Influence of Language and Culture on different Aspects of a Japanese-European International Joint Venture

Lara, Makowski

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DOCTORAL DISSERTATION

Influence of Language and Culture on different Aspects of a Japanese-European International Joint Venture

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Kobe University,
Graduate School of Business Administration
Supervisor: Ralf Bebenroth
Business Administration
146B128B
Lara Makowski

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Chapter 1
Introduction and outline

1.1. Introduction

In January 2015, two leading industrial companies, one Japanese and one European, closed negotiations resulting in the formation of an international joint venture (IJV) headquartered in the United Kingdom. Two significant reasons for the formation of this IJV were possibilities for international growth and the fact that the Japanese partner in particular saw an opportunity to learn from the European partner about how to conduct global business. While nearly four years have passed since the formation of this IJV, voices – especially from the European side – have implied that the IJV, and especially the communication between the two partners, is facing complications regarding language barriers and cultural differences. Since the IJV integrates employees from nearly 20 different countries, differences in cultural backgrounds are inevitable. Furthermore, as many as 20 different native languages are unofficially spoken at the IJV, which implemented English as the "official" common corporate language (CCL) to ease communication. However, CCL proficiency levels vary widely vary among the managers, who are the focus of this study.

In today's globalized business environment where companies regularly engage in transactions across borders and cultures, effective management of and within an international workforce is increasingly gaining prominence among practitioners and academics (Keyton, 2011). Internationalization has become an essential strategy for many companies that seek high competitiveness and growth (Gupta & Govindarajan, 2000). In this, companies aiming at internationalization can choose between several internationalization strategies ranging from rather low engagement with foreign markets (e.g., through exports) to rather high engagement with foreign markets (e.g., a cross-border takeover) (Buckley & Casson, 1998). An alternative between these extremes is the formation of an IJV (Ren, Gray, & Kim, 2009).

Despite their popularity, IJVs do not guarantee success. In fact, IJVs frequently do not live up to their expected performance goals and have an estimated reported failure rate of 37–70% (Nemeth, 2012; Jalalkamali, Iranmanesh, Nikbin & Hyun, 2016b), making an IJV a rather insecure strategy. Even with this high reported failure rate, many firms still decide to undertake IJVs, making the examination of IJVs a popular topic in international business research (Ali & Larimo, 2016). Crucial determinants of IJV success include, among others, good communication between the IJV partners and mutual agreement in joint decision-making (Downs & Hazen, 1997; Khalid & Ali, 2017). It now appears that in IJVs major

activities such as communication, negotiations, and the final decision-making process occur over great distances between at least two different countries and sometimes even continents. Moreover, IJV activities and processes are likely to occur between partners with different cultural backgrounds and linguistic diversity, all of which is likely to create high barriers among managers (Yan & Luo, 2016).

In international organizations, such as IJVs, qualitative interactions and communications are crucial for various business functions, especially the management (Merkin, Taras, & Steel, 2014). Relying on a rather conventional concept of transmissions, communication can be described as "a process of sending and receiving messages" (Craig, 1999, p. 125). One of the primary used models to display this concept is the Shannon and Weaver (1949) transmission model. According to the model, the sender encodes information to be send through a communication channel and the receiver decodes the information to understand its meaning (Al-Fedaghi, 2012). However, this flow of communication is likely to be affected by interferences, especially when the communication occurs between individuals from different backgrounds. Edward Hall (1959) coined the term "intercultural communication" when he examined communication across cultures, arguing that especially intercultural differences (e.g. national culture, but also individual differences such as, age, distance, and language) can influence and complicate the flow of communication.

Therefore, it is not surprising that previous studies have shown that differences in culture and language can influence the operations of international companies, eventually – and mainly negatively – affecting performance (Pesch & Bouncken, 2018; Powell & Lim, 2017; Beugelsdijk, Kostova, Kunst, Spadafora, & van Essen, 2018; Tenzer, Pudelko & Harzing, 2014). The importance of language and culture in international business has recently been an important topic in academic research. However, the majority of studies focus on culture and language differences per se in the sense of speaking or not speaking the same language or sharing or not sharing the same cultural background, or on cultural and linguistic distances in the sense of how similar cultures or spoken languages are to each other (Ambos & Ambos, 2009; Selmier & Oh, 2013; Schomaker & Zaheer, 2014).

Even though studies examining the effects of language in multinational companies (MNCs) are gaining increasing popularity, there has been only a small number of studies examining the issue of language in the context of IJVs (Liu, Adair & Bello, 2015; Sharma, Maheshkar & Chandra, 2018). Therefore, this thesis attempts to fill the gap of research on

individual perceptions of language in the context of IJVs. Its goal is to empirically examine how self-perceived CCL proficiency and differences in CCL ability influence communication satisfaction, procedural justice in the decision-making process, and performance satisfaction of managers on both sides of the IJV. In this, this thesis separately takes three different points of view. Differences in language are likely to present great interference on intercultural communication (Hall, 1959; Merkin, Taras, & Steel, 2014). Since communication is essential for various procedures within IJVs, and communication, justice in decision-making, and performance are all equally important for IJVs, the effects of CCL proficiency on these aspects are examined. Even though there might be consistency between IJV communication, decision-making processes, and performance, the "three viewpoints" approach is believed to best emphasize the essence of the different relationships. With this, the importance of perceived CCL ability and CCL ability differences (C-CLADs) is demonstrated, as is how frequent communication, the use of different media, and cultural sensitivity can be used to improve different operations of and within IJVs.

