympic winner of decathlon is often regarded as one of the greatest athletes in the world but to really succeed in decathlon requires huge amounts of training where a decathlete must be a perseverant and multi-talented fully-fledged athlete. So to successfully use multilingualism is both rewarding and demanding for a company.
Ideal type for problems when having to use interpreters, agents and language nodes

1. **Increased distance with interpreters** – when using interpreters the distance between the speaker and the audience increases and it is difficult for the speaker to build up a direct and effective rapport with the audience. These problems will remain – though probably slightly
reduced – if the speech is turned into a normal conversation with a counterpart or a partner instead of an audience

2. **Knowledge and trust problems with interpreters** – there is a risk that the interpreter either doesn’t grasp the subject or the context or that the interpreter has his or her own agenda so it could be hard to trust an interpreter and therefore the parties might not disclose and discuss vital but sensitive or delicate matters

3. **Greater risk for miscommunication and misunderstandings** – having no direct communication with the audience, colleague or counterpart due to relying on an interpreter increases the risks for miscommunication and misunderstandings

4. **Less rhetoric power** – using an interpreter the expatriate’s rhetoric impact and convincing power and effectiveness are reduced and lower compared to speaking the local language

5. **Dependent, exposed and vulnerable** – having an interpreter makes the expatriate business person dependent, exposed and vulnerable looking weaker and less self-going, independent and assertive than if he or she would speak the local language

6. **Loss of control** – using an interpreter the expatriate loses control of the situation not knowing if what he or she says is correctly translated by the interpreter

7. **Availability problems** – not speaking the local language is a handicap where the expatriate always must have an interpreter available on short notice which could be costly, frustrating, humiliating and cause time delays and tempo losses

8. **Interpreters are expensive** – using interpreters and translators is expensive though miscommunication could certainly be much more expensive

9. **Language nodes as gatekeepers** – language nodes could act as powerful gatekeepers where they could filter, distort or block the information flow choosing who to inform and who not

10. **Language nodes prevented from doing their normal job** - language nodes may be impeded to do their normal working tasks due to performing too much translation and there is a risk they don’t know the subject that they translate well enough

11. **Problems with agents** – using agents as the only ones speaking the customer language due to poor language skills within the company may cause problems since these agents could become communication barriers or leak information

12. **Loss of meaning** – it is often hard to convey and translate the meaning of the message – the sender can only transmit the message and not the meaning which has to be inferred by the receiver - and to
understand the true and the underlying meaning of a message having a common language could be necessary

Below: Ideal type for problems when having to use interpreters, agents and language nodes

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Incoming</th>
<th>Outgoing</th>
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<th>Total</th>
<th>NEO</th>
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<td>Lack of holistic view</td>
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<td>0</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 27: Ideal type for problems when having to use interpreters, agents and language nodes

Table 27 shows that there could be strong distrust problems when using interpreters with a big psychic distance as well as loss of both control and rhetoric power. There could be a loss of independent thinking and meaning with vulnerability and availability problems, a lack of holistic view with a higher risk for misunderstandings as well as language nodes - though they could be rare - risking to be prevented from doing their normal job and that could be seen as loss of responsibility and initiative. In a company internal interpreters may also be seen as language nodes and in that sense Swedish companies use language nodes where a local employee interprets for the expatriate. Yet using interpreters there is a big risk of lack of control, trust and holistic view with losses of independent thinking. A reason for it is that the expatriate never really enters into the surrounding society if he or she doesn’t learn the local language and thereby doesn’t overcome the cultural barrier. To sum it up using an interpreter means distance, dependency, superficiality and lack of both control and rhetoric power.
Ideal type for language norms and usage related to power and politics

1. **Official languages** - almost all states have one or more official languages and there are more than fifty official, national or autonomous languages in Europe now of which over forty are official or national languages

2. **Language domain** – a domain is an area obeying certain rules and laws and language legislation is politically regulated teaching the population how to speak, write and communicate according to certain

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1016 Found on Internet under: [http://www.nationsonline.org/oneworld/european_languages.htm](http://www.nationsonline.org/oneworld/european_languages.htm)
rule frames but there are also linguistic disciplinary domains where the English dominance could bring it linguistic capital accumulation at the expense of linguistic domain losses for other languages in fields such as education and research, business, media, politics, entertainment and other areas where these other languages then would suffer from linguistic capital dispossession.

3. **Linguistic subjugation to obtain political subjugation** – in order to obtain a unified state linguistic subjugation (or unification) is often used as a tool to obtain political subjugation (or unification) where a milder form it is linguistic imperialism where a globally strong language could be mildly imposed on other countries but serve the economic and political interests, views and ideologies of the countries where it is originally spoken.

4. **Language is a cohesive symbol** – language is a strong group symbol with historic examples where its cohesive forces have kept oppressed and divided nations together and it could be a strong symbol for separatist movements but also a common company language could have a cohesive impact.

5. **Choice of common company language is sensitive** – due to historic reasons such as dominance or colonialism by one state or people over another one the choice of a common company language could be a delicate and sensitive one where caution and good judgment as well as preparatory work and a consequence analysis of the potential languages are needed when choosing the common company language as it could have empowering or disempowering effects in company communication creating social networks as well as structures of superiority and inferiority along with dominating and dominated parties.

6. **Different development directions** – the same language spoken in two different countries could develop in different directions where each state chooses its own linguistic way.

7. **Linguistic indoctrination and standardisation** – in order to strengthen the citizens’ loyalty to the state distancing it from neighbouring states and enabling all citizens to understand each other states use linguistic indoctrination leading to homogenisation and standardisation of the language as well as linguistic affiliation to the geographic area of the country while the current global hegemony of English could affect power relations where many people may see English as a global standard.

8. **Communication enables power** – through communication power can be developed, exercised, maintained and enhanced but the medium of communication isn’t neutral as a company’s communication structures and rules favour some actors over others.
9. **Peoples’ view of reality is power biased** – peoples’ view of reality largely stems from negotiations with actors in asymmetric power relations where some actors have superior symbolic and material power resources where language is a key instrument for ideological control

10. **Reinforcement and exclusion** – to give stability to an organisation its conceptions and definition of reality are strengthened by the spoken language where these ideas making the world look natural are reinforced whereas other ideas are excluded

11. **Power as a property, as a relation and power mechanisms preventing conflicts** – power as a property means an actor can carry out his or her own will whereas power as a relation requires at least two actors where one controls the other in some sense and an actor can hold or exercise power – and there is usually a cost in terms of lost confidence when exercising power whereas preventing conflicts is an efficient use of power and three such preventing possibilities are that an actor can have superior power and negotiating resources, barriers could be raised against the participation of the powerless people and finally power holders can manipulate the powerless people concealing injustices through selective information, socialisation as well as good linguistic and rhetoric skills though manipulation also has a cost in terms of lost confidence among the public

12. **Four power regulating principles** – in a democratic market economy country there are four power regulating principles: judicial regulation in a state, negotiations resulting in contracts and agreements, auto-administration of activities and free market competition giving efficient solutions – and all these four principles were severely thwarted during the plan economy era as the party stood above the court, there was no free market, there were limitations concerning the types of activities you could do and also regarding which things and areas you could agree upon and this heritage probably still affects the way people communicate in these countries and their trust in such principles

**Below: Ideal type for language norms and usage related to power and politics**

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Incoming</th>
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<th>Total</th>
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<tr>
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<td>4</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 28: Ideal type for language norms and usage related to power and politics

478
Table 28 shows that regarding power and political aspects of language there is for natural reasons an emphasis on hierarchy and authoritarianism in terms of linguistic domination through usage of official languages as well as a linguistic subjugation to obtain a political subjugation, linguistic indoctrination and standardisation and a state controlled language domain where there could be different development directions due to political reasons such as in former Yugoslavia where what used to be called the Serbo-Croatian language was split up in three; Serbian, Croatian and Bosnian pointing at the influence of a holistic view where power may be seen as both a property and a relation. There is also a strong trust aspect where language is a cohesive symbol which contributes to making a common company language a sensitive question. Moreover people don’t think as independently as they might believe since people’s view of reality is power based and thereby more or less manipulated. Language is also an instrument to get things done and a way to solve problems. Thus language is a strong power instrument steering how people think and power holders therefore want to control it in various ways and it is furthermore a symbol for trust and could enable a holistic view. So language is a symbol, a force and a way. The very strong position of English as a hegemonic and dominating language in international business and in other areas is reflected in many of these ideal type elements showing its global power and influence which could be used to convince people to see things in line with the Anglo-American view.
Ideal type actions in training and recruitment for language skills in business

Figure 21: Ideal type actions in training and recruitment for language skills in business

Ideal type actions in training and recruitment for better language skills in business

1. More languages in school – the teaching of languages and the education system could improve much where more languages should be compulsory in school in order to prepare the pupils for working in an international environment
2. **Better language training for company staff** – companies could give their staff better training in foreign languages such as free language classes after work

3. **Home language international expansion** – staying within your own language when expanding internationally is used by many companies and it’s easier for companies originating from countries speaking a world language as native tongue where they can continue the expansion longer before having to pass the language barrier while companies from countries with small native languages must learn and speak foreign languages directly when beginning the international expansion

4. **Common language path** – to facilitate international communication on company level individuals in subsidiaries can create common language paths by building language alliances where everybody speaks the native tongue of the subsidiary

5. **Develop a company language strategy** – making sure the company has adequate language competence it could develop a language strategy and policies regarding required language skills when recruiting, selecting and transferring staff – particularly for foreign assignments and positions requiring international traveling – also covering training and management development and performance where appointing a language officer reporting directly to the head of human resources is one way that facilitates the implementation and maintenance of such a strategy

6. **Optimal usage of language skilled personnel** – to improve the communication efficiency a company can use their language skilled personnel in a better way regarding their positions and working tasks

7. **Using a common company language** – having a common company language like a lingua franca can facilitate both internal and external as well as oral and written communication for a company

8. **Using functional multilingualism** – a company can use a number of languages to obtain an efficient and effective internal and external communication

9. **Interpreters and translators** – a company can choose to rely on external resources such as interpreters and translators when they don’t have sufficient language skills

10. **Expatriates** – an individual from the head office or some other unit could be sent to a subsidiary working as a language node there as part of his or her working tasks.

11. **Inpatriates** – an employee or manager from a subsidiary could be sent to the head office facilitating communication between the subsidiary and the head office
12. **Language nodes** – a company could use language skilled personnel for communication with the outer world

13. **Global language design** – balancing global integration with local responsiveness a global language design between the head office language and the subsidiary language recursively linking one-another in an internal MNC communication network improving accuracy, speed, effectiveness, coordination and integration of multiple languages in the internal company communication

14. **Subsidiary staff learn Western languages** – it seems to be more frequent that the local managers - and sometimes also the employees - at the subsidiary learn a Western language – such as English or German that often also is the common corporate language – than that Western expatriates learn the local language

15. **Personality and training** – in order to succeed on a foreign assignment two vital factors – which both are related to intercultural communication – for the company to handle are finding a suitable and appropriate person and then to prepare him or her for the assignment by giving adequate and sufficient training for it

16. **Linguistic audits** – a company’s needs and the personnel’s competence and proficiency in foreign languages can be tested and evaluated in a language audit

**Below: Ideal type for actions in training and recruitment for language skills in business**

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Incoming</th>
<th>Outgoing</th>
<th>Two</th>
<th>Total</th>
<th>NEO</th>
<th>Sum</th>
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<tbody>
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<td>Responsibility and initiative</td>
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<td>6</td>
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<td>6</td>
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<tr>
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</tbody>
</table>

Table 29: Ideal type for actions in training and recruitment for language skills in business

Table 29 shows training and recruitment aspects. Due to the multitude of potential and useful measures this figure holds 16 ideal type elements instead of 12 as all the other ideal type figures do. The figure puts most weight on responsibility and initiative with more or less well thought through strategies such as using a common company language or using functional multilingualism, holding language audits and providing employees with language training where other options are to develop a company language strategy or a global language design. There is also another choice which is labeled lack of holistic view as it reflects a short term thinking going for quick fix solutions without considering the long term benefits of a better knowledge of the local culture and its language and
people and this way is a more complacent way which includes less learning and language training where companies try to solve the communication problems by sending expatriates or inpatriates or use language nodes, interpreters or simply use home language international expansion using the mother tongue as far as possible by choosing countries that speak it when expanding internationally. Yet there is a win-win-thinking when the company uses its language skilled personnel in a linguistically optimal way and where subsidiary staff learns a Western language. A solid ground is vital in order to increase the independent thinking focusing on teaching more languages in school and companies providing better language training for their staff. So one may say that there are two ways where one tackles the language issue focusing on providing sustainable solutions by developing linguistic competence through assuming of responsibility, win-win-thinking and an independent thinking and another way going for a more quick fix solution which might not be as sustainable reflected in a lack of holistic view. There is thus in a way a choice between a labourious long-term solution and a more short-term immediate one.

6.7 The compound tables
Now having a table for each ideal type their figures need to be put together to obtain an overall view which is given in the table below where we find the sum from all the ideal types added together. Thus the frequency means the number of ideal types that hold the cultural element in question whereas arrowheads refer to the connections that each oval with such labels has where a one-directional arrow is multiplied by one and a two-directional arrow is multiplied by two showing how strong the influence on other elements is and then the elements refer to how many ideal type elements there are in each oval. In the final column labeled total the figures for the frequency, the arrowheads and the ideal type elements are added together – in the first tables in an un-weighted sum and in later tables in a weighted sum - where the cultural significance structure element which has the highest total score – when adding frequency, arrowheads and elements for each cultural significance structure element - comes on top followed by the others in sinking order. This means that the resulting cultural significance structure will feature frequency, intensity and element weight and thereby the total impact in one single picture. The parentheses - with expressions such as dis, lack of or no – indicate that both ends of a cultural dimension are included in the figure given, e.g. both trust and distrust or independent thinking and lack of independent thinking are included in the table focusing on dimensions and not on extreme points – the antipodes or opposites - of these dimensions. The figures (numbers) in the table don’t represent an exact quantity of a certain phenomenon but rather an attempt to give a well-balanced overview of same crucial characteristics of a culture, where they
constitute cultural significance structure elements in CEE showing how
common they are (frequency) and how much they influence other elements
.arrowheads) and how intensive and substantial they are (ideal type
elements) where the sum of these three categories or characteristics gives us
an indication of the overarching impact that these cultural significance
structure elements have on the culture in the studied countries in CEE. So
these tables and the corresponding cultural significance structure
interpretations that they will result in don’t reflect a mathematically exact
model but rather my interpretation of the informants’ view on culture and
language in the intercultural business communication between Western
(mostly Swedish) expatriate and local business people in CEE.

To avoid confusion and misunderstandings there has to be a distinction
between the two types of elements mentioned in this chapter where the
cultural significance structure elements refer to the twelve elements found
in the cultural significance structure figure (figure 4) and the headlines in
each oval in the ideal type figures consists of one of these elements whereas
the sub-elements to these headline-elements are the ideal type elements
which also are twelve in each ideal type except for the ideal type on training
and recruitment which has 16 elements. Thus in each oval the headline is a
cultural significance structure element whereas all the sub-elements are what
I call ideal type elements.

There are altogether 84 ovals in the 17 ideal type pictures. To show in a
rather simple way the total impact IM that a cultural significance structure
element has in a culture we sum it up and begin with the frequency F and
then add the intensity IT in terms of the number of ideal type elements and
the network influence NI in terms of the number of arrows that each element
has in the ideal type picture where each one-directional arrow gives one
point while each two-directional arrow gives two points and for each ideal
type the total arrow points are given. For this un-weighted and rather simple
model we obtain the following formula for the total impact of the cultural
significance structure element in the studied cultures:
IM = F + IT + NI = F + NI + IT (The last order is the one in the coming
tables)

In order to be more fair and balanced a slightly more sophisticated formula
is obtained by giving these three cultural factors – the frequency, the
influence and the intensity – the same cultural system weight by using
weighing constants but this system weight doesn’t mean that these cultural
factors will have the same weight for each single cultural significance
structure element – it brings equality on a system level where each column
has the same weight but not on an individual element level - which will be
shown later in this section in tables for the ideal type pictures. Using the weighing constants w1, w2 and w3 which are multiplied with the corresponding cultural significance structure element the weighted total impact WIM will thus be as follows: WIM = w1*F+w2*NI+w3*IT

Some of these tables in this section will be used to create figures of cultural significance structures while some other ones are intermediary or transitory ones which are necessary to have and show in order to make this table development process understandable. We begin with the un-weighted transitory or intermediary tables to lay the ground for the tables that will constitute the basis for the figures of cultural significance structure that we strive for of which the first ones are the accumulated tables holding the entire dimension or phenomenon and so both antipodes. Then comes the un-weighted and differentiated transitory table followed by tables holding both differentiated and un-differentiated elements and these tables constituting the basis for the figures of cultural significance structures. Differentiated here means that the antipodes are separated, i.e. trust and distrust are not added to one-another but counted individually. The term weighted refers to that the column elements are weighted so that each column has the same total weight, i.e. the same total score, something they don’t have in the un-weighted tables. The above mentioned system weight here means column weight.

I will focus on showing both three individual categories called frequency, influence – in terms of arrowheads, and intensity – in terms of number of ideal type elements - and the added and overall strength of them called total for both the accumulated tables focusing on the cultural dimensions and the differentiated tables focusing on the antipodes or opposites of these dimensions where half of the cultural significance structure elements show such antipodes. These tables will then be transformed into figures of cultural significance structures which will be presented in this chapter’s e next section. There is a possibility that some of the tables could be so similar that one figure of cultural significance structures could explain both or all of these similar ones. If so only that figure will be shown. I will write comments after each table, notably after the ones emerging as the bases for the cultural significance structures, and the cultural significance structure elements will be discussed and reflected upon. Having presented the cultural significance structure figures they will be metaphorically interpreted.

6.7.1 The un-weighted transitory tables
By summing up each category in each ideal type picture and then add all these numbers from all the figures we end up with the accumulated but un-weighted table here below. At the top of the table there is a group with four
cultural significance structure elements – (lack of) holistic view, (dis)trust, (lack of) independent thinking and (lack of) responsibility and initiative – followed quite far behind by (no) win-win thinking being clearly ahead of hierarchy and authoritarianism having an even further distance to (less) fear while the distance to the next element – egoism and lack of consideration and respect is rather short closely followed by plan economy thinking – and then there is a group consisting of two cultural significance structure elements which are materialism and admiring the strong one and at the last position comes corruption.

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Frequency</th>
<th>Arrowheads</th>
<th>Ideal type elements</th>
<th>Total Fre + AR +EL</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Lack of) holistic view</td>
<td>15</td>
<td>90</td>
<td>42</td>
<td>147</td>
</tr>
<tr>
<td>(Dis)trust</td>
<td>14</td>
<td>86</td>
<td>45</td>
<td>145</td>
</tr>
<tr>
<td>(Lack of) independent thinking</td>
<td>15</td>
<td>87</td>
<td>30</td>
<td>132</td>
</tr>
<tr>
<td>(Lack of) responsibility and initiative</td>
<td>13</td>
<td>83</td>
<td>36</td>
<td>132</td>
</tr>
<tr>
<td>(No) win-win thinking</td>
<td>8</td>
<td>60</td>
<td>20</td>
<td>88</td>
</tr>
<tr>
<td>Hierarchy and authoritarianism</td>
<td>7</td>
<td>43</td>
<td>19</td>
<td>69</td>
</tr>
<tr>
<td>(Less) fear</td>
<td>3</td>
<td>24</td>
<td>4</td>
<td>31</td>
</tr>
<tr>
<td>Egoism and lack of consideration and respect</td>
<td>3</td>
<td>13</td>
<td>3</td>
<td>19</td>
</tr>
<tr>
<td>Plan economy thinking</td>
<td>2</td>
<td>9</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>Materialism</td>
<td>2</td>
<td>5</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Admiring the strong one</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Corruption</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>84</td>
<td>508</td>
<td>208</td>
<td>800</td>
</tr>
</tbody>
</table>

Table 30: The accumulated but totally un-weighted table on cultural significance structure elements

As earlier mentioned half of the twelve cultural significance structure elements are differentiated and taking the six elements which are differentiated, though keeping the accumulated order from the table above, we obtain the figure below. It shows that the negative aspects are a little more common regarding the holistic view but for all other divided cultural dimensions with opposite elements the positive force is stronger than the negative one which could be preceded by lack of, dis, no, less or having added difficulties to it.
<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Frequency</th>
<th>Arrowheads</th>
<th>Total FRe + AR +EL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holistic view</td>
<td>8</td>
<td>44</td>
<td>70</td>
</tr>
<tr>
<td>Lack of holistic view</td>
<td>6</td>
<td>40</td>
<td>65</td>
</tr>
<tr>
<td>Holistic view difficulties</td>
<td>1</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>Trust</td>
<td>9</td>
<td>54</td>
<td>95</td>
</tr>
<tr>
<td>Distrust</td>
<td>5</td>
<td>32</td>
<td>50</td>
</tr>
<tr>
<td>Independent thinking</td>
<td>9</td>
<td>54</td>
<td>81</td>
</tr>
<tr>
<td>Lack of independent thinking</td>
<td>6</td>
<td>33</td>
<td>51</td>
</tr>
<tr>
<td>Responsibility and initiative</td>
<td>9</td>
<td>58</td>
<td>98</td>
</tr>
<tr>
<td>Lack of responsibility and initiative</td>
<td>4</td>
<td>25</td>
<td>34</td>
</tr>
<tr>
<td>Win-win thinking</td>
<td>6</td>
<td>45</td>
<td>66</td>
</tr>
<tr>
<td>No win-win thinking</td>
<td>2</td>
<td>15</td>
<td>22</td>
</tr>
<tr>
<td>Fear</td>
<td>2</td>
<td>16</td>
<td>20</td>
</tr>
<tr>
<td>Less fear</td>
<td>1</td>
<td>8</td>
<td>11</td>
</tr>
</tbody>
</table>

Table 31: The differentiated but un-weighted cultural significance structure elements

In order to give all ideal type pictures the same weight we have to multiply all the elements from the “ideal type for actions in training in and recruitment for language skills in business” with $12/16 = \frac{3}{4}$ to compensate for that this ideal type has 16 elements instead of 12 which all the other ideal types have. Using subtraction where $1-\frac{3}{4}=\frac{1}{4}$ this means the lack of holistic view holding five elements will decrease by $5\times\frac{1}{4}=1.25$ from 19 to 17.75, while the win-win-thinking oval having three elements will be reduced by $3\times\frac{1}{4}=0.75$ from 15 to 14.25 whereas the responsibility and initiative with six elements will be reduced by $6\times\frac{1}{4}=1.5$ from 31 to 29.5 and finally the independent thinking holding two elements will be reduced by $2\times\frac{1}{4}=0.5$ from 18 to 17.5 and this also affects the sum of the positive and negative utterances of the phenomenon as well as the accumulated column. We obtain the following differentiated table:
<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Frequency</th>
<th>Arrowheads</th>
<th>Ideal type elements</th>
<th>Total FRe + AR +EL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holistic view</td>
<td>8</td>
<td>44</td>
<td>18</td>
<td>70</td>
</tr>
<tr>
<td>Lack of holistic view</td>
<td>6</td>
<td>40</td>
<td>17.75</td>
<td>63.75</td>
</tr>
<tr>
<td>Holistic view difficulties</td>
<td>1</td>
<td>6</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>Trust</td>
<td>9</td>
<td>54</td>
<td>32</td>
<td>95</td>
</tr>
<tr>
<td>Distrust</td>
<td>5</td>
<td>32</td>
<td>13</td>
<td>50</td>
</tr>
<tr>
<td>Independent thinking</td>
<td>9</td>
<td>54</td>
<td>17.5</td>
<td>80.5</td>
</tr>
<tr>
<td>Lack of independent thinking</td>
<td>6</td>
<td>33</td>
<td>12</td>
<td>51</td>
</tr>
<tr>
<td>Responsibility and initiative</td>
<td>9</td>
<td>58</td>
<td>29.5</td>
<td>96.5</td>
</tr>
<tr>
<td>Lack of responsibility and initiative</td>
<td>4</td>
<td>25</td>
<td>5</td>
<td>34</td>
</tr>
<tr>
<td>Win-win thinking</td>
<td>6</td>
<td>45</td>
<td>14.25</td>
<td>65.25</td>
</tr>
<tr>
<td>No win-win thinking</td>
<td>2</td>
<td>15</td>
<td>5</td>
<td>22</td>
</tr>
<tr>
<td>Fear</td>
<td>2</td>
<td>16</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>Less fear</td>
<td>1</td>
<td>8</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>430</td>
<td>173</td>
<td>671</td>
</tr>
</tbody>
</table>

Table 32: The differentiated but un-weighted cultural significance structure elements adapted to training

In the accumulated table where the sum of positive and negative aspects of a cultural dimension or phenomenon is given we end up with this table where (lack of) holistic view (difficulties) remains at the top position and (dis)trust is just behind while the order of the rest of the elements remains intact.

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Frequency</th>
<th>Arrowheads</th>
<th>Ideal type elements</th>
<th>Total FRe + AR +EL</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Lack of) holistic view</td>
<td>15</td>
<td>90</td>
<td>40.75</td>
<td>145.75</td>
</tr>
<tr>
<td>(Dis)trust</td>
<td>14</td>
<td>86</td>
<td>45</td>
<td>145</td>
</tr>
<tr>
<td>(Lack of) independent thinking</td>
<td>15</td>
<td>87</td>
<td>29.5</td>
<td>131.5</td>
</tr>
<tr>
<td>(Lack of) responsibility and initiative</td>
<td>13</td>
<td>83</td>
<td>34.5</td>
<td>130.5</td>
</tr>
<tr>
<td>(No) win-win thinking</td>
<td>8</td>
<td>60</td>
<td>19.25</td>
<td>87.25</td>
</tr>
<tr>
<td>Hierarchy and authoritarianism</td>
<td>7</td>
<td>43</td>
<td>19</td>
<td>69</td>
</tr>
<tr>
<td>(Less) fear</td>
<td>3</td>
<td>24</td>
<td>4</td>
<td>31</td>
</tr>
<tr>
<td>Egoism and lack of consideration and respect</td>
<td>3</td>
<td>13</td>
<td>3</td>
<td>19</td>
</tr>
<tr>
<td>Plan economy thinking</td>
<td>2</td>
<td>9</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>Materialism</td>
<td>2</td>
<td>5</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Admiring the strong one</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Corruption</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>84</td>
<td>508</td>
<td>204</td>
<td>796</td>
</tr>
</tbody>
</table>

Table 33: The accumulated but un-weighted table on cultural significance structure elements
The table here above is particularly interesting regarding the three individual categories of frequency, arrowheads and ideal type elements whereas the total sum of them on each row is un-weighted and therefore less interesting as it gives highly different importance to each category. But there is a remedy to that as the next paragraph will exhibit.

6.7.2 The accumulated tables being transformed into figures of cultural significance structures

In order to obtain a balanced view - where each column has the same weight - we use the table above – table 33 – where each number in each one of the three categories will be multiplied by the ratios 796/84, 796/508 and 796/204 respectively depending on which category it belongs to. This means that the ratio is obtained in the following way:

The ratio = (The total sum of all categories)/(The total sum of each category)

Elements here refer to ideal type elements as earlier discussed.

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Frequency</th>
<th>Arrowheads</th>
<th>Ideal type elements</th>
<th>Total Fre + AR</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Dis)trust</td>
<td>132,67</td>
<td>134,76</td>
<td>175,59</td>
<td>443,01</td>
</tr>
<tr>
<td>(Lack of) holistic view</td>
<td>142,14</td>
<td>141,02</td>
<td>159,00</td>
<td>442,17</td>
</tr>
<tr>
<td>(Lack of) independent thinking</td>
<td>142,14</td>
<td>136,32</td>
<td>115,11</td>
<td>393,57</td>
</tr>
<tr>
<td>(Lack of) responsibility and initiative</td>
<td>123,19</td>
<td>130,06</td>
<td>134,62</td>
<td>387,86</td>
</tr>
<tr>
<td>(No) win-win thinking</td>
<td>75,81</td>
<td>94,02</td>
<td>75,11</td>
<td>244,94</td>
</tr>
<tr>
<td>Hierarchy and authoritarianism</td>
<td>66,33</td>
<td>67,38</td>
<td>74,14</td>
<td>207,85</td>
</tr>
<tr>
<td>(Less) fear</td>
<td>28,43</td>
<td>37,61</td>
<td>15,61</td>
<td>81,64</td>
</tr>
<tr>
<td>Egoism and lack of consideration and respect</td>
<td>28,43</td>
<td>20,37</td>
<td>11,71</td>
<td>60,50</td>
</tr>
<tr>
<td>Plan economy thinking</td>
<td>18,95</td>
<td>14,10</td>
<td>11,71</td>
<td>44,76</td>
</tr>
<tr>
<td>Materialism</td>
<td>18,95</td>
<td>7,83</td>
<td>7,80</td>
<td>34,59</td>
</tr>
<tr>
<td>Admiring the strong one</td>
<td>9,48</td>
<td>6,27</td>
<td>11,71</td>
<td>27,45</td>
</tr>
<tr>
<td>Corruption</td>
<td>9,48</td>
<td>6,27</td>
<td>3,90</td>
<td>19,65</td>
</tr>
<tr>
<td>Total</td>
<td>796</td>
<td>796</td>
<td>796</td>
<td>2388</td>
</tr>
</tbody>
</table>

Table 34: The total accumulated and weighted table on cultural significance structure elements
This weighting of the cultural elements has put (dis)trust ahead of (lack of) holistic view but for the other cultural significance structure elements the relative order in the total column furthest to the right remains the same as in the accumulated but un-weighted table, table 33. This table, table 34, shows that four cultural elements – (dis)trust, (lack of) holistic view, (lack of) independent thinking and (lack of) responsibility and initiative - dominate strongly and they are actually internally divided into two groups with two elements in each group – and these four elements are followed by a group of two elements – (no) win-win thinking and hierarchy and authoritarianism – leaving the reminding six cultural elements quite far behind but (less) fear has a little higher score than egoism and lack of consideration that is slightly ahead of plan economy thinking. Not far behind follows a group consisting of the two cultural significance structure elements which are materialism and admiring the strong one where at the end corruption comes. The first five cultural dimensions and also number seven are the divided ones confirming the earlier assumption that the most significant cultural dimensions are the ones that have been divided in this study.

The first five cultural significance structure elements in table 34 indicate unfamiliarity with market economy yet the direct element called plan economy thinking comes much further down in the table. It is thus interesting to see that the indirect effects of an economic system may have a stronger impact on business culture than a more direct cultural significance structure element has. A reason for it might be that the five elements at the top are a bit clearer and more concrete as well as easier to grasp than the more diffuse plan economy thinking. Still many of the remaining seven elements are influenced by the earlier communist regimes and plan economy – either directly or as a compensation for its low materialistic standard of living and although there is much conspicuous consumption in the studied countries materialism is still one of the weaker cultural significance structure elements as the table above indicates. Thus people may be more marked by their earlier experiences than by an even burning desire to compensate for it. Analogically one may suggest that even though corruption is deep and widespread in many of these countries it doesn’t go as deep into people’s souls as the other cultural significance structure elements – so putting it bluntly distrust, fear and mental blockings are stronger than greed. A possible reason for it may be that an individual’s early mind-set and the obsession to avoid could be stronger than the passion to get and obtain. Another aspect is that the empiric material is – for obvious reasons - strongly influenced by the informants for whom some societal problems might not be a big problem in their professional life. So even though corruption is a severe problem for these countries in CEE it isn’t as severe for the Swedish companies regarding the difficulties they encounter.
in their daily business life and thus have to handle. As earlier mentioned the big MNCs could have resources and contacts which could help them avoid or bypass corruption yet another possibility is of course that the expatriates could have played down the role of and extension of corruption in their own work – if there is any – since it isn’t something you would like to admit and certainly not to an external person such as a researcher.

