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Leading Across Borders: Navigating Cultural Differences in Multinational Organizations

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Abstract

Organizations increasingly rely on multinational teams in today's globalized business environment to maintain competitiveness and drive innovation. While cultural diversity presents opportunities for enhanced creativity and problem-solving, it challenges communication, leadership, and organizational integration. This study explores how leaders in multinational corporations (MNC) experience and discuss cultural differences and communication barriers in multinational organizations. A qualitative research design was used by conducting semi-structured interviews with 26 respondents with experiences from working as leaders in various industries. From this, insights were provided showing how leaders experience cultural differences and communication barriers and how they discuss this within their teams. The findings show that leaders who are open, humble, and willing to learn are more suitable for leading multinational teams. The collected data also shows the importance of team building and open communication for leaders in international corporations through team-building activities at the beginning of a project and flexible communication strategies. These strategies formed by the team leaders are especially valuable in the increasing use of hybrid working models. This research contributes to understanding how leaders experience and discuss cultural differences and communication barriers in multinational organizations.

Key words: Cultural differences, cultural barriers, multinational, leadership, organizational culture, communication barriers

Introduction

Background

In an increasingly globalized economy, firms are compelled to operate beyond their domestic borders to maintain competitiveness and achieve sustainable growth. As a result, internationalization has become a strategic imperative for many organizations (Neeley, 2015). This expansion across markets and regions necessitates the formation of multinational teams, composed of individuals from diverse cultural, linguistic, and professional backgrounds. While such diversity can enrich organizational knowledge and foster innovation, it simultaneously introduces complex challenges related to communication, coordination, and cultural integration (Neeley, 2015). Effective collaborations in multinational teams require heightened cultural awareness and adaptability. Communication styles, behavioral norms, and decision-making processes vary significantly across cultures, often leading to misunderstandings and friction without deliberate intercultural management (Neeley, 2015). For instance, while some cultures emphasize collectivism and long-term planning, others prioritize individualism and short-term results. Given that communication is deeply embedded in cultural values and assumptions, global organizations must invest in understanding cross-cultural dynamics to optimize team performance and minimize misinterpretation (Taras et al., 2021).

Culture has long been a foundational concept in international business and management studies. Caprar et al. (2015) noted that culture is frequently defined as a system of shared values, norms, beliefs, and assumptions that shape how group members perceive, think, and behave, distinguishing them from individuals from other groups. Importantly, culture is multifaceted and exists on several levels: national, regional, generational, and organizational. While national culture refers to the broader societal norms and values, organizational culture reflects the internal ethos of a firm shaped by leadership, strategic vision, institutional frameworks, and informal interpersonal dynamics (Caprar et al., 2015). Therefore, it can be hard for a leader to understand and properly lead a multinational team, especially if the culture is new to them. It is therefore important to highlight these issues so that more leaders can understand the importance of attaining knowledge from different cultures, having an open mind, and a willingness to learn.

While individual traits such as integrity, common sense, and interpersonal competence remain essential, they are insufficient in international contexts. Culturally competent leaders also have the ability to adapt their leadership style to align with the cultural expectations of the country in which they operate (Molinsky, 2016). Leaders must understand complex multinational landscapes, adjust their communication styles, and be able to lead according to the different cultural landscapes. Furthermore, leaders also need to understand the importance of building a sustainable team and finding the right person for the right job. Global leaders must manage across borders and foster psychologically safe environments where individuals from different cultural backgrounds can collaborate, share knowledge, and learn from one another. In our study,

leaders refer to a person with a role to lead others in a team. Culture refers to shared values, norms and traditions (Hofstede, 1994). Organizational culture refers to the shared work practices, leadership style and decision-making processes (Sun, 2008). Communication barriers refer to barriers in all forms of communication, not only through language but also in how an individual communicates.

Problematization

In conjunction with previous studies, how leaders adapt to cultural differences in Multinational Organizations is relatively unexplored. Previous research has a more general approach to the issue and has not particularly explored how leaders navigate between cultural differences and potential language and communication barriers that may occur when working with people from different cultural backgrounds. Robie et al (2001) examined which managerial skills were critical for effective leadership for leaders in the US and European countries. The study focuses more on feedback and how to deliver feedback to get the best outcome. Understanding how leaders navigate cultural differences is more critical than ever since more and more companies need to become more global to survive and stay relevant (Neeley, 2015). This study will be particularly interesting for international leaders who must guide a team of individuals from different cultures. Due to this gap in existing research on global leaders, this study explores how leaders handle communication barriers and adapt their leadership styles in culturally diverse teams. This will be done through factors related to cultural values such as power distance, individualism vs collectivism and team interactions.

Moreover, this research will examine how leaders on a managerial level or above, work with cultural differences. Previous research focused more on how leaders in general work with this issue. Thus leaders on a managerial level or above often need to handle more complex situations and make decisions that affect more people and the MNC at a significantly higher level. It is therefore of great value to examine their work in handling this issue. By focusing on leaders at a higher level of responsibility, the study addresses practical and theoretical gaps in understanding how leaders in MNCs adapt their leadership styles on both an individual level, when it comes to the specific team and team members as well as on a broader level, related to working towards the goals of the MNC by making use of factors such as diversity and innovation. This includes how leaders balance the broader organizational culture of the MNC as well as the national cultures of its subsidiaries. Different expectations of a leader and the decision-making process are rooted in the various cultures of the MNC.

Research question

How do leaders experience and discuss cultural differences and communication barriers in multinational organizations?

Theoretical Framework

Cultural Differences

Leading a multinational corporation can be very complex and it can be challenging as a global leader to understand how to adapt to different leadership styles that meet all of the needs within the company and different teams, regardless of cultural backgrounds. To be able to do this, knowledge about different cultures is of high value and necessary to avoid communication barriers that may occur due to cultural differences (Robie et al, 2001). Leadership skills across cultures differ but also the understanding of what set of skills makes a good leader. However, the value of core leadership traits are quite similar, even though the way of working may vary in the different cultures. Instead of choosing a leader based on what culture they belong to, it is important that the personality of the leader fits the company values. When discussing cultural differences that may occur in international businesses, it is important to distinguish national cultures from organizational cultures. National cultures affect our core values, norms and how we act while the organization culture more describes the culture and values in a specific company (Hofstede, 1994). Understanding individuals means understanding their backgrounds, from which present and future behaviour can be predicted (Hofstede, 1994).

In addition to this, some say that personality is the most important aspect when creating teams, especially when creating teams with members from different cultures. It is important to understand that an individual's personality often is influenced by their background and culture. The personality gives an understanding on how a person acts such as whether they are extroverts or introverts. Nevertheless, culture is something that humans tend to group people by (Brannen et al, 2017). Being a leader in an international organization is more complex than being a leader in a more national organization since both personality and culture needs to be taken into consideration when creating a team (Brannen et al, 2017). Global teams face challenges related to trust, communication styles and decision-making processes. This is due to their different cultural backgrounds. To handle these challenges as a global leader, it is important to constantly gain a better understanding of the relationship between culture, personality and social interactions. This will help MNCs to create an inclusive environment that enhances collaboration, innovation and productivity (Brannen et al, 2017).

Furthermore, Boussebaa (2020) argues that companies need to shift their focus towards cultural globalization and leave the more static approach that focuses on national cultural differences behind. The more modern approach called culture globalization, refers to how global economic, political and institutional forces that shapes management practices across countries. This view examines how cultures evolve through global influences instead of seeing cultures as isolated entities. To add to that, it is crucial to be flexible and gain knowledge about different cultures when operating in a global context. Singh (2014) emphasizes the importance of understanding and managing cultural diversity to ensure organizational success. Embracing cultural diversity

can provide organizations with innovative ideas and competitive advantages. However, if not managed effectively, cultural differences can hinder the achievement of organizational goals. Some challenges that global organizations face are communication barriers, differing management styles and varied workplace behaviours due to cultural differences (Boussebaa, 2020). These are challenges that can lead to misunderstandings and conflicts within the team.

Additionally, Singh (2014) discusses three different strategies that leaders can use to minimize the risk for cultural clashes. The first strategy is to develop cultural sensitivity and awareness. If the leader has more knowledge about different cultures, it will also be easier to lead and communicate in a way that suits the workplace and its culture (Singh, 2014). The second strategy is to implement a flexible leadership style that accommodates for diverse cultural norms, this is important as it enhances communication and reduces misunderstandings (Singh, 2014). Additionally, it will also lead to improved collaborations and teamwork across borders, fostering innovation and creativity as team members can learn from each other and exchange their experiences. The third strategy is to promote an inclusive environment that values and respects different cultural perspectives. In this way, employees will most likely feel more confident and perform better in their work (Singh, 2014).