Communication lies "at the heart of any organization" (Piekkari, Welch & Welch, 2014, p. 7) and is seen as an essential instrument that is key to organizational failure or success. As stated above, the communication flow within an IJVs is likely to be exposed to various interferences, among others, to the interference of language (Merkin, Taras, & Steel, 2014). Language is an essential aspect of sufficient communication (Harzing, Köster & Magner, 2011) and communication is likely to affect several aspects and procedures of IJVs (Yan & Luo, 2016). This thesis therefore first examines language in terms of satisfaction with communication. Also, procedural justice strongly influences employees' attitudes toward work as well as their behaviors, eventually affecting the company's performance (Qin, Ren, Zhang & Johnson, 2014). Furthermore, managers who perceive processes as fair are more likely to accept the outcomes, such as final decisions made in decision-making processes. Joint decision-making is especially important for performance and success in IJVs because every decision made has to be agreed upon by the IJV partners (Yan & Luo, 2016). Therefore, this thesis secondly examines procedural justice in the decision-making process. Cultural and linguistic diversity are regularly found in IJVs and impose great obstacles upon the management, which is likely to affect the IJV's overall performance (Luo & Shenkar, 2006; Yan & Luo, 2016). As a result, this thesis thirdly examines the managers' satisfaction with their own and the IJV's performance. In this, this thesis examines survey data from 149 managers of the IJV in the first study and 144 managers of the IJV in the second and third

study. The data was gathered through an online survey developed by the author herself and distributed to the managers in cooperation with the IJV's human resources (HR) management. As recent international business literature has argued and shown that language should be treated as an individual construct (Brannen, Piekkari, & Tietze, 2017), this thesis intends to follow this thought, by focusing on the impact of language, separated from national and organizational culture. In intercultural studies, differentiating cultural influences from other examined influences is therefore essential (Kambayashi, 2002). To differentiate culture from language, this thesis defines national culture in terms of nationality while organizational cultural is defined in terms of the IJV parent. Both are controlled for in the analysis. In three separate studies, the research addresses the following six research questions:

- To what extent do CCL ability, individually perceived C-CLADs, and frequency of communication influence managers' satisfaction with their inter-partner communication?
- How does the use of different communication media influence satisfaction with inter-partner communication?
- To what extent do C-CLADs and communication frequency influence procedural justice in decision-making?
- How does communication frequency influence the relationship of C-CLADs and procedural justice in decision-making?
- To what extent do self-perceived CCL ability, cultural sensitivity, and C-CLADs influence satisfaction with the performance of the IJV?
- To what extent do self-perceived language ability, cultural sensitivity, C-CLADs influence satisfaction with the managers' own performance perception within the IJV?

The first two research questions relate to satisfaction with inter-partner communication, the second two questions focus on procedural justice in the IJV's decision-making process, and the last two questions deal with the IJV's managers' satisfaction, both regarding the performance of the IJV and their own performance within the IJV. Details of the three studies conducted to answer the questions and their findings are described below.

First, the effects of self-perceived CCL proficiency (hereafter interchangeably used with CCL ability), perceived C-CLAD, and communication frequency of the four media types (email, telephone, video/Skype, and face-to-face communication) on managers' satisfaction with inter-partner communication are examined in accordance with the communication type categorizations of Barner-Rasmussen and Björkman (2005) and Harzing and Pudelko (2014).

Based on prior research and the tenets of media richness theory and media synchronicity theory, this thesis finds that managers who perceive a high C-CLAD between themselves and their IJV partners are rather unsatisfied with their inter-partner communication. This study also finds that a high frequency of email, face-to-face, telephone, and video-Skype communication increases the inter-partner communication satisfaction of managers in the IJV. This is in line with prior studies that have argued that the use of different communication media can mitigate language-based complications in communications (Klitmøller & Lauring, 2013; Klitmøller, Schneider & Jonsen, 2015).

Furthermore, this study finds evidence to suggest that communication frequency via email, face-to-face, and video/Skype encounters moderates the influence of perceived C-CLADs and communication satisfaction. In this, managers who perceive a high C-CLAD are more satisfied with their inter-partner communication when communication occurs rather frequently via email, face-to-face conversation, and video/Skype. However, an increase in telephone communication is not found to have any such effect, indicating that telephone communication does not have the power to reduce managers' C-CLADs, causing low communication satisfaction. These findings are in line with Klitmøller and Lauring (2013) and Tenzer and Pudelko (2016), who have argued that leaner media and media offering the possibility to rehearse and reprocess, such as email, are the most suitable in multilingual contexts.