The five elements at the top indicate difficulties to act and handle on an individual level having stronger impact than very obvious problems such as egoism and corruption. These five elements at the top illustrate that many of problems are on a mental level indicating just how difficult it is to change deeply cemented attitudes and this could explain why Swedish expatriates say it is difficult or even impossible to employ people who are brought up under and formed by the plan economy thinking. We see that the cultural element hierarchy and authoritarianism comes in the middle of the table having a score which is eight times higher than its closely related cultural element admire the strong one which is close to the bottom of the table and this may indicate that people adapt to the hierarchical order but show the leaders more respect than admiration and many persons probably would like to become some kind of leader due to all the privileges of the leader so people accept and internalise the hierarchical thinking more than they appreciate their leaders, it is much more a question of mind-set than of esteem for the individual. A reason for that admire the strong one doesn’t score higher could be a rather harsh - at times inconsiderate and even disrespectful – style of leadership. A possible reason for that the trust dimension topping the table scores almost five and half times higher than its closely related fear dimension at the middle of the table might be that the trust dimension is found in so many different areas and that fear is such a strong feeling since even though trust and particularly distrust may be strong feelings they don’t evoke the same extreme intensity as pure fear, i.e. the emotional barrier to feel fear is higher.

The accumulated and weighted cultural significance structure for each individual category is presented in appendix 5 in section 10.5. From them one may conclude that each one of the three individual categories in the weighted and accumulated table have a similar order and distribution of dimensions as the others and thereby also as the sum of these three categories starting at the top with a group of four dimensions – trust, holistic view, independent thinking and responsibility and initiative – being held close together far ahead of the others where the next dimensions – win-win-thinking and hierarchy and authoritarianism – follow leaving the remaining six cultural significance structure elements far behind where fear is a bit ahead of the other five elements where egoism and lack of consideration and
respect is the next and then comes plan economy thinking which is closely followed by another group of two elements which are materialism and admiring the strong one and at the very end is corruption. The similarities between the three individual categories and also with the total sum of them permits us to show one cultural significance structure interpretation that represents them all and the most suitable table for that is in my view the total sum of all the categories as all of them thereby are considered in the cultural significance structure figure. That means a figure corresponding to table 34 featuring the total accumulated and weighted table on cultural significance structure elements and the figure will be presented in the section on cultural significance structure interpretation and it will be called the mushroom-formed water-tower and is shown as figure 23. Having a basis for this mushroom-formed water tower on this accumulated cultural significance structure where accumulated means that the entire dimension covering also the antipodes is considered, we look at the individual antipodes in differentiated tables to find the kind of cultural significance structure that they exhibit.

6.7.3 The un-weighted transitory table
We now construct an un-weighted all inclusive table with all differentiated and other elements and obtain the table below.
6.7.4 The differentiated tables being transformed into figures of cultural significance structures

In analogy with section 6.7.2 and to obtain a balanced view where each column has the same weight we use the table above – table 35 – where each number will be multiplied by the ratios 796/84, 796/508 and 796/204 respectively depending on which category it belongs to. Elements here refer to ideal type elements.

Total: 796
Frequency column: 796/84 = 9,48
Arrows Column: 796/508 = 1,57
Element column: 796/204 = 3,90

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Frequency</th>
<th>Arrowheads</th>
<th>Ideal type elements</th>
<th>Total +EL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibility and initiative</td>
<td>9</td>
<td>58</td>
<td>29,5</td>
<td>96,5</td>
</tr>
<tr>
<td>Trust</td>
<td>9</td>
<td>54</td>
<td>32</td>
<td>95</td>
</tr>
<tr>
<td>Independent thinking</td>
<td>9</td>
<td>54</td>
<td>17,5</td>
<td>80,5</td>
</tr>
<tr>
<td>Holistic view</td>
<td>8</td>
<td>44</td>
<td>18</td>
<td>70</td>
</tr>
<tr>
<td>Hierarchy and authoritarianism</td>
<td>7</td>
<td>43</td>
<td>19</td>
<td>69</td>
</tr>
<tr>
<td>Win-win thinking</td>
<td>6</td>
<td>45</td>
<td>14,25</td>
<td>65,25</td>
</tr>
<tr>
<td>Lack of holistic view</td>
<td>6</td>
<td>40</td>
<td>17,75</td>
<td>63,75</td>
</tr>
<tr>
<td>Lack of independent thinking</td>
<td>6</td>
<td>33</td>
<td>12</td>
<td>51</td>
</tr>
<tr>
<td>Distrust</td>
<td>5</td>
<td>32</td>
<td>13</td>
<td>50</td>
</tr>
<tr>
<td>Lack of responsibility and initiative</td>
<td>4</td>
<td>25</td>
<td>5</td>
<td>34</td>
</tr>
<tr>
<td>Fear</td>
<td>2</td>
<td>16</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>Egoism and lack of consideration and respect</td>
<td>3</td>
<td>13</td>
<td>3</td>
<td>19</td>
</tr>
<tr>
<td>Plan economy thinking</td>
<td>2</td>
<td>9</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>No win-win thinking</td>
<td>2</td>
<td>15</td>
<td>5</td>
<td>22</td>
</tr>
<tr>
<td>Holistic view difficulties</td>
<td>1</td>
<td>6</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>Less fear</td>
<td>1</td>
<td>8</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>Materialism</td>
<td>2</td>
<td>5</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Admiring the strong one</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Corruption</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>84,00</td>
<td>508,00</td>
<td>204,00</td>
<td>796,00</td>
</tr>
</tbody>
</table>

Table 35: The total differentiated and undifferentiated but un-weighted cultural significance structure elements
Weighing the table columns with the corresponding ratios above we obtain this table on the total differentiated and undifferentiated but weighted cultural significance structure elements. Yet we call it the differentiated and weighted table on cultural significance structures in analogy with the total accumulated and weighted table on cultural significance structures where six undifferentiated cultural elements exist in both tables so the difference between these both tables is that six accumulated cultural elements in the accumulated table - holding altogether 12 cultural elements - have been split up into 13 cultural elements in the differentiated table which then holds a 19 cultural elements. These both tables could then to be exact have been called the total accumulated and un-differentiated table and the other the differentiated and un-differentiated table but such names are cumbersome and paradoxical so for the clarity the names total accumulated table and differentiated table are used although both of these tables have six un-differentiated elements in common. If I stress all elements included in the tables I may say the differentiated and un-differentiated and weighted table.

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Frequency</th>
<th>Arrows</th>
<th>Elements</th>
<th>Total FRe + AR +EL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>85,29</td>
<td>84,61</td>
<td>124,86</td>
<td>294,76</td>
</tr>
<tr>
<td>Responsibility and initiative</td>
<td>85,29</td>
<td>90,88</td>
<td>115,11</td>
<td>291,28</td>
</tr>
<tr>
<td>Independent thinking</td>
<td>85,29</td>
<td>84,61</td>
<td>68,28</td>
<td>238,18</td>
</tr>
<tr>
<td>Holistic view</td>
<td>75,81</td>
<td>68,94</td>
<td>70,24</td>
<td>214,99</td>
</tr>
<tr>
<td>Hierarchy and authoritarianism</td>
<td>66,33</td>
<td>67,38</td>
<td>74,14</td>
<td>207,85</td>
</tr>
<tr>
<td>Lack of holistic view</td>
<td>56,86</td>
<td>62,68</td>
<td>69,26</td>
<td>188,79</td>
</tr>
<tr>
<td>Win-win thinking</td>
<td>56,86</td>
<td>70,51</td>
<td>55,60</td>
<td>182,97</td>
</tr>
<tr>
<td>Lack of independent thinking</td>
<td>56,86</td>
<td>51,71</td>
<td>46,82</td>
<td>155,39</td>
</tr>
<tr>
<td>Distrust</td>
<td>47,38</td>
<td>50,14</td>
<td>50,73</td>
<td>148,25</td>
</tr>
<tr>
<td>Lack of responsibility and initiative</td>
<td>37,90</td>
<td>39,17</td>
<td>19,51</td>
<td>96,59</td>
</tr>
<tr>
<td>No win-win thinking</td>
<td>18,95</td>
<td>23,50</td>
<td>19,51</td>
<td>61,97</td>
</tr>
<tr>
<td>Egoism and lack of consideration and respect</td>
<td>28,43</td>
<td>20,37</td>
<td>11,71</td>
<td>60,50</td>
</tr>
<tr>
<td>Fear</td>
<td>18,95</td>
<td>25,07</td>
<td>7,80</td>
<td>51,83</td>
</tr>
<tr>
<td>Plan economy thinking</td>
<td>18,95</td>
<td>14,10</td>
<td>11,71</td>
<td>44,76</td>
</tr>
<tr>
<td>Holistic view difficulties</td>
<td>9,48</td>
<td>9,40</td>
<td>19,51</td>
<td>38,39</td>
</tr>
<tr>
<td>Materialism</td>
<td>18,95</td>
<td>7,83</td>
<td>7,80</td>
<td>34,59</td>
</tr>
<tr>
<td>Less fear</td>
<td>9,48</td>
<td>12,54</td>
<td>7,80</td>
<td>29,82</td>
</tr>
<tr>
<td>Admiring the strong one</td>
<td>9,48</td>
<td>6,27</td>
<td>11,71</td>
<td>27,45</td>
</tr>
<tr>
<td>Corruption</td>
<td>9,48</td>
<td>6,27</td>
<td>3,90</td>
<td>19,65</td>
</tr>
<tr>
<td>Total</td>
<td>796,00</td>
<td>796,00</td>
<td>796,00</td>
<td>2388,00</td>
</tr>
</tbody>
</table>

Table 36: The total differentiated but weighted cultural significance structure elements
Thus this table 36 is only called differentiated in order to avoid confusion and a paradoxical name even though it holds both differentiated and undifferentiated cultural elements where all cultural elements which have antipodes in this table are divided into these antipodes and these elements are called differentiated while all the others are called undifferentiated.

Table 36 shows two elements close together right at the top, trust immediately followed by responsibility and initiative. Then there is a considerable gap to independent thinking coming slightly ahead of a group of two cultural elements consisting of holistic view and hierarchy and authoritarianism. There is a small gap to the next group which consists of two elements which are very close together, lack of holistic view and win-win-thinking. The distance to lack of independent thinking is fairly short with distrust just behind. In splendid isolation we find the next element which is lack of responsibility and initiative. Then there is a group consisting of two elements which are no win-win thinking along with egoism and lack of consideration and respect followed by fear and plan economy thinking. Then a group of two elements follows closely afterwards consisting of holistic view difficulties and materialism. Closely to that group follows the next one where we find two elements, less fear and admiring the strong one. The last element is corruption.

The four elements at the top of table 36 plus element seven are all positive or the positive antipode of the cultural dimension while elements eight to eleven show the negative antipode in terms of being preceded by words such as lack and dis or no. One may argue that the positive character is stronger but I rather believe that the positive character to a large extent is so vital just because it largely exists due to the need to fight the negative antipode which often could be either directly or indirectly present when we see a positive antipode. Much distrust thus stimulates trust creating measures and behaviour etc. At the very top we find trust as well as responsibility and initiative and they all in a way represent seriousness, dutifulness and reliability though taking initiatives adds a dimension of dynamic energy and creativity. Holistic view leans on experience, wisdom and a good judgment while independent thinking has more of intellectual freedom, innovativeness and a possibility to think outside the box not being too constrained by rules and practices and both of these cultural significance structure elements are based on knowledge. Thus the four cultural elements at the top show seriousness and intellectual ability which one almost instinctively understands are vital when starting up activities in emerging markets. That these cultural significance structure elements top the list is also a reflection of that several of my ideal types in many ways are problem oriented regarding how to deal with a situation and the conditions prevalent there
which in many ways could be difficult and cumbersome to handle for expatriates and others as these situations often, at least partly, feature the negative antipodes of the cultural dimensions in my study. Thus the positive antipodes may in turn largely be seen as a response to the negative ones.

Table 36 exhibits that – apart from hierarchy and authoritarianism - all of the elements at the upper half of the table are differentiated elements while the un-differentiated cultural elements dominate the table’s lower half. One may argue that the urgency to deal with the top elements creating counterweighing measures would explain this distribution and that is in line with the discussion in the paragraph here above. Yet the character of these cultural significance structure elements is vital where the top elements have very much of a problem-solving approach and are related to thinking ability while the un-differentiated cultural significance structures like hierarchy and authoritarianism or egoism and lack of consideration and respect don’t feature the same direct dynamic problem-solving approach. This order stresses the need and weight of being able to solve problems in a business culture and how vital it is to handle problems effectively and efficiently in a competitive based market economy in contrast to the calmer monopoly character of a plan economy. Here the role of language enters showing its usefulness since as earlier mentioned multilingualism enhances the problem-solving and learning ability as well as the creativity and the multitasking ability of a person. This means that for the key cultural significance structure elements the multilingualistic competence of an expatriate could be highly useful to come to terms with many of the deepest problems of the culture. Speaking or learning to speak the local language is a crucial part of such multi-lingualism. The shift of economic system with the transition from a plan economy to a market economy is seen in the cultural significance structure elements which are found to be the most vital ones and this may also explain the dominance of differentiated elements which to a large extent deal with tackling the reminiscences of plan economy in a constructive way which in the vocabulary of this study means that the positive antipodes are there also to come to terms with the negative ones in a smooth and profitable manner. The added value that table 36 - holding both differentiated and un-differentiated elements - gives us compared to the accumulated table 34 is this stress on positive antipodes which largely compensate for the negative cultural significance structure elements and that this picture of antipodes largely is a result of the transition from a plan economy to a market economy. A problem-solving view with a solid intellectual ability and an emphasis on seriousness emerges from table 36.

The differentiated and weighted cultural significance structure for each individual category is presented in appendix 6 in section 10.6. Starting by
the overall category summary table as point of departure one may say that the big picture remains in the table on intensity in terms of number of ideal type elements in the cultural element though this table on intensity is a little more turbulent compared to the influence table with arrows and even more turbulent compared to the frequency table. In an analogue way to the discussion about the accumulated table focusing on the dimensions by including the antipodes on each row all the differentiated tables could be well represented by its overall table including all the categories and thereby reducing the risk of negligence. There will thus be two cultural significance structure models presented – the accumulated and weighted table with all categories and the differentiated weighted table with all categories and for both tables the order will be based on the sum of all the three categories for each cultural element. In the next section these both figures of cultural significance structures will be shown though there will be another figure as point of departure.

By having controlled that the individual categories are in line with the overall picture it is now much safer to represent these ideas with the two overall cultural significance structure tables in two cultural significance structure models.

6.8 The cultural significance structures
Having been inspired by ideas of Bjerke in a discussion on cultural significance structures in March 2009 I have come up with some cultural significance structures which will be presented in this chapter. As a point of departure we have the balanced Viking ship ornament structure where each cultural significance structure element has the same weight and is put in a Viking ship which hangs in a symmetric and balanced Viking ship ornament with twelve Viking ships. The Nordic Vikings sailed over the seas to various parts of Europe and all the way to America as the Viking Leif Eriksson did. Swedish Vikings travelled to Eastern Europe to Novgorod in Russia and down to Kiev in Ukraine where the Swedish history has played an important role. Thus Viking ships can take you across seas and have had an historic role in Sweden’s historic and commercial relations with people in Central and Eastern Europe. Furthermore in Russia and in some of its neighbouring countries it is important to have a gift when you visit somebody and a historically connected ornament would fit well as a way to begin fruitful conversations in order to build solid relations as a basis for doing business. The Viking boats are represented by ovals in the cultural significance structure figure in order to make it easier to read the text in each cultural significance structure element.
However the ideal type tables suggest that all elements don’t have the same significance or weight and therefore I will here construct a structure that takes these differences into account and consequently they are also called the cultural significance structures exhibiting and emphasising the cultural elements in order of significance of what really and deeply features these cultures. It is therefore natural to use the name cultural significance structures for these significance structures. In the previous sections each one of the three individual categories of frequency, influence and intensity was
quite well in line with the overall sum of all of them and that was the case for both the two main tables which were weighted where one was accumulated while the other included both the differentiated and the undifferentiated cultural elements. These both tables therefore constitute our basis for our cultural significance structures since using all the six individual category tables derived from both these main tables to make cultural significance structure interpretations would not contribute much but rather complicate things even more blurring the overall impression and clarity of the analysis. Thus the two cultural significance structures are therefore based on the sum of the frequency, the influence and the intensity in the tables 34 and 36 respectively. As earlier mentioned what they stand for is for the frequency – the number of ideal types which hold the cultural element in question, the influence – the number of arrowheads that that either depart from or arrive at ovals holding a specific cultural significance structure element, and the intensity - how many ideal type elements there are in an oval for a specific cultural significance structure element. The final column - the one most to the right - in table 34, exhibits the total accumulated and weighted table on cultural significance structure elements and the corresponding cultural significance structure model is found in figure 23 exhibiting the mushroom-formed water tower of cultural significance structure whereas the final column in table 36 shows the total differentiated and weighted cultural significance structure elements where the corresponding cultural significance structure is found in figure 24 presenting the versatile television tower cultural significance structure figure. Thus there are two towers with much in common – such as the six cultural significance structure elements - but also differences between them. When looking for how to build a cultural significance structure in a pedagogical way with clear and graspable metaphors various alternatives may be conceivable but it is vital that the metaphors should be integrated and consistent giving a cohesive picture instead of a fragmented one and avoid unnecessary contradictions and confusion. There are many ways to try to construct and exhibit the cultural significance structure elements in other forms than towers but the tower has many qualities as it holds so many aspects of the culture that these cultural significance structures represent and the height where the element is placed in the tower shows its relative importance among the other elements. In the section after these cultural significance structure figures I will present metaphorical interpretations of these towers and what they stand for.

Ideal types have a different weight in society and management in general on the one hand and in this thesis on the other hand. In this thesis they illustrate phenomena which are crucial for the understanding of the role of language in intercultural business communication where also cultural phenomena are
important and thus exhibited regarding how to work for an expatriate in CEE countries. A phenomenon of limited importance in management and in society could be crucial for the understanding of the role of language. This could also explain why there are ideal types which may seem to have very different degrees of influence and impact on society in general here are integrated on an equal level in the extraction of the cultural significance structures. As this thesis very much focuses on understanding the role of language then much emphasis has to be put to factors and phenomena which are important for understanding of just that whether they are seen as crucial factors in society or not.

One could see ideal types on advantages and disadvantages of a phenomenon as illustrating the consequences of having or using it while ideal types on characteristics of a phenomenon in a way illustrates the soul of the phenomenon. But why do I have to use all these three aspects of a phenomenon instead of using only one ideal type to cover all these three aspects?

There is a pedagogical clarity aspect of giving the pure form where the advantages are found in one ideal type, the disadvantages in another and the characteristics in a third. One may ask if this concentration on different aspects of language doesn’t lead to a bias where the language aspects become overrepresented and obtain more weight than they should when all factors are put together resulting in the cultural significance structures? Then we have to remember that we look at the role of language in intercultural business communication which could justify this central role of language and language is also a research instrument to find out different aspects of business culture affecting expatriates working in these countries. Thus language is both a phenomenon being studied and a research tool. One could ask if not the influence of language has been exaggerated and over-weighted in the overarching picture of understanding the local CEE business culture. As language and culture are tightly interwoven influencing and forming each other I don’t think so. So much of a culture is found in its language.
THE MUSHROOM-FORMED WATER TOWER - A CULTURAL SIGNIFICANCE STRUCTURE

Figure 23: The mushroom-formed water tower – an accumulated cultural significance structure
THE VERSATILE TELEVISION TOWER – A CULTURAL SIGNIFICANCE STRUCTURE

Figure 24: The versatile television tower – a differentiated cultural significance structure
6.9 Metaphorical interpretations of the significance structures

In the following two subsections on metaphors I will come up with some metaphors which are related to different aspects of a tower and also to other parts of this study trying to connect them in a clear and understandable way and of course to the cultural significance structure elements featuring so much of the cultures in the studied countries. Some similarities and differences between the two towers will also be discussed.

6.9.1 Interpretation one: The mushroom formed water tower – a cultural significance structure

One may see this cultural significance structure as an outlook tower or even an observation tower for an expatriate on the way to perform a foreign assignment in CEE. The outlook tower has a big and extensive platform at the top consisting of the four dominating cultural significance structure elements permitting wide perspectives in all directions. Yet the trust problems mean the expatriate should not immediately believe all that he or she sees. Though the height of the tower could symbolise the high standard of living in Western market economies the difficulties to adapt to the market economy thinking has given a fair part of the population vertigo making them confused and disoriented and these problems are aggravated by the lack of both holistic view and independent thinking making them unsure about what they actually see and how to act from this position being both unknown and thereby also potentially frightening but also very tempting seeing things that they hadn’t had or even seen if they had heard of them at all earlier. The sheer height of the tower reflects the hierarchical power structures in CEE and the admiration for the strong one and in this case the tall one. The height of the tower also illustrates the materialistic consumption fever in these countries featuring the American notion of “biggest in the world” in many occasions with a highly conspicuous consumption in terms of huge and very expensive cars and other aspects of a nouveau riche mentality seen so often in the capitals of these countries. Many people have an intense desire to climb to the top of society – or in this case the tower - where the great privileges and financial benefits for the one at the top is a very strong motivator.

Yet this tower actually also has the shape of a mushroom and mushrooms could thrive in dark and moist places with little sunshine or clarity yet a mushroom has a roof casting a shadow over the ground – in this case the shadow economy or the grey economy being extensive in these countries providing a strong purchase power and thereby providing more investment and business opportunities for foreign companies than the official statistics say – yet the roof is also a protection against rain and snow – as regards the
CEE also a protectionism benefiting local power holders who could pay bribes to be protected against external – often international – competition in business. We thus have a mushroom exhibiting a shadow economy and corruption being prevalent and extensive in many of the studied countries. One also has to be careful with mushrooms – some are very healthy and good for you whereas others could be lethally poisonous, thus a good judgment and careful selection is necessary to survive in the forest or in the economic jungle of an emergent market. A deeply poisonous element in CEE is the corruption yet the strong egoism and lack of consideration and respect for others is also unhealthy to the atmosphere of a society. What is healthy in this mushroom are of course the big business opportunities in these emerging markets where the height of the tower illustrates the high economic growth which is possible there.

There is clearly an element of fear in these countries where the risk when falling down in many ways are much higher and more dangerous due to a much weaker social security net in these countries than in the Western welfare states. As far as risk and fear go and as impressive as the tower might look one must ask how solid it really is knowing how important the façade is to many people in these countries where what lies behind the façade might not be so solid or reliable and also knowing that in the world there is much fraud due to corruption in the construction industry so before climbing up to the top of the tower one has better to control that everything is in order just as an expatriate is wise if controlling the background of his or her potential business partners before making agreements and starting to do business with them. The risk for fraud and corruption also illustrates a lack of both responsibility and of win-win-thinking as well as egoism and lack of consideration and respect since you don’t really care about the consequences and well-being of others if you are busy with doing construction fraud. Such recklessness and greed reflects the deficient security thinking as well as the low value of human life and dignity that some people in these countries exhibit which very probably is related to the direct disrespect for both the truth and human rights in these countries during the plan economy era.

The tower could also be seen as a water tower where the water is an indispensable ingredient to cultivate the land and make the country’s fields and economy prosper where in this context the water is Western know-how, technology and management competence on how to run companies and a market economy as a whole which have been transferred to the studied countries in a huge knowledge transfer process where one shouldn’t forget the giant intercultural rhetoric process where people have faced and to a large extent also learned the language of market economy in the shift from a plan economy thinking to a market economy one. So in a metaphoric way
people in CEE have drunk the water from the source of knowledge, in this case the knowledge of market economy, but the water was so pure that its purity and concentration bewildered and even shocked many people being exposed to an overdose of something unfamiliar to them and also at times suffering from dishonest people pretending to offer the pure capitalist water while the real content in the bottle was actually the corrupt and unpurified water from the old nomenclature having labeled the bottle with attractive but false names. Drinking something that makes you sick is a health problem and during the transition period there have been gigantic health problems in Russia where the mean life time for men sank by over a handful of years in a period of a few years at the beginning of the transition. The high water tower builds up a high pressure at the bottom of it so that the water easily and automatically should flow to all taps in the surrounding area that the water tower covers. Thus people in these countries were exposed to very high pressure during the transition years where they were almost fed by force with the market economy medicine to obtain a higher standard of living but some people were allergic to that medicine and many others had an overdose of having to assume much more personal responsibility and take much more initiatives than they were used to where people who were used to be given and commanded to a job now had to find one in a highly turbulent period of falling GDP and much disorientation where the glasses of plan economy weren’t fit to see the possibilities and demands of a market economy. If you can’t see clearly or don’t know or understand what you see it is evidently extremely difficult to obtain a holistic view of what is going on in society and at the workplace and figure out how to act in order to handle the situation as well as possible. If you haven’t been trained in thinking independently in a more normal situation how would it then be possible to do it when you can’t see clearly and the whole system that you were brought up under and has been taught and adapted to live in collapsed? It is no wonder that the transition problems were huge and that still a significant share of the population in many countries in CEE think they had a better life in the plan economy era.

This brings us back to the already discussed risks of vertigo and falling down from the tower, the ultimate catastrophe. A Western business person may be wise to show humility for all the hardship and difficulties that people in CEE have gone through after the fall of communism and also try to imagine how we as Westerners would have reacted if our lives and the whole society were turned upside down. A concrete way to do it is by imaging yourself at the top of the tower and suddenly a tremendous hurricane sweeps you off the tower and on the way down when falling you have to figure out how to rescue yourself before hitting the ground. I admit that this comparison might be a bit too extreme to give an adequate and fair
picture and reflection of what these people have gone through but it could yet put us in their situation and trying to imagine how you would think, feel and act if you were in the other person’s situation is a very good way to obtain understanding and respect for the other which in turn could pave the way for fruitful and successful intercultural business communication.

The tower and the way it is used could also illustrate the giant shift that has taken place in these countries since the fall of communism. The tower that just has been described is in many ways an opportunity enabler for people – both locals and foreigners – to take advantage of the new openings and possibilities that the transition to democracy and market economy has brought to these countries. However before, and particularly along the frontier between East Germany and West German, there were watchtowers all along the frontier to the West preventing people from traveling and visiting the West and from emigrating to the West in order to find new opportunities and better life conditions. During the plan economy era I have personally seen this frontier with the watchtowers, minefields, patrol cars and high fences from a West German watch-point – in German called Grenzübersichtspunkt – and it was a both terrifying and depressing experience and sight. The tower has thus been transformed from an opportunity stopper and symbol of confinement to an opportunity enabler and a symbol for openings and wider perspectives in all directions where the sky is the limit in the heavenly peace after the cold war for people striving for challenges but also a windy and unsafe isolated point for people being brought up under and used to the life in a plan economy with its logics, thinking, values and ways of behaviour. Just like the coin having two faces a tower can be seen differently – actually in even more than two ways – and it symbolises so many things where the way we see it also forms our opportunities and what we can see and do – in a similar way that the language forms our way of thinking permitting us to or limiting us from doing certain things that we actually would like to do – where our tongue, ears and eyes are decisive for our choices and actions so seen in this perspective what you get is what you see. This brings us back to the quotation from Wittgenstein at the beginning of this study saying that “Die Grenzen meiner Sprache bedeuten die Grenzen meiner Welt” which could be so relevant for the opportunities that people see and thereby consciously have. If further reminds us of the Sapir-Whorf hypothesis and particularly its weak version saying that the first language we learn, i.e. our mother tongue, forms us as persons – partly in the weak version and totally in the strong version of this hypothesis. Could this hypothesis in any way explain how people look upon their opportunities in life? It would actually be very interesting to test this hypothesis in Germany comparing people having been brought up in East Germany to the ones having been brought up in West
Germany and see how they perceive words and notions as they both have the same mother tongue although the political, cultural and economic environment were totally different and thereby also the associations and interpretations of words and notions may differ, perhaps even significantly. So talking with Roland Barthes even though the denotations, i.e. their literal meaning, of the words and expressions could differ between the East and the West their connotations, i.e. the associations they give, would probably differ more. One might argue that as almost 20 years have gone since the German reunification these potential differences aren’t as strong now as they used to be but on the other hand if the Sapir-Whorf hypothesis is valid then it should function during an individual’s entire lifetime. Yet we have to remember that such a comparison between people from the earlier divided parts of Germany would probably lean more towards culture than towards language since the cultural differences were bigger than the linguistic ones although cultural differences in general also are reflected in language.

6.9.2 Interpretation two: The versatile television tower – a cultural significance structure
The second significance structure is also a tower though having another design with many more double-ovals on the same level which could be seen as satellites or gondolas where each one of them holds a restaurant with different cuisines and specialties. At the top of the tower the finest ones are found with haute cuisine restaurants serving delicious plates. We all know that at the top or at least high up in tall towers there could be restaurants with terrific views and perspectives over the surroundings and as already mentioned there is a burning materialist hunger in these countries but contrary to the nouveau riche wanting everything at once in limitless exaggerations one would stay fitter and in better health when eating within measure and moderation since measure is treasure and if you don’t adhere to it one may end up with considerable overweight or as the French say “il a ses Michelins” which means a man has several rolls of fat around his waist and an English expression for it is having spare tyres or love handles and even though we in Swedish say that a beloved child has many names these tyres could be too sweet to be healthy. The overweight here is of curse the over-consumption of very exclusive products such as luxury cars, apartments or other highly visible products which sometimes are bought by bank loans whose highly indebted owners as well as the whole country suffer from poor economic health which is visible in the Baltic states but also in other parts of the former plan economy countries.

This cultural significance structure could also be seen as having the form of a television tower so in this case there could be a television antenna and perhaps also a balcony for the public at the top of the tower. But what does
it mean to see this structure as a tower? You obtain the best view with the widest and clearest perspectives from the top of the tower so consequently the most significant elements are to be found at the top of the tower while the significance of the elements will decrease the closer to the bottom of the tower that we get. A television tower usually emits and broadcasts waves containing information and an insightful business person has the ability to reach further thanks to the deep knowledge of the local culture. However, there is not only a broadcasting dimension to the television tower but also a perspective and general view one where a person from the top of the television tower is able to see very far - as the word television literally means – and thereby obtain insight, understanding and when wisely reflected upon it also wisdom and so become a wise business person. As a high tower also is the perfect instrument to obtain a holistic view it could serve as an excellent tool to overcome the lack of holistic view which – as the significant structure shows - is very common in the studied countries.