Leaders in successful multinational corporations are aware of cultural differences and also seek to manage them in ways that benefit their organizations. For example, employees from the US usually need to be led in a different way than employees from Sweden. An experienced global leader recognizes the dual nature of cultural diversity and understands both its potential challenges and the opportunities it presents (Tutar et al., 2014). By developing and adapting appropriate management strategies, leaders aim to turn cultural differences into organizational strengths. They also seek for continuous development and are willing to listen and learn from their employees (Tutar et al., 2014).

Organizational culture

Organizational culture can be understood as the set of characteristics that define how an organization functions. It includes the shared assumptions about how tasks are approached and how problems are interpreted and resolved within an organizational context. In this report, organizational culture will be used as a main theory. A widely accepted perspective frames organizational culture as the deeply embedded values, norms, and beliefs that are collectively held by members of the organization, shaping both individual behaviour and institutional practices (Sun, 2008). When discussing cultural differences in MNCs, it is important to also discuss the aspect of organizational culture and how it is linked to cultural differences. An international corporation has different cultures within the same company, depending on where in the world they are operating in. Due to this, it is important for the leaders of MNCs to be aware of the impact that an organizational culture has on employees and how different organizational cultures integrate with each other (Sun, 2008).

Hofstede (1980) has developed a framework that can be used when analyzing and understanding how cultural differences influence organizational behaviour. This framework contains four different dimensions that characterize national cultures. These four dimensions are; power distance, individualism vs collectivism, uncertainty avoidance and masculinity vs femininity. These four perspectives are somewhat outdated, but they still provide a good base when analysing and understanding different cultures (Kawar, 2012). Organizational culture can be defined in a few different ways, but Hofstede (1984) defined it as “the collective programming of the mind which distinguishes the members of one group from another”. Hofstede (1997) mentions that culture influences how individuals behave and think. Therefore, it is important to understand culture within an organization in order to guide employees in the right direction. Hatch and Schultz (1997) highlight the critical connections between organizational culture, identity and image, emphasizing the necessity for organizations to strategically manage these elements in an environment where internal and external boundaries are increasingly blurred. The authors view organizational identity as a bridge, aligning internal cultural meanings with the organization's external image. They define organizational culture as the internal symbolic context encompassing shared meanings and values among employees. Organizational identity explains how members perceive and define their organization, based on its culture. Finally, they define organizational image as pertaining to how external stakeholders perceive the organization (Hatch and Schultz, 1997).

Understanding a company's organizational culture is significantly more complex when the company is multinational (Jakobsen et al, 2017). This is because MNCs need to adapt to several environments and different cultures in a way that national companies don't need to. There are often different cultures in the offices within the different countries, even though it is the same company with the same core values. This is because the company values can be influenced by the culture of the specific country. While it is important to adapt to local cultures and norms, it is also important to have a strong core company culture that is followed by subsidiaries in the countries the MNC operates in. Jakobsen et al (2017) suggest fostering open dialogues between headquarters and subsidiaries to facilitate mutual understanding and effective integration of corporate values with local practices. They also highlight the need for a balanced approach that respects and incorporates local cultural nuances while maintaining a cohesive corporate culture.

Additionally, Alvesson (2011) has examined the intricate relationship between leadership and organizational culture. Alvesson (2011) argues that leadership is not merely about individual traits or behaviours but is also profoundly influenced by the cultural norms, values, and assumptions prevalent within an organization. This suggests that leaders play a pivotal role in shaping, reinforcing and transforming organizational culture through their leadership and decisions. This mutual relationship suggests that understanding one requires a deep appreciation of the other. Leadership effectiveness cannot be fully understood without considering the cultural

context in which it operates, this is crucial when operating in an international context where many different cultures need to cooperate (Alvesson, 2011). The choice of leadership style needs to be adapted to both the cultural and organizational environment a leader operates in. As an example, in societies with high power distance, leadership tends to be more hierarchical. Whereas in low power distance cultures, leadership tends to be more participative. A good and effective global leader is usually experienced in guiding and combining different cultural expectations (Alvesson, 2012).

Cultural barriers in communication

When discussing organizational culture and cultural differences, it is important not to forget about the language a company uses and how they communicate, both internally and externally. Without proper communication, the company will not be able to be successful. Communication barriers may not only occur because of different languages but also due to different ways of communicating. The way an individual talks and acts when communicating also affects the listener (Stibbe, 2021). Language influences how we perceive our environment, and the way we think has an influence on how we act. Additionally, individuals also tend to evaluate others based on how they talk and act (Stibbe, 2021). Linguistics provides us with tools for analysing our surroundings in everyday life, revealing the hidden stories that exist between the lines. Stories are a way for individuals to describe patterns that we observe in how people think and talk. When people hang out in groups, they usually start to talk and act like each other (Stibbe, 2021).

The study of Tenzer et al (2014) explores how communication barriers in the form of language can affect trust in multinational teams. This is analyzed and explained through three categories, cognitive recognition to language barrier and trust, cognitive emotional reaction to language barriers and emotional reaction to language barriers. Language can be recognized as a structural issue that can cause barriers in the communication between team members in a multinational organization (Tenzer et al., 2014). This can however be solved through implementing a more inclusive communication style and through this ensure that all team members are understood. By working around language barriers in different ways such as a structured form of communication and promoting cultural awareness, trust is built within the MNC between the employees of different backgrounds (Tenzer et a, 2014).

According to a study by Luring and Klitmøller (2015), communication barriers often arise when individuals within an MNC acquire different levels of proficiency in a language. In some cases, individuals may avoid communicating in the corporate language. This is due to the fear or discomfort of making mistakes when speaking in the corporate language. This phenomenon is known as Corporate Language-Based Communication Avoidance. There are five main factors that affect the correlation between communication avoidance and language proficiency. The first factor is formality level and refers to the level of comfortability employees feel in speaking the corporate language. Employees are found to be less likely to use the corporate language when

found in more informal settings such as casual conversations, in contrast to more formal settings such as presentations (Lauring and Klitmøller, 2015). The informal settings require spontaneous and quick responses in conversations, which can cause an increased level of anxiety for employees that don't speak the corporate language as their first language. However, the more formal forms of communicating provide employees with more structure in their communication, creating a safer space to formulate oneself. When operating in an MNC, it is therefore preferable to provide formal forms of communication between employees from different cultures. This will in turn, prevent misunderstandings between employees and result in a more effective form of communicating in the corporate language (Lauring and Klitmøller, 2015).

The second factor is Media leanness, which refers to the channel that is used for communication purposes. Communication channels such as phone calls or emails lack the impression of body language or facial expression, making it less comfortable for non native speakers to communicate (Lauring and Klitmøller, 2015). In these cases, communication channels such as face to face communication results in less miscommunication and promotes employees to freely communicate. Therefore, the choice of communication medium significantly influences the willingness of employees to engage with each other in conversations across borders using the corporate language (Lauring and Klitmøller, 2015). This can also be seen as a strategy to combat misunderstandings due to the absence of facial expressions and body language when communicating, causing uncertainty and confusion between employees (Lauring and Klitmøller, 2015).

A third factor is group size, as communicating in smaller groups is perceived as less stressful in comparison to larger groups. Individuals might take longer to respond or remain silent in larger groups to avoid making mistakes before others (Lauring and Klitmøller, 2015). In his way, the employees with lower language proficiency in the corporate language avoid embarrassment in front of large groups. However, a smaller group size provides a more comfortable environment and a safe space for employees with lower proficiency in the corporate language to speak freely and take part in discussions. Through creating a safer space for employees to feel comfortable to make themselves heard and participate in discussions, MNCs are able to make use of the experiences and ideas of all its employees despite language proficiency and background (Lauring and Klitmøller, 2015).

Power difference is another factor that affects the correlation between communication avoidance and language proficiency. Lauring and Klitmøller (2015) study found that communication patterns are impacted by the differences of power in the hierarchy of the MNCs, specifically between employees and their leaders. Employees with a lower proficiency in the corporate language felt more insecure and in some cases avoided speaking to individuals who were higher up in the hierarchy. Due to this, communication was limited between the different levels in the hierarchy (Lauring and Klitmøller, 2015). A negative aspect is that there will be limited insight

of the business operations flowing through the hierarchy. This can negatively impact decision making and the possibility of taking well informed decisions moving forward. However, relationship strength was shown to have a positive impact on the communication pattern of the MNC. By building a stronger sense of belonging and strengthening the relationship of the employees throughout the levels of the hierarchy, the MNC will be able to enable free communication and knowledge sharing between all employees (Lauring and Klitmøller, 2015).

The fifth factor is relationship strength between the employees. Employees who had the opportunity to build a long-term relationship with their colleagues, felt more comfortable to communicate with others in the corporate language. The familiarity of their colleagues resulted in a greater understanding of different accents, communication styles and vocabularies (Lauring and Klitmøller, 2015). Therefore, it is of great importance for the leaders of MNCs to create space and opportunity for employees to build a strong relationship between each other. This can be done in many ways such as team activities or onboarding activities. A strong relationship between colleagues is also shown to mitigate the negative impact of other factors such as power difference and media leanness (Lauring & Klitmøller, 2015).