Second, the effects of C-CLAD and communication frequency on procedural justice in the decision-making process of the IJV are examined. Based on prior research, equity theory, social exchange theory, and "voice effect," this study finds that in general, C-CLAD negatively influences procedural justice, and communication frequency increases procedural justice. Furthermore, the study reveals that perceived C-CLADs and communication frequency are more important to managers with higher CCL proficiency than their IJV partners. In contrast, C-CLAD is found to have no influence on the procedural justice of managers with lower CCL ability than their IJV partners. Additionally, this study finds that in general, managers with high C-CLAD perceive the decision-making process as fairer when communication occurs frequently. Furthermore, this study reveals that for managers with higher CCL ability than their partner, communication frequency does not moderate the relationship between C-CLAD and procedural justice. For managers with lower CCL ability than their IJV partner, however, procedural justice can be increased through frequent

communication. In this, managers with high C-CLAD perceive the decision-making process as fairer when communication occurs rather frequently.

Third, the effects of self-perceived CCL proficiency, cultural sensitivity, and perceived C-CLAD on managers' performance satisfaction with themselves and with the IJV are examined. Based on prior research, the tenets of self-efficacy theory, and person-environment (P-E) fit perspective, this study reveals that perceived C-CLAD negatively influences satisfaction with the performance of the IJV in general, while satisfaction with the managers' own performance is positively influenced by CCL ability and cultural sensitivity. Furthermore, for managers with higher CCL ability than their IJV partners, cultural sensitivity has a positive influence, but perceived C-CLAD negatively influences satisfaction with the performance of the IJV. For the same group of managers with higher CCL ability than their IJV partners, satisfaction with their own performance is also positively influenced by cultural sensitivity. This implies that managers with higher cultural sensitivity are more satisfied with their own performance. For managers with lower CCL ability than their IJV partners, satisfaction with their own performance is positively influenced by CCL ability and cultural sensitivity. These findings indicate that managers with better CCL ability and higher cultural sensitivity are more satisfied with their own performance. For the group of managers that have CCL levels equal to those of their IJV partners, CCL ability positively influences satisfaction with the performance of the IJV. Drawing on self-efficacy, this finding indicates that for the small group of managers who perceive no C-CLADs with their IJV partners, a higher CCL ability increases satisfaction with the IJV performance.

1.2. Research background and motivation

As stated above, communication lies "at the heart of any organization" (Piekkari, Welch & Welch, 2014, p. 7). Without qualitative and efficient communication, organizations – especially MNCs such as IJVs – are unlikely to grow and succeed because communication greatly influences various transactions within the company, such as negotiations, knowledge flow and sharing, and decision-making processes. Despite IJVs being one of the most popular internationalization strategies, they are often found to have rather low performance and are struggling to meet their goals (Johnson, Korsgaard, & Sapienza, 2002; Ali & Larimo, 2016). This reveals that managing IJVs is far from easy. Nearly all business operations and actions of and within the IJV must occur across different countries, time zones, cultures, and languages, thereby increasing the complexity. In IJVs, inter-partner communication may be one of the most critical determinants of success because it relates significantly to commitment,

trust, and knowledge sharing. Furthermore, IJVs' performance relies on a large number of inter-partner negotiations and mutual agreement in joint decision-making, which necessitates inter-partner communication (Khalid & Ali, 2017). In this, perceived fairness of the decision-making process is also essential because fairness during the process is likely to ensures that individuals perceive the outcome of the process, here the decisions, as fair, which leads to better work attitudes and lower voluntary turnover rates (Qin et al., 2014). To simplify communication between managers who do not share the same language, IJVs often implement a CCL (usually English) (Nickerson, 2005). However, the implementation of a CCL can impose frequently underestimated challenges (Vaara, Tienari, Piekkari & Säntti, 2005). Since CCL proficiency levels usually vary among employees, interactions and communication can be affected through unequal power distributions or social categorizations, simply caused by differences in spoken language or CCL ability levels. Furthermore, different proficiency levels can cause misunderstandings and conflicts, leading to anxiety, stress, or even communication avoidance (Vaara et al., 2005; Klitmøller, Schneider & Jonsen, 2015; Lauring & Klitmøller, 2015). In a multilingual context, however, high fluency in the CCL is also found to increase knowledge sharing and commitment (Peltokorpi, 2015; Yamao & Sekiguchi, 2015). Regarding cultural differences, which in addition to language have been found to have significant influences on MNCs, research has found that cultural sensitivity can be used as a countermeasure to reduce conflicts, misunderstandings, and opportunism (LaBahn & Harich, 1997; Voss, Johnson, Cullen, Sakano & Takenouchi, 2006; Skarmeas et al., 2002). Cultural sensitivity has also been found to increase trust (Boersma et al., 2003; Khalid & Ali, 2017), commitment (Lohtia, Bello, Yamada & Gilliland, 2005; Skarmeas et al., 2002), and information exchange in MNCs (Nguyen & Nguyen, 2014).

Language has long been regarded as a part of one's culture. However, pioneering researchers have pointed out the great individuality of language and its significant influences on international businesses, so researchers have begun to conduct studies treating language as an independent factor (Brannen, Piekkari, & Tietze, 2017). While language is essential for communication (Piekkari, Welch & Welch, 2014), cultural distances can impose challenges on communication. There is little research on international business that quantitively examines the influence of CCL proficiency and the difference in CCL proficiency levels among employees on communication satisfaction (Piekkari, Welch & Welch, 2014; Tenzer, Terjesen & Harzing, 2017; Sharma, Maheshkar, & Chandra, 2018). There is even less

research that examines language in the context of IJVs and essential processes such as the decision-making process (Kulkarni & Sommer, 2015).