Regarding towers and language it is vital that companies in their internationalisation process and development avoid creating a tower of Babel where people cannot understand one-another since they don’t have any common language. Thus introducing a common company language or having a well functioning multilingualism could handle the situation but also other alternatives are possible as we have seen at the end of the theory chapter on how to solve the language issue but the coordination is crucial to make it work smoothly, effectively and efficiently. As seen in the sections on language related to power and politics states have an interest in standardisation and homogenisation of an official language so that everybody within the borders of the state can understand each other and television and radio are excellent tools to obtain such objectives since the entire population throughout the whole country watch and listen to their programs. There is also another power and political aspect on ether-media as it has a strong influence on how things are perceived among the public and an actor who controls radio - and even more so television - could have a strong political influence in society as the language, the words, the expressions and the notions which are used forms our view of society. There are aspects of the two key cultural elements of responsibility and holistic view on the standardisation and homogenisation issue as companies have a responsibility to make communication and understanding easier over the borders and to maintain a holistic view it is vital that a language standardisation doesn’t hinder or worsen understanding over the borders by isolating it step by step from other and neighbouring languages and their native speakers.
It is further important that management doesn’t turn this interactive television tower into an ivory tower isolated from what is going on at the workplace and also in society. A substantial risk for such an ivory tower could be the so called expatriate colony where foreign business people frequently meet with one-another but not so much with the local people. Such expatriate colonies could widen the gap and increase the psychic distance between the expatriates and the local people where expatriate prejudices regarding the local culture and its people could be reinforced and turn into “established facts” where expatriates who haven’t been well integrated into the society could have a condescending attitude towards and blame the local people for the wide psychic distance when the most important reason very well could be a disinterest from the expatriates towards the local people and their culture. The perhaps strongest exponent of this disinterest is that the expatriate doesn’t bother at all to learn the local language which is the real bridge to the local people and their culture. This indolence, complacency and linguistic arrogance on part of the expatriate doesn’t help to build trust, goodwill or respect thereby making the building of solid business relationships harder. In this sense the expatriate has failed in assuming responsibility and try his or her best to obtain an insightful holistic view of the local culture and its people. Such a big psychic distance also has a negative impact on the expatriate’s independent thinking which could require a good knowledge of the local situation. Thus a communicatively isolated ivory tower filled with complacent expatriates isn’t the way to improve business operations and results and a way to handle it could be that the expatriates show more humility and openness towards the locals where learning their language could be the most important component.

One may see the tower as a minaret which could constitute a platform for speeches which must find acceptance among the local people and a way to achieve it is by using a language which is familiar to them in terms of metaphors, proverbs or sayings. In order to be successful in communication an adaptation to the local traditions and conditions is vital where speaking the local language is a key instrument to achieve it. The exordium is crucial in order to build up confidence and meet approval from the audience and speaking the local language is a very strong signal in that respect. Thus a tower could be seen as a minaret or at least a tribune for communication with the local people and this adaptation requires a holistic view of the culture in order to understand what is needed to reach out to the audience and win their support for the message. There is clearly an element of responsibility in this action both in terms of doing the necessary preparations for the speech and also in general being careful when choosing and selecting the words and expressions and the way you use them to get
your message through and accepted. There is an element of trust where the speaker has to make the audience believe what he or she says and the trust and believe goes much deeper in the case of the minaret which is a religious symbol for the worldview of so many people and worldview is one of the basic elements of a culture along with one of the main deep structure elements in a culture according to Samovar et.al. as earlier mentioned about culture in the theoretical chapter.

The restaurant at the top of the tower is of course illuminated as the darkness falls and in many ways this tower is a landmark of success but moving away from the solid ground under our feet to the unknown waters of new opportunities in emerging markets it may also be seen as a guiding seamark. This brings us to the lighthouse. A lighthouse is an illuminated tower that could help seamen navigate on stormy waters on their way towards finding a safe haven. Yet this haven is situated on an island in the huge archipelago of business openings in the emerging markets in CEE and to reach all the way from the wealthy Western continental land the expatriate builds a bridge over the stormy waters from the continent to the island. As this shift from landmark to seamark shows things may be seen in different perspectives symbolising either different phenomena or different views of the same phenomenon. Two relevant and interesting perspectives in this study are the views of the expatriate and of the local people. To be able to see phenomena from different angles builds respect and deepens insight into other ways of thinking and it also lays the ground for a solid holistic thinking and for independent thinking where combinations of different frames of reference could bring new knowledge and thereby provide a knowledge transfer of cultural understanding. Interestingly successful language learning has many of the just mentioned perspective enriching effects. Thus for an expatriate the stormy waters could be all the difficulties related to establishing or expanding a subsidiary on the local market while the lighthouse is an understanding of the local people and their culture, the bridge is the intercultural communication in general and in particular the local language whereas the safe haven could be an in the end well established subsidiary on the local market. In contrast for the local people the stormy waters could be the highly turbulent transition period after the fall of communism and plan economy while the lighthouse could be the western materialistic consumption culture where the bridge is built up of a market economy thinking including the understanding of the mutual benefits of win-win thinking and the safe haven is a stable and democratic market economy with well working institutions including a state governed by law and fully respected human rights.
Living in a tower could be seen as living on the very top of society with excellent perspectives and great benefits. Thus arriving at the top of the tower provides so many privileges and benefits that many people do anything they can to climb to the top of the tower. The incentives to reach a top position are of quite another magnitude than in Sweden in terms of prestige, way of living and the possibilities to enrich yourself where the dimension of this difference was so well explained by an expatriate in Kiev saying being a general manager of a company means you are simply a higher caste. So the cultural significance structure element admiring the strong one is very obvious and salient here. Though these people don’t live under the caste system of India the message is crystal clear – get to the top at almost any cost. This view reflects of course the hierarchical structure and the authoritarian leadership style in the studied countries. There could be much of the cultural significance structure element egoism and lack of consideration and respect along the way in such a career. In this context another cultural significance structure element, corruption, is a two-sided sword where it on the one hand is the way to achieve what the giver wants and on the other hand provides the receiver with resources to enrich him - or herself. Big fortunes have been built up in CEE by using morally and ethically highly questionable methods though the result of them is seen in very conspicuous consumption where the products shine just as brightly as the illuminated lighthouse though one may question if this lighthouse has really helped these persons to navigate to the right destination. The ones who have navigated to the top of these lighthouses are very often people from the old nomenclature largely thanks to their informative advantage and superior contact networks.

The plan economy featured many hierarchical structures and much hierarchical thinking and was in that respect much of a tower. Manuel Castells says the industry and the research were two parallel vertical structures in the Soviet economy and thus there were not many synergies between them featuring the absence of both win-win thinking and a holistic view of the activities where a sub-optimising internal focus seems to have reigned. This isolated-tower mentality characterising the plan economy thinking and experience also partly explains the difficulties for people from these countries to think in market economy terms including a mutual beneficial win-win thinking and to some extent the egoistic lack of consideration and respect, they didn’t cooperate closely with the others and if you don’t cooperate with others you tend to think and care less about them only focusing on what you have to do in a sub-optimised organisational structure and way of working. So the tower-alike vertical structures of plan economy featured much hierarchy and authoritarianism but also a severe
lack of holistic view and win-win thinking where the independent thinking was set aside too.

Regarding the responsibility and the holistic view needed to choose a language strategy for a company there are some interesting aspects on English as a common company language on the one hand and multilingualism on the other hand. Where English as a dominating common company language may be seen as an obelisk or a candlestick in a tower on the one hand multilingualism on the other hand may be seen as an extensive candelabra bringing different candles to light up the situation in a flexible way and see and understand what is going on. Advocates of English could see it as a universal tower of almost divine height from which everything can be seen and reached in a one-size fits all attitude whereas advocates of multilingualism may see their own strategy as a multi-headed tower where each tower-head tends to focus on a specific direction without forgetting the adaptability and flexibility to change focus if the situation requires that. In a way multilingualism could be seen as being more dynamic and flexible promoting independent thinking having several frames of reference thanks to the different languages and tools to choose from when facing a new task.

We earlier discussed that managers in these countries could focus too much on details and thus risk neglecting the strategic work issues and loosing the holistic view. Yet the opposite is also a risk for professionals in their job. An illustration of this is an external interpreter who may be seen as being a communication hub sitting high up in the tower having an understanding of both cultures and thereby having both an overview over and insight in both cultures, but perhaps not in the industry and even less so in the company. This illustrates the distance where the interpreter sitting high up in the tower could be too far away from the ground and from what happens there. This could create a divide and a distance in trust, insight and understanding. In a similar way expatriates could be too far away mentally and physically from the local culture which already has been discussed regarding the ivory tower. To reduce the distance and trust problems many companies use internal interpreters ensuring that the interpreter knows the industry and the company and reducing the risk for a personal agenda or too much independent thinking since even though some ideas may be good or useful there is a risk many of them could be hard to implement or simply irrelevant for the company so for a company giving priority to reliability in action and loyalty too much independent thinking of part of the interpreter could lead to distrust and other difficulties.
6.9.3 The pedestal paradox
In a managerial communicative aspect a tower may also be seen as a pedestal reflecting the lofty position of the leader. In these more authoritarian countries the leader is much more put on a pedestal – but certainly not being passive – with more attractive privileges than a leader in the distinctively more egalitarian Sweden would be. In the studied countries the leader is also more directly involved in the work of his or her employees than in Sweden where the delegation of working tasks is more common while in the studied countries the leader to a much larger extent directly tells the employee what he or she specifically should do. With this comes a responsibility for the manager to on a detailed level both know what has to be done and also be informed about how the work proceeds. To be respected and avoid to be seen as being weak, which is much worse in some of the studied countries than in Sweden, it is vital for the manager to have a raised position yet the leader must still have the feet on the ground to have the detailed knowledge needed to run the organisation. This highly extended role is the pedestal paradox. The focus on knowledge about details could impede the leader to obtain a holistic and strategic view of what has to be done on an overarching level. For this very reason a Swedish leader needs a raised position to know what has to be done strategically while in the studied countries a pedestal position is needed for credibility, trustworthiness and prestige to get things done. These phenomena are nuances since the leaders in Sweden as well as in the studied countries need both these aspects to do a good job but it is a question of where the emphasis is put. Thus this pedestal paradox that I present requires that the leader is raised on a pedestal for reasons of trustworthiness and effectiveness but still has his or her feet on the ground to have a detailed knowledge in order to lead the employees in their daily work.

6.9.4 Differences and similarities between the two towers
These two towers have much in common, six of the elements are identical in both towers and the other six in the accumulated tower are differentiated in the other tower showing the close relation between the towers. Both these towers symbolise fantastic views and bright perspectives for high growth but also high risk for steep falls, they may lead to health and wealth for the individual, the company and society but they also symbolise many of the difficulties, the dangers and the hardship that both expatriates and the locals face where the local people are more used to them and might have a better knowledge of how to tackle them while the expatriate through the company could have more resources and perhaps also experience from other similar markets to deal with the problems. These towers could be seen as two high gas towers which are linked and connected to each other and to a big amount of energy and potential prosperity as well but also to environmental
problems and various risks such as dangerous explosions and corruption – as
the oil and gas industry is one of the world’s most corrupt industries.\footnote{1017}

The energy is peoples’ strive for a better living and the prosperity is the
strong economic growth during many years along with future opportunities
while the explosion is the severe economic crisis that many CEE countries
undergo since the fall of 2008 and in some of these countries there may also
be political instability with risks for possible political outbursts.

An obvious difference is that the mushroom-formed water-tower has 12
elements and focuses on the whole cultural dimensions as it is accumulated
integrating the positive and negative antipodes into the same cultural
dimension while the versatile television tower has 19 elements holding both
differentiated and un-differentiated elements where the positive and
negative antipodes are treated individually and therefore the television tower
is more nuanced.

One may say that the accumulated cultural significance structure
interpretation primarily corresponds to the culture whereas the differentiated
cultural significance structure also pays consideration to how one – and
particularly an expatriate - could handle this culture and it also has more of a
problem-solving approach requiring seriousness and intellectual ability as
table 36 indicated where its positive antipodes largely compensate for the
negative antipodes also reflecting the transition from a plan economy to a
market economy. So the accumulated tower may be seen as more purely
descriptive while the differentiated tower also holds an air of action and
dynamics. Thus the accumulated tower is very general describing the culture
while the second tower holding both differentiated and un-differentiated
cultural elements also has general qualities but yet is of particular interest
for companies and business people being active or wanting to establish
themselves on these markets.

\textbf{6.9.5 What do these metaphorical towers tell us?}

Going for the essence in these metaphorical towers’ narratives we find the
following substance. Beginning with the mushroom-formed water tower its
outlook tower symbolises the Western market economy with its
consumption culture but also the hierarchical structures in CEE and peoples’
ambitions to climb to power and privileges. The mushroom tower is an
exponent of protectionism, shadow economy and corruption making
business life in many countries in CEE hard where also construction fraud
and fear for a deficient social system exist. The water tower cultivates the

514
earth to make the economy prosper and it also illustrates health aspects in CEE where people have lived under hard economic and social pressure as well as turbulence and disorientation problems in the transition period from plan to market economy. With the transition the tower has been transformed from an opportunity stopper in form of a watch tower to an opportunity enabler where the language also is decisive regarding the opportunities that an individual can see.

The versatile television tower alludes to both tyres and haute cuisine but actually tells us about an overweight in terms of over-consumption of exclusive and expensive products and health problems in terms of a hard economic situation. The television tower is an excellent communication instrument facilitating both insight and holistic overview though the company must find a functioning language strategy to avoid turning it into a tower of Babel where people don’t understand each other. It is further vital for the companies to avoid increasing isolation by creating an ivory tower with an expatriate colony of linguistically complacent people who haven’t bothered to learn the local language thereby not decreasing and perhaps even increasing the psychic distance to the local people. To communicate successfully with and to the local people the tower may be seen as a platform for speakers in terms of a minaret or an uplifted tribune where the dialogue is facilitated and enhanced by the usage of familiar metaphors, sayings and proverbs helping to reach out to the local people. The tower may also be seen as a lighthouse facilitating for both expatriates and the local people to navigate over stormy waters in terms of a turbulent environment and reach their objectives. Living in a tower may be seen as living at the top of society and in these hierarchical societies in CEE there are very strong incentives to reach top positions with all the privileges and the prestige that come along with it and many of the ones who have achieved it come from the old nomenclature. The towers also reflect the parallel and uncoordinated vertical structures of plan economy with lack of synergies and win-win thinking. English may be seen as a tower candlestick with pretensions to reach everywhere while multilingualism could be seen as a flexible and adaptive candelabra enabling and providing tailor-made solutions to problems in communication. Managers have a responsibility to make the communication work well where speaking the local language enhances trust and strengthens a holistic view on work, society and business opportunities in general but also independent thinking and taking of initiatives as well as a win-win thinking which together with the hierarchical structure of companies and society are the strongest cultural significance structure elements in the studied CEE countries.
The pedestal paradox says that a leader in CEE stands on a pedestal for reasons of trustworthiness and effectiveness yet he or she must still have the feet on the ground to have a detailed knowledge of the work of each employee and lead them in it. The Mushroom-formed water tower with accumulated cultural elements provides general description of the culture in CEE while the televisions tower holding both differentiated and undifferentiated cultural elements in addition to a general description also holds a more dynamic and problem-solving nature that may be useful to business people and companies being active on the CEE markets.

To round it up what these narratives say is that they tell us about the transition from a plan economy to a market economy and all the hardship, difficulties and bewilderment but also the joy and opportunities that people in CEE have experienced in that period and the ambitions and aspirations many of them have in societies and organisations featuring hierarchical structures where the language is a great opportunity enabler for people to improve their situation, an amelioration instrument particularly for the local people but also for the expatriates. Companies have a responsibility to enable a well-functioning company communication where speaking the local language helps an expatriate to build trust and obtain a holistic view on job and society, to think independently and to assume responsibility and take initiatives as well as to create a win-win thinking and atmosphere. Language – and particularly the local language – is thus very closely related to the dimensions given by the most crucial cultural significance structure elements in the studied CEE countries.

The first chapter gave a background where Swedish companies lose market shares and where a need for improved language competence is met by poorer language skills among university students and younger business people and this creates a problem for Swedish companies and then the geographic area, Central and Eastern Europe, was presented as were the problem, the aim and the delimitations of the study. The second chapter described the scientific perspective used in this study – hermeneutics – and described interpretative cultural studies. Chapter three on theory described theories on culture, communication, intercultural communication and language. In the fourth chapter the method of this study being an ethnographically inspired case study with semi-structured interviews was accounted for along with weaknesses and strengths of my study and an evaluation of the study’s sources. Chapter five on empirics started by a concise but yet rather detailed description of the main empirical findings of the study and then came the core part of the empirical chapter called voices from the field with information from the informants and also some comments and reflections of mine. This chapter, chapter six, has presented a
hermeneutic spiral explaining its conditions and how the study was carried out and then came the ideal types on cultural and language supplemented by figures and tables that were summed up in overarching total tables and then transformed into cultural significance structure figures in form of towers which then were metaphorically interpreted. It is now time to round up this study so the next chapter will discuss the conclusions and other issues from the study.

6.10 Summary of chapter six
This chapter begins with the hermeneutic spiral development process where the proceedings of the study from my pre-understanding through my empirical findings and relevant theory to the ideal types and finally the cultural significance structures are described.

Ideal types are conceived by Max Weber and describe a phenomenon in its pure form under ideal conditions but are still rooted in the social reality and focus on the core meaning of the phenomena they describe and not so much in the situation they are currently in. The ideal types describe how an actor would act rationally according to existing criteria for rational behaviour and are well suited for interpretative understanding in cultural studies. Thus the ideal types are well suited for a hermeneutic study and meet my ambition to provide clear, understandable and pedagogic presentation of my results.

I have chosen to have a rather extensive number of ideal types in order to provide broad, multifaceted and nuanced descriptions of various phenomena in the fields of culture, communication and language within the field of international business.

The ideal types have emerged gradually in a hermeneutic spiral process in a recurring procedure where my empiric results have come together with theory on culture, intercultural communication and language in an international business setting where each ideal type has been built up step by step holding more and more substance.

My ideal types cover the areas of how an expatriate may act and communicate in CEE, the characteristics of leadership in CEE, how to build trust when doing business in CEE and typical difficulties making doing business harder in CEE. These ideal types mainly cover culture but then come the ones mainly covering language. I show ideal types on the benefits for expatriates to speak the local language, the disadvantages of not speaking it and the importance for an expatriate to speak it. Then come presentations on ideal types on the advantages and disadvantages of having a common company language and some consequences and characteristics of
having it as well as the advantages and disadvantages of using multilingualism and some consequences and characteristics of using it. Then there are ideal types for the problems with using interpreters, language nodes and agents and for language norms and usage related to power and politics as well as for actions in training and recruitment for language skills in business.

Then I present the cultural significance structure elements in Central and Eastern Europe and they have gradually emerged throughout the work with primarily the empirical material. These twelve cultural significance structure elements are (dis)trust, (less) fear, hierarchy and authoritarianism, admiring the strong one, (no) win-win thinking, (lack of) responsibility and initiative, (lack of) independent thinking, egoism and lack of consideration and respect, (lack of) holistic view, plan economy thinking, materialism and corruption. The parentheses indicate that these phenomena are differentiated and have two or more forms such as trust and distrust or holistic view and lack of holistic view along with holistic view difficulties.

These ideal types are exhibited in figures with ovals where each oval has a headline of a cultural significance structure element and beneath it come the ideal type elements. These ovals are interconnected to other ovals by arrows showing how they influence each other and an oval may have one or several ideal type elements. All in all there are 17 ideal types and each one has a corresponding figure and also a corresponding table listing the headlines of the ovals, i.e. their cultural significance structure element. These 17 tables are then summed up in overarching tables which are then weighted so that each column of the three categories frequency, influence and intensity have the same weight and for each cultural significance structure element these three categories are summed up and thereby two main tables emerge, one accumulative adding the positive and the negative antipodes of the cultural dimension while the other table is differentiated where the positive and negative antipodes are counted individually.

The first cultural significance structure interpretation takes the significance of the cultural elements that the accumulated table shows into account by symmetrically distributing and arranging the cultural significance structure elements in a way that gives the ship a good balance and the structure is therefore called the balanced Viking ship ornament structure.

The two most significant tables are then transformed into cultural significance structures where the first one is the mushroom-formed water-tower holding the accumulated elements which are altogether 12 and then comes the versatile television tower holding both differentiated and un-
differentiated elements and they are altogether 19 elements. By un-
differentiated I mean the six cultural elements that don’t have lack of, dis or
any other word attached to it. These both cultural significance structure
figures are then metaphorically interpreted.

The four by far most important elements in the accumulated tower are
(dis)trust, (lack of) holistic view, (lack of) independent thinking and then
(lack of) responsibility and initiative. Well behind them come (no) win-win
thinking and hierarchy and authoritarianism. The remaining six cultural
significance structure elements are far behind.

The two most important elements in the cultural significance structure
interpretation holding both differentiated and un-differentiated cultural
elements are trust along with responsibility and initiative and thereafter
independent thinking, holistic view, hierarchy and authoritarianism, lack of
holistic view, win-win thinking, lack of independent thinking and then
distrust. Lack of responsibility and initiative comes in between and 8eight
elements are far behind. It seems that the differentiated elements come out
on top and that their positive antipodes are so strong precisely due to the
strong need to counterweight the negative antipodes of these cultures.

The accumulated cultural significance structure figure gives a good general
description of the culture while the differentiated cultural significance
structure figure gives a general description but it is also more dynamic and
problem-solving to its nature thus being particularly useful for business
people and companies.

The metaphorical interpretations by narratives tell us about the transition
from a plan economy to a market economy and all the hardship, difficulties
and bewilderment but also the joy and opportunities that people in CEE
have experienced in that period and the ambitions and aspirations many of
them have in societies and organisations featuring hierarchical structures
where the language is a great opportunity enabler for people to improve
their situation, an amelioration instrument particularly for the local people
but also for the expatriates. Companies have a responsibility to enable a
well-functioning company communication where speaking the local
language helps an expatiate to build trust and obtain a holistic view on job
and society, to think independently and to assume responsibility and take
initiatives as well as to create a win-win thinking and atmosphere which is
vital as all these elements are among the most crucial cultural significance
structure elements.
Thus I apply Gadamer’s hermeneutics on Weber’s ideal types and the pictures and tables resulting from the ideal types are put together on an overarching level and then transformed into cultural significance structure figure where these cultural significance structures are given metaphorical interpretations where I have been inspired by the thick description which Geertz recommends for cultural studies as they strive to find what is beneath the surface, i.e. to see the cultural phenomena lying behind the surfaces of these both towers.
7. CONCLUDING CHAPTER

7.1 Introduction
In the first chapter a background was given telling that Swedish companies lose market shares globally and in Europe: In CEE there is an ongoing shift from cost-cutting vertical foreign direct investments to horizontal foreign direct investments (FDIs) aiming at gaining market share and that requires better communication skills which means a need for better language skills that is met by lower language competence among young Swedish business people and students. This constitutes a problem for Swedish companies and for Sweden as a country and this was supplemented by the aim and the delimitations of the study. Chapter two gave the study’s scientific perspective which is hermeneutics. Theories on culture, communication, intercultural communication and language were given in chapter three while the method of the study – an ethnographic inspired case study with semi-structured interviews was presented in chapter four along with the strengths and weaknesses of the study and an evaluation of the sources. Chapter five presented the empirical findings of the study in similar order and structure as the theoretical chapter and first came a concise but still rather detailed section followed by the voices from the field portraying views from my informants along with my comments to those views. The analysis of the study came in chapter six starting with a figure called the hermeneutic spiral development process describing how the study hermeneutically was performed from my pre-understanding via my empirical findings and relevant theories coming together in the ideal types portrayed in figures and tables leading to the significance structures called cultural significance structure figures. An extensive amount of ideal types, 17, covering culture, communication and language within the field of international business were presented with the corresponding figures and tables along with the cultural significance structure elements and the tables from each ideal type figure were then added providing overarching tables of both accumulated and differentiated nature resulting in two cultural significance structure figures; the accumulated mushroom-formed water-tower and the differentiated versatile television tower where both towers were metaphorically interpreted.

This chapter begins with a discussion on how the theoretical and practical problems as well as the aim of the study have been met where the influence of language when dealing with the cultural significance structures is given. Then I present the four business flowers which strive to in a clear way - being divided into three to five subgroups - show some key areas of this study as they largely are related to its aim and problem. They cover both the
accumulated and the differentiated cultural significance structures, the communicatively and linguistically self-dependent scholar and how better language competence among expatriates could make companies win market shares. In a figure I show the development process with these business flowers and how they are related. Yet another flower is presented showing the possible benefits which could be obtained by a scholar by speaking the local language. Thereafter follows the question why companies and scholars don’t pay more attention to the language issue where an ideal type on that issue with a corresponding figure and table which are then interpreted and then there is a section on the consequences for Sweden due to the poor interest in learning foreign languages. Then we find the conclusions of the study which are divided into three parts where the first presents the empirical findings of the study and the second the core of the analysis and a little from this concluding chapter. After that I present several contributions from the study divided into theoretical, methodological and combined contributions and I then come up with suggestions for further studies and finally there is a summary of chapter seven.

7.2 Meeting the theoretical and practical problems and the aim of the study
In order to see how the key parts of this study - which were first presented in the introductory chapter - have been dealt with the theoretical problem as well as the practical problem will be recapitulated and we will once again recall the research questions and the aim of this study and see how these problems and the aim have been met.

Beginning with the theoretical problem to fill the gap regarding giving thorough descriptions of how business expatriates independently and in a self-dependent way could communicate with the local people with a stress on Central and Eastern Europe an answer to it has been given in form of the nine ideal types including the corresponding figures, tables and interpretations on advantages, disadvantages and characteristics related to the usage of a common company language, multilingualism and the expatriates speaking the local language. I will later in this chapter show the business flower on the communicatively and linguistically self-dependent expatriate which will add more aspects to this self-dependent dimension of the theoretical problem.

Regarding the strategies to handle the language issue this study deepens and adds to the ten strategies proposed by Feely and Harzing by choosing three strategies which are much more thoroughly treated. As the theoretical problem focuses on the self-dependent communicative ability of the
expatriate the ideal types give a much more detailed view of the three main strategies – using a common company language, multilingualism or speaking the local language - for an expatriate to communicate independently of others where Feely and Harzing don’t discuss one of them which is speaking the local language while the multilingualism which I describe is purer having distinct languages than the muddling through mixture of languages, pidgin and gestures they discuss\textsuperscript{1018} where they regarding this functional multilingualism refer to Hagen.\textsuperscript{1019}

Regarding the practical problem - where Swedish companies since 40 years lose market shares in an era when a shift takes place in CEE going from vertical FDIs focusing on cost-cutting to horizontal FDI focusing on market shares and advanced production demanding higher language and communication competence where these demands are met by lower language skills among young business people and students in Sweden - is thoroughly dealt with throughout the thesis. The clearest answer to this practical problem is exhibited in the business flower called “the market share gaining language flower” which is presented later in this chapter showing the ways and areas where better language skills among expatriates could be helpful to gain market shares for their companies. These areas are related to the most vital elements in the differentiated cultural significance structure and these elements are also specifically given in the highest and most influential group of “the confidence- and ability-building but problem-attacking expatriate flower”.

These problems are related since if a good solution to the theoretical problem is implemented it will provide a good language and communicative competence among the expatriates helping them to make their companies gain market shares which solves the practical problem.

The research questions presented in chapter one deal with the role of language in intercultural business communication between Swedish expatriates and local employees and customers.

1. How do Western expatriate business people perceive the role and importance of language skills when doing business in CEE and what are the more operational consequences of possessing or lacking such skills?


2. Which cultural significance structures seem to influence intercultural business communication between Westerners and CEE locals?

Based on these research questions the following aim of the study was extracted where the notion of Western business people has been replaced by Swedish expatriates since most of the expatriates who I interviewed were Swedes although some other Western and local business people as well as a few diplomats also were interviewed:

The aim of the study is to investigate and analyse the role of language in intercultural business communication as perceived by Swedish expatriates in CEE. The study strives to find cultural significance structures and metaphoric interpretations of them.

We also recall that in connection to the aim I said that in order to investigate the role of language in the intercultural business communication I will use a method where I learn to the local language to understand the local culture and to analyse it I will use Weber’s ideal types.

So I went to seven countries in Central and Eastern Europe though I primarily focused on five ones to carry out my study. I went there empty-handed and familiarized myself with the local culture and its people by studying and learning the local language. I then ordered and presented what I had found in the empirical chapter. Based on the empirical and theoretical chapters I wrote the analysis chapter with the ideal types and their figures and tables along with the cultural significance structure elements and corresponding tables and figures building up the two cultural significance structures which were presented and then metaphorically interpreted. Let us now look at how the aim has been met in terms of how the cultural significance structures are influenced by and related to language and first and foremost learning and speaking the local language.

Many of the cultural elements and dimensions coming out on top of the cultural significance structures are related to language in general and to the usage of the local language in particular. Speaking the local language builds trust, it enables a better understanding of the local culture and its people and thereby contributes to a more solid and wider holistic view and all this improves an expatriate’s possibilities of an independent thinking as he or she doesn’t have to lean so heavily on the view of other expatriates but rather is capable of finding the information directly from the local population. All this strengthens the self-dependent ability of the expatriate. This directness also facilitates assuming of responsibility and taking of initiatives. The win-win thinking is strengthened by the possibilities to
understand the local counterpart’s way of thinking as it enables adaptation and tailor-made offers and solutions. Speaking the local language could make the local people open up and feel less afraid thereby reducing their fear for foreigners. Thus speaking the local language facilitates for and enables an expatriate business person to handle many of the cultural significance structure problems which he or she faces at work. The plan economy thinking has in a way been built into the local language so by speaking it an expatriate may have a better chance to understand its logic and how it works and thereby find out how to handle it and the consequences it brings. In an analogical way speaking the local language an expatriate may grasp more of how hierarchy and authoritarianism functions and what it implies and adapt to it to the extent it is needed to perform the job remembering that another cultural significance structure element - admiring the strong one - is closely related to hierarchy and authoritarianism. Speaking the local language it is easier to see corruption and how it works and thereby also find possible ways to avoid it. Other rather unpleasant cultural elements are egoism and lack of consideration and respect along with a strong materialism but speaking the local language may also make it easier to deal with them in a constructive way. Yet the last six cultural significance structure elements mentioned here above are clearly not as directly related to language as the first six of which the four first ones also are the four top elements in the differentiated cultural significance structure figure and thereby the most influential ones in the local CEE culture.

Thus the cultural significance structure elements found at the top of the model are strongly influenced by the local language where better language competence among the expatriates – particularly in the local language – could help the expatriates both to understand and to handle these cultural elements while the elements further down in the accumulated structure aren’t - or at least not to the same extent – related to language.

Moreover describing the role of language mentioned in the aim - and also regarding the theoretical problem - has been dealt with in the nine ideal types on advantages, disadvantages and characteristics related to the usage of a common company language, multilingualism and the expatriates speaking the local language but also in some other ideal types regarding power aspects on language, the role of language in recruitment and training and problems when using interpreters as well as the ideal type on how an expatriate may communicate in CEE. The business flowers which will be presented in the next section are also closely related to language where the top oval called “action areas by expatriates to build up locals’ abilities” of “the confidence- and ability-building but problem-attacking expatriate
flower” extracted from the differentiated cultural significance structure is central. Through the “communicatively and linguistically self-dependent expatriate flower” these action areas are related to the crucial “market share gaining language flower” showing different areas influenced by language and related to the most vital differentiated cultural significance structure elements just discussed which also are found in the action areas which could contribute to gain market shares through language competence.

Thus as an overall conclusion this study indicates that by better language skills and especially through learning and speaking the local language many problems related to the cultural significance structures of the studied countries in CEE could be handled in a constructive way helping an expatriate to perform better at work which may result in more profitable business and new business opportunities which in turn could increase the companies’ market shares.