Methodology

This research is based on a qualitative research design to explore how leaders in international organizations work with cultural differences and communication barriers. By conducting a qualitative research method, the research is able to capture and understand different experiences, values and behaviours. This understanding can be given both in words and visualization according to Bell et al., (2022). In order to gain a deeper insight in the ways that leaders in international companies work with the broad context of cultural differences and communications barriers, the choice of a qualitative research method is more suitable and leaves room for interpretation and dimension of answers in comparison to a quantitative research question. Furthermore an inductive approach was applied to the report. The data was first collected, in this case by conducting interviews and later on applied to a relevant theory used to further interpret and analyze the results in order to answer the research question (Bell. et al, 2022).

In addition to this, the choice of a qualitative research method is more suitable for analysis where generalizations may be needed. In this situation the different insights from leaders of different levels in international companies within various fields may be used to provide more generalizations depending on the over-represented answers to the conducted interviews through theoretical generalizations. In comparison to quantitative research methods, the use of qualitative methods is more useful when answering more nuanced questions such as why and how, which is applicable to this specific report and analysis. This research is based on semi-structured interviews as the primary data collection (Bell et al, 2019).

To conduct the study and collect useful data, the respondents were contacted with a request through email or LinkedIn. They were in the request provided with a short description of the study and its purpose as well as information about the interview being recorded to facilitate transcription after the interview. By reading this, the respondents were given the chance to either reject or accept the request after being well informed regarding the interview and its use. During the interview semi-structured questions were asked to collect relevant and nuanced data. After transcription the collected data was coded in order to simplify the categorization and usage of the data. This was done by moving the transcribed data to an excel sheet in order to avoid the need to listen to the recorded interviews to recall answers. The answers were then also coded with different colors to further categorize the different sub themes that were brought up during the interviews. This approach ensured that participants were fully informed when making the decision to participate, resulting in a transparent collection of the data. The form of the interview allowed for the collection of valuable and nuanced insights from the participants. Additionally, the coding through collecting and categorizing the data contributed to a more structured and efficient data analysis.

In this report, there was also a usage of artificial intelligence (AI) in different ways. AI was used during the process of coding and transcribing the conducted interviews. After the interview had been conducted and recorded, the audio was uploaded to the AI tool. The interview was then automatically transcribed by the AI tool into a document. After the transcription, the AI tool also highlighted keywords from the interview in the transcribed document. These highlighted keywords were linked to frequently used words or concepts by the respondent. The transcribed keywords were then organized in an excel sheet to simplify an overview of the complete data. Through this overview of the collected data, comparisons could later be drawn between the respondents and their experiences of working as leaders in multinational corporations. This allowed for a more time effective transcription and collection of useful data from the large number of collected data, instead of manually transcribing which would be more ineffective. By using AI the audio could simply be transferred to a document, making it easier to code and pick out valuable data and insights for the analysis. In this way, more time was put into the analysis of the data rather than transcribing. AI tools were also used for grammatical purposes such as correcting spelling and avoiding any grammatical inconsistencies. The different parts of the text were selected and uploaded to the AI tool. The AI tool then listed suggestions for improving the grammar. The suggestions were then reviewed and analyzed to ensure that the appropriate changes were made to make the text clearer, without changing the tone and the underlying meaning of the text. This process and usage of AI tools allowed the text to be more cohesive, making it easier for the reader to understand the report. In this way, the language could be corrected without altering the text and its focus. AI was also used to translate quotations from the respondents in the text to attain a more accurate translation, since the interviews were made in Swedish. Overall, AI tools were used to improve the quality and consistency of the report.

Data collection

Sampling

A fitting sampling method is crucial for deriving the right information used to answer the research questions. Keeping the nature of the study in mind, a generic purposive sampling method was applied. The usage of this method allowed us to get in contact and interview the appropriate candidates. This sampling method is based on selecting individuals to interview by specific characteristics that correlate to the aims of the study. By purposive sampling, units of analysis are chosen beforehand correlating to criterias that are expected to collect meaningful and useful data for further analysis of the report and answering the research question. As the report is focused on analyzing the matter of communications barriers and cultural differences within international companies, candidates with appropriate experiences were interviewed. The individuals that were interviewed for this report were all global leaders on different levels that acquire experience from working in international teams and were therefore able to give useful information. Some have experiences from working abroad for many years and others have experiences from working at international companies with international teams. The collected information was later analyzed by applying theoretical frameworks to answer the research question. The candidates have experience from several different industries, such as automotive, consulting, medicine and marketing. Many of the respondents come from company H. The reason for this is that company H is a larger MNC with a greater spread of employees and multinational teams all over the world. Due to this, there were also different units within the company with different experiences and focuses. All of the respondents that were contacted from company H worked in different teams and in different countries with different experiences, providing the data with a distinction depending on the team the respondent worked in. In this way, potential biases were able to be limited. The specific fields were chosen because of their operations on international levels with appropriate candidates acquiring relevant international experiences for the study. Moreover, the chosen sampling method for this report ensured the collection of appropriate participants, selected based on their experiences and ability to provide useful data to the report (Bell et al, 2019).

Semi-structured interviews as primary data

Through the use of semi-structured interviews, the respondents have been given the possibility to give more open and broad answers and also provides the interviewees with the possibility to ask follow up questions as well as room to ask for clarifications to given answers when needed. The interviews were conducted with a sample of 26 participants, comprising employees with a leadership role of different levels in global organizations. Open-ended questions have been used to ensure detailed responses and promote meaningful conversations about the topic while not giving away the possibility to ask follow-up questions to get a broader understanding (Silverman, 2022). All of the respondents are anonymized and when presented in the report, both the

organizations and the respondents have pseudonyms, which is shown below, due to the report becoming a public document.

Name	Role	Company	Name	Role	Company
1. Milly	E-Commerce Manager	Company A	14. William	Global Manufacturing Business Controller	Company H
2. Frida	Vice President	Company B	15. Joseph	Business Controller	Company H
3. Sara	Board Member	Company C	16. Liam	Business Controller	Company H
4. Anton	Management Consultant	Company D	17. Gabriel	Business Controller	Company H
5. Lisa	Management Consultant	Company E	18. Charles	Dealer Development Manager	Company I
6. Fred	Business Controller	Company F	19. Thea	Country Manager	Company J
7. Bella	Management Consultant	Company G	20. Fredrik	Fund Analyst	Company K
8. Felice	Management Consultant	Company G	21. Adrian	Software Developer	Company L
9. Elin	Management Consultant	Company G	22. Adele	Business Administrator	Company M
10. Erica	Global Commercial Quality	Company H	23. Edward	Business Administrator	Company N
11. Charlie	Business Controller	Company H	24. Miles	Director, Deal Advisory	Company O

12. Olivia	Business Controller	Company H	25. Hanna	Marketing Manager	Company P
13. Estelle	Controller Strategy & Program Manager	Company H	26. Eric	Business Controller	Company Q

Interview process

Before conducting the interviews, e-mails were sent out to the potential candidates with information regarding the research topic and possible interview questions when asked for. Furthermore, the interviews have been conducted through Zoom and in person. The choice of time and place have allowed for more flexibility and given more candidates a chance to take part of the data collection. Prior to the interviews, we got GDPR approval to record the sessions to enable transcription for accuracy. During the interviews, the researchers took notes and asked follow up questions when an answer to an interview question was unclear or needed to be developed further. The interviews followed a semi-structured format to allow for more flexibility without losing a clear structure. This made it easy for the interviewees to follow the respondents answers and take notes at the same time. The respondents sometimes answered several questions in one, and then follow up questions where useful to get a more clear answer and deeper understanding. After each interview, the researchers reflected together about the answers and read through the notes to ensure that everything was written down. The recording where uploaded in OneDrive together with the notes to ensure a safe storage space for the data. When reading through the notes, the coding process started, firstly finding a broader theme and then narrowing it down to get a better understanding.

Secondary data

Secondary data will act as a complementary form of data and consist of academic papers. Academic papers have primarily been searched for at Google scholar and different databases given by the Gothenburg University library. Secondary data plays an important role in analyzing the collected data and implementing a theoretical framework. Through using secondary data, we will be able to further analyze, code and apply the collected primary data and in this way be able to give stable and well informed answers to the research question. Prior to collecting data, secondary data will also provide us with an understanding of research gaps within the topic in question which provides us with suggestions to areas to further investigate. In this way, we will be able to add valuable insights and data to the research topics through our report.