Furthermore, there is little research that quantitively examines the influence of CCL proficiency, cultural sensitivity, and the difference in CCL proficiency levels among managers on their satisfaction with organizational performance (Piekkari, Welch & Welch, 2014; Tenzer, Terjesen & Harzing, 2017; Sharma, Maheshkar, & Chandra, 2018). This research gap inspires this author to examine language and cultural sensitivity in the field of IJVs. This dissertation is therefore intended to fill this gap and provide theoretical contributions to the IJV literature as well as valuable findings relevant to managerial practices.

1.3. Research purpose

The focus of this thesis is the influence of language and culture on different aspects within IJVs. As stated above, communication is essential for the success of IJVs (Yan & Luo, 2016). Procedural justice in the decision-making process is an additional critical factor that is responsible for individuals' group harmony, behavior, and attitudes toward work and their IJV partners; furthermore, it can increase performance and ultimately lead to the success or failure of an IJV (Brockner & Wiesenfeld, 1996; Colquitt et al., 2013; Qin et al., 2014; Yean & Yusof, 2016; Yan & Luo, 2016). In IJVs, it is likely that communication as well as the decision-making process take place between managers coming from different countries and parent companies, meaning that these managers often do not share the same location, culture, or native language. Parent firms typically implement a CCL – usually English – to prevent problems caused by linguistic diversity. CCL proficiency is likely to vary among employees of IJVs, and cultural differences are also likely to impose challenges. Additionally, due to geographically dispersed locations, communication within an IJV is likely to occur less frequently and with various types of communication media. Therefore, the purpose of this dissertation is to separately – by taking a "three viewpoints" approach – examine the influences of language and culture on communication, the decision-making process, and the performance of a Japanese-European IJV.

In this, Chapter 2 examines how self-perceived CCL ability and individually perceived C-CLADs relate to IJV partners' communication satisfaction and how communication frequency and the use of different media influences this relationship. In this examination, the following research questions are answered:

Study 1, Q1: To what extent do individually perceived CCL ability, C-CLADs, and frequency of communication influence satisfaction with inter-partner communication?

Study 1, Q2: How do different communication media influence satisfaction with inter-partner communication?

In Chapter 2, answers to these two questions are determined through a literature review and a statistical analysis of survey data. The theoretical framework of this study is formed by exploring previous research on IJVs, language in MNCs, self-perceived CCL proficiency, and language in IJVs, communication media, communication frequency, and communication satisfaction. To gain additional understanding, the study explores media richness theory and media synchronicity theory.

Chapter 3 examines how perceived C-CLADs and communication frequency relate to managers' perception of procedural justice in the decision-making process and how communication frequency influences the relationship of C-CLADs and procedural justice by answering the following research questions:

Study 2, Q1: To what extent do C-CLADs and communication frequency influence procedural justice in decision-making?

Study 2, Q2: How does communication frequency influence the relationship of C-CLADs and procedural justice in decision-making?

In Chapter 3, answers to these questions are determined through a literature review and based on statistical analysis of survey data. The theoretical framework of this study is formed by exploring previous research on IJVs, procedural justice, communication frequency, and language in MNCs. To gain additional understanding, Adams' (1963) equity theory and Thibaut and Walker's (1975) voice effect are explored.

Chapter 4 explores how IJV's managers' proficiency in the CCL, as well as perceived C-CLADs with their IJV partners, relate to their satisfaction with the IJV's performance as well as their own performance. Cultural sensitivity effects on managers' performance satisfaction are also investigated. The following research questions are explored:

Study 3, Q1: To what extent do self-perceived CCL ability, cultural sensitivity and common C-CLADs influence satisfaction with the IJV performance?

Study 3, Q2: To what extent do self-perceived CCL ability, cultural sensitivity, and C-CLADs influence managers' satisfaction with their own performance?

In Chapter 4, the answers to these research questions are determined through a literature review and statistical analysis of survey data. The theoretical framework of this study is formed by exploring previous research on IJVs, CCL proficiency, and cultural sensitivity. To gain additional understanding, theoretical foundations of self-efficacy (Bandura, 1997; 1998) and P-E fit perspective (Searle & Ward, 1990) are explored.

1.4. Theory and research methodology

1.4.1. Theory

A theory is commonly described as "a supposition or a system of ideas intended to explain something, especially […] based on general principles independent of the thing to be explained" (Oxford Dictionary, 2018). The theoretical framework of this dissertation is intended to explain, analyze, and improve the research on effects of CCL, communication media and frequency, and culture on different aspects of IJVs, namely communication satisfaction and procedural justice in the decision-making process. Also, satisfaction with the performance of the IJV and the satisfaction of individuals with their own performance within the IJV are investigated. Considering the aforementioned research areas, empirical research mainly relies on media richness theory, media synchronicity theory, equity theory, social exchange theory, voice effect, self-efficacy theory, and P-E fit perspective to explain the relevant phenomena.