7.3 The business flowers

7.3.1 The four business flowers
At the end of this thesis I would like to present four business figures on some crucial themes for the thesis where each figure holds a few groups or ovals which in an overarching and graspable way show the major factors characterising the phenomena making them easier to understand. Considering the opportunities of turning the emerging markets into flourishing business I have come up with four so called business flowers. Generally one could say that the higher up in the flower that a group is positioned and found the stronger is its influence on the phenomenon that the flower exhibits. The more elements there are in a group or oval the more important it generally is though some elements could be so vital that the oval is more crucial than its number of elements would indicate and therefore it could be placed higher up in the flower than its number of elements would suggest. The first business flower puts the accumulated cultural significance structure elements in the so called mushroom - formed water-tower into three major groups while the second figure shows the differentiated culture significance structure elements - the versatile television tower – in a figure with five ovals or groups. As both these towers show some key cultural characteristics of the business culture in the studied countries – where the differentiated tower also illustrates the need for business dynamics including the action areas where the expatriates and others have to develop and improve the local employees’ and managers’ abilities – and as a key part of the aim was to find cultural significance structures and interpret them metaphorically – these two figures are closely related to the aim of the study and therefore important. Regarding the
theoretical problem of the study the importance of an expatriate to be independent and self-dependent was stressed where the communicative ability is vital and as it is an intercultural communication study on expatriates the third figure on the communicatively and linguistically self-dependent expatriate also relates to a core part of the study – the theoretical problem. The practical problem where Swedish companies lose global market shares in an era demanding higher communicative and linguistic competence which in Sweden is met by lower language skills of young Swedish business people and students is dealt with in the fourth figure on how increased language competence among their expatriates – not in the least in the local language - could help Swedish companies gain market shares. This is also related to the aim of studying the role of language in the intercultural business communication. So based on earlier parts of this thesis four business flowers have been extracted in order to better understand the local culture and its people as well as the need for communicative and linguistic skills for expatriates, and show how local language competence could help Swedish companies gain market shares. The four business flowers follow here:

1. The troublesome Eastern European business culture flower
2. The confidence- and ability-building problem-attacking expatriate flower
3. The communicatively and linguistically self-dependent expatriate flower
4. The market share gaining language competence flower

7.3.2 The troublesome Eastern European business culture flower
We now begin with the first business flower. A cultural significance structure could be divided or classified into a few subgroups emphasising the character of the structure. The accumulated cultural significance structure of this study is the mushroom-formed water tower which here is divided into three groups thereby creating the troublesome Eastern European business culture flower. The three groups which build up this business flower are as follows:

Self-dependent inability
1. (Lack of) Holistic view
2. (Lack of) Independent thinking
3. (Lack of) Responsibility and initiative
4. Plan economy thinking

Unreliable business environment
1. (Dis)trust
2. (No) win-win thinking
3. (Less) Fear
4. Corruption

**Egoistic authoritarianism**
1. Hierarchy and authoritarianism
2. Egoism and lack of consideration and respect
3. Materialism
4. Admiring the strong one

These three groups are presented in figure 25 here below. The strongest group is clearly the self-dependent inability which is followed by the unreliable business environment while the influence of egoistic authoritarianism is a bit weaker. The order of importance among these three groups becomes clear and obvious when one looks at the height at which the different cultural elements are placed in the earlier shown accumulated cultural significance structure called the mushroom-formed water tower in figure 23. This importance is found more specifically by extracting the weight for each cultural dimension and placing it in its group where the total weight of the group is divided by the total weight of all twelve cultural dimensions. Thereby we find that the “self-dependent inability” group holds dimensions which reach 53 % (1268/2388) of the total structure weight, the “unreliable business environment” group holds 33 % (789/2388) of the total structure weight and the “egoistic authoritarianism” group reaches 14 % (330/2388) of the total structure weight. The earlier discussed dominance of the cultural dimensions which are differentiated is clearly seen as these differentiated dimensions constitute over 83 % (1993/2388) of the total weight of the accumulated structure, i.e. they constitute 5/6 of the total structure weight. In figure 25 below the accumulated cultural significance structure elements from the mushroom-formed water tower are divided into three main groups with four elements in each group. For the business flowers in general – and as earlier mentioned - the higher up a group reaches and thus is positioned - the stronger is its influence – in this case on the local business culture - and the more attention the expatriate has to give it in order to handle it well. Thus this figure focuses on the cultural dimensions – which are accumulated - and not on the antipodes – which are differentiated.

In this troublesome Eastern European business culture flower the “self-dependent inability” group shows the intellectual obstacles featuring the local people as well as their lack of dynamic thinking and handling. This lack of overall view and free, individual thinking is a brake on the ability to think and act independently taking clever business initiatives. The “unreliable business environment” group pinpoints the uncertainty and the lack of fairness along with the short-term thinking featuring these cultures.
These problems could impede many business deals which would build up the economy of the country. The “egoistic authoritarianism” oval shows the top-driven vertical structures and the heavy focus on money and artifacts featuring these cultures. This group features the hierarchical management style including the one-man-show of the boss and all the benefits and privileges which so many people so vehemently strive for in these cultures. Due to all these difficulties that an expatriate has to face and handle the business culture flower is said to be troublesome but it is important to stress the dimension holding the duality of the accumulated structure where the two ovals on self-dependent inability and unreliable business environment don’t just illustrate problems but also hold ways to solve them. This constructive and problem-solving approach will be stressed more clearly in figure 26 on the differentiated cultural significance structure providing a division of the constructive and the problematic aspects being more dynamic and long-term business operation oriented having a focus on areas where it could be feasible and useful for the business expatriate to take measures and improve the business climate increasing efficiency, efficacy and business turnover facilitating the exploitation of business opportunities. Yet that comes in next section and we now show the just described troublesome Eastern European business culture flower.
7.3.3 The confidence- and ability-building but problem-attacking expatriate flower

The differentiated cultural significance structure of this study is the versatile television tower where five main groups in the versatile television tower are found. The first group on action areas by expatriates to build up locals’ abilities is dynamic and long-term business operatively oriented as it to an
important extent focuses on handling problems which are found in many elements in most of the other groups. Thus the five main groups are the following:

**Action areas by expatriates to build up locals’ abilities**
1. Trust
2. Responsibility and initiative
3. Independent thinking
4. Holistic view
5. Win-win thinking
6. Less fear

**Intellectual limitations for a market economy**
1. Lack of holistic view
2. Lack of independent thinking
3. No win-win thinking
4. Plan economy thinking
5. Holistic view difficulties

**Strongly top-driven**
1. Hierarchy and authoritarianism
2. Lack of responsibility and initiative
3. Admiring the strong one

**Interpersonal problem areas**
1. Distrust
2. Egoism and lack of consideration and respect
3. Fear

**Excessive focus on money**
1. Materialism
2. Corruption

At the top of figure 27 here below we find various areas where the expatriate has to build confidence and abilities among the employees and local managers to make the company work well while the problematic areas which have to be considered and in many cases confronted are shown in the other ovals. The by far most important of these five groups is the one at the top – which becomes clear when looking at the height and position of the individual elements in the corresponding versatile television tower in figure 24 showing the differentiated cultural significance structure where the four antipodes at the top are trust, responsibility and initiative, independent thinking and holistic view while win-win thinking comes quite close at place.
seven. Thus these five elements give the action area oval a massive domination of the figure 26. Looking at figure 24 on the differentiated cultural significance structure elements these five elements actually have a combined weight (1222) which is more than half of the total weight (2388) of the 19 cultural elements. Also including the sixth element – less fear – in the group the total weight of the group is 1252 and its share of the total weight is 52.4% (1252/2388). It means that this action area oval has more weight (1252) than the other four elements taken together (1136 since 2388-1252=1136). This means that this action area oval has to be given special attention. For the company to work smoothly and efficiently it is important for an expatriate and others to make an effort in developing and improving these qualities among the local managers and employees training and encouraging them to improve in these action areas while leading by the good example. Yet, to improve these qualities much energy, commitment, time and patience are necessary. Even if these are crucial improvement areas the problems are plenty-fold and extensive as the figure shows where the four remaining ovals are pre-dominantly problematic featuring many cultural difficulties although not all cultural elements have that character and connotation.

The second most important group is the one covering the “intellectual limitations for a market economy” holding problems which are a real challenge to face where a remedy could be more dynamic thinking and wider perspectives on society and business including a feeling for fairness. This intellectual limitations group has a total weight of 489 which is just over 20% (489/2388) of the total structure weight. The strength of this group also partly explains why the action area group is strong as this latter one has to deal with the difficulties of the former one in the areas of holistic view, independent thinking and win-win thinking.

The third most vital group is found in the so called “strongly top-driven” oval emphasising the hierarchical passivity having a weight of 332 corresponding to 14% (332/2388) of the total structure weight. The fourth most important group holds the “interpersonal problems areas” expressing some fundamental difficulties in the human interaction and the weight is 261 which is 11% (261/2388) of the total structure weight. In order to handle these problems the expatriate must have a long-term orientation including patience, perseverance and pedagogical skills as well as humility and leading the others by being the good example. Finally the fifth group exhibits another difficulty where the extreme and at times reckless focus on making fast and big money is shown in the oval called “excessive focus on money” having a weight of 54 corresponding to just above 2% (54/2388) of the total structure weight.
By looking at the “action areas by expatriates to build locals’ abilities” group we see that as this group dominates the other groups whose problems the expatriates have to face and handle are first and foremost related to intellectual limitations for a market economy where the expatriates have to build up knowledge as a basis for perspectives and then implement and turn them into automatic business instincts which guide the local people when doing business. It goes without saying that it is a complex and time-consuming task to achieve such instincts. The second most important group to take on for the expatriate is the one with “interpersonal problem areas” – as it holds the elements of distrust and fear which together are stronger than element the lack of responsibility and initiative from the third group called “strongly top-driven.” This means that although the “strongly top-driven” oval has a higher weight than the one on interpersonal areas – the latter is more important to handle since the elements relevant to attack have a higher weight in the latter group. The oval on “excessive focus on money” covering materialism and corruption doesn’t seem to be so important for the expatriates to take on. As earlier mentioned corruption is more problematic for local SMEs than for big MNCs which have stronger means and contacts to avoid it but there is the possibility that the expatriates play down the importance of corruption since it is an unpleasant matter.

Thus this figure 26 has differentiated six of the cultural dimensions from figure 25 showing crucial areas where the expatriates have to take measures to improve the possibilities to conduct business in these cultures. Figure 26 is shown here below and specifies both the action areas and the kind of problems which have to be dealt with and is therefore more dynamic and long-term operatively business oriented than figure 25. Figure 26 reflects – as earlier mentioned in the analysis chapter – the transition from the plan economy to the market economy where a variety of problems have to be solved in a constructive way. As the differentiated cultural element figure 26 holds 19 elements – and thus seven more than the accumulated cultural dimension figure 25 having 12 elements – and as the differentiated elements largely are clear antipodes and not entire dimensions - it has been natural to increase the number of groups from three to five. Increasing this number means that the groups could become more specific but not as broad as they are in figure 25 giving a sharper picture of the problems which have to be tackled where measures have to be taken, the whole flower thus becomes more specific and to the point. However, this could also lead to elements which belong to the same group in figure 25 could end up in different groups in figure 26 but also to the contrary where elements which belong to different groups in figure 25 are put together in the same group in figure 26.
As earlier mentioned regarding the ideal types drawing the line and decide to which group that an element should belong is a delicate matter where in the end one has to take an overarching view and see where it would fit the best and put it there. One has to remember that this thesis is an interpretative study and such decisions have to be taken.

We have earlier seen that multilingualism could enhance creativity and problem solving ability as well as the abilities for learning and multitasking and strengthen interpersonal multi-skills. Such abilities fit perfectly in this more problem-solving approach in the differentiated cultural element figure showing the importance of language competence to solve these problems. Thus language and particularly multilingualism – where the local language has to be considered – are useful instruments to handle these cultural problems and their usefulness increases even more since they also improve the intercultural and communicative ability. By speaking or learning the local language an expatriate obtains a better understanding of the way the local people think and thanks to that he or she could then in a more effective way develop their abilities while by learning another language the local people could strengthen their holistic view and their independent thinking which could lead to more trust in others and less fear for them. Speaking or learning each other’s language reflects a fruitful win-win thinking and at the same time an initiative that shows assuming of responsibility.

The importance of the expatriate to be self-dependent was discussed and stressed already regarding the theoretical problem. In order to be self-dependent in action to deal with the cultural difficulties it is crucial for a manager also to be self-dependent and independent in his or her communication with the local employees, managers, customers and other local stakeholders which brings up the question of the need for language skills and notably for local language skills among the expatriates as having a common language is vital for direct and independent communication. It therefore seems logical that in order to be able to implement cultural problem tackling measures in these areas in a smooth and efficient way a business expatriate has better chances if he or she communicates independently and that is what the next section deals with. But first we show the differentiated cultural element structure divided into five groups that we have just discussed.
The confidence- and ability-building but problem-attacking expatriate flower

**ACTION AREAS BY EXPATRIATES TO BUILD UP LOCALS’ ABILITIES**
1. Trust
2. Responsibility and initiative
3. Independent thinking
4. Holistic view
5. Win-win thinking
6. Less fear

**INTELLECTUAL LIMITATIONS FOR A MARKET ECONOMY**
1. Lack of holistic view
2. Lack of independent thinking
3. No win-win thinking
4. Plan economy thinking
5. Holistic view difficulties

**STRONGLY TOP-DRIVEN**
1. Hierarchy and authoritarianism
2. Lack of responsibility and initiative
3. Admiring the strong one

**EXCESSIVE FOCUS ON MONEY**
1. Materialism
2. Corruption

**INTERPERSONAL PROBLEM AREAS**
1. Distrust
2. Egoism and lack of consideration and respect
3. Fear

Figure 26: The confidence- and ability-building but problem-attacking expatriate flower
7.3.4 Qualities of the communicatively and linguistically self-dependent expatriate

Contrary to the cultural significance structure elements in the two previous business flowers the elements in the remaining two business flowers – and thus also in this one - are new and therefore shortly described in a similar way to how the ideal type elements in each ideal type were described in the analysis chapter. This method will also be used for the self-dependent local language speaking scholar flower being presented in a later section in this chapter. Regarding this section the qualities in the communicatively and linguistically self-dependent expatriate flower – shown in figure 27 - are divided into three groups which are the following ones:

Versatile communicative ability and consciousness

1. **Intercultural communication ability and directness** – being able to communicate interculturally in an effective and efficient way directly with the counterpart in a common language facilitates doing business just as wisely using non-cultural communication such as gestures and body language promotes it

2. **Clarity and rhetoric skills** – being clear, consistent and honest showing a good ethos and possessing good rhetoric skills is vital as it is to reduce uncertainty and anxiety

3. **Attentive listener showing respect and building trust** – it is central to be a good and attentive listener having a good judgment and showing respect for the local people and their culture building trust and personal relations in a useful personal network

4. **Driving, initiative rich and result oriented** – it is crucial to know what to do and be driving taking initiatives and to know who to talk to in business – the one who makes the decisions – while it is very important to be long-term result oriented

5. **Diplomatic using familiar metaphors and proverbs** – being diplomatic having a sensitive ear and not stepping on people’s toes as well as being well dressed but also using words, metaphors and proverbs which are familiar to the local people is vital and shows them respect

6. **Multidisciplinary and versatile communicator** – it is important to be flexible and able to discuss a variety of things and themes being capable of communicating successfully with all kinds of persons with very different backgrounds in terms of profession, education, nation, worldview, ideas, interests and hobbies etc.

7. **Patient, perseverant and analytical finding out what is essential** – being perseverant, focused and patient in communication staying cool and not letting oneself be provoked but finding out what is the essence of the message having an analytical ability are all crucial
ingredients for successful communication, not in the least in negotiations

Cultural awareness and being well informed
1. *Curiosity and willingness to learn* - humility and cultural curiosity with an eagerness to learn new things and get to know new people are all important qualities to succeed on a foreign assignment facilitating daily work and other tasks
2. *Possessing a good general education* – possessing a good general education including economy, business and history and being well informed about the world including general politics could help the expatriate in many business related situations
3. *Know the job and have control* – to be generally knowledgeable and well informed about the work issues and the company in order to give useful and correct answers is important while for a manager it is also crucial to have control over what happens in the company to be able to run the company in an effective, efficient and correct way

Linguistic ability and inclination
1. *Multi-linguistic ability* – it is important that the expatriate is used to international communication and speaking a few languages makes the expatriate more independent and it facilitates for him or her to adapt to new assignments, countries and situations
2. *Preparedness to learn and speak the local language* – in order to better understand the people and their culture, to build trust and convince employees, customers and others speaking the local language is a vital advantage

Figure 27 here below has a broader business approach and puts more emphasis on being self-dependent than the earlier presented ideal type on how an expatriate may communicate though there are similarities. This figure extracts information from different ideal types and emphasises the overarching quality of expatriate businessmanship in intercultural business communication. More specifically the “versatile communicative ability and consciousness” is the strongest oval in this flower and it focuses on the communication and flexibility of the expatriate. Many of the qualities are general skills needed for a manager but there is an expatriate emphasis in terms of the stress on intercultural communication ability, diplomatic feeling and being a versatile communicator which are skills which will be used more and therefore are more vital for an expatriate than they would be for a manager at his or her home office. The international and expatriate dimension is more clearly seen in the second strongest group which is called “cultural awareness and being well informed” emphasizing the need of
knowledge and of having a positive attitude towards the local people and their culture. It further shows the need for cultural curiosity and for being self-dependent in terms of knowing what to do and having control over matters. There is also a vital dimension of cultural adaptivity and flexibility in this second group and these qualities are probably even more crucial in the third group labeled “linguistic ability and inclination” which pinpoints the independence that multilingualism provides while also stressing the need to learn the local language in order to understand and succeed in business where learning the local language in many ways is the ultimate adaptability to the local culture.

An interesting picture thus emerges where the general manager skills seem to be most important followed by cultural awareness and language competence where the degree of both intercultural and international skills increase the less influential in order the groups are. This could then explain why the companies regarding recruitment of expatriates give priority to people who already possess such an experience of performing foreign assignments. However, since my informants largely are people with this background of having experience from earlier foreign assignments this priority could also just as much as it explains also reflect the current order and the reigning preferences in the companies where researchers claim that in the companies language competence is neglected. Here the direct and indirect dimensions are important since better language skills are closely related to and strengthen many of the elements in the other two groups. Thus intercultural ability, rhetoric skills and impact, diplomatic and formulation ability, being a versatile communicator in the first group on “versatile communication ability and consciousness” but also curiosity and being well informed as well as having control in the second group of “cultural awareness and being well informed” are all strengthened by better language skills showing that direct better language competence indirectly strengthens crucial cultural elements in the other groups and thereby the entire business flower. Thereby language competence could be seen as the hidden and missing deep factor for successful foreign assignments although it apparently doesn’t seem to be so important. What better language competence in general and particularly in form of local language skills could do in order to help companies to gain market shares will be shown more specifically in the next figure called “the market share gaining language competence flower”.
The communicatively and linguistically self-dependent expatriate

VERSATILE COMMUNICATIVE ABILITY AND CONSCIOUSNESS
1. Intercultural communication ability and directness
2. Clarity and rhetoric skills
3. Attentive listener showing respect and building trust
4. Driving, initiative rich and result oriented
5. Diplomatic using familiar metaphors and proverbs
6. Multidisciplinary and versatile communicator
7. Patient, perseverant and analytical finding out what is essential

CULTURAL AWARENESS AND BEING WELL INFORMED
1. Curiosity and willingness to learn
2. Possessing a good general education
3. Know the job and have control

LINGUISTIC ABILITY AND INCLINATION
1. Multi-linguistic ability
2. Preparedness to learn and speak the local language

Figure 27: The communicatively and linguistically self-dependent expatriate flower

7.3.5 How can companies win market shares by their expatriates possessing a good language competence?
Considering the material that has been presented in this thesis possessing better language competence in general – and particularly learning and speaking the local language – seems to generate easier and smoother as well
as more and more profitable business and thereby increase both the market share and the profitability of the company. Such an improvement and increase in market share and profitability would be crucial for Swedish companies losing market shares since 1970. Yet to show how this could be materialised one has to be more specific. Therefore figure 28 illustrating how companies could win market shares by their expatriates possessing a good language competence is presented and it is divided into five different groups which are the following ones:

Closeness to customers

1. *Speaking the local language could be decisive to win a contract* – in some situations speaking the local language could make a company win the contract and the business

2. *Particularly crucial for marketing and sales* – local language skills are particularly important in the fields of marketing and sales which are key areas for winning new business and market shares while speaking a common company language fluently is crucial for the top management and also for others having many international contacts

3. *Vital for other departments having extensive customer contacts* - local language skills are not only important for the marketing and sales departments of a company but also for other departments – such as service and after sales departments - having extensive customer contacts which - if they are well managed - could generate future business

4. *Multilingualism increases the chances of finding a common language* – being multilingual increases the probability that the selling company could find a common language with the customer which builds understanding and trust facilitating doing business

Building of relations and trust

1. *Facilitates building of personal relations and networks and integration* – a good language competence makes it easier to build and maintain personal relations and networks and it facilitates integration into the company and – particularly if speaking the local language – also integration into the local society

2. *More trust and rhetoric power where going multinational means going multilingual* – speaking a few languages may increase the trust – particularly when speaking the local language - and confidence others have in the expatriate and it also strengthens his or her rhetoric and convincing power in speeches and discussions abroad. When a company expands to other markets beyond the borders of its native language it must become multilingual to run its operations well in different markets
Informative edge

1. **Facilitates internal and external communication increasing information exchange** – a common company language could facilitate primarily internal – but to a lesser degree also external – communication while multilingualism and first and foremost the local language could help externally but also internally in the subsidiary. All these types of languages could help to improve exchange and spreading of information and lower the barriers to start a conversation internally but also externally.

2. **Having direct information reduces the risk of bias and economic losses** – obtaining the information directly from the source by speaking a common language reduces the risk of the information being twisted and biased or in other ways manipulated by an intermediary which could lead to misunderstandings and decisions based on incorrect information resulting in economic losses which originally stem from lack of language skills.

Strategic view and ability

1. **Wider perspectives, self-insight and improved creativity and problem solving ability** – learning another language brings wider views and understanding of other cultures and people but also of your own and of yourself. It also enables drawing of analogies where for business highly useful spin-off effects could be improved creativity and ability in the fields of learning, problem solving and multi-tasking as well as better interpersonal interaction skills.

2. **Discover business opportunities and trends faster** – using multilingualism or speaking the local language permits an increased market closeness which could enable companies and expatriates to discover and see business opportunities and trends faster which may help them to do new business strengthening their market position.

Operational effectiveness and efficiency

1. **More effective and efficient organisation** – an organisations’s language competence is critical for its capability to work effectively and efficiently where good language skills could help it to meet increasingly diverse and complex communication and language demands.

2. **Directness overcoming the language barrier which could be a trade barrier** – if the parties have no common language then there is a language barrier which also could be a barrier to trade and business impeding a deal but possessing the appropriate language competence could overcome it permitting a direct communication between both parties paving the way for mutual understanding and new business.
Looking at the flower’s different groups the most important one is the “closeness to customers” oval stressing how vital it is with linguistic adaptability where speaking the local language could be decisive resulting in winning business contracts and this group is closely related to the “building of relations and trust” oval focusing on the integrative and confidence strengthening aspects of linguistic competence. These two are the most important groups. The next group is found in the “informative edge” oval that emphasises the exchange and security aspects of language for information whereas the “strategic view and ability” group stresses the enhancement of intellectual capability that learning a foreign language provides. Finally the “operational effectiveness and efficiency” group emphasises the gains of linguistic directness. The three last groups seem to have a similar impact on the possibilities to gain market shares.

All five groups are related to the cultural significance structure elements in the top oval of figure 26 focusing on the areas where expatriates have to improve the local peoples’ abilities. The “closeness to customers” oval could bring more of a partner-relationship between the supplier and the customer and thereby a win-win thinking which could generate more, solid and long-term business thanks to the increased cooperation between the parties that it could lead to. More cooperation possibly resulting in increased business volumes could also be the natural outcome of the “building of relations and trust” oval that obviously emphasises trust. A facilitated communication and more direct information seen in the “informative edge” oval gives the expatriate a stronger knowledge basis which in turn is a fundament for more independent thinking that enables an expatriate to act swifter and smarter in a more reasoned, well-conceived and thoughtful way since the one who thinks independently could think both faster and deeper – thereby providing both tactical and strategic advantages - which may open the door for exploiting business opportunities and thereby gain market shares. The wider views and insights along with better creativity and problem solving ability as well as seeing business opportunities shown in the “strategic view and ability” group portray the advantages of a good holistic view which also could lead to new business. Speaking a common language and thereby overcome a trade barrier bringing a more effective and efficient organisation in the “operational effectiveness and efficiency” oval is a way of assuming responsibility which also facilitates taking of new initiatives. Thereby an obstacle impeding business deals is taken away enabling an accomplishment of the potential business openings. Thus we see that all the five different groups are closely and naturally related to the five most crucial differentiated cultural significance structure elements which are seen at the top of figure 26 telling us the action areas where the expatriates and others have to build local peoples’ abilities. These elements are also at
the top of the differentiated cultural significance structure showing its relevance for contributing to solve the practical problem of having to gain and increase the companies’ market shares.

There is an analogy with the analysis of the accumulated cultural dimensions in table 34 where the indirect effects of an economic system has a stronger impact on the business culture than the direct effects. The analogy here is that the action areas where the expatriates have to take most measures as the action area oval in figure 26 shows – are first and foremost trust, responsibility and initiative, independent thinking and holistic view whereas – although it also has been dealt with though to a lesser extent – the strongest resulting impact comes in the area of win-win thinking. An explanation for this outcome could be that the first four cultural elements just mentioned here all in a different ways contribute to a win-win thinking which is a fundament for fair, repeated and long-term prosperity being highly valuable for society increasing its standard of living. Thus the most valuable cultural element to gain market shares seem to be win-win thinking which in turn is supported by the four elements of trust, responsibility and initiative, independent thinking and holistic view. Regarding these other four groups we see that due to its deep and extensive influence in many areas the trust oval has been set ahead of the other groups. Figure 28 shows that the remaining three other elements – apart from the strongest two being win-win thinking and trust – seem to have a more or less similar influence on the capability to gain market shares for Swedish companies.

In all flowers the headlines of the ovals have been formulated in order to reflect the content of the oval as well as possible. In this market share gaining language competence flower the five most crucial cultural significance structure elements presented at the top of the action area oval in figure 26 – which has been extracted from the differentiated cultural significance structure – have been connected to these five groups of this flower so that each oval in its headline is related to one of these cultural significance structure elements which the expatriates try to strengthen in order to improve the business climate in these CEE cultures. This method enables us to see the ties between the fundamental business culture shown in figure 25 where its differentiation presented in figure 26 shows us the action areas which have to be dealt with and the way to do it which is through good and skilful communication by the expatriates - and if possible in the local language - where what comes out of it is the emphasis on first and foremost win-win thinking but also on trust and then on responsibility and initiative, independent thinking and holistic view which together could lead to increased market shares for Swedish companies thereby providing a solution to the practical - and indirectly also to the theoretical - problem of the study.
The market share gaining language competence flower

CLOSENESS TO CUSTOMERS – WIN-WIN THINKING
1. Speaking the local language could be decisive to win a contract and it builds trust
2. Particularly crucial for marketing and sales
3. Vital for other departments having extensive customer contacts
4. Multilingualism increases the chances of finding a common language

BUILDING OF RELATIONS AND TRUST – TRUST
1. Facilitates building of personal relations, networks and integration
2. More trust and rhetoric power where going multinational means going multilingual

INFORMATIVE EDGE – INDEPENDENT THINKING
1. Facilitates internal and external communication increasing information exchange
2. Having direct information reduces the risk of bias and economic losses

STRATEGIC VIEW AND ABILITY – HOLISTIC VIEW
1. Wider perspectives, self-insight and improved creativity and problem solving ability
2. Discover business opportunities and trends faster

OPERATIONAL EFFECTIVENESS AND EFFICIENCY – RESPONSIBILITY AND INITIATIVE
1. More effective and efficient organisation
2. Directness overcoming the language barrier which could be a trade barrier

Figure 28: The market share gaining language competence flower
7.4 What do the business flowers tell us? – Theoretical conclusions

The just presented four business flowers are related to each other and they could be seen as links in a development process. The process is taken forward by a couple of questions shown here below in figure 29 which are linked to the previous steps in this development process. Thus this interrogative development process will later in this section be answered by a responding development process providing concrete answers to these questions. Each one of these steps corresponds to a flower being illustrated in a figure. First the role of each flower in this development process will be discussed providing the substance for the answers in the responding development process figure which then will be presented. After that there is a further discussion on this development process and on how the business flowers in it as well as some other key parts of this study are related to the theoretical and practical problems of the study and to the aim of the study. So we begin by the interrogative development process.

Figure 29: The interrogative development process of the business flowers

Figure 25 is extracted from the accumulated cultural significance structure in figure 23 and it exhibits the business cultural dimensions reigning in these countries. This figure puts the antipodes together in their common cultural dimension. This figure is more static focusing on how the situation looks and it is called troublesome as it stresses the problems such as the “self-dependent inability” at work of many of the local people featuring intellectual obstacles and lack of drive like lack of holistic view, lack of independent thinking and lack of responsibility and initiative. Another problem is the “unreliable business environment” with distrust and no win-
win thinking while the “egoistic authoritarianism” emphasises the hierarchical structures and the egoistic lack of consideration and respect. This figure may be seen as an inventory of the culture and brings us an understanding of it showing some difficulties featuring it.

These difficulties are also shown in the next figure, figure 26, which however focuses much more on what is feasible to improve and strengthen for the expatriates and the fields where measures have to be taken. It is thus a priority list of what has to be done to improve the possibilities to do business in the studied countries. Figure 26 is extracted from the differentiated cultural significance structure in figure 24 but this figure emphasises the antipodes and is more dynamic and operatively business oriented where particularly the elements in the top oval called “action areas by expatriates to build up locals’ abilities” focuses on areas into which the expatriates and others have to put much effort in order to develop and improve the abilities of the local employees and managers. Yet this figure also holds the problematic cultural significance structure elements in the other ovals where the most important ones are found under the oval “intellectual limitations for a market economy” and then under the “interpersonal problems” and the “strongly top-driven” ovals. This means that this figure stresses that the companies put more effort into actively resolve the problems than into passively observing that they exist. Still, these active efforts show how strong the problem areas are and how important it is to solve them. To be able to handle the cultural situation in a successful way you have to handle the shown problems in an effective and efficient way which includes successful and competent communication and that is shown in the next figure which is figure 27 called “the communicatively and linguistically self-dependent expatriate flower.”

The top oval of figure 27 is called “versatile communicative ability and consciousness” and it says that to succeed in business you have to be a good manager. And you also have to be humble and willing to learn which the group called “cultural awareness and being well informed” shows us. These are general skills needed for a good manager. But that isn’t enough in the intercultural communication on the emerging markets in CEE. What actually is really needed in order to succeed is the language component – particularly the local language - the missing factor and the missing ability in the recruitment of expatriates. That component is shown in the oval called “linguistic ability and inclination.” And if you as an expatriate possess it what you then could do and in what way it could help you are strengthened abilities in key business areas shown in the next figure, 28.
“The market share gaining language competence flower” exhibits what the expatriates – and thereby also their companies – could obtain and achieve through better language competence – particularly in the local language – among the expatriates. Each oval in this flower has a name reflecting the elements included in it but the oval is also connected to a differentiated cultural significance structure element in order to show the group’s connection to the most influential elements in this structure. Most of these elements are also found the top oval “action areas by expatriates to build up locals’ abilities” in figure 26 which is natural as they have been prioritised as the areas to take measures on. The most important oval in this figure 28 is the “closeness to customer” oval which paves the way for win-win thinking and perhaps even more partner-like business relationships and if the expatriate speaks the local language it could be decisive to win the contract. This oval is closely related to the “building of relations and trust” group. These two groups are the most important ones. The oval called “information edge” strengthens independent thinking, it enhances internal and external communication and reduces risks while the group “strategic view and ability” exhibits wider views, self-insight and grasping of opportunities characterising a good holistic view. The “operational effectiveness and efficiency” group emphasises the organisational benefits of better language skills and the breaking of language and trade barriers it brings. The three last mentioned groups have a similar weight but their individual importance is lower than the one from the first two groups in this flower.