According to Bell et al., (2019), the usage of secondary data involves utilizing already processed data collected by other researchers and organizations, providing a broader and more in-depth

understanding of the context for the primary data collections being the conducted interviews. This further facilitates comparison across different studies and contexts within the research area. Moreover, a prominent advantage for the use of secondary data is the efficient use of resources, giving more value to the analysis and report. This is both cost efficient and saves time in collecting the data first hand. Although the major benefit in the usage of secondary data, there must be a critical assessment in the relevance and quality of the secondary data prior to usage (Bell et al, 2019).

Data analysis

The coding has been done according to the Charmaz (2008) method, where the coding is done in two phases, initial coding and focused coding. By using this method, researchers can in a more simpler way break down data, organize the data and find important key themes that can further be used in the analysis of the research. The first phase is the initial coding part where the researcher goes through the collected data, assigning descriptive labels (codes) reflecting on the different parts of the processed data. In this part it is important to keep the codes reflecting to the data collected rather than the researchers interpretations as it can distort the analysis of the data and the processing of collected data resulting in researchers bias.

The second part of this method is more focused coding. After the first process of data analysis and the necessary codes are created to categorize the data, the researcher will identify the most apparent and important appearing codes in the collected data. This is done to then further group them into larger categories. This step is intended to assist the researcher to further narrow down the data in order to focus on the apparent trends and key themes that can later be used to answer the research questions. The researcher will in this step be able to interpret the collected data and start to connect them to theoretical concepts (Carmaz, 2008).

Ethical considerations

When doing research that involves people it is almost impossible to avoid ethical issues and it is therefore highly important to be aware of them. All respondents in this paper will be anonymous to protect their privacy and because of GDPR, pseudonyms are therefore used. It is also not relevant for the research to present the respondents by name and company name since this can lead to biases. Instead, all respondents are presented by their working title to get a brief understanding of what they do. Before every interview, the respondents have been informed about the purpose and intended possible use of this research. They have also been informed about the recording process and how the recording and information will be stored during the writing process. Questions regarding a specific case or incident have not been asked since it's not relevant for the paper and the information can also be confidential. During the interviews, the researchers have stayed neutral and did not take a side when conflicts and different opinions have been discussed. This is important for the study since it can influence how the respondents answer

the questions (Silverman, 2022). Since cultural clashes have been discussed in the report and during the interviews, it is highly important that the researchers remain respectful towards different cultures.

Empirical section

Cultural Differences in teams

The majority of all respondents had the same experience about how to create a good team that works well together, they said that diverse teams gave the best outcome. According to the majority of respondents, having diverse teams with people from different backgrounds, ethnicity, cultures, religions, gender and so on, resulted in the best team dynamic. A diverse team created better discussions and most of the respondents said that it also created a better working environment where everyone felt welcomed and could work better together. Frida from company B confirmed this when she said:

“The more diversification, the better team dynamic.” - Frida

Furthermore, many respondents also mentioned the importance of looking for the right personality when choosing team-members and not only looking for the right education or work experience. Sara from company C mentioned a project when she created a team of people from various countries in Europe and where everyone had extremely different personalities. Since the team worked in various different countries, they worked mostly remote and that challenged her way of leading even more. The team faced major miscommunications and had some trouble collaborating with each other in the first two phases of the project. To solve this issue and to be able to get a better outcome, Sara from company C created a “Swedish fika” session for the whole team each friday. This made it easier for the team to get to know each other which resulted in better team spirit. This is because the team members felt more comfortable with each other when they did not only discuss work related topics, but also got to know each other more privately.

Some of the respondents lived in different countries and other respondents worked at international companies where a lot of traveling to different countries and working in multinational teams were included. Sara from company C lived in many different countries across the globe and said that cultural differences created a lot of opinions from people, she also said that it is highly important to stay humble and be curious and have a willingness to learn from different cultures. If you're not humble and not willing to learn from different cultures, working internationally isn't for you, according to Sara from company C. Joseph from company H also mentioned that you need to be curious and willing to adapt and learn from different cultures if you want to succeed with your work when working abroad. Joseph also said that it was easier to understand different cultures and how people think and act when you have lived

abroad, he meant that living abroad was so much more developing for him as a person than just working in multinational teams in Sweden. The experience you get from working in a different country than your home country is something you can use in your daily work at home and it makes it easier for you as a person to adapt to different cultures and gain a deeper understanding about people.

“I believe that cultural differences are the greatest challenge when working globally. If you show respect and consideration for the cultural aspect, things usually go well. You need to adapt to local customs and show that you’re interested in other cultures.”- Joseph

Charles from the company “I” worked for a Swedish firm but he has only been working abroad. He also talked about the importance of being humble and having a willingness to learn about other cultures. Charles has worked in Europe for the majority of his career in comparison to Sara from company C that worked all over the globe. Charles talked more about cultural differences within Europe and how different some European countries are even though they seem quite similar at first. Since he was working for a Swedish firm, he could recognize the Swedish values and believes in the working culture. But he also said that the culture in the office and their way of working was more connected to the culture in that specific country rather than the firm's beliefs. The firm he worked for had a lot of British people in their management team and that was reflected in the work culture and work ethics. According to him, there were some issues in keeping the core values and norms as the team leaders managed in a way that only adhered to their culture of origin rather than the general culture of the MNC. This specific MNC had its core values and norms aligned with the Swedish culture as it is an MNC with its headquarters in Sweden. However, having team leaders from other countries and that sometimes had issues adhering to the core Swedish culture of the company, the firms lost most of its Swedish values and norms. According to him, they applied a more British way of working as they had British cultural backgrounds. They were in other words more harsh and mainly had their focus more on outcome and results. Charles also had a lot of German colleagues and he said that even though the German way of working is quite straightforward and can also be perceived as harsh for someone from another cultural background. However, the German values have more focus on employee well-being.

“We sometimes found ourselves in situations where we had presentations or meetings with some of these British colleagues. The British culture and their communication style didn't align well with the German way of doing things. My German colleagues were worried that they had done something wrong or hadn't presented things properly. In those cases, it was important to reassure them that they hadn't made a mistake - it was simply that the British communication style can come across as very dismissive, even though that's not necessarily the intention.” - Charles

This is something that Frida from company B also had experience from. She also worked in teams lead by leaders that also had their cultural background from the UK, but ultimately decided to quit because of the lack of softer values such as employee well-being. To add up on that, Lisa from company E had experience from both management consulting and production industry and she could see a huge difference in how well trained the staff was in cultural differences in the different industries. She experienced more cultural differences when she worked in the production industry than she did working as a management consultant. When she started her career as a management consultant, she worked for a British company in Sweden and she also mentioned similar things about the working culture as Charles from the company "I" did. Her experience from the different industries was that consultants get better training in different cultures and how to handle people from different cultures, this was something that was extremely helpful for her when she started working in the production industry. In addition to that, Fred from company F worked really close to a German team and he experienced their culture as very direct and strict, there was little to no room for talking about how the employees were feeling and if they were thriving in the workplace or not.

Moreover, Estelle from company H had a lot of experience from living and working in the US. Her experience with the American working culture was both good and bad. She really liked that people were very helpful and friendly in a way that she didn't experience in Sweden. Her team in America did a lot of activities together and charity events was something that she liked a little extra and it helped the team grow a stronger team spirit. On the other hand, she experienced more competition between the employees, particularly around promotion and bonus season. She felt that having a good title and getting a bigger bonus than last year was way more important in the US than it is in Sweden. During her time in the US, Estelle felt that it was harder to create a strong bond with her colleagues and everything was more superficial. It was harder to trust employees and since their bonus was so important for them, it happened that employees took assignments they couldn't handle just to try to show off a good job to get a better title and bigger bonus.

When it comes to working in different cultures in MNCs, the respondents collectively mentioned the importance of gaining the experience needed by being present in these cultures and having an open perspective. When questioned regarding the most effective way to gain experiences and being fit to work with in multinational settings, many of the respondents mentioned that learning by doing was the most effective way for them. The respondents oftentimes did not have previous knowledge of experiences in multinational settings at the beginning of their careers. In some cases they did get some sort of introduction to the culture prior to being relocated. However, the effectiveness of learning by doing and being put into new settings and situations gave the best outcome. Liam working for company H was one of the respondents that highlighted the importance of being physically present in the different locations of the MNC to gain appropriate

experience when working as a leader. As the different operating locations of the MNC can be very different for each other, it is of high value to gain real-life experiences.

"If you compare a Swedish tech company with the factory we have in the southeastern United States, the environment is not quite the same. If you then look at China, you will see that none of these units are culturally or managerially alike. However, the corporate culture can be the same, but not the people who come to work for you if they are local. Therefore, international leadership is required as well as international experiences.." - Liam

Although working in an international company is of great benefit for companies as they are able to gain unique competitiveness results due to high level of innovation and worldwide experiences, it also brings its unique challenges. One main issue is the labor laws of the specific country an MNC decides to operate in. As these laws and legislations can differ quite a lot, it is important to be aware of these differences prior to working in the specific country. This is something that was brought up by several of the respondents.