In the field of communication within and among organizations, media richness theory (MRT), developed by Daft and Lengel (1983; 1986), is one of the most common theories applied and examines the effects of different types of communication media. The theory is intended to explain which medium is the most effective in terms of the purposes it is used for (Dennis, Fuller & Valacich, 2008). While MRT does not initially take new media such as email and video communication into consideration, Dennis and Kinney (1998) have amended the theory by adding new communication media like email. Another commonly applied theory that examines communication media is the media synchronicity theory (MST). Developed by Dennis, Fuller & Valacich (2008), this theory divides communication into two fundamental processes: conveyance and convergence. Conveyance refers to the transfer of mainly "raw" information such as data, while convergence refers to communication processes where different points of view and perspectives are interpreted and discussed. Furthermore, MST divides processes into synchronical and asynchronical processes.

In the field of justice, equity theory (Adams, 1963) is one of the most common theories used to explain different perceptions of fairness. According to this theory, relationships require equity (fairness) to succeed and survive. Furthermore, individuals must perceive that their input into the relationship balances their received outputs. In case of a balance, fairness is perceived. If input and output do not balance, injustice is perceived (Adams, 1963; Virtanen & Elovainio, 2018). Another commonly applied theory in research examining justice is the social exchange theory, which is in line with equity theory. Social exchange theory argues that while individuals form relationships, they weigh costs against benefits. If the perceived costs are higher than the gained benefits, individuals are unsatisfied with the relationship and perceive the exchange as unfair (Homans, 1958; Cropanzano & Mitchell, 2005). Voice effect is the third commonly used theory in empirical justice research. It argues that the possibility of individuals speaking their minds and having the opportunity to state their own opinions and views influences the perception of fairness. The more voice individuals have, the higher they perceive fairness (Thibaut & Walker, 1975; Lind, Kanfer, & Earley, 1990; Brockner, 2015).

Self-efficacy theory (Bandura, 1997; 1998) is a theory commonly applied in the field of individual performance. This theory argues that individuals who have a higher subjective judgment of their own skills perform better than individuals lacking this subjective feeling. Regarding culture, P-E fit perspective (Searle & Ward, 1990) is commonly used to explain individuals' ability to fit into, find their way into, and interact with foreign cultures. This theory explains how individuals adapt to their surrounding environments. If individuals can adapt, there is fit; if not, there is misfit. The previously described theories are appropriate for answering the research questions of this dissertation, and the hypotheses are therefore developed based on these theories.

1.4.2. Research methodology

This empirical study mainly deals with six questions. The first two questions of the first study in Chapter 2 investigate the extent to which CCL ability, individually perceived C-CLADs, the frequency of communication, and differences in the usage of communication media influence satisfaction with managers' inter-partner communication in a Japanese-European IJV. The major source of data for this empirical analysis is survey responses of 149 managers of the IJV collected during a three-week period in March 2018. All respondents are employed at the managerial level and involved in regular direct communication with the IJV partner through IJV partner counter-managers, who are individuals from the partner the

managers most often communicate with (hereafter referred to as IJV partners). The hypotheses are developed based on prior literature, MRT, and MST, and are tested through two linear regressions.

The research questions of the second study in Chapter 3 of this thesis focus on the influence of perceived C-CLADs and communication frequency on procedural justice in the decision-making process of managers in the IJV. Valuable survey responses of 144 managers of the IJV form the primary data source for this empirical analysis. At the time of the survey, all participants were employed at the managerial level of the IJV and involved in joint decision-making processes with their IJV partners. The hypotheses answering the research questions are developed based on equity and social exchange theory and take voice effect into consideration. Additionally, linear regressions are used to test the hypotheses.

Finally, the research questions for the third study in Chapter 4 deal with the influence of CCL, cultural sensitivity, and C-CLADs on managers' satisfaction with both their own performance and the performance of the Japanese-European IJV. The source of data is built from survey responses from 144 individuals employed at the managerial level of the IJV. The study draws on self-efficacy and P-E fit perspective to develop the study's hypotheses, which are tested through linear regressions that comprise the main analysis of this study.

1.5. Outline of remaining chapters

This thesis focuses on the influence of language and culture on various aspects of a Japanese-European IJV and is comprised of five chapters. The first chapter presents the introduction and outline of this study. Chapter 2 presents the influence of self-perceived CCL ability, communication frequency of four media types, and perceived C-CLADs on managers' inter-partner communication satisfaction. In this chapter, Section 2.1 presents the introduction, Section 2.2 reviews existing literature, and Section 2.3 forms the theoretical framework and develops hypotheses. Section 2.4 explains the method used to test hypotheses and provides details on the research setting, data collection process, sample characteristics, survey design, and item measures. Section 2.5 presents the analysis and results based on a correlation matrix and linear regressions, which are discussed in Section 2.6, including possible implications and future research recommendations. Section 2.7 presents a conclusion. The third chapter examines the influence of perceived C-CLADs and communication frequency on managers' procedural justice in the IJV's decision-making process.