Regarding the three groups in “the communicatively and linguistically self-dependent expatriate flower” both the “versatile communicative ability and consciousness” oval and the “linguistic ability and inclination” oval feature elements and qualities enhancing “closeness to customers” and “building of relations and trust” as well as the “operational effectiveness and efficiency” ovals while the “cultural awareness and being well informed” in “the communicatively and linguistically self-dependent expatriate flower” rather strengthens “the informative edge” and the “strategic view and ability” groups in “the market share gaining language competence flower”

The just presented interrogative development process of the business flowers will now be answered by the corresponding responding development process in figure 30. Thereby how these four business flowers contribute to handle the cultural difficulties and the business which feature these CEE business cultures will be illustrated in a stepwise form here.
These business flowers show us the main cultural dimensions in a kind of inventory, how they could be differentiated and thereby give priority to the most urgent areas where improvements are needed while giving a tool to communicate this effectively and finally show the results in terms of specifying the qualities which could contribute to increased market shares that better language competence among expatriates – particularly in the local language - could result in.

It is thus a development process from seeing and understanding the most important cultural dimensions in the first flower, differentiating them and giving priority to key areas which can be tackled in the second flower where these cultural dimensions and elements are found in the cultural significance structures which were a vital part of the aim to find. In order to do this some qualities which could help to communicate these and other issues and thereby facilitate the implementation of the enhancement of these abilities are found in the third flower while the forth and last business flower shows a number of abilities and areas which could be strengthened through improvements among expatriates in this communicative and linguistic ability which in turn could lead to increasing market shares for the Swedish companies which was the main practical – and indirectly also the theoretical – problem of the study while. Both the last two business flowers contribute
to the picture of the role of language in the intercultural business communication between Swedish expatriates and their local employees, managers and customers in CEE which was part of the aim of the study. So these business flowers provide relevant answers to the problems and the aim of this study.

The ideal types provide additional views regarding the self-dependent communication from expatriates mentioned in the theoretical problem and also to the role of language in the intercultural business communication mentioned both regarding the theoretical problem and in the aim while the metaphorical interpretation of the cultural significance structures meet another part of the aim of the study. So together the ideal types and the cultural significance structures derived from them as well as the metaphorical interpretations of the accumulated and the differentiated cultural significance structures along with the business flowers provide answers to the theoretical and practical problems in this study and also to the aim of the study.

7.5 In what way has learning the local language helped the researcher in this study?

A keystone in this thesis has been the research method of learning the local language on site in a couple of countries in CEE and see how that could help me as a researcher to understand the local culture, thus to show the potential gains that a researcher may obtain by speaking the local language. What has come out of this method is shown in a figure called “the self-dependent local language speaking business scholar flower”. It is based on earlier parts of this thesis.

Learning the local language – and particularly learning it on site in the studied culture - could help a researcher to obtain a broader and deeper contextual knowledge of the culture but it is in many ways also a tacit knowledge. Yet there are also many other vital benefits for a scholar in terms of directness in communication, independence and enhanced learning ability. So the benefits won by a researcher by speaking the local language are here divided into four groups which are shown and then they build up the self-dependent local language speaking scholar flower.

**KNOWLEDGE AND UNDERSTANDING**

1. *Language is a tool and provides a mental framework* – the local language could be a versatile instrument to understand another culture and its people where it also provides a framework which facilitates an
understanding of the local culture, its history and its people, how they act, behave, think and feel regarding various issues and phenomena

2. **Better understanding of key phrases, sayings and proverbs** – frequent key words, expressions, idioms and phrases as well as sayings and proverbs reflect the local culture and speaking the local language enables the researcher to grasp their real flavour, what they stand for and what they really mean.

3. **Enables obtaining tacit and contextual knowledge** – the language is a tool that facilitates and enables a scholar to obtain tacit knowledge and generally contextual knowledge featuring the local culture and thereby recognise and understand various phenomena featuring the local culture.

4. **Deeper understanding of the business environment and what the informants mean** – it facilitates for the scholar to understand the business atmosphere and environment which could influence the daily work while it also enables the researcher to in a better way understand what the informants really mean and their situation in the country.

**DIRECTNESS AND DEPTH IN COMMUNICATION**

1. **Facilitates spontaneity, access to common people, more relaxed and natural talks** - it becomes easier for a researcher to improvise and have instant conversations taking advantage of various opportunities. The barrier to start speaking with the local people is lowered and the whole conversations will be much more natural and relaxed for the local people who can express themselves in their mother tongue. All this facilitates talks with shop assistants, taxi drivers, people you meet on the bus or in the train and other common people and generally to a greater variety of people. Thereby you can obtain a more realistic view of the country’s culture where the local people can communicate in a for them much more natural and convenient way.

2. **Richer, deeper and more substantial conversations** – it enables the local employees, managers and professionals to express their views and ideas in a much richer and more substantial and nuanced way reaching deeper into the matter.

3. **Better understanding of media and information** – it brings the scholar a better ability to follow the media in terms of reading newspapers, listening to radio and watching television programs and thereby obtain a much more direct and unbiased view and understanding of the people and power-holders living in the country.

**INDEPENDENCE AND INSIGHT**

1. **Reducing risk of manipulation and prejudice while enabling consciousness and criticism** – it raises the cultural awareness and
consciousness of the scholar reducing his or her naivety and credulity and thereby the risks of him or her being manipulated or fooled. It permits the scholar to obtain his or her own view of things reducing the risks of believing in prejudices or on the contrary enable him or her to see that what others may call prejudice actually could be the reality. Thus it gives the scholar a deeper insight into and knowledge of the local culture facilitating for him or her to see through, question and perhaps criticise some statements from the informants which might seem implausible or strange in other ways making the scholar more independent

2. **Reducing the risk of ethnocentrism** – it permits the scholar to enter deeper and even immerse into the culture understanding and living more vividly in it making it much more a part of him- or herself thereby reducing the risk of home culture ethnocentrism

3. **More self-dependent scholar with stronger imagination and analogical thinking ability** – it strengthens the scholar’s imaginative ability and analogical thinking capacity permitting him or her to see the overarching issues and perspectives. The scholar also becomes much more independent enabling him or her to take instant and swift initiatives enabling gaining time and increasing the efficiency and efficacy of the research process as well as the scholar’s independent thinking and analysing capability

**LEARNING ABILITY**

1. **Increased receptivity** – it strengthens the receptivity of the scholar as it is a tool that to a higher extent - than without possessing it - enables the scholar to see, understand, grasp and catch social, organisational, communicative and other phenomena

2. **Learning it on site is a concentrated and deep form of learning** – learning the local language on site for one or a few months is a deep and concentrated way for a scholar to obtain a solid and substantial knowledge of the local culture and its views, values, history, traditions, customs, and ways of thinking where the language teacher – and the landlord family if the scholar is accommodated in a family – could provide it plentiful in a rich and vivid picture where an attentive receptivity of the scholar is vital

A vital question for my study is how does speaking the local language help and benefit a scholar to perform a study? Thus, which are the benefits of local language skills for a scholar? The flower here below illustrates these benefits and classifies them into four ovals. The knowledge and understanding group is the strongest one focusing on the semantic and instrumental aspects of language along with aspects of tacit knowledge and
the meaning of statements as well as the impact of the business environment. The directness and depth in communication oval stresses spontaneity, richness and information understanding advantages given by a new language. The independence and insight group focuses on risk reduction and the self-dependent capability of the researcher while the learning ability oval emphasises the receptivity and depth that learning the local language brings.

Thus by learning the local language on site a researcher could through this concentrated and deep form of learning become more receptive where the risks of ethnocentric thinking and of being manipulated are reduced. The scholar could also obtain a deeper and more insightful knowledge and understanding of the local people and their culture through direct, deep and more substantial communication where the business environment, idioms, context and tacit knowledge are better understood while his or her imaginative and analogical thinking abilities are enhanced. All this makes the scholar more self-dependent and independent increasing his or her flexibility and versatility providing faster, deeper, wider and richer holistic views of the culture and the people living in it.
There could be various reasons for why companies don’t complain so much and why the language problem hasn’t been more addressed. A natural
explanation could of course be that lack of language skills is no serious problem and consequently nobody speaks about it. However, there are many indications, such as the ELAN-study showing that SMEs in Europe yearly lose 102 billion Euro due to lack of language skills and the Dutch study showing Dutch companies lose 7 billion Euro per year only due to lack of German language skills. This indicates that lack of language skills is a real problem. But why don’t the companies complain more then? And could there also be other reasons for why this potential need for language skills hasn’t been studied more? The pure complexity of the phenomenon could be one reason for it and regarding the difficulties to measure the usefulness/utility of foreign language competence Lavric and Bäck say selling a product to international customers involves many factors where picking out a single one – such as foreign language skills – is hard to quantify while the costs for translations, language training and recruitment of language-skilled employees are exact and visible where there is a time-delay factor as it takes time until one could see concrete results of the language competence and due to these insecurity factors language investments risk to be cut. I will here suggest some possible reasons for why there isn’t more attention paid to language.

1. Other educational and professional background - one reason could be that most managers in the Swedish export industry have an educational and professional background in engineering or business administration and therefore put more focus on and interest in problems in those spheres lying within their own field of specialisation

2. Inability to see it could lead to loss of market shares – the business people and the companies simply don’t see that lack of language skills could lead to loss of market shares

3. Personal career disadvantages – nothing in it for me - there could of course also be direct career self interest and power aspects along with forces of inertia where influential individuals at leading positions emphasise the importance of skills in their own competence field or at least adjacent ones but play down the importance of skills in completely different fields since if competences very different from their own would be given more weight that could lower the relative importance of their own skills impairing their future status and career possibilities.

4. It affects SMEs more than MNCs - a reason could be that very probably the negative consequences of shortage of language skills affect SMEs more than MNCs since the latter more often have

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subsidiaries in foreign markets and thereby local employees having a solid command of the local language while SMEs are smaller and to a higher extent have to rely on sales people from the head quarters or other foreign countries not possessing the same level of local language skills. SMEs have less mass medial access and breakthrough power than MNCs and then use their limited access for other questions. SMEs might have more difficulties to attract and demand people with good language skills when they recruit people than big MNCs whose possibilities to provide foreign assignment opportunities are better and precisely for that reason they could attract people with better language skills interested in doing an international career.

5. **Lack of will and motivation** – it takes much time, energy and commitment to learn a new language which therefore could be seen as hard, cumbersome, boring and unpleasant work and to overcome it strong will and motivation are necessary.

6. **Other things prioritised** – there are various things that could be done to run the company better and thus other things and measures could be seen as being more important and therefore prioritised both in the companies and in the public debate.

7. **Managers suffer from a lack of time** – people in the companies have little available time and many other things to do and focus their limited mass medial messages and efforts on other issues than problems related to lack of language skills in business.

8. **Poor foreign language skills among business people** - poor foreign language skills among many – probably predominantly Anglophone - business people and a view that speaking English is sufficient probably reduces the interest in the business community for studies on the need for language competence.

9. **English dominance** – a strong dominance of English in science and the scientific community including scientific journals as well as in business where American, British and other Anglophone researchers and business people often could be relatively complacent and uninterested in other languages seeing them as a non-issue of low or even negligible importance.

10. **Researchers suffer from a lack of resources** - researchers could focus on other problem areas which are closer to their core competence or they find more interesting or receive more public interest and resources enabling financing of interesting research projects.

11. **A complex task with measurement, methodological and access problems** – studying the need for language skills in intercultural communication could be a rather complex task raising methodological
problems about what to measure and how to measure it when the scholar looks for a nuanced and comprehensive picture of the phenomenon and regarding research on language skills in business there could be difficulties to obtain access to meetings – particularly external customer meetings – to study the need for language skills not in the least due to the potential delicacy of such activities including secrecy and customer relations

12. Poor foreign language skills among many researchers - poor foreign language skills among many – probably particularly Anglophone – researchers making them less apt and motivated to study the need for language competence could probably explain some of the low interest for addressing and studying it
Reasons for why companies and scholars don’t pay much attention to language skills

**NO WIN-WIN THINKING**
1. Poor foreign language skills among business people
2. Poor foreign language skills among many researchers

**LACK OF HOLISTIC VIEW**
1. Other educational and professional background
2. Inability to see it could lead to loss of market share
3. A complex task with measurement, methodological and access problems

**EGOISM AND LACK OF CONSIDERATION AND RESPECT**
1. Personal career disadvantages – nothing in it for me
2. It affects SMEs more than MNCs

**LACK OF INDEPENDENT THINKING**
1. Lack of will and motivation
2. English dominance

**RESPONSIBILITY AND INITIATIVE**
1. Other things prioritized
2. Managers suffer from a lack of time
3. Researchers suffer from a lack of resources

Figure 30: Reasons for why companies and scholars don’t pay much attention to language skills
Below: Reasons for why companies don’t complain so much about lack of language skills

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Incoming</th>
<th>Outgoing</th>
<th>Two</th>
<th>Total</th>
<th>NEO</th>
<th>Sum</th>
</tr>
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<td>Responsibility and initiative</td>
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<td>0</td>
<td>4</td>
<td>8</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>No win-win thinking</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>8</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Lack of holistic view</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>7</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Egoism and lack of consideration and respect</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>8</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Lack of independent thinking</td>
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<td>7</td>
<td>2</td>
<td>9</td>
</tr>
</tbody>
</table>

Table 37: Reasons for why companies don’t complain so much about lack of language skills

Table 37 indicates reasons for why companies – and also business researchers – haven’t complained or shown interest for the issue of lack of language skills. The main factor seems to be the general responsibility and initiative where other things are prioritised being seen as more important and urgent where managers don’t have time and researchers could suffer from a lack of resources to study the need for foreign language skills. A responsible person has to act according to the available resources though this doesn’t mean that it is responsible to avoid learning the local language but it rather means that what is responsible in the medium or long term might seem a bit irresponsible in the immediate short-term view where actions reign over pro-action. There may be a lack of win-win-thinking with poor foreign language skills among both business people and researchers and also a lack of holistic view where people with other educations have other preferences and for the researchers studying such issues is a complex task with potential measurement and methodological problems and the researcher could also face access problems. There may be egoistic reasons as well where people with other skills give priority to them to save their own skin and career as well as lack of independent thinking where people are complacent leaning on the English dominance and have no motivation or will to learn foreign languages. Thus we may say that both business people and researchers could have other priorities and preferences, they may see no need to change the current English dominance but appreciate its extension seeing advantages with it. There is also a lack of language skills among both these groups and perhaps complacency and even a satisfaction with the dominance of English in the business and research worlds since it may favour them and their linguistic competence giving them a language edge in their native tongue or securing their language investment in English. To perform a shift many mental forces of inertia have to be defeated. Learning a foreign language might not be fun or cool enough and it might not seem to have such a fast pay back time and such a high return on investment that these people find it worthwhile or they simply might not be hungry enough to do the effort to learn it which is an investment in time.
and money where in short-term economic terms it might be hard to know whether it will pay off though it might very well pay off economically in the long run due to increased cultural insights making the expatriate a more competent business person and a wiser individual.

Due to another educational and professional background and focus on other things than language skills people might not simply see that lack of language skills could lead to loss of market shares – language skills are simply not seen as a central competence.

7.7 Consequences for Sweden due to the poor interest in learning foreign languages

The practical problem of the study is that Swedish companies lose export market shares in the world and notably in Europe where an increasing need of foreign language skills is met by a decreasing language competence among younger business people and students in Sweden and only a few of the Swedish expatriates who I interviewed in CEE spoke the local language. How the Swedish society develops has a clear impact on how the Swedish companies will perform on the global market. The amount of language lessons at school and the number of foreign languages that the pupils can study and which languages they are along with how language skills are appreciated and remunerated on the labour market all have an impact on the language competence of a country and of its companies. Learning a foreign language is an indication of how humble and eager a person is to learn a new culture and the effort he or she is prepared to make to win new insights. Regarding the will to learn a second foreign language the Euro-barometer 243 in 2006 showed that out of 29 countries in Europe the last ones were Sweden and Bulgaria where only 27 % of the Swedes wanted to do it whereas the average for all countries was 50 %. This is dangerous for a deeply export dependent country like Sweden. Yet many Swedes believe speaking English is enough. The massive and almost omnipresent Anglo-American cultural influence on Sweden also dominating the fields of business life and education creates a considerable risk that Swedes will have too much of an Anglo-American view on phenomena which to their very nature are European. This means that Swedes – as the Swedish saying goes – cross the river to get water from its opposite shore and on the way get a biased view on things. Instead of facing a new culture directly by learning its language you put another stranger’s glasses on, who actually in many respects is further away from the action than you are, and then you try to interpret things through that stranger’s glasses. Having such an approach to for you new cultures hardly leads to deep insights but rather to a considerable risk of superficial generalisations. These constraints lead to
lack of both holistic view and independent thinking when navigating and living in foreign countries but also in Sweden. An Anglo-American influence is good but it has to be balanced by influences from other cultures. The language competence of the current power elite in Sweden often only covers one foreign language, English, and therefore they might not promote skills in other foreign languages.

Thus there is an un-willingness of Swedes to learn more foreign languages than English but what does this attitude mean? What are the consequences of this lack of interest in learning more than one foreign language? It means that Swedes are less informed about the world in general and how other people think making it harder for us to understand, foresee and drive business opportunities and trends in various areas. Moreover, it makes it harder for us to see and understand people from other cultures living in Sweden and what they can contribute to the Swedish society and industry. To make the multicultural society function well takes much more than slogans, it takes mutual hard language studies, curiosity and the humbleness to understand that we really have something important to learn from people from other cultures. As Orban said only through learning languages one can turn a multicultural society into an intercultural one, thus transforming isolated atoms into connected actors, thus moving from isolated alienism to interactive cooperation where we talk with each other and not just about each other. It makes Swedes less of world citizens than they could be. It makes Swedish companies lose or don’t develop talented people and new business opportunities and thereby in the end they could also lose market shares, profits and jobs.

This disinterest in learning more than one foreign language also reflects that in Sweden there is too much self-sufficient introspection and not enough humble curiosity to learn from others. If you believe and are convinced that you are the best you neither have the insight nor the motivation to learn from others and such attitudes turn into obstacles to learning. Yet, recognising that you have to learn from others is no defeat or disgrace, on the contrary it shows your good judgment and maturity as a person since everyone can improve and the knowledge, experience and competence of others could enrich our lives and improve our actions. Regarding what Sweden can learn from other people, cultures and countries, in this case the giant emerging market China, Tony Fang says the Swedish attitude that Sweden is the best in the world on this and that puts us further away from active learning and the possibilities for help and Sweden has to abandon that view.¹⁰²¹ This Swedish view also impedes win-win thinking since if you

¹⁰²¹ Fang, T., Lär läxan av Kina, Dagens industri, Debatt, 2009-05-20, Stockholm
believe you are the best it may be hard to see what you could win on cooperating with others on equal terms and a sense of equality and acting on equal terms is fundamental for true win-win thinking requiring mutual respect. So Sweden needs humility and an excellent way to prove it is by learning the local language. This may be seen as a watershed telling those who really mean business and learn the local language from those who just talk about it in empty phrases.

7.8 Conclusions
The conclusions are divided into three parts where the ones in the first part primarily are based on my empirical findings whereas the ones in the second part constitute the core of the analysis. The third part consists of conclusion from this concluding chapter.

Thus many of the following conclusions in part one are based on my empirical findings.

Many companies have established subsidiaries in CEE due to low production costs. But the transaction cost could be higher due to an unreliable, inefficient and at times corrupt judicial system along with lack of trust and also very time-consuming and costly building up of personal relations and lack of holistic views. There are communication costs due to lack of language skills, cultural ignorance, poor information systems, demoralising and disrespectful communication ways, misunderstandings as well as costs and problems with interpreters. As companies now increasingly focus on gaining market shares and less on low-cost production the communication skills and costs will grow in importance.

There are vast hierarchies and an authoritarian leadership style but insufficient assuming of responsibility and taking of initiatives, poor or no feeling for quality where people go for what is famous and expensive, heavy focus on money and conspicuous, exhibitionistic materialism where dressing well is important.

Many power-holders come from the old nomenclature with little if any experience of running a business and due to much insecurity there is a focus on short-term business as well as on the own region and family. Things often take more time than in the West so patience and perseverance are crucial when working in CEE.

There is suspicion and distrust everywhere along with much surveillance and control. There is deep and wide-spread corruption also affecting the legal system. When doing business with the owner of a company corruption
is no problem since the owner has no interest in it but in an agent-principle relationship doing business with the state having an agent then there is big risk for corruption, mostly when applying for permits, particularly construction permits.

People in these countries have difficulties to give, receive and handle critique where compromising is seen as a weakness and they don’t have win-win thinking but rather win-lose thinking and negotiations could be tough including provocations, stubbornness, impossible demands and a heavy focus on money that may result in a lose-lose outcome as the unwillingness to compromise leads to no deal wasting time, resources, effort and dedication.

Brain drain is a severe problem for many countries in Central and Eastern Europe but the EU membership opens up job possibilities for them to come home again.

To avoid misunderstandings it is important to be clear and distinct and job descriptions are detailed and specific given in an elaborated code. For an expatriate it is usually easier to understand the professional local language - which often holds international specific terms and usually is elaborated and well articulated - than the general daily conversation in the local language which is more culture specific and often holds more jargon and a restricted code. Proverbs and metaphors are often easy to understand holding much human wisdom and are therefore useful in intercultural communication.

Humour makes us more human but it must be handled with care and judgement regarding when and how to use it. Irony is a very delicate matter and it is often better to avoid it unless you know really well when and how you could use it

Considering words such as responsibility, initiative, security and service and their associations and connotations in the plan economy compared to a market economy shows that the weak version of the Sapir-Whorf Hypothesis saying our native language influences our thinking without totally steering it to some extent is relevant for people living in former communist countries in Central and Eastern Europe – particularly for the little older generations being formed by the communistic society and its plan economy thinking.

Swedish based MNCs usually require good skills in the English language from all white collar employees but not always from the workers and it could be hard to find personnel who can grasp the market economy thinking.
and analyse the market and the customer situation. The companies provide training in English, communication, team-work and giving service. However, expatriates using and even more so imposing a foreign language are a symbol and a power instrument that may cause badwill and unpopularity.

The major languages in the countries of my study are very different from English and Swedish making it difficult for the expatriates to learn them. The language diversity is mainly the local language and English but sometimes also German, French, Italian, Russian and other Slavonic languages. The language penetration means top management as well as sales and marketing people, office personnel in general and people having to read instruction need to speak English whereas sales and marketing people plus others holding customer contacts need to speak the local language. The language sophistication means you must understand and make yourself understand in the local language and handle both professional and general themes. Top management must be fluent in the common company language – usually English.

If the expatriate only speaks English it usually means he or she must have an interpreter in the Czech Republic, Ukraine and Bulgaria and to a lesser degree in Romania. Other useful foreign languages to use in these countries are German in the Czech Republic, Bulgaria and Romania while Russian to quite and extent is a native language in Ukraine and useful also in the Czech Republic and Bulgaria while French could be very useful in Romanian and to some extent in Bulgaria and Italian could be useful in Romania whereas Macedonian and Serbian could help in Bulgaria. No specific language nodes were found in my study though company internal interpreters interpreting for the expatriate may be seen as language nodes.

The expatriate could speak English having an interpreter making the massage clearer but it also gives problems such as lack of trust and knowledge about the matter and a greater psychic distance to your counterpart or employees making it harder building up a rapport so to overcome these problems you use an employee as an internal interpreter.

When selecting expatriates for a foreign assignment, skills in the local language or a strong motivation to learn it could be an important selection criterion, especially since lack of motivation is a major reason for unsuccessful language studies. A local language being very different from the ones they speak could deter expatriates from learning it.
Speaking the local language can give the expatriates many advantages. It can be decisive making them and their company win a business, it gives them trust, respect and goodwill, it will be harder to manipulate them, it speeds up processes and enables the expatriates to be more informed about what is going on in the company and in the country and to better understand the local culture as well as see and exploit new business opportunities, their rhetoric power will increase enabling more convincing speeches and they can avoid interpreters with all problems related to that. All this means they can earn more money and save costs increasing the profits of the company. They will obtain new frames of reference and become more broad-minded. Speaking other foreign languages could also be financially beneficial and personally rewarding but by far not to the same extent as speaking the local language, the range and depth will be shorter and the insight, respect and goodwill smaller.

If the expatriates don’t speak the local language there are costs for it. They run the risk of being less integrated and more isolated from local employees and customers and to be fooled or manipulated which could have direct and indirect costs in form of frustration and discomfort lowering their professional performance. The entire concept of business and what is means could vary across languages and not speaking the local language may lead to costly misunderstandings. Furthermore they could be uninformed and less knowledgeable of the local culture and people living there and in that way lose or not even see business opportunities and so be impeded to earn money for their company and it could be hard for them to exploit the full business potential the company has. Speaking other foreign languages the expatriates still risk having to pay the costs listed here above though they could be more or less reduced due to how useful the foreign language is in terms of in which areas and how frequently and intensively they can use it.

Yet there are also conclusions from the analysis chapter where I have applied Gadamer’s hermeneutics on Weber’s ideal types and the pictures and tables resulting from the ideal types are put together overarching and transformed into cultural significance structure figures where these cultural significance structures are given metaphorical interpretations which are inspired by Geertz’ thick description striving to find out what is beneath the surface.

The cultural significance structure elements in CEE have gradually emerged throughout the work with primarily the empirical material. These twelve cultural significance structure elements are (dis)trust, (lack of) holistic view, (lack of) independent thinking, (lack of) responsibility and initiative, (no) win-win thinking, hierarchy and authoritarianism, (less) fear, egoism and
lack of consideration and respect, (no) win-win thinking, (lack of) responsibility and initiative, plan economy thinking, materialism, admiring the strong one and corruption. The parentheses indicate that these phenomena are differentiated and have two or more forms such as trust and distrust or holistic view, lack of holistic view and holistic view difficulties.

The study has found two significance structures which are called cultural significance structure figures and the first one is the mushroom-formed water-tower holding the accumulated elements which are altogether 12 and then comes the versatile television tower holding both differentiated and un-differentiated elements and they are altogether 19 elements.

The four by far most important elements in the accumulated structure are (dis)trust, (lack of) holistic view, (lack of) independent thinking and then (lack of) responsibility and initiative. Behind them come (no) win-win thinking followed by hierarchy and authoritarianism.

The two most important elements in the cultural significance structure interpretation holding both differentiated and un-differentiated cultural elements are trust along with responsibility and initiative and thereafter independent thinking, holistic view, hierarchy and authoritarianism, lack of holistic view, win-win thinking, lack of independent thinking and then distrust. It seems that the differentiated elements come out on top and their positive antipodes are so strong precisely due to the strong need to counterweight the negative antipodes of these cultures.

The accumulated cultural significance structure figure gives a good general description of the culture while the differentiated cultural significance structure figure gives a general description but it is also more dynamic and problem-solving to its nature thus being particularly useful for business people and companies.

The metaphorical interpretations of the cultural significance structures tell us about the transition from a plan economy to a market economy and all the hardship, difficulties and bewilderment but also the joy and opportunities that people in CEE have experienced in that period and the ambitions and aspirations many of them have in societies and organizations featuring hierarchical structures where the language is a great opportunity enabler for people to improve their situation, an amelioration instrument particularly for the local people but also for the expatriates. Companies have a responsibility to enable a well-functioning company communication where speaking the local language helps an expatriate to build trust and obtain a holistic view on job and society, to think independently and to assume responsibility and take initiatives as well as to create a win-win thinking and atmosphere.
which is vital as all these elements are among the most crucial cultural significance structure elements.

Then there are also some conclusions from this concluding chapter. As an overall conclusion this study indicates that by learning and speaking the local language many problems related to the cultural significance structures of the studied countries in CEE could be handled in a constructive way helping an expatriate to perform better at work which may result in more profitable business and new business opportunities.

In order to overcome many of the cultural problems in CEE expatriates and others have to strengthen the abilities of the local employees and managers in the areas of trusting people, assuming responsibility and take initiatives, thinking independently, having a holistic view, and make them understand the mutual benefits of win-win thinking and reduce the fear. To do this it is easier if the expatriate is communicatively and linguistically self-dependent and that requires a versatile communicative ability as well as intercultural and rhetoric skills along with a cultural awareness and curiosity as well as linguistic ability and preparedness to speak or learn to speak the local language. By achieving such an intercultural communicative competence the expatriate could obtain closeness to customers, relationship and trust, an informative edge, a strategic view and ability as well as an operational effectiveness and efficiency where all these qualities could help the expatriate and his or her company to gain market shares.

By learning the local language a business culture scholar can obtain several advantages in terms of deeper knowledge and understanding of the language and the cultural context, directness and depth in the intercultural communication, independence and insight into the culture and an enhanced receptivity and learning ability.

The ideal type with the corresponding figure and table and interpretations thereof on why Swedish companies don’t complain about the poor language skills suggests that much responsibility and initiative for other things but little available time may impede learning the local tongue or other relevant foreign languages while another reason is lack of holistic view in terms of people having other educational and professional backgrounds as well as access and measurement problems. There is also a lack of win-win thinking shown in poor language skills among business people and researchers and lack of independent thinking due to English dominance and lack of will and motivation for the subject itself and for learning languages – and particularly the local language – as it is cumbersome and requires time, energy and commitment. Finally there is also egoism and lack of consideration and
respect in terms of personal career disadvantages of stressing competencies that leading persons don’t have.

Some consequences for Sweden due to the poor interest in learning foreign languages could be that Swedes may see European phenomena through Anglo-American glasses giving a biased picture lacking both holistic view and independent thinking while another consequence could be that Swedes will have a poorer understanding of people from other cultures living in Sweden where Swedish companies may lose or don’t develop talented people. There is also a Swedish self-sufficiency impeding Swedes from win-win thinking and actively learning things from other countries and in that respect Swedes need more humility where an excellent way to obtain it and also to show it is by learning the local language - a generally appreciated and real effort exhibiting the seriousness, the heart and the professionalism of the expatriate.

7.9 Contributions from the study
I see several contributions from this study but it seems hard to guarantee that they are all unique and in that case might not be such a contribution. Nevertheless I will here below list 20 contributions that I have come up with. Arguably each ideal type could be seen as a theoretical contribution but I choose to put the ideal types into a few groups in order to obtain a clearer overview. The number of contributions now amounts to 20 and if I would have presented each ideal type and each business flower as a contribution then the number would have summed up to 32 contributions. One could of course correctly argue that some of the contributions are related to each other but the structure of those related ones is often such that one is a developed form of the other emphasising different aspects of the phenomenon so in order to give clear and nuanced pictures I have decided to divide the contributions in this way resulting in a rather high number of contributions. This is in line with the argumentation I use about the number of ideal types which I present in this thesis.