As the regulations vary significantly across countries, challenges can arise for the multinational companies when managing their workforce. The "hire and fire" concept in countries such as the US and China contrast greatly with the more long-term recruiting of other countries such as in Sweden and Belgium. These contrasts in labor regulations can therefore lead to difficulties keeping employees and managing the turnover of employees as well as cause a level of uncertainty for the leaders of these MNCs. This highlights one of the downsides of operating in an MNC as it complicates staffing strategies and in many cases increases operational costs.

How leaders work with Organizational Culture

When it comes to organizational culture, a recurring theme among the respondents was the distinction of open and more closed organizational cultures and what it implied to the environment of the company. However, they unanimously agreed upon the fact it plays a significant role in shaping the dynamics of the workplace. The interviewees had experiences from both open and more closed organizational culture and through this, attained valuable insights of how the culture of an organization significantly influences factors such as workplace behavior, decision making process as well as the choice of leadership styles. According to the vast majority of the respondents, an open organizational culture resulted in a more decentralized organizational structure that promoted open communications between leaders and team members. This organizational structure resulted in open and free communications between the levels of the hierarchy, where insights and feedback was well welcomed from all employees. This further fostered an innovative workplace. The respondents also highlighted the impact an open and flat organizational structure has on promoting mutual respect and minimizing the formalities between leaders and employees. A factor that is important for brainstorming in a company, where team members can gain beneficial insights and values from each other. The

majority of the respondents mentioned the importance of having diverse teams as it resulted in innovation and learning between the employees as they shared different knowledge adding value to the organization. An open organizational culture was commonly experienced in Swedish companies and could therefore strongly be linked to Swedish culture and social concepts such as the “law of Jante”.

“I believe it is beneficial to have team members from diverse backgrounds and different ways of thinking, this often leads to significantly better solutions both internationally and nationally. This also brings contribution of varied experiences and knowledge” - Olivia

Other respondents mention experiences from less open cultures, leading to centralized organizational structure with clear differences between the employees in the different levels of the hierarchy. Communications in these workplaces were more formal, direct and could from time to time be seen as harsh. Lower level employees were generally not encouraged to speak their mind or challenge decisions by giving their input. In these cases, the employee's level in the hierarchy was of great importance in a sense where the level of respect somewhat increased depending on the hierarchical level. Compared to a more open culture, the exchange of knowledge was not as common and the respondents working in these cultures were faced with silence when asking for ideas or brainstorming sessions with team members. The respondents experiences in his organizational cultures was that they were expected to be experts and have knowledge in all matters. This could be problematic in situations where insights for all parrots of the organization was needed or in cases where more national knowledge is needed which foreign leaders do know require. The respondents recall this form of organizational culture to be more common in asian or american teams.

The respondents also described notable differences in how the decision making process function within different organizational cultures. The more open and decentralized cultures typically found in Swedish teams, decision making is more inclusive and collaborative. Employees from all levels of the hierarchy are encouraged to share their ideas and to take part in the decision making process. This approach to decision making fosters innovation, creativity and a feeling of ownership and inclusion among the team members. In contrast, some respondents also had experiences from decision making in a closed, hierarchical and centralized organizational culture experienced within Asian and American teams. In these cases, there was a more top-down approach where all form of decision making was strictly kept within the more senior levels of the hairarchy. Limited insight was given to the lower levels and team members as they were supposed to solely follow orders from their senior leaders.

“My impression was that the employees simply followed what the managers said. No one questioned or contributed with their own ideas, they just did as instructed whether it was right or

not. In my opinion, this was more negative than positive as it sometimes led to incorrect outcomes” - Estelle

However, many respondents highlighted the benefits of finding a middle ground in applying both approaches to decision making depending on the situation. In some cases, more insight was needed from all parts and levels of the organization in order to make a well-informed decision. In these cases the decentralized approach to decision making is preferable as it allows for knowledge and ideas to flow freely through all the levels of the organization resulting in a fitting decision being made. On the other hand, the more centralized approach holds a greater value in cases where a decision needs to be taken in more urgent situations or in situations where there's a mix of opinions within the organization. By finding a balance of the two approaches, leaders are able to gain the benefits of both, depending on the given situation and needs of the organization.

However, many respondents also mentioned some issues that occurred regularly when trying to make a decision within a multinational team where everyone is used to different decision making models. A common issue that occurred was that we in Sweden usually have a very long decision process and the majority of all respondents mentioned that it is hard to find consensus. This is because you need to listen to everyone's opinion and it can take time to figure out a solution that the majority agrees with. This can result in very well grounded decisions but it can also become a problem when you need to make a decision fast. The Swedish way of making a decision can also be problematic to understand for people more grounded in the asian or american way of decision making. Both the American and Asian decisionmaking process are faster and decisions can be made without having to listen to everyone's opinion.

“In cases where decisions had to be made in a rush or the matter was not particularly well-received but required a firm decision, we could instead use the more American & Asian approach as it resulted in action being taken when needed.” - Estelle

The fact that employees in countries such as China and the US are somewhat scared or intimidated if making their opinions heard is another downside of operating in an MNC. By having diverse teams with employees from different backgrounds and experiences, companies are able to stay innovative and keep their competitive advantages. However, it becomes problematic to achieve this when operating in cultures where employees generally aren't encouraged to voice their opinions. Working in dynamic teams becomes counterproductive as leaders are preceded to have all the solutions and the employees only feel obliged to follow orders. This hinders the innovation and productivity of the organization.

He also mentioned that one of the reasons as to why employees don't feel comfortable to voice their opinion is due to the fear of being perceived as rude or questioning toward the leader. Due to this, the team leaders in these cultures miss out on valuable insights and ideas of the

employees that work close to the operations. Several respondents also mention how this often is linked to poor and insecure employee laws and regulations in countries such as the US and China where leaders can fire employees on short notice. This is also caused by the strong emphasis on hierarchy where only the leaders are viewed to be fit enough for decision making, leaving little to no room for the lower levels of the hierarchy. One of the significant differences in the organizational cultures that emerged in the interviews with the respondent was as mentioned earlier the hierarchical influence on the workplace behavior and norms in countries such as China or US. A recurring observation that was brought up by respondents that had experience from working in these organizational cultures experienced a sense of reluctance to leave the office before their leaders as this is something that can be perceived as rude or lazy. According to the respondents, this behaviour seemed to be deeply ingrained in the organizational cultures of these countries as the employees did not leave the office despite being explicitly told that they were allowed to by their foreign leaders from countries such as Sweden.

“If you work in Asian countries such as Japan, employees never leave the office before the leader. I found it a bit difficult at times when I was working late at the office instead of going back to the hotel, only to notice that everyone was still at the office. At the same time, it didn't help to tell them that they were allowed to go home which shows how deep rooted to the organizational culture this is” - Joseph

The respondent Joseph from company H is one of the several respondents that mentioned this organizational culture that exists in countries such as China and Japan. He gives an example where he was relocated to Asia for a project under a shorter period of time. This required long working hours at the office due to tight schedules and deadlines, resulting in Joseph having to work extra long hours in the office in order to be on time with the planning. If this was the case in Sweden, there would be very few employees left in the office if any. This is because employees work for certain hours in Sweden which is the regulations that Joseph is used to. However when working in Japan the organizational culture differed significantly where all of the employees remained in the office waiting for the team leader to leave the office. This example shows how cultural expectation and norms within an organization in some cases can weigh heavier than instructions from team leaders. Although a multinational company has a specific organizational culture that is applied overall through all units, there can be some significant difference between some units located in different countries. This can in cases cause frustration, confusion between employees and leaders as well as a level of inconsistency in the operations of the company. In this specific case as mentioned by Joseph from company H as well as other respondents, there was a sense of frustration and confusion due to the situation. However, there was also an understanding that local organizational culture and norms carry great importance for the local employees as shown in their working ethics.

Due to these differences in the organizational cultures of units in MNCs, leaders in companies operating on a global level need to be able to adapt to the specific organizational culture. Although an MNC has a general organizational culture that they attempt to keep across all subsidiaries, there can be some slight differences in the local organizational cultures of the subsidiaries that stem from the culture of the specific country. Therefore, adaptability is crucial in the managerial abilities of multinational leaders. Although companies operating on a multinational level are provided with significant advantages and gaining benefits through diverse teams of employees with different backgrounds and experiences, there are also challenges and negative aspects brought up by the respondents.