Table 1.1
Dissertation structure and summary

Dissertation Structure	Content	Theories	Model	
Chapter 1 Introduction	Contains a brief overview of the case, a general introduction considering language and IJVs as well as research background and motivation. Furthermore, the outline of the thesis is presented.	//	Independent variables	Dependent variable
Chapter 2 Study 1	*Focus:* Effects of self-perceived CCL ability, perceived C-CLAD and communication frequency of four media types (email, phone, video/ skype and face-to-face) on managers' satisfaction with communication. *Setting:* Japanese-European IJV, data from 149 managers. *Key findings*: C-CLADs decrease inter-partner communication satisfaction. High frequency of communication via email, face-to-face, phone, and video/Skype increases inter-partner communication satisfaction. Also, high email, face-to-face, and video/Skype communication can reduce communication dissatisfaction caused by high C-CLADS.	・Media richness theory ・Media synchronicity theory	・Self-perceived CCL ability ・Media frequency (4 types) ・Self-perceived CCL ability X Media frequency (4 types) ・Self-perceived C-CLAD ・Self-perceived C-CLAD X Media frequency (4 types)	→ Communication satisfaction
Chapter 3 Study 2	*Focus:* Effects of C-CLAD and communication frequency on procedural justice in the decision-making process of IJV. *Setting:* Japanese-European IJV, data from 144 managers. *Key findings:* C-CLAD negatively influences procedural justice, communication frequency increases procedural justice. Also, C-CLADs and communication frequency are more important to managers with higher CCL ability and frequent communication can reduce negative effect of high C-CLAD for managers with lower CCL ability.	・Equity theory ・Social exchange theory ・'Voice effect'	・Self-perceived C-CLAD ・Communication frequency ・Self-perceived C-CLAD X Communication frequency	→ Procedural justice in decision making
Chapter 4 Study 3	*Focus:* Effects of self-perceived CCL proficiency, cultural sensitivity and perceived C-CLAD on managers' IJV and own performance satisfaction. *Setting:* Japanese-European IJV, data from 144 managers. *Key findings*: C-CLADs negatively influences IJV performance satisfaction, while CCL ability positively influences own performance satisfaction. The findings differ depending on if a manager has higher, lower or equal CCL ability compared to their IJV-partner.	・Self-efficacy theory ・Person-environment (P-E) fit perspective	・Self-perceived CCL ability ・Cultural sensitivity ・Self-perceived C-CLAD	→ Satisfaction with a) IJV-performance b) own performance
Chapter 5 Conclusion	Explains the overall contribution of the thesis and sums up the theoretical and managerial contributions of each study. Furthermore, limitations are presented and directions for future research are discussed.	//	//	//

Section 3.1 provides an introduction, Section 3.2 presents prior research, and Section 3.3 presents the theoretical framework and develops this study's hypotheses. Section 3.4 outlines the method of this study, including the research setting, data collection process, sample characteristics, survey design, and item measures, while Section 3.5 presents the analysis and results. Section 3.6 discusses the results and recommendations, and Section 3.7 draws a conclusion.

Chapter 4 focuses on the influence of self-perceived CCL proficiency, cultural sensitivity, and perceived C-CLADs on managers' satisfaction with the IJV performance and their own performance within the IJV. Here, Section 4.1 presents the introduction, followed by a review of prior literature in Section 4.2. Section 4.3 lays out the theoretical framework on the basis of which the hypotheses are developed. Section 4.4 outlines the method of this study, providing details concerning the setting of the research, data collection process, sample characteristics, survey design, and item measures. Section 4.5 presents the results, and Section 4.6 includes discussion, implications, and recommendations for future research. Section 4.7 draws a conclusion.

The fifth and final chapter presents the overall conclusion of this thesis. In Chapter 5, Section 5.1 provides an overview of the findings of this thesis, mainly by describing the answers to the six research questions. Section 5.2 explains the theoretical and managerial implications, and Section 5.3 displays the limitations of the study and suggests possibilities for future research. Section 5.4 draws an overall conclusion. Table 1.1 presents an overview of this thesis.

Chapter 2
Media use and its interplay with English proficiency and communication satisfaction

2.1. Introduction

Through the continuous development of infrastructure and logistics, and especially through new communication services like the internet, the world has shrunk down into a global village (Harzing, 2000). The expansion of new technologies combined with globalization has influenced how companies and organizations operate, while internationalization has become a necessity for businesses intent upon high competitiveness and growth (Gupta & Govindarajan, 2000). Among the many ways a company can expand internationally, the formation of international joint ventures (IJVs) is a popular strategy for

entering new markets and increasing internationality (Ren, Gray, & Kim, 2009). Although internationalization is close to essential and generally regarded as an asset, it is not without challenges (Keyton, 2011). Especially in IJVs, cultural and linguistic diversity and the challenge of communicating over long distances between countries and even continents can impose significant obstacles upon the management.

Furthermore, it has become a common part of IJVs managers' daily agenda to lead and communicate in globally dispersed teams that work simultaneously across different locations and time zones by relying primarily on virtual communication (Luo & Shenkar, 2006; Yan & Luo, 2016). Satisfaction with this communication is a crucial factor in organizational contexts, especially in IJVs because it can increase motivation, trust, and joint decision-making, reduce stress, and improve job performance (Downs & Hazen, 1997; Khalid & Ali, 2017). Therefore, this paper examines inter-partner communication satisfaction from the viewpoint of the managers of this recently formed Japanese and European IJV.