The contributions given here below are divided into theoretical, methodological and combined contributions. Each contribution is described on a few lines and many of them are related to earlier shown figures so in order to obtain the full picture of the contribution it would help to look at these corresponding figures. The theoretical contributions come mainly within the field of international business studies and more specifically within the field of intercultural business communication but these contributions could also be interesting for studies from other scientific disciplines investigating the role of language in business life. This study covers both internal and external company communication as well as the
characteristics of language in an international business setting so there are theoretical contributions being relevant within all these fields. However, where Piekkari and others have put much stress on internal company communication this study puts more emphases on the external communication without forgetting the internal communication or the characteristics of language. Some key theoretical contributions are the ideal types on the three main language strategies for an expatriate to be communicatively self-dependent, the cultural significance structures giving the main cultural dimensions in the accumulated structure and the areas which need to be taken measures on in the differentiated structure where these both structures are shown in two towers and also related to two business flowers. Two important theoretical contributions are on the one hand the communicatively and linguistically self-dependent expatriate flower - having much in common with the two ideal types on how an expatriate may act and communicate and therefore being put together with them here - describing the communicative qualities that an expatriate needs to communicate successfully and independently while on the other hand there is the market share gaining language competence flower showing the fields and abilities which could be strengthened and thereby help the company to win market shares thanks to the expatriate possessing better language skills – particularly in the local language.

The methodological contributions also fall within the field of international business studies but also for a broader area regarding social studies in general and it might even be of some minor interest for scholars within linguistics and anthropology. A vital contribution is the self-dependent local language speaking scholar flower showing the gains a scholar may obtain by speaking the local language. Related to this and the study’s most original and laborious contribution is probably the methodological contribution where the researcher has lived for two to three months in each one of six different countries intensively learning the local language to better understand the culture and its people. There is a medley of three language groups – Slavonic, Romance and Germanic – in this study which is combined with triangulation in form of statistics, tables and calculus to bring clarity and order to the study and to find the most important factors. This combination of a medley of language groups and triangulation gives a methodological contribution. The extreme multitude of languages used to perform an international business study these may be seen as another methodological contribution. Another methodological contribution is the hermeneutic spiral development process where I begin with the researcher’s pre-understanding through educational background and experience and then apply Gadamer’s hermeneutics on Weber’s ideal types to build up the cultural significance structures.
Regarding the combined contributions the cultural-linguistic hermeneutic circle holding the pure form with culture and language as the two explicit components along with the metaphorical interpretations inspired by Geertz’ thick description - where I strive to find the phenomena hiding behind the surfaces of these both towers stemming from the two cultural significance structures - could both be seen as combined methodological and theoretical contributions having a more general relevance for social and cultural studies while the benefits and costs lists of the expatriate possessing or not possessing local language skills may be seen as a combined theoretical and practical contribution being more confined having a relevance for international business studies and more specifically intercultural business communication studies and perhaps also to a minor extent for linguistic studies and for practitioners and companies in business life.

Finally and in order to obtain a clarifying overview of these contributions there will be a flower showing the different kinds of contributions with the elements of each group in a similar way as to how the business flowers are constructed. We see that the theoretical contributions have the highest number of elements (11) and in that sense is highest up in the figure and could be seen as the strongest part followed by the methodological contributions (6) and finally the combined contributions (3). However, the originality and extension of learning over a handful of languages on site studying them over a period corresponding to four semesters of studies and research in order to understand other cultures in a multinational study on intercultural business communication performed by a single researcher makes the methodological contribution stronger than it looks in the figure.

7.9.1 Theoretical contributions

1. The self-dependent language strategies for an expatriate - The nine linguistically flavoured ideal types on advantages, disadvantages and characteristics related to the usage of a common company language, multilingualism and the expatriates speaking or learning to speak the local language providing a rather rich, detailed and wide description of the language strategies which facilitate for the expatriate to be self-dependent

2. Supportive strategies for language policies and preparations - The two linguistically flavoured ideal types on problems related to the usage of interpreters, agents and language nodes as well as language aspects on recruitment and training provide supportive strategies to the language issue on both short and long term in intercultural business communication in CEE between Western (mainly Swedes) business people and local managers and employees
3. **Power aspects of language and the role of language in international business** - The ideal type on power and norm aspects on language may add a little to the picture given by former studies performed by Phillipson, Vaara et al. and Piekkari et al. giving some basic aspects to it but together with the supportive strategies on interpreters, training and recruitment as well as the nine ideal types on language strategies for a self-dependent expatriate they provide a broad picture of the role of language in intercultural business communication in CEE between Western (mainly Swedes) business people and local managers and employees.

4. **The acting and communicating ways of an independent expatriate** – How an expatriate business person may act, behave and communicate when doing business in CEE is shown in two ideal types while the independence dimension is added through the communicatively and linguistically self-dependent expatriate business flower showing the qualities needed for an expatriate to communicate independently and having much in common with these ideal types.

5. **Trust and leadership style to face difficulties in the business culture in CEE** - The three culturally flavoured ideal types on the leadership style in CEE, how to build trust and the main difficulties for expatriates in CEE provide a picture of the business culture in CEE.

6. **The accumulated cultural significance structure** - The accumulated cultural significance structure exhibiting the accumulated cultural dimensions holding 12 cultural dimension elements describing the local business culture not differentiating the cultural antipodes and this tower is called the mushroom-formed water-tower.

7. **The differentiated cultural significance structure** - The differentiated cultural significance structure holding 19 cultural elements which are either differentiated or un-differentiated where the most significant elements are the positive antipodes emphasising areas where measures have to be taken to improve the business climate making the differentiated structure more business and operation oriented than the accumulated tower and the tower of this differentiated structure is called the versatile television tower.

8. **The troublesome Eastern European business culture flower** – This business flower derived from the accumulated cultural significance structure provides a picture of the business culture dimensions in CEE with some emphasis on the business difficulties there.

9. **The confidence- and ability-building but problem-attacking expatriate flower** – this business flower stems from the differentiated cultural significance structure and gives a more specific and pure picture with the differentiated cultural antipodes showing various kinds of difficulties in CEE business cultures but emphasising the
action areas where expatriates and others can take measures to improve the business climate

10. **The market share gaining language competence flower** – How to gain market shares thanks to better language competence – especially in the local language – among expatriates and the abilities and areas where the results from it will show are presented in this business flower being crucial for this study

11. **Reasons for why companies and scholars don’t pay much attention to language skills** - The ideal type on why companies and scholars don’t pay much attention to language skills sums up empirical observations and material from other studies but has also a slight element of reasoning and could be seen as a theoretical contribution

7.9.2 Methodological contributions

12. **The self-dependent local language speaking scholar flower** – This flower describes the advantages for the scholar to have good language skills and particularly to speak the local language when doing an intercultural business communication study

13. **The researcher culturally putting himself in the role of a recently arrived expatriate** - An overarching contribution is the research method to travel to and live in seven different countries in Central and Eastern Europe for two to three months in each country, living with the local people and learning the local language on site in an intensive language course where I - in both a cultural and communicative aspect – face some difficulties which are similar to the ones of newly arrived expatriates not speaking the local language will confront and having to go through a similar learning phase could add a multi-ethnographic insight to my study. Such a study is not the common way of doing an intercultural study in the field of business administration so in that respect I believe this study could bring a methodological contribution. Thus the data collection method I have used could be a contribution from this study.

14. **Learning the local language on site to understand the culture in six countries** - There is a methodological contribution consisting of learning six foreign languages and improve command of a seventh in order to better understand seven countries in a geographic region in terms of general and business culture, intercultural communication and the role of language in a case study in international business.

15. **Medley of language groups combined with triangulation** - There is methodological contribution in a linguistic medley contribution using different language groups in a combination of Slavonic, Romance and Germanic languages in order to understand how expatriates perceive the role of business culture and language when communicating with
locals where six Slavonic languages – Russian, Polish, Serbian, Czech, Ukrainian and Bulgarian - have been studied along with one Romance, Romanian, where the six last languages have been studied from scratch in an intercultural communication study within the field of international business primarily covering the geographic area of Serbia, The Czech Republic, Ukraine, Romania and Bulgaria and to a lower degree Poland and Russia while Germanic languages such as Swedish, English and German were extensively used in the interviews with the expatriates. Combined with this medley of language groups in a hermeneutic study there is triangulation using statistics, tables and calculus to bring clarity and order.

16. **Linguistic multitude** - There is a multilingual-methodological contribution where a single individual uses all in all 13 languages (English, Swedish, German, French, Spanish, Italian, Russian, Polish, Serbian, Czech, Ukrainian, Romanian and Bulgarian) to various extents in order to carry out an international business case study on his own.

17. **The hermeneutic spiral development process** – a methodological contribution is the hermeneutic spiral development process which begins with the researcher’s educational and professional background providing his pre-understanding which is then supplemented by relevant theories and the empirical findings building up the ideal types which first are formed into a preliminary structure and thereafter to the cultural significance structure. One may say that I apply Gadamer’s hermeneutics on Weber’s ideal types shown in figures providing a basis for the calculus resulting in tables which then build up the cultural significance structures which in many ways are related to language in an intercultural business communication setting.

7.9.3 **The combined contributions**

18. **The cultural-linguistic hermeneutic circle** – Although both language and culture are key elements in hermeneutics and vital in the hermeneutic circle the pure form which is given here with culture and language as the two explicit components in a version of the hermeneutic circle in which the better local language skills brings a deeper understanding of the local culture which in turn improves the knowledge of the local language etc. in an ongoing spiral of increased insight into language and culture might be seen as combined theoretical and methodological contribution.

19. **Benefits and costs lists of local language skills** - There is a probably both theoretical and practical contribution including the investigation-based systematic listing of benefits (gains) won by speaking the local
language and the costs for not speaking it for an expatriate when doing international business

20. *Metaphorical interpretations* - The metaphorical interpretations - inspired by Geertz’ thick description where I try to find the phenomena hiding behind the surfaces of these both towers stemming from the two cultural significance structures - where both these towers - the mushroom-formed water tower and the versatile television tower - in various ways symbolise many crucial cultural phenomena featuring these countries in CEE and these metaphorical interpretations could be seen as both a methodological and a theoretical contribution
The study’s contribution flower

THEORETICAL CONTRIBUTIONS
1. The self-dependent language strategies for an expatriate
2. Supportive strategies for language policies and preparations
3. Power aspects of language and the role of language in international business
4. The acting and communicating ways of an independent expatriate
5. Trust and leadership style to face difficulties in the business culture in CEE
6. The accumulated cultural significance structure
7. The differentiated cultural significance structure
8. The troublesome Eastern European business culture flower
9. The confidence- and ability-building but problem-attacking expatriate flower
10. The market share gaining language competence flower
11. Reasons for why companies and scholars don’t pay much attention to language skills

METHODOLOGICAL CONTRIBUTIONS
1. The self-dependent local language speaking scholar flower
2. The researcher culturally putting himself in the role of the recently arrived expatriate
3. Learning the local language on site to understand the culture in six countries
4. Medley of language groups combined with triangulation
5. Linguistic multitude
6. The hermeneutic spiral development process

COMBINED CONTRIBUTIONS
1. The cultural-linguistic hermeneutic circle
2. Benefit and costs lists of local language skills
3. Metaphorical interpretations

Figure 31: The study’s contribution flower

574
After having given the contributions from this study we now have to look forward and see how one could proceed in order to gain more knowledge in this field and so the next section will cover suggestions for further studies.

7.10 Suggestions for further studies
There are several other studies in this field that would be interesting to do and I will here mention some of them. Many of these studies could then be combined, some of them also with elements from my study, for instance interviewing both expatriates and locals who negotiate and communicate on a professional level with one another. The results of these studies could then be compared to my study in order to find new perspectives and new knowledge as well as similarities and differences between these studies. Elements from some of the studies that I propose here below would have been interesting to include in my study but limitations in terms of time and financial resources stopped me from including such elements in my study.

1. The locals’ perspective. One could do a similar study the other way around by taking the perspective of the local employees and local customers and see how they perceive the intercultural communication with Swedish expatriates and also extend it to Western business people in general, but that would of course require many more interviews and one should not underestimate the access difficulties to interview these local persons. The results of such a study could then be compared to the ones from this study.

2. An observation-based study. Another type of study on intercultural business communication could be based on, or supplemented by, observational studies where the researcher observes the ongoing communication between expatriates and locals.

3. Comparing communication in internal and external meetings. An interesting study could be to compare the intercultural communication between expatriates and locals at internal meetings with intercultural communication at external meetings in order to find similarities and differences and new perspectives. There could be access problems to such a study though.

4. Studying other geographic areas. A study similar to this one could also be carried out by studying people from other geographical areas such as between Westerners on the one hand and Asians, Africans, Arabs and Latin Americans on the other hand or more boldly between the just mentioned groups such as between Asians and Africans, Arabs and Latin Americans etc.

5. An intercultural communication study of other fields. Carrying out such a study on other fields of intercultural communication such as politics and politicians, diplomacy and diplomats and non
governmental organisations could bring other perspectives and insights. There could be severe access difficulties to do such a study though, especially a multi-perspective one or a study based on observations.

The first chapter of the study gave the background and the problem together with the aim and the limitations of the study while chapter two presented its scientific perspective which is hermeneutics. Chapter three provided various theories in the fields of culture, communication, intercultural communication and language whereas chapter four gave its method which is an ethnographically inspired case study with semi-structured interviews. The study’s empirical findings were presented, first in concise but yet detailed form and then in voices of the field with some comments of mine. Chapter six on analysis of the study began with a figure on the hermeneutical spiral development process exhibiting how the study hermeneutically was performed and then came the ideal types on culture, communication and language with the corresponding pictures and tables resulting in overarching tables which were transformed into two significance structures, the accumulated cultural significance structure figure called the mushroom-formed water-tower and then the significance structure holding both differentiated an un-differentiated elements called the versatile television tower which both were presented. In this chapter seven we discussed how the study has met its theoretical and practical problems and the aim and then the business flowers were presented along with the self-dependent local language speaking scholar flower. Thereafter came a section on why the companies don’t put more attention to the language issue including an ideal type with corresponding figure and table which was analysed followed by a discussion on the consequences for Sweden due to the poor interest in learning foreign languages. Then came the conclusions from the study, both the empirical findings and the core of the analysis and the most important parts of this chapter, which were followed by the contributions from the study - which were divided into theoretical, methodological and combined contributions – and they were all described in the study’s research contribution flower while finally suggestions for further studies were presented. Then came the summary of this chapter. The next chapter is chapter eight which is a literature list followed by chapter nine on the questions asked to the informants. In chapter ten there is an appendix with an overview of scientific articles on language and intercultural communication in international business and a presentation of Hofstede’s cultural dimensions theoretically and also applied on my empirical material. There are tables with each one of three categories of frequency, arrowheads and ideal type elements for both the accumulated and the differentiated cultural significance structures stemming from the analysis chapter.
7.11 Summary of chapter seven

This chapter begins with a discussion on how the theoretical and practical problems and the aim of the study have been met. The theoretical problem on being communicatively self-dependent was answered by nine ideal types on the advantages, disadvantages and characteristics related to the usage of a common company language, multilingualism and the expatriate speaking or learning to speak the local language of the assignment country. The practical problem on Swedish companies losing market shares since 40 years found an answer in “the market share gaining language competence flower” showing fields and abilities which could be achieved by better language skills—particularly in the local language—among expatriates. I then described how the study was performed corresponding to the aim and then the cultural significance structure elements and their connection to language was dealt with where it seems that the most vital cultural significance structure elements were more closely related to language than the cultural significance structure elements of lower cultural significance were.

Then there was a section on the four business flowers being central to this study. The first business flower “the troublesome Eastern European business flower” stems from the accumulated cultural significance structure giving important cultural dimensions of these countries and putting some emphasis on the problems related to them including the “self-dependent inability” at work of many locals, “the unreliable business environment” with much distrust and the “egoistic authoritarianism” with strong hierarchies. The next business flower is “the confidence- and ability-building but problem-attacking expatriate flower” and it is derived from the differentiated cultural significance structure stressing the areas where measures can be taken to improve the business climate in the oval “action areas by expatriates to build up the locals’ abilities” including the most vital differentiated cultural significance structure elements while the difficulties which these elements should tackle are found in the ovals of called “intellectual limitations for a market economy”, “strongly top driven”, “interpersonal problem areas” and “excessive focus on money” groups where this flower is more business and operation oriented than the first flower. Then comes the third business flower called “the communicatively and linguistically self-dependent expatriate flower” stressing the need for an expatriate to be a good, knowledgeable and curious manager in the ovals “versatile communicative ability and consciousness” and “cultural awareness and being well informed” but describing that the expatriates’ missing element is language skills—particularly in the local language in the “linguistic ability and inclination” group. A crucial business flower is “the market share gaining language competence flower” giving the abilities and improved areas which
better language competence – especially in the local language – among expatriates could bring them and their companies. These abilities and areas are related to the most vital differentiated cultural significance structures also found in the action areas. These abilities and areas are “closeness to customers” being linked to win-win-thinking, “building up relations and trust” which is connected to trust, “informative edge” that is related to independent thinking, “strategic view and ability” which is coupled to holistic view and finally “operational effectiveness and efficiency” which is related to responsibility and initiative. The development process of these business flowers is described in the next section.

A similar flower of methodological interest is “the self-dependent local language speaking scholar flower” showing that better language skill – and particularly in the local language – could help a researcher to perform a better intercultural study thanks to improvements in the fields of knowledge and understanding, directness and depth in communication, independence and insight and also in learning ability as the four groups of the flower are called.

Then ideal type along with the corresponding figure and table and interpretations thereof on the question “why don’t the companies and scholars pay more attention to language?” was given where much responsibility and initiative for other things but little available time may impede learning the local language or other relevant foreign languages while another contribution was lack of holistic view in terms of people having other educational and professional backgrounds as well as access and measurement problems. There is an inability to see and understand that lack of language skills could lead to loss of market shares and there is also a lack of win-win thinking shown in poor language skills among business people and researchers as well as a lack of independent thinking due to English dominance and lack of will and motivation and finally there is also egoism and lack of consideration and respect in terms of personal career disadvantages of stressing competencies that leading persons don’t have.

Some consequences for Sweden due to the poor interest in learning foreign languages could be that Swedes may see European phenomena through Anglo-American glasses giving a biased picture lacking both holistic view and independent thinking while another consequence could be that Swedes will have a poorer understanding of people from other cultures living in Sweden where Swedish companies may lose or don’t develop talented people. There is also a Swedish self-sufficiency impeding Swedes from win-win thinking and actively learning things from other countries and in that
respect Swedes need more humility where an excellent way to show it is by learning the local language.

The conclusions from my empirical findings as well as the core conclusion from the analysis were presented and regarding the ones related to the analysis the study found two cultural significance structures where the first one is the mushroom-formed water-tower holding the accumulated elements which are altogether 12 and then comes the versatile television tower with both differentiated and un-differentiated elements and they are altogether 19 elements.

The four by far most important elements in the accumulated structure showing the cultural dimensions in these countries are (dis)trust, (lack of) holistic view, (lack of) independent thinking and then (lack of) responsibility and initiative. Behind them come (no) win-win thinking followed by hierarchy and authoritarianism. The two most important elements in the cultural significance structure interpretation holding both differentiated and un-differentiated cultural elements - yet exhibiting the areas where measures to improve the business climate as well as the problem areas which need such measures - are trust along with responsibility and initiative and thereafter independent thinking, holistic view, hierarchy and authoritarianism, lack of holistic view, win-win thinking lack of independent thinking and then distrust. It seems that the differentiated elements come on top and their positive antipodes are so strong precisely due to the strong need to counterweight the negative antipodes of these cultures.

The mushroom-formed water tower stemming from the accumulated cultural significance structure gives a good general description of the culture while the versatile television tower reflecting the differentiated cultural significance structure gives a general description but it is also more dynamic and problem-solving oriented to its nature thus being particularly useful for business people and companies.

As an overall conclusion this study indicates that by learning and speaking the local language many problems related to the cultural significance structures of the studied countries in CEE could be better understood and handled in a constructive way helping an expatriate to perform better at work which may result in more profitable business and new business opportunities.

The contributions are divided into theoretical, methodological and combined contributions. Most theoretical and methodological contributions fall within
the area of international business and intercultural business communication where a key theoretical contribution answers the theoretical problem about self-dependent language strategies where advantages, disadvantages and characteristics related to the three language strategies of having a company language, using multilingualism or the expatriates speaking or learning to speak the local language. Other vital theoretical contributions are the accumulated and the differentiated cultural significance structures and “the communicatively and linguistically self-dependent expatriate flower” along with “the market share gaining language competence flower.”

An important methodological contribution is “the self-dependent local language speaking scholar flower” and another one is the scholar culturally and linguistically putting himself into the role of the recently arrived expatriate striving to understand the local culture by learning its language in six different countries and improve it in a seventh. This is the major methodological contribution while the usage of a multitude of languages is another and the usage of three language groups – Slavonic, Romance and Germanic languages - combined with statistics, calculus and tables providing triangulation is a third methodological contribution. Another methodological contribution is the “hermeneutic spiral development process” where Gadamer’s hermeneutics are used on Weber’s ideal types to build the accumulated and the differentiated cultural significance structures.

The combined contributions cover the cultural-linguistic hermeneutic circle and the metaphorical interpretations which both may be seen as giving both a theoretical and a methodological contribution and could be used in both social and cultural studies while “the benefits and costs lists of local language skills” rather gives a combination of theoretical and practical contributions and may be used in intercultural business communication studies and for practitioners in real business life.

Concerning suggestions for further studies there are several possibilities to perform similar studies which differ in some respects such as taking the local’s perspective instead of the expatriate’s one or doing an observation based study or comparing communication in internal and external meetings though there may be access problems to perform such a study. Another possibility would be to study other geographic areas, perhaps in emerging markets on other continents or simply perform an intercultural communication study of other fields such as politics and diplomacy though there might be access problems also there.
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591


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9. QUESTIONS ASKED TO THE INFORMANTS

The questions listed here below that I have asked the informants are mainly of a general character but due the semi-structured nature the follow-up questions have been more precise and the extensive answers and explanations from the informants have given me much more specified information regarding communication aspects, business culture and other issues than these general questions suggest. In the cases that the informants have been expatriates from other countries than Sweden or local people I have replaced Swedish businessman with Western businessman.

1. How is the business climate here, in this country and in this capital?
2. How would you describe the business mentality and the business culture in this country?
3. Which possibilities and which potential do you see for a Swedish company wanting to establish itself here in this country?
4. Which are the difficulties when establishing a company and doing business here?
5. How well does the financial system work?
6. Which possibilities are there to finance an establishment of business activities here?
7. What kind of international companies and what industries have been first to establish themselves in this country?
8. Generally spoken, how do the plans for establishment and investment look in this country compared to the ones in neighbouring countries?
9. Are customs and regulations an obstacle for doing business activities in this country? If yes, in which way?
10. Which are the most important political, legal and economic measures this country has to take in order to improve the possibilities to do business in this country?
11. Is it possible for a Swedish company wanting to establish itself in this country to count on support from, local authorities, different organs from the European Union, other Swedish companies, other foreign companies or Swedish authorities?
12. How do you look upon the development and the tendency to conduct business activities in this country?
13. As a Swedish businessman, what should you keep in mind when conducting business in this country?
14. How do you look upon the political and economic situation in this country? Is it stable or not?
15. Which type of communication difficulties is most common among Swedes and local people?
16. How does each party try to solve these communication problems?
17. What makes this country different from its neighbours in a business perspective?
18. What should Swedish businessmen think about regarding communication when doing business in this country?
19. How important is knowledge in the local language for the possibilities to conduct business activities in this country?
20. What level of skills in the local language is reasonable to strive for as a Swedish businessman?
21. How well do you get along speaking English when doing business in this country?
22. Are language skills in other foreign languages than English, such as Russian, German, French, Spanish Italian or other languages useful when conducting business in this country?
23. How do the local people look upon and perceive Swedes in this country?
24. How is it to negotiate with local people in this country? Do they have any particular negotiation habits or traditions, are there any special difficulties and what should you as a Swedish businessman think about when negotiating with people in this country?

We began with the introduction including the background, problem and aim of the study followed by the scientific perspective – hermeneutics – and the method which is an ethnographically inspired case study holding semi-structured interviews and my observations from living in these countries. Then came the theoretical chapter covering business culture, communication, intercultural communication and language in a business context followed by a chapter holding the same structure on my empirical material with some analysis after which a chapter on further analysis of some statements from informants and some of my own observations. Then came the conclusions – mostly based on the empirical material – from this study along with the contributions it has given followed by suggestions for further studies. We thereafter presented the literature list including scientific articles, books, reports, newspaper articles and Internet material. In this chapter we saw the questions asked to the informants where the questions on language were posed to the informants in Kiev, Bucharest and Sofia although the subject was also dealt with in Prague but in a less rigorous way. Now the last chapter follows and that is an appendix which is an overview of various scientific articles on the role of language in international business.
10. APPENDICES

In these appendices I begin with an appendix with articles on previous research on language in international business covering early articles on the subject and then internal and external company communication, communication in joint ventures and in mergers, general characteristics of language, the international dominance of the English language and then reports and books on the role of language in international business. Thereafter comes a short appendix with a few articles giving aspects on intercultural communication The last appendix is about Geert Hofstede’s pioneering work on cultural dimensions which deeply have influenced the field of business culture and therefore there is a theoretical overview of these dimensions followed by an application where I interpret my empirical material on these dimensions. As Hofstede’s cultural dimensions haven’t been used in the analytical chapter the appendix is an appropriate place to present them.

10.1 Appendix 1: Previous research on language in international business

A vital aim in my study is to shed light on the role of language in international business so I here give an overview of some themes and findings from previous articles and a few reports and books on language in international business being relevant for and referred to this study from which excerpts are found here. Though not so much has been written on it - according to many of these scholars - these articles present various aspects of language.

The classification of these articles is based on their relevance for my thesis. This means that I focus on the aspects of these articles that I consider and deal with the most and their main role in this thesis. There are certainly overlaps where the substance in one article could fit under two or more headlines and one may question whether a certain article should be classified in this or that category. An example is the article of Buckley et al. that may be categorised either under internal company communication or joint venture communication where I have put it. Still I have decided to keep my summary of the for this thesis most important parts of an article in one category and not split it up on two or more categories as this is often already done in the introductory or theoretical chapters. As these appendices give a short overview of each article, report and book on the content that I find interesting there is – contrary to the other chapters – no reference to specific pages except for the beginning and the end of an article, in this summary of articles.
10.1.1 Early articles on language with external company communication focus

In an early article from 1974 called “Foreign languages and careers” Honig and Brod in an American context discuss the need for foreign languages skills in many professions where executives frequently meeting foreign businessmen say such skills could be a huge advantage and lack of them a severe drawback. The authors refer to a company director who says that commercially seen foreign language skills are absolutely necessary while a company president said when conducting business it is frustrating not to understand what the others say during negotiations even though the proper negotiations are conducted in a common language and after two years of Spanish studies he become proficient in it and his company’s sales to Spanish speaking countries went from zero to over twenty million USD yearly some 40 years ago corresponding to 100 million USD in today’s value and the personnel’s multilingual skills made Latin Americans classify it as a non-gringo firm.

In an early article in 1975 bringing up the question of language in international business Johanson and Wiedersheim-Paul (1975) discussed the psychic distance - where they included factors such as language, culture, political system, education and industrial development levels - disturbing or impeding information flows between firm and market. In 1977 Mauser said lack of knowledge in the local language may be a severe handicap and there are difficulties to trust an interpreter and he referred to a Danish executive who said insight in a country’s sales psychology requires knowledge in its language and to an American businessman criticising the lack of foreign language skills among Americans.

10.1.2 Articles with an internal company communication focus

In a number of articles starting in 1997 with a broad article on language in international business called “Language: The forgotten factor in multinational management” Marschan et al. show many interesting findings on language usage in a case study on the Finnish elevator MNC KONE, from which she also uses data in some other articles. They discuss notions such as language nodes and gatekeepers, the need for a common company language in horizontal organizations, poor language skills could

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make global integration harder and that language is vital for a MNC to function as an entity etc. They argue for giving language a higher strategic value in the management of MNCs by appointing a language officer managing the scarce resource that language is in the MNC and using language audits evaluating the language skills of the personnel. In an article\textsuperscript{1026} in 1999 Marschan-Piekkari et al. discuss the standardisation of language by adopting a common corporate language and its implications for international HRM revealing the expatriates’ crucial role as language nodes and suggest a more long-term approach to develop the language competencies in MNCs. In another article\textsuperscript{1027} in 1999 they discuss language as a barrier or facilitator to communication and as a power instrument and creator of shadow structures linking units by language being parallel to the official organisation structure.

In an article\textsuperscript{1028} from 1999 Charles stresses we must distinguish language errors from communication errors and despite their interdependency judge language errors depending on how strongly they interfere with communication. In a case study\textsuperscript{1029} from 2002 focusing on horizontal communication between subsidiaries in a Finnish MNC Charles and Marschan-Pierkkari found that English as a corporate language does not solve all communication problems – particularly not when having several subsidiaries located in non-English speaking countries and that the focus of corporate language training schemes should be a broad spectrum of international communication instead of any one language suggesting that MNCs internationalizing from non-English speaking countries could use three ways to meet the English language skills demand starting with using the language skilled personnel in a better way, secondly employing new people possessing the required language competence and thirdly organize language training for those who need it and finally they found that having no common language is a barrier to communication.

Welch et al. discuss the impact of language in global operations in an article\textsuperscript{1030} from 2001 and unbundled it from the cultural and physic distance box and they found that a common corporate language could change or

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impede communication, information flows and knowledge transfer. In another article\textsuperscript{1031} from 2005 they write about a common corporate language enabling control and coordination but also causing translation problems as well as social exclusion due to lack of company language skills and they call for a coordinated MNC language strategy. On international knowledge transfer in MNCs Welch and Welch\textsuperscript{1032} (2008) unbundle language from the cultural box and discuss seven factors – cost, teams, transfer medium, trust, networks, staff movements and motivation - that all are influenced by language.

In a quantitative study\textsuperscript{1033} from 2005 Barner-Rasmussen and Björkman tested a sample of 308 dyadic relationships between Finnish and Chinese subsidiaries in the usage of e-mail, telephone and face-to-face communication and found that e-mail and telephone upheld contacts while face-to-face communication was used to explain and understand complex issues and language skills were most vital for success in face-to-face communication and telephone conversations. In a case study\textsuperscript{1034} from 2006 of the German MNC Siemens on common corporate language Fredriksson et al. found that Siemens, despite attempts by top management to make the company monolingual or bilingual, was a true multilingual company where many different languages are used at work and MNC top managers as a rule have good English skills while employees at lower hierarchical levels more often only speak the local language and English was gaining and German losing in importance.

In the field of language competence in international business Finnish researchers have given many contributions and the articles above were mostly written by Finnish scholars, apart from the Australian research couple Welch writing together with the Finnish researcher Marschan-Piekkari, and we now turn to other western scholars.

In her article “Language learning and international business”\textsuperscript{1035} from 2001 Darla Domke-Damonte says managers must develop communicative skills in the assignment country’s business culture which is vital in an era of increasing FDI while lack of communication and language skills and inadaptability to the business culture are big causes for expatriate failure. She says in international cross-functional business-teams linguistic and cultural awareness are needed to collaborate effectively seeing four reasons for developing better language skills which are new media requiring swift responses across linguistic barriers, more horizontal communication in organizations, more communication with business colleagues in international trade and language needs to succeed in foreign assignments.