Cultural barriers expressed in communication

Regarding the aspect of communication barriers, our main finding was that cultural differences occur more often than communication barriers. The respondents frequently highlighted the fact that the misunderstanding often arose because of the different communication styles of the employees, due to differences in culture and norms. As a significant number of the respondents have a very senior role and work together with other employees with prior experience from different cultures, English in itself has rarely been a problem but rather, it is the different communication styles that cause misunderstandings. The respondents mentioned cultures where the communication is more direct and harsh, this can become problematic if an individual is from another culture where the individuals are more soft spoken and indirect and vice versa. These differences in communication styles can lead to confusion, tension and misinterpretation between the team members. Charles from company I mentioned the importance of the leader to understand and acknowledge these cultural differences and find a way for the team to navigate through issues connected to communication barriers. If the leadership fails to do thus, it will have negative consequences for the whole organization. However, a few respondents that worked more towards blue collar workers instead of white collar workers had experienced more language barriers and English was not always an option. Felice and Elin from company G said they usually hired an interpreter when they needed to interview people that weren't comfortable with English.

“It becomes problematic when the leadership does not listen to or acknowledge the differences among team members. In such cases, it does not matter how skilled the individuals are or how well they work together as a team. The leadership must first address its own issues in order to effectively guide the team in the right direction and prevent misunderstandings.” - Charles

Due to these communication barriers, several respondents highlighted the importance of having a social event at the beginning of the team work or team formation such as a kick off. This will allow for the whole team to meet up in person at the beginning of a project and is an effective way to get to know each other and to be able to minimize both cultural clashes and potential communication barriers during the project. These initial gatherings of the team members held at

the beginning of a project, were described as a highly effective tool for avoiding misunderstandings between employees, fostering a smoother collaboration in multinational corporations. It provides a good opportunity for team members to connect beyond the formalities of working roles creating a space for more personal connection. In this way, the team members are able to form closer connections towards each other resulting in the reduction of communication barriers. Both Lisa from company E and Miles from company O talked a lot about the importance of gathering the team both at the beginning of a project and at the end of a project. They work in consulting and said that their team is usually spread out in different countries and the client can also be in a different country. Since they often work in different time zones and come from different cultures, they thought the kick off was extremely helpful to get a better connection to the team members but also to the clients. Furthermore, they also thought that the closing dinner or closing team activity at the end of a project was a good opportunity to evaluate the project and discuss what went well and what can be improved for future projects. This is something that respondent Charles from company I. This, as he highly values the social events kept for the forming of teams as it builds a closer and personal bond between the team members. This often leads to a more successful teamwork leading to good results for the organization.

To add upon that, many respondents noticed a shift in communication and how cultural barriers affected communication when remote work became more popular. Remote work and a hybrid working model made it easier to collaborate cross border and respondents mentioned that the increased usage of virtual meetings and digital tools improved the efficiency of their work. Virtual meetings allow for team members to communicate in person despite their geographical location. This way of working allows for a deeper connection between employees and their avoidance of miscommunication. This form of communication between employees forster a more personal connection. However, the respondents also mentioned the importance of meeting face to face as it is the most optimal form of communication between team members and employees with different cultural backgrounds. To solve that issue, many respondents said that they usually have a kick off when they start working with a new team, as discussed earlier in this chapter. Another downside of working in an MNC in the aspect of communication barriers is the increased risk of misunderstandings between employees and team leaders. This is often caused by cultural and language barriers. In an international workplace employees may sometimes misunderstand the instructions provided by the team leaders due to communication barriers. This becomes significantly more problematic in cultures where employees feel discouraged to discuss or ask for further instructions from their team leaders. This is something that specifically was brought up by Charlie from company H.

“If you for example look at China, employees always say yes when they are given a task even if they may not fully understand it due to language barriers. They do this because they prefer not to say” - Charlie

This lack of understanding for the task provided by team leaders can result in dissatisfactory results which disrupts the effectiveness in the operations of the multinational company and their performance. In order for employees to properly complete their tasks and provide the MNC with profitable results it is important to have good communication with the team leader and ask for clarifications when needed.

Discussion

Open versus Closed Organizational Culture

The interview findings show that culture plays a big role in how employees work together in multinational companies. Respondents explained that people from different cultural backgrounds often have different ways of working, making decisions, and leading others. Some described working in open and decentralized cultures, where leaders encourage input from all employees, no matter their position. This seems to be common in Swedish and other western organizational cultures. Other respondents have experiences from more autocratic organizational structure with clear differences on hierarchical levels which was common in Asian organizational cultures. These findings can be linked to Hofstede's (1980) cultural dimensions, especially power distance and individualism vs. collectivism. In countries with low power distance, like Sweden, organizations tend to be more equal, and communication is open across all levels. In countries with high power distance, such as many in Asia, there is more respect for authority, and decisions are made mainly by top leaders. This can make the decision-making process faster but may limit creativity and new ideas from employees. It can also make employees feel left out since they don't have anything to say about a decision.

The dimension of power distance defined by Hofstede (1980), provides a highly relevant understanding of different leadership styles, differences in open and close organizational cultures and what it may imply for an MNC. In this way, we can see how the concept of power distance can be studied in open and close organizational cultures as experienced by the respondents. The insights of the respondents points to a clear difference in how authority is perceived in low vs high power distance cultures and can clearly be linked to differences in organizational cultures. Respondents with experience in Sweden or similar low power distance contexts emphasized the benefits of a flat organizational structure. The leaders in open organizational structures encourage inputs from all levels of the hierarchy, fostering open communication and inclusive decision-making process. This form of leadership and open organizational cultures gives employees a feeling of inclusivity and empowerment which further fosters free thinking and innovation. However, according to the respondent's one downside from an open organizational structure with a flat structure focusing on inclusivity is prolonged decision-making processes as input is taken from all employees. Another possible downside is possible difficulties in creating

and sustaining an alignment through all parts of the company, particularly in multinational companies where the company is more susceptible to interpretation in the different units due to cultural differences of the countries, negatively affecting the cohesion in the MNC. Even in cases when leaders from low power distance cultures encourage openness, employees in high power distance cultures often remained silent and closed off to sharing their insights. This shows how deeply integrated the norms and local country of the subsidiary is for the employees and that organizational cultures are continuously shaped by cultural frameworks and norms. Therefore, leaders in MNCs need to be informed and attentive to these underlying cultural differences that can be present in the units of the MC.

According to Hofstede's (1980), Individualism VS collectivism refers as mentioned earlier to the culture's emphasis on the individualism of the employees or the cohesion of an entire group within the MNC. The respondents reflections provide an insight of how this dimension can be seen in MNCs and what it implies for the employees and the organization as a whole. The respondents with experiences in the more individualistic cultures such as Sweden and other western countries highlighted a work environment where autonomy, personal accountability and self-direction were encouraged from the employees. This as the employees were seen as independent contributors with their success being linked to their individual efforts. Although this is beneficial for factors such as the employees self-actualization and motivation it can also lead to a couple of downsides, such as fragmented collaboration or even competition between the employees which might affect the operations of the MNC negatively. It can for example become a problem during bonus season, where all employees want the highest bonus and it is the leader's responsibility to divide the bonus in a fair way, often based on performance. In contrast, collectivist cultures as experienced by the respondents is more common in Asian organizational cultures. In these cultures, there's more focus on the team, the consensus of all employees and loyalty to the team as the result of the entire team is more important than the individual success. Although this is beneficial for the employees and provides them with a sense of collaboration it becomes a problem when the free thinking and voicing of personal opinions are limited, especially in cases where innovation is needed. It can become a problem for the team if some team-members don't feel comfortable to raise their voice during meetings, because then they might say yes to assignments that they know they can't handle. Which can lead to delays in the project and conflicts within the team, especially if another team-member needs to fix the work from another team-member.

While diversity can result in comparative advantages through fostering an environment that encourages new and different ideas leading to innovative results, richer discussions, resulting in more effective problem solving (Hofstede, 1994). One of the challenges that was frequently brought up was the negative impact resulting from significantly different cultures in the business units of a multinational company. These differences can lead to confusion, inconsistent leadership practices and regulatory issues as mentioned by the respondents. These differences can be drawn between countries on the east and west. Something that was frequently brought up

by the respondents was the comparison between the open culture of countries on the west such as in Sweden and the more closed off cultures of the west such as in Japan and China. When working in Sweden, employees are encouraged to voice their opinion and partake in discussions between each other despite what different levels in the hierarchy they are on. The decision making process is also considered to be longer but focuses on inclusivity and the opinions of all the employees being of great value. Employees are generally perceived to communicate in a less direct manner. Overall, the Swedish working environments are highlighted to be welcoming and inclusive. However, in countries on the east such as in China, Japan or in the US, the culture seems to be more closed off and direct. As mentioned by Tutar et al (2014), leaders need to develop and utilize strategies for handling these issues. If they do that, they will most likely be more successful than leaders who don't take organizational culture into consideration. By adapting your way of leading based on how the employees in a specific team needs to be led, the leader will also gain more trust from the employees. This is because when the leaders adapt to the organizational culture the employees are used to, they feel more safe and will most likely do a better job.