This study makes two main contributions to the literature. First, it investigates how IJV managers' self-perceived common corporate language (CCL) ability, CCL ability differences (C-CLADs), and communication frequency via four different media types influence communication satisfaction. Second, it examines how the communication frequency of each media type influences the relationships between CCL and communication satisfaction, as well as between C-CLADs and communication satisfaction. By taking prior research and media richness theory (MRT) and media synchronicity theory (MST) into consideration, this study finds that managers perceiving a high C-CLAD between themselves and their IJV partners are unsatisfied with their inter-partner communication. This study also finds that a high frequency of communication via email, face-to-face conversation, telephone, and video/Skype increases communication satisfaction in the IJV. Furthermore, the study finds evidence to suggest that communication frequency via email, face-to-face conversation, and video/Skype moderates the influence of perceived C-CLADs and communication satisfaction. In this, managers who perceive a high C-CLAD are more satisfied when inter-partner communication occurs rather frequently via email, face-to-face conversation, and video/Skype.

2.1.1. Background and motivation

Communication is one of the most important aspects of any business because it can determine organizational success as pointed out by Piekkari, Welch, and Welch (2014), who have argued that communication lies "at the heart of any organization" (p. 7). It goes without

saying that efficient communication is essential for multinational companies (MNCs) to grow and succeed. However, MNCs are being challenged on a whole new level because communication must often occur across different countries, time zones, cultures, and languages, thereby increasing its complexity. To cope with these differences, MNCs often implement a CCL (usually English) to simplify communication between individuals who do not share the same language (Nickerson, 2005). Despite its importance, language has long been seen as a part of culture. Only after pioneering researchers pointed out the great individuality of language and its significant influence on international businesses did researchers begin to conduct studies that treat language as an independent factor (Brannen, Piekkari, & Tietze, 2017).

In IJVs, inter-partner communication may be the most critical determinant of performance and success because it relates significantly to commitment, trust, and knowledge sharing. Furthermore, IJVs' performance relies on a large number of inter-partner negotiations and mutual agreements in joint decision-making, which necessitates inter-partner communication (Khalid & Ali, 2017). As previously stated, the communication in IJVs is likely to be challenged by geographically dispersed locations and linguistically constrained environments. Regarding the former, managers tend to rely on different modes of communication, especially virtual media like email and video or Skype (Klitmøller & Lauring, 2013). Regarding the latter, the implementation of a CCL is a popular strategy used to cope with this issue (Luo & Shenkar, 2006; Nickerson, 2005; Harzing, Köster & Magner, 2011). In this, additional challenges that come along with implementing a CCL are often underestimated (Vaara et al., 2005). Common corporate language proficiency levels usually vary among employees, ranging from very low proficiency to fluent or even native level, which can have a variety of effects on communication (Marschan-Piekkari, Welch & Welch, 1999a).

Communication between individuals with different CCL proficiency levels can result in unequal power distribution or social categorization and lead to anxiety, stress, or even communication avoidance (Vaara et al., 2005; Klitmøller, Schneider & Jonson, 2015; Lauring & Klitmøller, 2015). Nevertheless, a high CCL level can lead to increased knowledge sharing and commitment (Peltokorpi, 2015; Yamao & Sekiguchi, 2015). Research on MNCs, IJVs, and global virtual teams (GVTs) has grown over the past years, as has research on language in these fields (Gupta & Govindarajan, 2000; Yan & Luo, 2016; Zajac, 2013; Tenzer, Terjensen & Harzing, 2017). While language is essential for communication (Piekkari, Welch

& Welch, 2014), there is little research that quantitively examines the influence of CCL proficiency and C-CLADs among employees on communication satisfaction. Researchers have therefore called for more studies examining this issue (Piekkari, Welch & Welch, 2014; Tenzer, Terjesen & Harzing, 2017; Sharma, Maheshkar, & Chandra, 2018).

2.1.2. Research purpose

As previously stated, communication is essential for the success of IJVs (Yan & Luo, 2016), and inter-partner communication in IJVs is likely to take place between individuals coming from different countries and parent companies who often do not share the same location and native language. Furthermore, IJVs rely heavily on virtual communication. In companies with an implemented CCL, employees' proficiency levels in the language will likely vary, possibly affecting their communication. Therefore, this study explores how an IJV's managers' proficiency in the CCL (here English) relates to their satisfaction with their inter-partner communication. Due to the linguistic differences and geographically dispersed locations in an IJV, communication might occur less frequently and with various types of communication media. This study also explores how communication frequency and frequency of media use relate to an IJV's managers' satisfaction with their inter-partner communication. Therefore, the purpose of the study is to examine how self-perceived CCL ability and individually perceived C-CLADs relate to IJV partners' communication satisfaction and how communication frequency and the use of different media influences this relationship. The individuals participating in this questionnaire-based research are managers in a Japanese-European IJV that has locations all over the world but is not headquartered in any of the parent companies' countries. All participants experienced inter-partner communication issues. The purpose of this study is therefore to answer the following research questions:

Q1: To what extent do individually perceived CCL ability, C-CLADs, and frequency of communication influence satisfaction with inter-partner communication?

Q2: How do different communication media influence satisfaction with inter-partner communication?

The answers to these questions are determined through a literature review and a statistical analysis of survey data. The theoretical framework of this study is formed by exploring previous research on IJVs, language in MNCs, self-perceived language proficiency,

language in IJVs, communication media, frequency, and communication satisfaction. To gain additional understanding, MRT and MST are both explored.