In an article “Language Management in Multinational Companies”\textsuperscript{1036} from 2003 Feely and Harzing claim global communication capability is needed to succeed but all modern communication tools fail if there is a high language barrier and they see three dimensions of the language barrier. The first dimension is the language diversity telling the number of different languages the company must handle, the second dimension is the language penetration showing the number of functions and the number of levels in each function being engaged in cross-lingual communication while the third dimension is the language sophistication giving the complexity and refinement of the required language skills. They say the true cost of the language barrier is distortion and damages of relationships putting pressure and constraints on the company strategy and the language barrier breeds doubt, suspicion and conflicts, it undermines trust, accentuates group divides and polarizes cognitions, perspectives and perceptions and thus creates many management problems in the end lowering economic performance. They claim the idea of one language fits all is totally flawed as it does not pay consideration to linguistic nationalism where countries in Asia, South America and notably the Middle East demand to use their native tongue in business and disregards the increasing importance of languages such as Chinese, Spanish and Arabic which over time may challenge English as the Lingua Franca saying the risks of using one corporate language are similar. They say external language resources such as translators and interpreters are very expensive and it is at times hard for them to grasp the subject sufficiently due to its complexity, lack of time or unwillingness of the partners to reveal the wider context to an outsider. They say language training needs continuity to be a successful strategy and using language nodes could cause problem as the nodes perhaps must interpret

\textsuperscript{1035} Domke-Damonte, D., Language learning and international business, pp. 35-40, Sam advanced management journal, Winter 2001
subjects which they don’t know well causing miscommunication. They say selective recruitment may cause redundancy problems and expatriation is just an interim solution so inpatriation is more cost-effective but creates repatriation problems. They say multilingualism is the future of international business and companies should measure the language barrier dimensions as MNCs underestimate the need for language management.

In a study\textsuperscript{1037} from 2004 Janssens et al. identified three language strategies of international companies: a mechanical approach viewing translation as walking through dictionaries, a cultural approach seeing translation as travelling across cultures and a political approach stressing competition viewing translation as border patrolling. About the cultural view on language and translation they say using the local language increases the engagement of the expatriate with local employees creating an open atmosphere for local meanings and discourses. They say the idea of English as a common language in international business is exaggerated and multilingual communication is a daily phenomenon in international organisations as international communication is no more confined to an expatriate elite but managers and people at different hierarchical levels with different native languages expect information in their own local language.

In a study\textsuperscript{1038} from 2005 Kassis-Henderson argues the building of trust and relationship depend on language and language diversity strongly influences team building and the socialization process which have an impact on communication acts as well as on mutual perceptions. For multilingual teams speaking English – the leading international business language - as common language both native and non-native speaker face communication problems and obstacles where tensions come up when people work across cultures having a strong impact on teamwork and relationship-building. She argues that there are two potential negative consequences from language diversity where the first one is lack of language competence – due to unfamiliar vocabulary, too many mistakes, strong accent and too fast speed of speech - and the second is lack of sociolinguistic or communication competence – misunderstandings and ambiguity caused by the listener interpreting things in a way to meet his or her own expectations. Team members send messages to ensure everyone interprets them in the same way and they can gain trust by speaking the native language of another team member. Kassis-Henderson says there are higher risks for misunderstanding and communication difficulties in small talk than in conversations on


technical matters for people not speaking their native language and there are diverse language-mechanisms used despite using English as a lingua franca as the members in multi-lingual teams use expressive and interpretation mechanism from their mother tongue although they speak in English turning the common language into an illusion. She says that monolingual English speakers could face disadvantages when English is used as a lingua franca in international teams as they could miss the atmosphere of exchanges and the creative and innovative climate stemming from the inter-lingual dynamics facilitating interaction of perspectives and she claims language diversity is a valuable resource.

In a quantitative study covering 15,000 informants working for 24 companies in 16 highly developed countries (USA, Canada, Australia, Japan and 12 countries in Western Europe) called “Communication and country clusters – A study of language and leadership preferences” from 2005 Zander found that the assumption that employees in country clusters with the same or similar languages will display similar preferences on leadership is valid and can help us to understand and predict certain aspects regarding empowering, coaching and supervising but not regarding communication style (general communication - in terms of speaking much or being more silent, personal communication - in terms of disclosing personal information about oneself - and proud-making by positive feed-back in terms of frequency and verbal or non-verbal praising).

In their article “Interpersonal trust in German-Czech work relations: Mutual expectations and suggestions for improvement” from 2006 Bürger et al. analyse trustworthiness and trust between German and Czech employees and managers in Czech subsidiaries to German parent companies where a friendly communication is vital so when thanking or encouraging the local people it should be done in the local language, Czech.

In their article “The multinational corporation as a multilingual community: Language and organization in a global context” from 2006 Luo and Shenkar discuss the key role of language when managing a MNC saying a firm is run via language as the executives develop policies and strategies disseminating and implementing them via language. They stress the dual individual and company impact of language saying language is critical to the

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capability of an organisation but also a strategic career asset varying in importance due to the organisation’s structure, strategy and language design. They present a strategic way to approach the language issue in a big company which is using a global language design to face up to the demands for integration, coordination and expansion as for MNCs there is a need to simultaneously balance their global integration with local responsiveness which requires a strategically decided global language design between the parent (head office) and subunit (subsidiary) languages where these languages concurrently and recursively link each other via an intra-MNC communication network. The global language design affects the performance of the company in various ways.

In the article called “Managing multicultural teams” on multicultural working-teams from 2006 Brett et al. see four barriers which are trouble with fluency and accents when speaking a common company language, differences in direct and indirect communication, conflicting norms for decision making and different attitudes towards hierarchies and authority. They add that nonnative speakers of the common language English could feel less considered and appreciated due to their communication difficulties and thereby lose motivation hurting the results of the multicultural group.

In an article from 2008 called “The language barrier and its implications for HQ-subsidiary relationships” Harzing and Feely say communication – which relies on a common language - is crucial to management and language is particularly vital to MNC management. They say when parent company managers cannot communicate fluently they could seem to lack leadership skills, confidence and charisma which could make the subsidiary management ignore their message. Harzing and Feely also refer to Usunier who says in the global cultural homogenization process language will remain a key cultural differentiator while other cultural differentiators will disappear more and more. Due to the language barrier and communication problems between headquarter (HQ) and subsidiary representatives stemming from inadequate language skills Harzing and

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1043 Brett, J., Behfar, K., & Kern, M.C., Managing multicultural teams, pp. 1-8, November 2006, Harvard Business Review
602
Feely say the communication could turn more guarded, formal and strained making it less and less effective. This could lead to language avoidance strategies where strategic decisions such as delay of future market plans and selection of target markets based on their language may occur while subsidiary national managers could be replaced by expatriates or parent company language skilled personnel and the parent company may take control over some key functions in a vicious management cycle.

Nekvapil and Sherman say in their article “Pre-interaction management in multinational companies in Central Europe” from 2009 that foreigners in general and particularly Western expatriates working for big MNCs in Hungary or in The Czech Republic usually don’t speak Hungarian or Czech. This is partly due to the asymmetric power relations where the expatriates from the parent company in rich countries such as Germany, Austria and the Netherlands usually have the top management positions in the MNCs in relatively poorer countries like The Czech Republic and Hungary and in line with this higher status the expatriates’ languages are seen as more powerful which results in the local employees being assumed to learn the Western language while the expatriates aren’t expected to learn the local language. In addition Nekvapil and Sherman say German still has a strong position in Central Europe and at the end of the 1990s German was taught more than English. Another factor is the lower possibilities for Czechs and Hungarians to travel abroad before the fall of communism in 1989 resulted in a lower motivation to learn foreign languages. About the conformist orientation towards a common company language they stress that even if the company could require such language skills, often English, when they hire new employees the customers may not accept it and could require to communicate in their own mother tongue so Austrian and German companies having English as a common company language and having subsidiaries in Hungary and The Czech Republic could in these countries have the rule English is required and German a plus as these subsidiaries could have many German-speaking customers. They say lack of language and communicative skills quickly becomes evident in face-to-face communication in MNCs where local employees may try to avoid communication – avoidance strategies such as using interpreters or written instead of oral communication or even avoiding interaction altogether and avoidance strategies are often related to having a common company language – while expatriates could try to simplify their way of speaking using foreigner talk speaking slower or using a simpler vocabulary.

10.1.3 Articles with an external company communication focus

In 1991 Swift wrote an article\textsuperscript{1047} on foreign languages in international marketing claiming that a language barrier has two levels; the literal understanding of the words in the verbal communication and a person’s capability to interpret the culture of another person as well as the market culture. He said one obtains market closeness – a psychological proximity to the market - by sharing the culture and the language of one’s market and if there is a lack of understanding of the language there is a barrier to this market closeness and the language differences thus prevent market closeness creating a social and psychological distance. Swift warns for the risks companies with limited foreign language skills take relying on intermediaries such as agents who could be barriers to communication or information leakages since they are the only ones speaking the language of the customer. Swift referred to Turnbull who in 1981 claimed the following six marketing advantages of skills in foreign languages\textsuperscript{1048} saying they show an interest in the country and culture of the counterpart facilitating social contacts and thereby negotiations, help to build trust, strengthen communication flow from and to market, strengthen the ability to understand ethos and business practices of the market, strengthen the negotiation capability and adapt products and service offerings to meet customer specific needs and bring a psychological advantage in selling.

In the article “An investigation into SMEs’ use of languages in their export operations”\textsuperscript{1049} from 1999 Crick warns us for translation sabotages where translators deliberately harm their client and he refers to Hagen saying that due to lack of adequate skills in particular languages British companies were losing valuable opportunities of trading.\textsuperscript{1050} He argues that the very survival of a firm could hang on its language skills giving an example from the British Department of Industry and Trade that in 1996 reported that the official receiver in the filing cabinet found an untouched order – as no one in the firm could understand it - in German being big enough to have saved the firm.\textsuperscript{1051}


\textsuperscript{1049} Crick, D., \textit{An investigation into SMEs’ use of languages in their export operations}, pp. 19-31, Vol. 5, No. 1, 1999


In his article “Meaning, interpretation and international negotiation”1052 from 2000 about interpretation problems in intercultural communication and in international negotiations Cohen says besides its core meaning every word has potential associations where most connotations are the speech community members’ culturally bound attitudes or emotions where the corresponding words in two languages may differ in value connotations, the concepts of a word in one language may be separated in another, the semantic fields of polysemic words having multiple meanings may overlap but not coincide, there might be no common referent or phenomena could be classified differently with different boundary lines between phenomena and ideas. He says for non-native speakers of English it is hard to avoid the mother tongue’s pervasive influence on concepts, elisions and distinctions so they conduct negotiations according to the internal logic in their own native negotiation paradigms and not the one of English-language discourse. Thus despite being dressed and concealed in English the ideas are conceived in the mother tongue so despite being useful English isn’t a panacea or neutral as language influences intercultural communication.

In a study on Danish companies with subsidiaries in France called “The role of language skills in corporate communication”1053 from 2004 Andersen and Rasmussen found that underinvestment and thus lack of skills in language and communication may lead to lack of market shares and their survey showed it could be hard for the companies to see that lack of language skills could lead to low market shares and such companies are highly vulnerable to sudden market changes. The authors see language as the most vital factor when studying communication between cultures where language isn’t only a technical competence that one can add to communication but language is vital to establish relations where horizontal communication depends on networks of personal relationships which in turn depend on language whereas lack of language skills can lead to disqualifications of relations. They distinguish between core communication which is rather wide focusing on establishing and maintaining relationships and is vital to the development of the company while functional communication is more limited focusing on technical documentation and traditional business letters as well as solutions of well-known day-to-day problems where also people who have almost no language in common can communicate.

In their article “The importance of foreign language skills in the tourism sector: A comparative study of student perceptions in the UK and

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605
continental Europe” from 2006 David Leslie and Hilary Russell conclude that foreign language skills provide an added value in business in general and probably even more so in the tourism sector where good and effective communication is crucial - especially in promotional campaigns and in the interface between host and guest. They also found that the British tourism sector faces difficulties to recruit individuals possessing the necessary foreign language competence placing it at a disadvantageous position vis-à-vis their counterparts from continental Europe which are likely to have staff with multi-lingual skills.\textsuperscript{1054}

In his article “Language ability and adjustment: Western expatriates in China”\textsuperscript{1055} from 2006 Jan Selmer studied Western expatriates in China and found that proficiency in the Chinese language benefits the expatriate as it is positively correlated to interaction adjustment as well as to both general and work adjustments. He says communication is crucial to management but communication depends on language which also excludes people – particularly between mutually incomprehensible languages such as Western European languages on the one hand and Chinese on the other where the language barrier is high and there is a growing trend to work in the language of the customer who could require that the negotiations are completely held in Chinese and in markets having only a few customers the expatriate could have to adapt linguistically to the host country language to add a personal touch to the offer. If a company opts for one single company language the external language barrier to customers, suppliers and government agencies remains and using interpreters or translators to quickly overcome the language barrier could be costly and hard to provide in an efficient way from external sources.

In a multiple-case study on three middle-sized export oriented Austrian companies called “English, French, Spanish, Italian; Portuguese? Code choice and Austrian export”\textsuperscript{1056} from 2009 Eva Lavric and Bernhard Bäck concluded that selling on Romance-speaking markets linguistic adaptation in terms of speaking Romance languages, usually the mother tongue of the client, pays off as far as business success is concerned explaining that there is an uneven power balance between sellers and buyers in international business where the seller linguistically has to adapt to the language of the buyer since the buyer usually has many suppliers to choose from while the

\textsuperscript{1054} Leslie, D. & Russell, H., The importance of foreign language skills in the tourism sector: A comparative study of student perceptions in the UK and continental Europe, pp. 1397-1407, No. 27, 2006, Tourism Management
seller is under strong pressure to meet the needs of the client by speaking his or her language. They say it is difficult to measure the usefulness/utility of foreign language competence since selling a product to international customers involves many factors where picking out a single one – such as foreign language skills – is hard to quantify while the costs for translations, language training and recruitment of language-skilled employees are exact and visible and it takes time until one could see the results of the language competence and due to this insecurity language investments risk to be cut.

10.1.4 Articles on communication in joint ventures and mergers

In a quantitative study\(^{1057}\) from 1996 on post-acquisition managerial learning in Central East Europe covering expatriate and local top managers in Poland, The Czech Republic, Slovakia and Hungary Villinger found that no Western expatriates spoke the local tongue and the greatest barriers to successful learning was lack of language skills and then lack of cultural understanding in terms of cultural differences in mentalities, ways of thinking and attitudes to business both among western expatriates and local managers. He found that cross-boarder management skills were underestimated by both expatriate and local managers compared to general business skills and an understanding of the true, under-lying meanings is often impossible without direct communication in a common language so more emphasis on language and cultural skills is needed in the selection of expatriates.

In an article\(^ {1058}\) from 2005 on a merger between a Finnish and Swedish bank Piekkari et al. found that introducing a common corporate language could have disintegrating effects and cause isolation, exclusion, inclusion and feelings of us and them, it can make people with poor company language skills look less professional and stop their career. In another article\(^ {1059}\) from 2005 on the same merger Vaara et al. found that the choice of company language had complex power implications creating domination and colonial relationships resurrecting historical relations within the company between employees from these countries and the introduction of the neutral English as company language was a relief to the Finns of which many had difficulties to express themselves correctly in Swedish which was first introduced as common company language and then replaced by English.

\(^{1057}\) Villinger, R., Post-acquisition Managerial Learning in Central East Europe, Organization Studies, 1996, 17/2, pp. 181-206
In a multiple-case study\textsuperscript{1060} from 2005 of four firms in China Buckley et al. found that cross-border knowledge-transfer in MNCs is dependent on a common language required for communication and shared social knowledge needed for understanding and prediction of the persons participating in the knowledge-transfer process. Social knowledge could be crucial when interpreting language as the meaning of words depends on the cultural and social background of an individual and in multicultural teams sharing of tacit knowledge is more probable between persons from the same national culture and contrary to shop workers managers and engineers speak foreign languages well. They say language skills are important in recruitments and continuous language training and language skills, social knowledge, ownership structure and creation of multinational teams with a shared language are all important for successful knowledge transfers across borders.

In an article called “Institutional factors and strategic alliances in Eastern and Central Europe”\textsuperscript{1061} from 2008 Hyder and Abraha studied Swedish manufacturing firms in 20 strategic alliances with local partners in CEE. The CEE countries were different and divided into fast adapters – Poland and Hungary, medium adapters – Estonia, Lithuania and Croatia, and slow adapters – Russia. The initial problems in the fast adapting states such as the language barrier, the local business concept and low interest in taking initiatives were tackled successfully by language learning and hiring young people who quickly adapted to a Western values and way of marketing thus increasing operational efficiency but for the slow adapters the language barrier impeding direct communication with the customers, slowness and unwillingness to changes were all problematic.

10.1.5 Articles on general characteristics of business language

In an article “The Need For Linguistic Proficiency in Global Business”\textsuperscript{1062} from 1996 Ferraro claims success in international business takes effective communication which in turn requires understanding how people think, feel and behave where it in international business is crucial to get familiar with both language and culture. He says understanding your business partner’s language brings vital cultural insights as language reflects the basic value structure of a culture. He argues you can understand your own language and culture by learning another language and culture while gain trust and respect


by learning the other party’s language and speaking the local language you may win the contract.

In an article “Selecting expatriate managers: key traits and competencies”\textsuperscript{1063} from 1998 Jordan and Cartwright found that linguistic competence is not sufficiently emphasised in English speaking countries reflecting a lack of understanding for its usefulness in daily business activities and negotiations missing that local language skills are needed to really grasp the local culture. They say when selecting managers to make a foreign assignment successful seven variables are crucial and they are divided into three stable personality factors – low neuroticism, moderate extroversions and high openness to experience – and four core expatriate competencies – relational ability, cultural sensitivity, linguistic skill and ability to handle stress.

In their article “Language-Based Communication Zones in International Business Communication”\textsuperscript{1064} from 2001 Babcock and Du-Babcock developed a model with eight language-based zones of communication in international business communication where the zones depend on the proficiency of the interactants and the language competence variable has a strong impact on communication and the dynamics of communication. They say the languages that international business communicators speak and their communicative competence – as full bilinguals, partial bilinguals or unilinguals – have an impact on interpersonal as well as organisational communication, i.e. how many – for that particular situation – relevant languages one speaks and how well one does it influences communication.

In her article “Ideal jobs and international student mobility in the enlarged European Union”\textsuperscript{1065} Harzing studied final year business students in sixteen European countries and found that having host country language skills significantly increases the probability that the students would like to live in that country so having language skills beyond English is a key factor to increase the mobility within the European Union. She found that students from CEE are less willing to speak English instead of their mother tongue – although they have good English and not rarely also German language skills.

\textsuperscript{1065} Harzing, A.W., Ideal jobs and international student mobility in the enlarged European Union, pp. 693-703, Vol. 22, No. 6, 2004, European Management Journal
– and they are also less interested to work internationally than the students from the other countries.  

In an article on the utility of language competence called “The competitive advantage of foreign languages and cultural knowledge” from 2004 Uber Grosse studied alumni from an International Management school in the USA who had studied foreign languages for four semesters. Of the survey respondents 82 % said their careers had benefited from foreign language skills while 89 % said it had benefited from cultural knowledge and the more proficient in language and cultural skills the individual was the stronger was their competitive edge and the likelier it was that their skills would be recognised and rewarded by their company.

In an article called “Foreign language use among decision-makers of successfully internationalised SMEs – Questioning the language-training paradigm” from 2006 Knowles et al. found that for decision-makers in successfully internationalised British SMEs English native speakers’ foreign language skills indirectly contributed to the international business success and more than the pure language skills it actually is this integrated combination of foreign language skills, intercultural competence, international mindset and experience that are crucial to successful SMEs on the international markets.

In the article “The cross-cultural research imperative: the need to balance cross-national and intra-national diversity” from 2008 Rosalie L. Tung stresses the profound impact of language on culture, where speaking the same language could be more important than belonging to the same country and regarding differences in values and attitudes between English-speaking and French-speaking Canadians she argues that the similarities between Canadian Anglophones and Americans could be stronger than the similarities between English-speaking and French-speaking Canadians. Thus the impact of language could be stronger than the one of citizenship.

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610
Faure and Fang say in an article from 2008 called “Changing Chinese values: Keeping up with paradoxes”\textsuperscript{1070} that the structure of mentality relies on language and the Chinese language, whose script strongly differs from scripts of Western languages, creates a gap between the cognitive processes of Chinese and Western people.

Blenkinsopp and Shademan-Pajouh\textsuperscript{1071} (2010) discuss untranslatable words in business where there either isn’t a corresponding word in the target language or there is a word but then its connotations and cultural salience are lost in translation so whether an interpreter translates or explains an untranslatable word depends on if his or her professional status in the customer’s eyes will benefit from it or not. We now look at some consequences of the international dominance of the English language.

10.1.6 Articles on the international dominance of the English language
In a number of articles Robert Phillipson critically examines the international dominance of the English language. Other researchers such as Susanne Tietze and Christoph Demont-Heinrich have also given some critical viewpoints on this English dominance.

In his article “English, a cuckoo in the European education nest of languages?”\textsuperscript{1072} from 2006 Phillipson discusses whether an ever stronger role for English in European higher education – which is fundamentally biased in a way favoring English native speakers while the higher education is more exposed to commercialism than basic education – is a threat to other languages as the Bologna process strengthens the position of English as does the internationalization process which further endangers to sacrifice the free higher education principle. Yet he says some Northern European countries tackle this threat of linguistic domination as Sweden has taken steps to improve competence in other foreign languages than English, in natural sciences and mathematics in secondary school while Finland and Estonia have strengthened their native languages role in higher education. On language as a business and a cornerstone in the international education market he says the UK economy gains 11 billion GBP directly and another 12 billion GBP indirectly per year as the English-language industry receives more than half a million people coming to the UK to take language courses

and he refers to Grin¹⁰⁷³ who estimated that the UK and Ireland gain at least 10 billion GBP and probably 16-17 billion GBP yearly from English dominance due to privileged market effects with higher legitimacy and rhetoric skills and savings in language learning, communication and alternative human capital investment.

In the chapter called “Figuring out the Englishisation of Europe”¹⁰⁷⁴ from 2006 Phillipson discusses the Englishisation of Europe where scholars tend to read only one foreign tongue, English, rather than several and the linguistic hierarchy is seen on the European Commission’s homepage where almost all texts can be found in English, most in French and only few in other languages apart from the law documents for all member states. He discusses English as lingua franca and the different roles it may play saying English may also be seen as lingua economica (the globalisation imperative), lingua academica (a tool for international cooperation in higher education), lingua cultura (a society’s values and norms), lingua emotive (Hollywood and popular culture), lingua bellica (the language of war) and – referring to Swales¹⁰⁷⁵ – lingua tyrannosaura (linguistic cannibalism). He says in Sweden scholars and officialdom have done more than in any other European state to explore if English threatens the national language Swedish and the official goals for the Swedish language are to maintain Swedish as the primary language for all in Sweden and make sure it is a complete and correct language, to have parallel competences in Swedish and English for the university, business, political and media elites along with good competence in other languages.

In his book chapter “English, no longer a foreign language in Europe?”¹⁰⁷⁶ from 2007 Phillipson says in continental Europe English serves many purposes fitting globalization where English increasingly is the first corporate language and learned globally intruding into domains where other European languages hitherto haven’t been challenged also in key domains like education, business and media where English until recently was a foreign language but now more and more is used in private, professional and public life as it ever more takes the role of second language gradually taking over from other foreign languages like French, German and Russian where

its unbalanced dominance is shown by that 70-80% of the fiction films shown in Europe are from the U.S.A while only 1% of the films shown in the U.S.A are foreign. Phillipson says Englishisation affects the form and content of other languages and it also is part of Americanisation and globalization where he refers to Bourdieu\textsuperscript{1077} who says globalization and Americanisation are the same.

In his article “Globalization, language, and the tongue-tied American: A textual analysis of American discourses on the global hegemony of English”\textsuperscript{1078} from 2007 Demont-Heinrich claims English monolingualism in the USA - particularly among their elite in the fields of business, education, politics and culture elite - could be a potential threat to their national security and economic competitiveness where some Americans say the English hegemony makes it harder for them to become multilingual. He argues that there is a linguistic assimilation as immigrants to the USA – who could reinforce the linguistic diversity that still exists below the elite - quickly give up their native language and begin to speak English instead.

In the article “The linguistic imperialism of neoliberal empire”\textsuperscript{1079} from 2008 Phillipson says in later years the English language has strongly expanded in continental Europe due to globalisation and European integration where the English language plays an ever more dominant role as a neoimperial language serving the interest of Anglophone countries, driven by the United States and Great Britain promoting capitalism by a discourse and rhetoric about democracy, free market and freedom justifying the U.S. domination where Global English – holding a product (the code), a process (the means) and a project (the normative goal of speaking English) - is a key instrument in the U.S. empire striving for expansionism and in CEE the English language, the free market and liberal democracy were all marketed as the way to solve the situation after the fall of communism. He says English is more than a communication tool since it holds and is associated with certain values which journalists and academics internalise through generally accepted wisdom and reporting styles benefiting Western corporations by specific ways of organizing the global economy and language is a key tool for ideological control. He says many tools bind Anglo-American elites together consolidating English linguistic hegemony,

\textsuperscript{1079} Phillipson, R., The linguistic imperialism of neoliberal empire, pp. 1-43, 2008, Critical Inquiry in Language Studies
which could lead to domain losses for other languages such as Swedish leading to a linguistic capital dispossession, which in turn strengthens English giving it a linguistic capital accumulation. He stresses the Americanisation of mindsets and consumer patterns in Europe where the American expansionism isn’t territorial anymore but economical, technological and material using electronic and mental control through popular culture and advertising as well as collaborations in political and scientific networks to maintain an exploitative economic structure where the English language – and thereby linguistic neoimperialism - has benefited from the corporate driven globalisation and its changes in communication technology and the information society where the neoliberal language is chosen by humans thinking this linguistic capital serves their personal interests the best.

In the article “Lingua franca or lingua Frankensteina? English in European integration and globalization” from 2008 Phillipson says if a lingua franca is a native tongue to some people but not to others this is unfair and leads to an asymmetrical communication where it is misleading to claim this language is disconnected from culture and neutral as he sees English is a crusade language for global corporatisation promoted by the words freedom and democracy. He sees the contemporary consolidation and expansion of English in a global Americanisation and Europeanisation process using English as lingua franca that leads to an uncritical enhancing of English linguistic hegemony via discourses and policies. He says English and languages of other European countries that historically have occupied other continents and countries may be seen as a colonizing languages and states aiming at internal monolingualism explicitly strive to eliminate linguistic diversity and such a linguistic policy favours a lingua Frankensteina leading to linguicide, a death of other languages. He says there is also a hierarchy of languages where Global English is promoted and seen as a norm in a normative project and comes out on top. Yet he says in EU multilingualism has been strengthened since 2007 when it obtained its own portfolio within the European Commission but in 2005 came an EU-document with a strategy for multilingualism striving for learning of mother tongue plus two foreign languages for citizens in EU-countries, promoting multilingualism generally and in higher education, strengthening the diversity of languages learning and easing the multilingual economy.

In his article “The death of cultural imperialism and power too?: A critical analysis of American prestige press representations of the hegemony of

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from 2008 Demont-Heinrich says the English hegemony story doesn’t only include the benefits like popular choice, global unity and equality as well as universal inclusion and progress but also darker sides such as directed choice, persistent linguistic imposition, domination and homogenization as well as linguistic hierarchy and privilege and also widespread exclusion, where British colonialism and U.S.-led global capitalism have been the strongest drivers for the global expansion of English and this current global hegemony of English could be highly influential when we see it as a global standard that may affect global power relations and, referring to Maurais, other languages since capitalism strives for homogenization so it could lead to choice restrictions.

10.1.7 Reports on the role of language in international business
In a survey on MNCs from ten different countries – but mainly focusing on UK, France and Germany - by CILT – The national center for languages in UK – from 2007 called “Talking sense: A research study of language skills management in major companies” – CILT found that language skills give a competitive advantage both to the company and to the individual in terms of recruitment and career possibilities while the importance of Chinese, Arabic and Spanish in the business world will increase in the future and – referring to a report from Nuffield foundation - noted that the English global dominance is likely to be challenged due to a shift of economically powerful states in the world.

In the project “Study on Contribution of multilingualism to creativity” from 2009 covering EU-27 plus Norway and Turkey David Marsh et al. show that multilingualism may bring several useful spin-off effects being very relevant to the business world. They say multilingualism may increase creativity and enhance learning, conceptualisation skills, flexible and abstract thinking, ability to see reality from different perspectives, problem

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1083 CILT - The national centre for languages, Talking sense: A research study of language skills management in major companies, pp. 2-50, 2007, CILT - The national centre for languages, London, UK


1085 Marsh, D, Hill, C. & Many researchers and country experts covering EU-27 plus Norway and Turkey, Study on Contribution of multilingualism to creativity – Final report, 2009, European Commission, Brussels. This footnote covers the entire paragraph apart from the line after the hyphens that have the two individual footnotes.
solving capacity, metalinguistic awareness - reading between the lines, interpersonal and interactional ability to communicate in terms of contextual sensitivity, multitasking ability as speaking two or three languages brings more than the sum of the parts, and it may reduce age-related mental decline where progress in neuroscience will show how language functions in the brain.

To my study the ELAN-report is very interesting and substantial covering the rest of this section. A study called “Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise” from 2006 is the first attempt on European Union level – the study also included Turkey, Norway and Iceland - to estimate the costs of not having foreign language skills and it found that 11% of the SMEs may lose business because of communication barriers, due to lack of language skills while another 4% of the SMEs may have lost business due to lack of intercultural skills. Many SMEs were unable or unwilling to indicate the sum they had lost and only known or potentially known language-related losses were included so a conservatively estimated extrapolation over the entire European Union with the same percentages would result in 945,000 companies losing on average 325,000 Euro over a three year period corresponding to a yearly loss of over 102 billion Euro only for SMEs.

The ELAN-study says export ability indicates competitiveness and exporting companies are assumed to have higher productivity, due to specialization trade gains, strengthening the economy of their country where foreign languages are vital for export so this stresses the need for such skills and insufficient investments in language skills could make SMEs - and other companies – lose profitable business opportunities so an SME’s competence in the local language on a large market strongly influences if the firm exports to it or not.

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1086 Marsh, D, Hill, C. & Many researchers and country experts covering EU-27 plus Norway and Turkey, Study on Contribution of multilingualism to creativity – Executive summary, p. 4, 2009, European Commission, Brussels

1087 The study was commissioned by the Directorate General for Education and Culture of the European Commission and carried out by the UK National Centre for Languages together with an international team of researches and the study included nearly 2000 randomly selected small and middle-sized Companies (SMEs) as well as 30 multinational companies and a group of experts from the countries included in the study and a couple of case studies. This information was partly found in: European Commission, IP/07/230, Flerspråkighet stärker EU:s konkurrenskraft, 2007-02-23, Bryssel


1089 CILT, the National Centre for Languages, ELAN: Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise, December 2006, London

1090 Many of these SMEs were unable or unwilling to indicate the sum they had lost and only cases where the companies knew that they had lost or potentially had lost business were included in the 11% figure so the real loss could be much bigger, e.g. due to unawareness of lost opportunities or an unwillingness to admit not only the size but even the very existence of business lost to insufficient language skills
The ELAN-study found that Sweden, Portugal and France have become complacent about their language skills and many informants said Sweden too heavily relies on English and by improving language skills Sweden could increase trade very much.