This discussion regarding open vs closed organizational culture is highly linked to the structure of organizations, meaning where they have a flat, decentralized organizational structure or a more centralized and autocratic structure. Organizational structures in MNCs are not only shaped by internal values and norms but are also influenced by the culture of the country in which the MNC has its units in or parts of its operations. This highlights the complexity of maintaining a unified organizational culture and structure across all units of the MNC, a leader needs to understand that culture influences how we think and act (Hofstede, 1997). If a leader doesn't take that aspect into consideration, it may harm the employees work, since the instructions from the leaders may be too vague or not adapted to the organizational structure. From a theoretical standpoint, it becomes evident that organizational culture cannot be treated as a universal concept through the entire MNC as the different units are influenced by its local factors. The unique differences of the openees, hierarchical structure of the unit as well as its level of individualism and collectivism reflects the underlying understanding of authority, collaboration and communication. A successful leadership in MNCs requires acknowledgement of these factors in order to be able to adapt the leadership style to the direct needs of the specific culture, values and norms of the teams in international companies. Because of this, the leaders that can see the organizational identity as a bridge between these aspects, will more likely succeed than a leader who doesn't (Hatch and Schultz, 1997).

Creating Diverse teams and Finding the Right Personality

As mentioned by many respondents, finding the right person for the job is crucial for success. To find the right personality can be more important than finding a person with the right education, especially when working internationally. This is because it requires more from the persons working in MNC, they need to be more flexible, have an open mindset and have a willingness to

learn from others. If they don't have these personality traits, it is possible that they harm the work result or feel left out in the team. As mentioned by Singh (2014), there are three different strategies that leaders can use to minimize the risk for cultural clashes, then can appear when the team members are not right for the project or whenever many different cultures need to cooperate. If leaders promote an open environment where there is room for mistakes and where employees feel safe, it is most likely that the result will be good, since the employees feel that their work is meaningful. However, as each unit of the MNC is somewhat shaped by the local culture in which it operates, international leaders must be able to adjust their leadership style to align with the specific cultural and organizational norms of each unit. This cultural and organizational adaptability allows for the leaders to effectively manage their teams regardless of the geographic location of the unit they are operating in. This will in turn foster an environment that not only reflects the core values of the company but also resonates with the local workforce (Singh, 2014). This is important because without an adaptability to adapt and understand different cultures, employees may not feel comfortable and that can harm the work outcome.

By adapting their leadership styles, international leaders are able to bridge the gap that arises between the different units of the MNC in their corporate culture and the localized practices. This ensures that employees, even when working within varying cultural contexts, understand and act by the company's strategic goals and values as well as adapting to the overall organizational culture. This further helps international leaders to mitigate the risks of cultural misunderstandings, any inconsistencies in crucial work ethics and practices, as well as inconsistent in the implementation of corporate values. By adapting a flexible leadership style in regards to the specific situation and needs of the units, international leaders are able to become facilitators of integration, creating alignment between local organizational culture in the units of MNCs and the overall organizational culture, values and norms of the multinational company. Furthermore, when leaders demonstrate a willingness to understand, gain experience and respect the organizational culture of a specific unit, they are able to foster trust within the organization as well as increase the engagement of employees. According to Singh (2014) this not only helps in overcoming communication barriers and hierarchical constraints but also encourages employees at all levels of the hierarchy to contribute their insights and ideas. As a result, the organization is better positioned to leverage the full benefits of operating internationally, such as access to diverse perspectives, increased innovation, and stronger competitive advantage.

MNCs often aim for shared corporate culture, values and norms across all of its units which oftentimes originate from their headquarters. However, these ideals are somewhat adapted or even changed when they are implemented in different units of the MNCs that are located in other countries. The reason for this is that the specific culture of each organizational unit tends to be influenced by the local national culture in which it operates. Due to this factor, there will be some differences in the local organization (Jakobsen et al, 2017). Despite efforts to establish a unified company culture, variations naturally emerge across units of the MNC, leading to inconsistencies in how organizational values are understood and practiced. This influence of

local culture can be seen in how leadership styles, communication practices, and decision-making processes vary between units. For the leaders, this makes it more difficult to understand and adapt to a team that consists of members from different countries. It is therefore important that the leaders constantly work with this and try to listen to the team members so that they understand how they need to act in order to be able to lead the team and get the most out of everyone's competences.

For example, an MNC headquartered in Sweden may promote a flat organizational structure and open communication, but its units in countries like China or the U.S. might operate under a more hierarchical and strict organizational culture due to local cultural expectations. In these cases, corporate values such as inclusivity, employee empowerment, and open dialogue may not fully be transferred into everyday practices, as local team leaders as well as employees tend to apply familiar cultural norms. This creates inconsistencies between the intended corporate culture and the actual working environments experienced by employees in different countries. These differences in organizational culture of different units make it challenging for international leaders in MNCs to implement more global strategies consistently through the organization, and can therefore create confusion among employees about what the organization truly stands for and what stems for the local culture. It can also complicate the managerial positions for international leaders, as the qualities and behaviors valued in leaders may differ from one country to another. This is because employees in some countries may expect authoritative leadership styles, while others expect more open and collaborative leadership styles. That is something that leaders need to have in mind when leading MNCs, otherwise the employees may not be given the right directions that they need. In relation to Jakobsen et al (2017), this difference of cultural expectations of leaders not only disrupts the sense of a cohesive corporate identity but also hinders efforts to foster an open and cross border collaboration as well as knowledge sharing within the company.

In addition to this, the respondents also mentioned the importance of recruiting the right individuals when creating a team. The individuals in the team should complement each other, assuring the benefits of a diverse team. According to the respondents, this is highly important when working in an international team, especially when there is remote work involved. If the individuals in a team complement each other, it will most likely result in a better team spirit where the team members feel comfortable enough to raise their voice and come with ideas. It is important to remember that personality traits carry a greater influence to the team dynamic and not solely the cultural background of the employee (Brannen et al, 2017). However, it often occurs that individuals are grouped by their cultural backgrounds and nationality. This form of categorization of employees can lead to leaders overlooking the more individual traits of every employee as individuals from similar backgrounds have their own different personalities such as level of openness, introversion and extroversion. These factors affect how an individual behaves and communicates with others. Therefore, leaders in MNCs need to have this factor into consideration when building a team. This shows how culture influences the personality of an

individual but does not define it completely as there are levels of individuality separating individuals from similar cultural backgrounds (Brannen et al, 2017). As the respondents are aware of this, they are conscious of overcoming any unconscious biases.

Furthermore, the findings from the interviews showed that cultural differences significantly impact team dynamics, communication, and leadership practices in international work environments. Something that the respondents often brought up in the interviews was the positive effect of cultural diversity in teams. The majority of respondents stated that teams composed of individuals with different backgrounds and knowledge tend to perform better, promote richer discussions and innovation. In this way, cultural differences within an MNC can provide the organization with benefits due to the knowledge flow between individuals with different sets of experiences and backgrounds. Due to this fact, many leaders focus on setting up teams with diversity, leading to more fruitful discussion which gives better results in comparison to monogamous teams. This is because when you create a more diverse team, you get to hear different opinions and it is in most cases also easier to make well grounded decisions that fits most employees. However, it might be easier in for example a European setting where most employees feel safe to speak up, it might be harder to take in everyone's opinion if you work in the Asian culture, since more junior employees usually don't speak up there. On the other hand, many respondents mentioned that they try to take the lead and show everyone that it is okay to speak up if there is something that isn't good, because it is good for the leaders to hear those things as well, otherwise it is impossible for them to make the situation better. This can be connected to what Alvesson (2011) discussed, he meant that leaders play a pivotal role in shaping the organizational culture through their actions. If a leader is good at recognizing and combining different cultural expectations, it is usually a good leader (Alvesson, 2012). When leaders in MNCs are adopting a more flexible leadership style, they are able to assure a successful outcome of the work, because then they tend to be more aware of what different people need and to place the right person at the right job.

How Cultural Differences are expressed through Communication

The collected findings from the interviews reveal that cultural differences in communication styles represents a frequent challenge in the work environment of MNCs. Language barriers due to different levels in the corporate language between employees was rarely the issue, specially in more senior levels due to a commonly higher level of english education. However, the issue laid more in the different communications styles of the employees with different backgrounds. These differences in communication styles were shaped by the different culture backgrounds and norms of the employees (Stibbe, 2021). Since the way people talk are influenced by the culture they operate in, it is reasonable that more hierarchical cultures also have more direct communication and that more flat cultures are more open when it comes to communication. A more direct communication style can be experienced as more harsh and that can result in that employees feel left out and don't have the courage to speak up if they need to. It can also result in employees not

feeling like their opinions matter, and that may harm their work morale. On the other hand, a more open communication can lead to decision-making issues, since it might be hard to find consensus when the leader is expected to listen to everyone's opinion. When working in an MNC, it is important that the leaders are aware of these different communication styles, otherwise it will be even harder for the employees to understand how the different cultures communicate with each other. To solve that issue, leaders can arrange a kick-off in the beginning of a project where team members can discuss how they work best and what expectations everyone has on the project and each other. A kick-off may also be good for building a stronger team spirit, and that can make the employees feel more comfortable, and that can result in them feeling that they can raise their voice, even if they are not used to doing that.

Many respondents also mentioned that it can be harder to work remote, since you miss most of the small talks. That can be interpreted through the factor of media leanness as described by Luring and Klitmøller (2015), referring to the degree by which a communication tool provides non verbal communications channels such as facial expressions or body language. Through this way of communicating, employees are able to get a greater understanding of each other's communication styles. This form of communication also allows for deeper relationships to be formed between international employees in MNCs (Luring & Klitmøller 2015). Despite the positive aspects of international companies, collaboration across borders and improved efficiency through digital platforms, the risk of misunderstandings in the communication remains a significant challenge in MNCs. In this case challenges arise when it comes to the interactions between employees and their team leaders from different cultural backgrounds, influencing their communication patterns. Several respondents highlighted that while language proficiency among senior employees was generally high, misunderstandings often arise from differences in cultural expectations regarding communication with authority figures. In some cultures, employees are reluctant to seek clarification or ask follow-up questions when receiving instructions from their leaders, even when they do not fully understand the task at hand. This behavior is often rooted in high power distance cultures, where questioning authority is perceived as inappropriate or disrespectful.

In addition to cultural challenges, multinational companies also have to work through institutional and regulatory differences, particularly related to labor laws. This was a prominent concern raised by several respondents. The respondents that mentioned this challenge also highlighted how differences in employment regulations create difficulties in workforce management and strategic staffing decisions. This could be both time consuming as well as costly in cases where employees could leave after two weeks of notice in the US or in China that also had more short term recruitment solutions. This also includes countries such as Belgium where there are secure employment laws resulting in companies having to finance large amounts of employees that are dismissed as mentioned by some of the respondents. As these laws and regulations regarding employment differ significantly from Sweden, the international leaders need to acquire appropriate managerial skills and knowledge prior to operating globally. In this

way, MNCs are able to stay ahead of matters and prepare for both expected as well as unexpected changes regarding their employees. In this way, MNCs are able to cut labor costs as well as keep track of their turnover of employees. Due to these challenges, according to Boussebaa (2020), international leaders have to be able to adapt their leadership styles according to the global economic, political and institutional practices across different countries. However, these challenges can also lead to conflicts within a team, especially if everyone isn't working under the same conditions and laws, which usually is the case in these multinational teams. For a leader to overcome these issues, it is important that they educate themselves about laws and regulations so that they can give better support to the team.

In MNCs, communication barriers are a frequently occurring challenge and are often linked to differences in language proficiency, cultural norms and communication expectations. A useful framework for understanding different types of communication barriers is corporate language-based avoidance introduced by Luring and Klitmøller (2015) explaining communication barriers through five factors, being formality level, media leanness, group size and power difference. Several participants mentioned the fact that there was a corporate language within the MNC (English), however there was a difference in the proficiency of the language between employees from different countries and regions. The study by Tenzer et al (2014) mentioned the importance of having a more inclusive approach to language, this can be done by having a corporate language that is the same in all countries. However, that also requires some language skills, and if everyone doesn't have the same skills, the company could for example offer language courses for employees that need that. Employees from the lower levels of the hierarchy tend to not have the same proficiency in the corporate language in comparison to their colleagues who have higher positions. If they aren't offered language courses or other tools to understand the language, they might not raise their voice and that can harm the development, since they might not be able to tell if something is wrong or needs to be done in another way. It is also possible that the employees that don't understand the corporate language have less trust in other employees and the leaders, since they might have a hard time understanding what is going on.

Conclusions

To conclude, the findings of the study highlight the crucial role that both organizational culture and cultural differences play in shaping collaboration, communication, and leadership styles within international teams. The respondents unanimously emphasized that open, inclusive, and decentralized organizational cultures promote innovation, trust, and mutual respect which is important in the diverse teams in MNCs. These factors bring together individuals from various backgrounds in a space where they can draw benefits from each other's different backgrounds and experiences. At the same time, cultural differences, particularly in communication styles and workplace expectations, present challenges that require adaptability, humbleness, and cultural sensitivity. To manage communication barriers, global leaders actively foster trust, encourage

inclusivity, and promote understanding of diverse communication styles. Respondents emphasized that while language proficiency is generally not a major issue among senior employees, differences in communication styles such as directness vs indirectness as well as tone, can lead to misunderstandings and tensions. Leaders therefore play a critical role in creating environments where employees feel safe to voice opinions regardless of cultural norms that might otherwise discourage this.

Creating inclusive environments, encouraging diverse perspectives, and supporting culturally aware leadership are key factors in overcoming communication barriers and working with diversity in a way that gives the organization a strategic advantage. As mentioned by many respondents, leading a multinational team is notably harder than leading a domestic group. Leading a multinational team requires more from leaders since they need to be able to handle more complex problems and navigate through diverse cultures. A useful strategy mentioned by many is to have a kick off in the beginning of a project, as it helps the team get to know each other and also fosters a good team spirit (Brannen et al, 2017). Culture significantly influences how individuals work, make decisions and interact within a team. Global leaders must therefore adopt culturally adaptive approaches to ensure team cohesion, effective collaboration and the successful transmission of knowledge across borders. A key strategy employed by effective leaders is adjusting their leadership style to align with local cultural norms, particularly regarding power distance and communication preferences, as illustrated by Hofstede's (1994) dimensions. In low power distance cultures, such as Sweden, leaders embrace participatory approaches and open communication, whereas in high power distance cultures, such as Asia, a more hierarchical and directive leadership style is expected.

This data contributed to a deeper analysis and understanding of how global leaders need to adapt a more flexible leadership style to fit the specific needs and expectations of team members with diverse cultural backgrounds. It is important for global leaders to adapt this form of leadership style as leading in an international context brings unique challenges, different from leaders on a more national level. Due to this difference, additional characteristics are sought after in global leaders. In this way the study addresses the practical gap mentioned earlier regarding the need for global leaders to find a balance between core organizational culture and structure of the MNC as well as the apparent differences between subsidiaries of the MNC. The data also provide leaders with an understanding of how the expectation of a leader may differ in different subsidiaries, highlighting the need for flexible ways of leading teams in cross-cultural collaborations. In this way, multinational corporations are able to continuously adapt to different as well as evolving cultural expectations whilst still aligning with the core corporate values.

In virtual and hybrid work settings, global leaders rely on digital tools to maintain real-time collaboration across borders. However, they must also be aware of the limitations of remote work as it hinders relationship-building and interpretation of non-verbal cues. By integrating

communication tools with high relational richness and remaining attuned to individual and cultural nuances, global leaders can improve the clarity and quality of cross-cultural interactions. To summarize, leaders in MNCs address cultural and communication challenges by being adaptable, culturally intelligent, and relationally sensitive. Their ability to recognize and work within different cultural contexts, while promoting trust, inclusion and an open dialog enables them to transform potential barriers into sources of innovation and strategic advantages. A global leader must therefore attain knowledge of communication technologies to appropriate communication channels based on the specific situation and needs of the team. In addition to this, they need to be able to provide team members with opportunities to build a relationship between each other whether through virtual or physical meeting in order to foster a strong relationship between team members enabling to create trust and understanding for each other.

Furthermore, the methodological limitations of the study are primarily rooted in the context of the sample, which consists of leaders in multinational organizations. The study could be developed further by interviewing employees from different levels in the organizations to be able to compare their issues and different ways of working. To further develop the study, a more comparative method could be used, where for example Asian companies could be compared with European companies. This would give some more depth to the study and give a more fair picture of how cultural dimensions affect the way of working. Another limitation with the study is the limited time frame, with a longer time frame, it would be possible to do a more comparative study where different levels of an organization is examined. This study focuses mainly on white collar workers and to get more perspectives, it would be useful to interview more blue collar workers to get their perspective as well. Through the collected data and conducted analysis, the study fills in particle gaps in the field, providing global leaders with concrete insights into cross-cultural leadership and its challenges. It also contributes to academic contexts by emphasizing the need for flexible leadership, adaptable for cross-cultural collaborations bringing challenges in communications and organizational structures and interpretations. Through these insights, global leaders are able to redirect these forms of collaboration in a way that provides the MNC with the many benefits of operating internationally whilst working through the challenges by their leadership.

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