There are cultural barriers which can stop a business or make it more difficult and the ELAN-study on SMEs in the European Union plus Norway, Iceland and Turkey found that particularly the Nordic countries faced a cultural barrier and furthermore Sweden, Finland and Iceland were the countries where most companies thought they had missed an export contract opportunity due to lack of cultural competence. The ELAN-study reviews earlier studies on language barriers being equivalent to substantial trade tariffs and sharing a common language would raise bilateral trade significantly. It argues adopting one company language in a MNC could bring procedural and legal difficulties and a common way to solve it has been to agree on one language for legal and contractual matters while increasingly flat management structures and an encouragement for internal networking between employees strengthens multilingualism putting the monoglot – a person who only speaks one language - in a more and more unfavourable position.

The ELAN-study found that the animosity towards the Russian language which was seen after the fall of the Soviet Union in the former Soviet republics decreases so Russian is now extensively used in Eastern Europe as are German and Polish while French is used in trade with African countries as is Spanish in business with Latin American. Although English could do at initial market entry in the long run building and managing relations is vital where knowledge of the culture and the local language are central but there is an Anglophone complacency which is not only restricted to Anglophone countries: One such Anglophone complacent country is Sweden.

Intermediate languages exist and the most used languages on export markets by firms are a multitude where English clearly comes first and then German, French, Russian, Spanish and other languages. There is a clear domination of English but many other languages are used in international trade. For about 10% of the SMEs the target market was chosen due to the language and cultural skills of the firm where German and French were most vital ones. Some firms value native speakers. In the ELAN-study nearly a quarter of the SMEs of all EU-countries plus Norway, Turkey and Iceland had employed native speakers on full time to assist their foreign trade while the figure for Sweden was considerably higher. Reviewing earlier studies on the weight of the German language the ELAN-study found that although
English is the most commonly used foreign language German is widely used as a second lingua franca in business in Europe except for in Spain and Portugal.

Regarding the potential of language competence to increase the export of the ELAN-study indicates that a firm that hitherto hasn’t done any language investments would do the four language investments of employing individuals with language skills –amplifying sales by 16.6 %, having a language strategy – boosting sales by 13.5 %, use translators – raising sales with 7.4 %, and employ native speakers – enhancing sales by 7.0 %, then altogether these four investments would increase its sales with 44.5 % (16.6 + 13.5 + 7.4 + 7.0 = 44.5) while agents would not improve sales – rather using agents increases the probability of losing contracts abroad and reflects insufficient in-house linguistic skills. Thus, these four language investments – language skills acquisitions, language plan, employment of nationals and usage of translators - will boost export sales. In order to improve the language skills in business informants in the ELAN-study propose that more languages should be made compulsory at school, the governments should introduce better language training procedures and business should give their staff better language training.

MNCs have better possibilities to recruit language skilled individuals than smaller firms and the ELAN-study found that more large companies than SMEs, which probably can’t afford it, had done selective recruitment to find people with the needed linguistic skills. The MNCs also trained their personnel in intercultural skills much more than the SMEs.

10.1.8 Books on the role of language in international business

In a book from 2002 called “Cross-cultural management – A knowledge management perspective” Holden says a common company language is a symbol and may stand for other things than just a national language, it may stand for a common view on values, attitudes and behaviour – a company culture as I see it - that the company wants its employees to follow so speaking the same language could be a metaphor for sharing a company culture. He says in cross-cultural knowledge transfer the management language is a descriptor, a facilitator and a repository. Discussing the lack of studies on language in a business setting he says language is the lost continent of management, thus a huge loss.

In a book called “International management and language” from 2008 Tietze claims managers need excellent communication skills more than other professional groups and their ability to use language in certain discourses is a management core skill vital for their professional identity, credibility and status and also in the making of managers through education and socialisation. She sees four dimensions of language; a descriptive, a phatic, a hegemonial and a performative dimension. She claims English as a company language facilitates mutual understanding, creativity, and exchange of knowledge. She argues that both the English language and the management discourse claim universal validity, truth and standards and they often reinforce each other though they may cause indoctrination, discrimination and exclusion and the English language is a powerful globalisation instrument reproducing ideologies and worldviews which become seen as natural and normal. The book is partly an anthology and in one chapter Holden and Tansley argue managers are creations of their own language making excellent things with language but the disinterest of language from English-speaking scholars has impoverished the studies of management and the linguistic ethnocentrism of the English speaking world is the biggest obstacle to the intellectual development of international management studies and mutual understanding is impeded by language barriers. Holden, Kuznetsova and Fink say that language barriers divide societies, worldviews and institutions and have constrained the transfer of management knowledge to Russia which still hasn’t internalized the language of market economy due to lexical and vocabulary voids where a standardization of management vocabulary could help Russia and other former plan economies in CEE, as I see it in their development towards a well functioning market economy.

10.2 Appendix 2: Articles with aspects on intercultural communication

10.2.1 Communication aspects on high and low-context cultures
Gundling wrote an article called “How to communicate globally?” in 1998 arguing that advanced communication technologies are counterproductive in high-context cultures and e-mail and voicemail work better in low context cultures than in high context ones. He also claimed that personal meetings convey much more meaning than literal words of a message and therefore important messages are best conveyed by high-context means meeting the other person face-to-face.

1092 Tietze, S., International management and language, 2008, Abingdon, UK
In the article “Contexting Koreans: Does the High/Low model work?” from 1998 Thomas studied if South Korean managers exhibited more high-context culture than US managers by comparing their written documents but the groups did not differ much.

10.2.2 Intercultural face-to-face communication
In an article from 2004 called “Coping with multicultural projects: The leadership styles of Finnish project managers” on international project teams Mäkilouko says face-to-face meetings develop personal relationships between team members which improves communication and reduces conflicts.

10.3 Appendix 3: Hofstede’s cultural dimensions

10.3.1 Theoretical description of Hofstede’s cultural dimensions
The Dutch researcher Geert Hofstede has created four dimensions by which you can describe a culture and then a fifth dimension called Confucian Dynamism has been added. Hofstede presents these dimensions and in addition Guirdham gives us her view of Hofstede’s dimensions so combining their views we end up with the following:

1. Power Distance (PD): Hofstede regards power distance as the degree to which the less powerful members of companies and organisations in a country expect and accept the unequal distribution of power. Guirdham sees it as how far people of different social status are separated, where low PD cultures endorse egalitarianism with open and informal relations between unequals and high PD cultures endorse hierarchies with strict and formal relations between people with different status. Some features of a high power distance society are inequalities between people, centralisation and privileges for managers are popular, there are big differences in income, the middle class is small and power has precedence over justice.

2. Individualism- Collectivism (IC): Hofstede says individualism means societies featuring loose ties between individuals where it is expected
that everyone takes care of him- or herself and of the closest family while collectivism is its opposite having societies where people right from the birth are integrated in strong and well-composed in-groups, which protect him or her throughout life in return for unconditioned loyalty. Guirdham looks upon this relation as the extent to which an individual’s behaviour is influenced and defined by others - the individualists are more self-sufficient whereas the collectivists pay more attention to his or her obligation to the group. Some features in an individualistic culture are that individual interests precede collective ones, education increases the economic value of a person, everybody is equal before the law, the press is free, high GDP per head, a limited role of the state in economic affairs, political power comes primarily from the citizens and not from vested interests while low context communication is the rule.

3. Masculinity- Femininity (MAS): Hofstede says that in masculine societies there is a clear difference in the social sex roles where men are presupposed to be tough, self-assertive focusing on material success while women are presupposed to be tenderer and soft, unpretentious and committed to the quality of life. Conversely in feminine societies there is an overlap in the social sex roles as both men and women are presupposed to be tender or soft, unpretentious and devoted to the quality of life i.e. the same features as women in a masculine society. Guirdham perceives this relation as a mentality and behaviour criterion where the high MAS cultures feature assertiveness, competition and aggressive success as well as financial and material comfort, power and success whereas low – MAS countries prefer modesty, compromise and cooperative success along with caring personalities. Some features of masculinity are an emphasis on material progress and work performance along with money and things where big and fast is preferable and conflicts are solved when the strongest party wins and not by compromises and men and women have different roles where men are expected to be ambitious whereas women should be committed to human relations.
4. Uncertainty Avoidance (UA): Hofstede has the view that uncertainty avoidance indicates how threatened members of a culture feel when they face insecure or unknown situations. Guirdham considers it to be how strongly a culture wants to avoid ambiguity and how it solves uncertainty. High UA cultures prefer strict rules and set procedures to reduce uncertainty and they are closed to outsiders and stress conformity and obedience while low UA cultures tolerate more ambiguity and prefer more flexible solutions being more open to outsiders stressing personal choice and initiative power. Hofstede says cultures avoiding uncertainty see it as a threat that must be fought and strive for believing in an absolute truth and think that what is different is dangerous. He says they are motivated by security, appreciation and affiliation, there is a high level of stress and a subjective feeling of fear. There is a need for many, precise and strict rules, there is conservatism and intolerance for deviation and what is dirty and taboo as well as believe in experts and specialization. People in high uncertainty avoidance cultures think time is money and citizens have little power when compared to power holders and authorities, there is a negative attitude towards institutions and protesting citizens should be silenced while cultures accepting uncertainty see it as a normal part of life and take a more relativistic stand regarding what is the truth thinking what is different is interesting. People in low UA-cultures are motivated by performance, appreciation and affiliation, they have a low level of stress and there is a tolerance for deviations, ambiguity and unknown risks, there should not be more rules than necessary and they should be of a general kind. There is a belief in general knowledge, common sense and in human rights where persecutions for ideas must be avoided and what is a truth for some people should not be forced on others.

5. Long-term or short-term orientation (LST) in Confucian Dynamism: In long-term orientation Hofstede includes persistence, to order personal relations according to status and respect this order, thrift and big savings, having a sense of shame, living virtuously and a willingness to submit oneself for a cause while short-term orientation features personal stability, saving face, respect for traditions, mutuality regarding greetings, privileges and gifts as well as fast

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results small savings and a social pressure to keep up with the neighbours regarding consumer goods.\textsuperscript{1108}

10.3.2 Hofstede’s cultural dimensions applied on my empirical material

We here connect Hofstede’s theory of the four cultural dimensions by which you can describe a culture and the fifth dimension called Confucian Dynamism to substance found in my empiric material where we go through the dimensions one by one. We then find the following characteristics for these countries.

There is a big power distance with authoritarian thinking and a strong hierarchy where the boss decides everything, there are big differences between the elite and the rest of the population and the middle class is small. The more elaborated and explicit way in which the manager must inform the employees is a sign of subordinates expecting to be commanded by their superior. In these countries very much is centralized to the capital where the standard of living is much higher than on the countryside and these differences in standard of living between the capital areas and the provinces are also much bigger than in Sweden. Privileges and status symbols for the managers are expected. A problem is that power sometimes still has precedence over justice and that was much more so during the communist period regime, as the extreme show trials demonstrated. All these things indicate a big power distance.

There is individualism in the sense of much egoism and individual interests have precedence over collective ones, diplomas increase the economic value of a person and in a sense people are brought up to take care of their closest family members. The frequent avoidance of assuming personal responsibility in these countries is not characteristic for individual cultures though. Still, in many ways these countries are moving away from much collectivistic ideas as well such as in reality laws and rights have been different to different groups of people, vested interests have dominated politics, the press was not free but controlled by the state and a low GDP per head where the state used to dominate the economic system. Low context communication dominates when giving working instructions. Thus these countries are in a sense individualistic and they become more and more individualistic. This could also illustrate the passing nature in a transition economy.

\textsuperscript{1108} Hofstede, G. \textit{Organisationer och kulturer – om interkulturell förståelse}, p. 208 & 216, Studentlitteratur, Lund
These countries are masculine focusing on money and materialism, success is important while compromise is a sign of weakness, big is beautiful and things should happen fast, men could often have a tough and assertive attitude while women care very much about their appearance and beauty so there are traditional roles for men and women where women take more responsibility for the home and also about the quality of life. It is important to become a manager and that brings many privileges and material advantages.

There is quite much uncertainty avoidance in terms of fear for doing something wrong and lack of initiative power along with a desire for strict rules and detailed job descriptions as well as an absolute thinking and often also intolerance for Roma people. There is much general fear and stress in these societies as well as a negative view on institutions and people don’t have much power when dealing with the authorities or power holders and there are many experts and specialists. Conversely the idea that time is money has not always been understood in business life.

There is also a short-term business orientation where people want money and things fast. The façade and so the face are important and in a way people want to keep up with others regarding consumer goods but showing that you have something yourself seems to be more important than keeping up with others. People could live above their standard in terms of having more expensive consumer goods than they actually can afford but instead eat cheaper than normally and under such conditions there is not much room for savings.

Summing it up these countries feature a masculine culture with a big power distance and quite much uncertainty avoidance and individualism and there is a short term business orientation. The recent poverty during the plan economy era enhances the masculine character where people strive to buy and show things they couldn’t buy before, and the history of these countries which historically all have been parts of other’s empires such as the Russian, Austrian and Ottoman ones and lately republic or satellite states to the Soviet Union – which was a sort of empire – has made giant hierarchies with leaders far away from the people and thereby big power distances. The fear of being punished in one way or another for doing something wrong has created uncertainty avoidance. The deep distrust in others – apart from family members – has created much egoism and individualistic preferences and also – together with strong wishes for fast materialistic compensation contributed to a short-term business perspective.
We have now reached the end of this study. It began with the introductory chapter holding the background, problem and aim of the study followed by a chapter on the scientific perspective – hermeneutics – and a theoretical chapter on business culture, communication, intercultural communication and language in a business context was presented and followed by a chapter on the method used – an ethnographically inspired case study with semi-structured interviews and observations from the countries where I lived and studied. Then the empirical findings were given with a similar structure and thereafter came the analysis chapter with the ideal types, the cultural significance structures and the metaphoric interpretations of them followed by a chapter with the conclusions, the contributions from this study and suggestions for further studies. The literature list and the questions asked to the informants followed. This appendix gave an overview of scientific articles, reports and books dealing with the role of language in international business, a few articles on intercultural business communication and then both a theoretical and an applied and interpreted view of Hofstede’s cultural dimensions.

10.4 Appendix 4: The accumulated cultural significance structure for each individual category

Having all the three ideal type categories of frequency, arrowheads and ideal type elements we now order each one of them from the highest score instead of ordering them according to the order of the sum of these three categories. Beginning with how common a phenomenon is, i.e. the frequency, we obtain the table further down for the weighted and accumulated table.

From the table below we see that the most frequent cultural significance structure elements are found in the fields of holistic view and independent thinking which both are part of an individual’s mind-set illustrating how common the mental framework problems in these areas are in the studied countries. The dimensions of trust and responsibility and initiative are also found in most ideal types whereas issues on win-win-thinking along with hierarchy and authoritarianism are found in roughly half as many ideal types and the rest of elements are much rarer in the ideal types. Though there are some minor changes where distrust come out on top of the total accumulated cultural significance structure and third in this one on frequency this latter is very much in line with the former cultural significance structure elements also regarding the lower half of the table. The next table shows the influence in terms of arrows that the cultural significance structure elements exert on each other.
<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Lack of) holistic view</td>
<td>142,14</td>
</tr>
<tr>
<td>(Lack of) independent thinking</td>
<td>142,14</td>
</tr>
<tr>
<td>(Dis)trust</td>
<td>132,67</td>
</tr>
<tr>
<td>(Lack of) responsibility and initiative</td>
<td>123,19</td>
</tr>
<tr>
<td>(No) win-win thinking</td>
<td>75,81</td>
</tr>
<tr>
<td>Hierarchy and authoritarianism</td>
<td>66,33</td>
</tr>
<tr>
<td>(Less) fear</td>
<td>28,43</td>
</tr>
<tr>
<td>Egoism and lack of consideration and respect</td>
<td>28,43</td>
</tr>
<tr>
<td>Plan economy thinking</td>
<td>18,95</td>
</tr>
<tr>
<td>Materialism</td>
<td>18,95</td>
</tr>
<tr>
<td>Admiring the strong one</td>
<td>9,48</td>
</tr>
<tr>
<td>Corruption</td>
<td>9,48</td>
</tr>
<tr>
<td>Total</td>
<td>796</td>
</tr>
</tbody>
</table>

Table 38: The total accumulated and weighted table on frequency in cultural significance structure element

The influence from the cultural significance structure elements on each other is given by the arrowheads shown in the table below having a similar order as the table on frequency where this arrowhead table has the dimension of (lack of) holistic view and (lack of) independent thinking on top just before the phenomena of (dis)trust as well as (lack of) responsibility and initiative where these four dimensions are quite close to each other but quite far ahead of the others where the next one is the cultural dimension of (no) win-win-thinking being well ahead of hierarchy and authoritarianism which in turn is relatively far ahead of (less) fear and well behind that one come the remaining five cultural significance structure elements where egoism and lack of consideration and respect comes a little ahead of the others yet it could be seen as forming a bit more extended group of two elements with plan economy thinking and then materialism and admiring the strong one build up a tight group of three cultural elements also including corruption. On an overarching view this is rather well in line with the order of the total column. Thus also here the predominantly mental and attitude phenomena with their potential shortages and even blockings come out on top confirming that these dimensions profoundly characterise these cultures.


<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Arrowheads</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Lack of) holistic view</td>
<td>141.02</td>
</tr>
<tr>
<td>(Lack of) independent thinking</td>
<td>136.32</td>
</tr>
<tr>
<td>(Dis)trust</td>
<td>134.76</td>
</tr>
<tr>
<td>(Lack of) responsibility and initiative</td>
<td>130.06</td>
</tr>
<tr>
<td>(No) win-win thinking</td>
<td>94.02</td>
</tr>
<tr>
<td>Hierarchy and authoritarianism</td>
<td>67.38</td>
</tr>
<tr>
<td>(Less) fear</td>
<td>37.61</td>
</tr>
<tr>
<td>Egoism and lack of consideration and respect</td>
<td>20.37</td>
</tr>
<tr>
<td>Plan economy thinking</td>
<td>14.10</td>
</tr>
<tr>
<td>Materialism</td>
<td>7.83</td>
</tr>
<tr>
<td>Admiring the strong one</td>
<td>6.27</td>
</tr>
<tr>
<td>Corruption</td>
<td>6.27</td>
</tr>
<tr>
<td>Total</td>
<td>796</td>
</tr>
</tbody>
</table>

Table 39: The total accumulated and weighted table on arrows in cultural significance structure element

The next table shows the intensity in terms of number of ideal type elements in the cultural significance structure elements. Thus the headline element stands for the total number of ideal type elements from all the ideal type pictures in a certain cultural significance structure element as the table here below exhibits.

Regarding the intensity of ideal type elements on these cultural significance structure elements the big picture remains from the tables on frequency and influence (arrowheads) but the internal order has slightly changed as the trust phenomenon comes out on top followed by the dimensions of holistic view, responsibility and initiative and then independent thinking and although these four phenomena also in this table come quite far ahead of the other dimensions they are internally a little more separated and not as tight as in the tables on frequency and influence. In this table on intensity the phenomenon of win-win thinking comes just before hierarchy and authoritarianism whereas the remaining six cultural significance structure elements are left far behind. Concerning the positions within the six last cultural elements admiring the strong one have advanced one step whereas materialism has lost one step as compared to the order in the total column.
<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Dis)trust</td>
<td>175,59</td>
</tr>
<tr>
<td>(Lack of) holistic view</td>
<td>159,00</td>
</tr>
<tr>
<td>(Lack of) responsibility and initiative</td>
<td>134,62</td>
</tr>
<tr>
<td>(Lack of) independent thinking</td>
<td>115,11</td>
</tr>
<tr>
<td>(No) win-win thinking</td>
<td>75,11</td>
</tr>
<tr>
<td>Hierarchy and authoritarianism</td>
<td>74,14</td>
</tr>
<tr>
<td>(Less) fear</td>
<td>15,61</td>
</tr>
<tr>
<td>Egoism and lack of consideration and respect</td>
<td>11,71</td>
</tr>
<tr>
<td>Plan economy thinking</td>
<td>11,71</td>
</tr>
<tr>
<td>Admiring the strong one</td>
<td>11,71</td>
</tr>
<tr>
<td>Materialism</td>
<td>7,80</td>
</tr>
<tr>
<td>Corruption</td>
<td>3,90</td>
</tr>
<tr>
<td>Total</td>
<td>796</td>
</tr>
</tbody>
</table>

Table 40: The total accumulated and weighted table on ideal type elements in cultural significance structure elements

10.5 Appendix 5: The differentiated cultural significance structure for each individual category

We now look at the differentiated cultural significance structure elements where the antipodes are crucial and differ from the previous tables here above. We will see how the individual categories match the general order given in the table with all categories ordered after the highest total score when the scores of each category are summed up. We see how common a cultural element is in the ideal type pictures, i.e. the frequency, for the differentiated and un-differentiated but weighted frequency elements.

On top of table 41 here below exhibiting the cultural significance structure element of frequency in the differentiated and weighted table we find a group of three elements consisting of trust, responsibility and initiative along with independent thinking closely followed by holistic view that in turn comes just ahead of hierarchy and authoritarianism. These five elements also come on top of the table with the sum of all categories. In the table above follows a group of three elements including win-win thinking, lack of holistic view and lack of independent thinking. Closely after this group comes distrust and just afterwards lack of responsibility and then egoism and lack of consideration and respect follows. After all these
individual elements there comes a group of four elements which are no win-win thinking, fear, plan economy thinking and materialism where each element is found in two ideal type figures. At the table’s end are four elements; holistic view difficulties, less fear, admiring the strong one and corruption which all were present in only one ideal type each. Except for that materialism comes one step higher and no win-win thinking one step lower and that some positions in this frequency table are shared, the order is more or less the same as in the table 39 with the sum of all categories.

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>85.29</td>
</tr>
<tr>
<td>Responsibility and initiative</td>
<td>85.29</td>
</tr>
<tr>
<td>Independent thinking</td>
<td>85.29</td>
</tr>
<tr>
<td>Holistic view</td>
<td>75.81</td>
</tr>
<tr>
<td>Hierarchy and authoritarianism</td>
<td>66.33</td>
</tr>
<tr>
<td>Lack of holistic view</td>
<td>56.86</td>
</tr>
<tr>
<td>Win-win thinking</td>
<td>56.86</td>
</tr>
<tr>
<td>Lack of independent thinking</td>
<td>56.86</td>
</tr>
<tr>
<td>Distrust</td>
<td>47.38</td>
</tr>
<tr>
<td>Lack of responsibility and initiative</td>
<td>37.90</td>
</tr>
<tr>
<td>Egoism and lack of consideration and respect</td>
<td>28.43</td>
</tr>
<tr>
<td>No win-win thinking</td>
<td>18.95</td>
</tr>
<tr>
<td>Fear</td>
<td>18.95</td>
</tr>
<tr>
<td>Plan economy thinking</td>
<td>18.95</td>
</tr>
<tr>
<td>Materialism</td>
<td>18.95</td>
</tr>
<tr>
<td>Holistic view difficulties</td>
<td>9.48</td>
</tr>
<tr>
<td>Less fear</td>
<td>9.48</td>
</tr>
<tr>
<td>Admiring the strong one</td>
<td>9.48</td>
</tr>
<tr>
<td>Corruption</td>
<td>9.48</td>
</tr>
<tr>
<td>Total</td>
<td>796.00</td>
</tr>
</tbody>
</table>

Table 41: The total differentiated and weighted frequency in cultural significance structure elements

We continue with the influence in terms of arrows between the cultural element ovals. On top of table 42 here below indicating the influence that the cultural elements have on each other in the differentiated and weighted table comes the cultural element of responsibility and initiative closely followed by a group of two cultural elements, trust and independent
thinking. Then there is a little gap to the next group of three cultural elements being closely put together and they are win-win thinking, holistic view along with hierarchy and authoritarianism. Then comes lack of holistic view followed by a group of two elements which are lack of independent thinking and distrust. Slightly isolated comes lack of responsibility and initiative. There is a small gap to the next group of cultural elements consisting of three elements which are fear along with no win-win thinking and egoism and lack of consideration and respect. The next group is not far behind and has the two cultural elements of less fear and plan economy thinking. At the end comes another group with four cultural elements which are quite close together and they are holistic view difficulties, materialism, admiring the strong one and corruption.

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Arrowheads</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibility and initiative</td>
<td>90,88</td>
</tr>
<tr>
<td>Trust</td>
<td>84,61</td>
</tr>
<tr>
<td>Independent thinking</td>
<td>84,61</td>
</tr>
<tr>
<td>Win-win thinking</td>
<td>70,51</td>
</tr>
<tr>
<td>Holistic view</td>
<td>68,94</td>
</tr>
<tr>
<td>Hierarchy and authoritarianism</td>
<td>67,38</td>
</tr>
<tr>
<td>Lack of holistic view</td>
<td>62,68</td>
</tr>
<tr>
<td>Lack of independent thinking</td>
<td>51,71</td>
</tr>
<tr>
<td>Distrust</td>
<td>50,14</td>
</tr>
<tr>
<td>Lack of responsibility and initiative</td>
<td>39,17</td>
</tr>
<tr>
<td>Fear</td>
<td>25,07</td>
</tr>
<tr>
<td>No win-win thinking</td>
<td>23,50</td>
</tr>
<tr>
<td>Egoism and lack of consideration and respect</td>
<td>20,37</td>
</tr>
<tr>
<td>Plan economy thinking</td>
<td>14,10</td>
</tr>
<tr>
<td>Less fear</td>
<td>12,54</td>
</tr>
<tr>
<td>Holistic view difficulties</td>
<td>9,40</td>
</tr>
<tr>
<td>Materialism</td>
<td>7,83</td>
</tr>
<tr>
<td>Admiring the strong</td>
<td>6,27</td>
</tr>
<tr>
<td>Corruption</td>
<td>6,27</td>
</tr>
<tr>
<td>Total</td>
<td>796,00</td>
</tr>
</tbody>
</table>

Table 42: The total differentiated and weighted arrowheads in cultural significance structure elements
This table with influence on other cultural elements through arrowheads is less in line with the table giving the total sum of all categories than the table of frequency was. On the top of this table the first difference is seen directly as responsibility and initiative comes first ahead of trust while a bit further down the cultural element win-win thinking has moved up three positions and fear has passed no win-win thinking as well as egoism and lack of consideration and respect while less fear have passed both holistic view difficulties and materialism as compared to the table with all differentiated and un-differentiated categories summed up, i.e. table 39. Even though there thus are some changes the big picture remains regarding at which end of the table that the different cultural elements are found. Thus these changes of order among the cultural elements are rather small leaving the big picture more or less intact. The next table is on intensity and thus on the elements though in this case we will first present the text on the element order in that very table and then the table and thereafter compare the table order to the other tables and all this is due to disposition and space reasons.

Table 43 here blow showing the number of ideal type elements under a certain cultural significance structure element, has at the top trust closely followed by responsibility and initiatives and both these cultural elements are placed in one group that is far ahead of the other elements. Then there is a group consisting of four cultural elements being held closely together and they are hierarchy and authoritarianism, holistic view, lack of holistic view and independent thinking. A bit behind comes a group of three cultural elements where the internal distances are a bit longer and they are win-win thinking, distrust and lack of independent thinking. Rather far behind them there is a group with three cultural elements which are lack of responsibility and initiative, no win-win thinking and holistic view difficulties. Then we find yet another group with three elements which are plan economy thinking, admiring the strong one and egoism and lack of consideration and respect. Not far behind we have a group of three cultural elements which are fear, less fear and materialism and a bit further away at the very end of the table we find the last element which is corruption. 1

Comparing this table 43 on the intensity of the cultural elements with the overall sum of all the individual categories the first two elements are the same and they are in both tables quite a bit ahead of the others. Although not coming in exactly the same order three out of the four cultural elements in the element table’s second group are also placed together in the overall table’s second group so only the element lack of holistic view has climbed up one step. The next group with the three elements win-win thinking, distrust and lack of independent thinking is found on about the same place in the element table as in the overall one. As compared to the overall table in...
this table on the intensity in number of elements the holistic view difficulties advances three positions but stays in the middle while admiring the strong one also makes a progress of three steps whereas fear falls three positions while most of the remaining elements may change a position or two but mostly more or less keep their position from the overall table.

<table>
<thead>
<tr>
<th>Cultural element</th>
<th>Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>124,55</td>
</tr>
<tr>
<td>Responsibility and initiative</td>
<td>114,82</td>
</tr>
<tr>
<td>Hierarchy and authoritarianism</td>
<td>73,95</td>
</tr>
<tr>
<td>Holistic view</td>
<td>70,06</td>
</tr>
<tr>
<td>Lack of holistic view</td>
<td>69,09</td>
</tr>
<tr>
<td>Independent thinking</td>
<td>68,11</td>
</tr>
<tr>
<td>Win-win thinking</td>
<td>55,46</td>
</tr>
<tr>
<td>Distrust</td>
<td>50,60</td>
</tr>
<tr>
<td>Lack of independent thinking</td>
<td>46,71</td>
</tr>
<tr>
<td>Lack of responsibility and initiative</td>
<td>19,46</td>
</tr>
<tr>
<td>No win-win thinking</td>
<td>19,46</td>
</tr>
<tr>
<td>Holistic view difficulties</td>
<td>19,46</td>
</tr>
<tr>
<td>Egoism and lack of consideration and respect</td>
<td>11,68</td>
</tr>
<tr>
<td>Plan economy thinking</td>
<td>11,68</td>
</tr>
<tr>
<td>Admiring the strong one</td>
<td>11,68</td>
</tr>
<tr>
<td>Fear</td>
<td>7,78</td>
</tr>
<tr>
<td>Materialism</td>
<td>7,78</td>
</tr>
<tr>
<td>Less fear</td>
<td>7,78</td>
</tr>
<tr>
<td>Corruption</td>
<td>3,89</td>
</tr>
<tr>
<td>Total</td>
<td>794,00</td>
</tr>
</tbody>
</table>

Table 43: The total differentiated and undifferentiated but weighted ideal type elements in cultural significance structure elements

The table 43 was the last table on the individual categories of the cultural significance structures and here below we finally present the abstract and the keywords form this thesis.
Abstract
Language competence is decisively important in international business and could increase efficacy, efficiency, sales and profits. Language is an underresearched area in business studies though language constitutes management and the managers building structures, processes, cultures and personalities being the most vital working tool to get things done and make them understandable. Since 1970 Swedish companies lose market shares globally and in Europe. In an era requiring better foreign language skills there is a declining trend among young Swedish business people and students in other languages than English. The aim of this study is to investigate and analyse the role of language in intercultural business communication between Swedish expatriates and locals in Serbia, The Czech Republic, Ukraine, Romania and Bulgaria and indirectly also Russia and Poland. To understand the business culture in these countries the author has learned the local language in these seven countries taking 3687 private language lessons. This improves the researcher’s understanding of the culture and its people giving directness and depth in communication, independence and receptivity. This ethnographically inspired hermeneutic study holds semi-structured interviews with expatriates. Better language skills among expatriates – particularly in the local language - could make them more self-dependent and win contracts and it strengthens closeness to customers, relationship and trust, strategic view and ability and also operational effectiveness and efficiency enabling their companies to gain market shares. Using Weber’s ideal types the cultural significance structures emerge featuring the cultures in these countries showing that expatriates have to strengthen the ability of the locals in the areas of trust, responsibility and initiative, independent thinking, holistic view, win-win thinking and reduce fear while the expatriates’ own abilities in these areas are strengthened if they speak the local language. Language strategies permitting the expatriate to be more communicatively and linguistically self-dependent are having a common company language, using multilingualism or having the expatriate speak or learn to speak the local language where the advantages, disadvantages and characteristics of these and other aspects of the role of language are given in ideal types.

Keywords
Language, multilingualism, culture, intercultural communication, business, expatriate, Central and Eastern Europe, cultural significance structure, business flower, hermeneutics, ideal type, export, foreign language skills, language competence, Sweden.