2.1.3. Structure of the chapter

This chapter consists of seven sections. First, the introduction section briefly presents the motivation and background for this research, followed by an explanation of the purpose and the outline of this chapter. The second section provides a literature review of the influencing factors and important phenomena examined in this study. The third section follows with the development of the study's hypotheses based on the examined literature and theories. Section 4 presents the research method used for this study, as well as the survey items and their validation. Section 5 outlines the results of the study. Section 6 discusses and interprets the results of the analysis and provides possible managerial implications, and Section 7 draws a conclusion.

2.2. Literature review

This section of the chapter provides a review of the existing literature relevant to the research, clarifies terminology, and explores commonly applied theories. First, it examines IJVs, followed by a general overview of the research conducted concerning language in international businesses and MNCs. This section then dives deeper into the language literature by exploring the specific field of self-perceived CCL ability/proficiency (these two words are hereafter used interchangeably) and proceeds by briefly stating the status of research on language in IJVs. Communication media is then reviewed with a focus on language and its relation to choice of media and frequency of use of media. Finally, the literature on communication satisfaction is considered.

2.2.1. International joint ventures

Joint ventures (JVs) are commonly described as "legally […] separate organizational entities created by two or more parent organizations that collectively invest financial as well as other resources to pursue certain objectives" (Yan & Luo, 2016, p. 1). The decisive word "joint" indicates a juristically independent organizational body that was formed by and is still economically dependent on two or more parent companies (Harrigan, 1988). Many businesses often use the formation of a JV as a strategy to react to new developments in the business environment such as governmental policies or the transfer of new technologies, or to enter new markets (Jalalkamali, Ali, Hyun & Nikbin., 2016a). The JV becomes international when this occurs not just on the national level but instead involves at least two countries. Therefore, an IJV can be defined as a separate, legally independent company formed by two or more

parent organizations from different countries (Shenkar & Zeira, 1987; Jalalklamali et al., 2016b; Yan & Luo, 2016). As Luo and Yang (2016) have stated, it is common for an IJV to be formed between one local company and one company from a different country in order to use the IJV as a market entry. IJVs formed by more than two partners are also possible (Yan & Luo, 2016). Even though they are established by at least two parent companies, IJVs are independently operating organizations that have to participate in the same business actions and procedures as any other company (Killing, 2013). International joint ventures are one of the most popular forms of international business relationships (Park & Harris, 2014) and are the most common form of foreign new market entries (Ren, Gray & Kim, 2009). Since they require lower transaction costs in comparison to, for example, acquisitions based on shared ownership or risk and control monitoring, IJVs enjoy great popularity (Ng, Lau, & Nyaw, 2007). Moreover, IJVs allow their parent companies to combine competencies, operate more effectively and efficiently, synergize resources, and enhance knowledge sharing (Nippa, Beechler & Klossek, 2007).

Despite their popularity, IJVs often have significant performance issues and are therefore unable to achieve their goals. This has made them attractive subjects for international business researchers (Ali & Larimo, 2016). Since an IJV is jointly owned by its parent companies, high levels of observation and commitment are required, as are trust, negotiation, inter-partner relationship management, and especially good communication (Ren, Gray & Kim, 2009; Yan & Luo, 2016). Accordingly, the primary areas of IJVs research are motives for formation, partner selection, governance, and control, as well as performance and stability (Parkhe, 1993). As such, the research has predominantly focused on trust, opportunistic behavior, commitment, communication, and how these factors eventually relate to IJV performance and their eventual success (Kwon, 2008; Ren, Gray & Kim, 2009; Khalid & Ali, 2017). As stated above, IJVs require complex inter-partner relation management to succeed. This complexity deepens further when the parties involved come from different countries, bringing with them different cultures and mindsets from widely dispersed locations. The challenges that come along with IJVs make them an interesting topic for academic researchers; therefore, it is not surprising that there has been an increase in studies exploring IJVs (Luo, 2007; Le Nguyen, Larimo & Ali, 2015).

2.2.2. Language in multinational corporations

Language as an independent construct is still a somewhat new concept in international business research (Schomaker & Zaheer, 2014). Language as an important factor in

international business became interesting to researchers after it was first described by Marschan, Welch, and Welch (1997) as the "forgotten factor" in international business research. This topic was brought to light again when Luo and Shenker (2006) imprinted MNCs with the label of "multilingual community." Since then, the interest in language has drastically increased, and through the ongoing globalization and growth of internationally operating businesses, today language has found a solid place as an independent topic in international business research (see Tenzer, Terjesen and Harzing, 2017 for a recent review).

Except for a few studies that examine language as facilitator or cohesive factor (Andersen & Rasmussen, 2004; Cohen & Kassis-Henderson, 2017), language has mainly been investigated as a "barrier" (Harzing & Feely, 2008), a "disruptive element" (Tenzer, Pudelko & Harzing, 2014), an "impediment" (Marschan-Piekkari, Welch & Welch, 1999a), and an "obstacle" (Henderson 2005). The context in which language-related problems are analyzed has likewise expanded over the years. So far, studies have analyzed a broad range of language issues in the context of MNCs. Piekkari, Vaara, Tienari and Säntti (2005) have explained that the implementation of a common language can have adverse effects on the integration process of cross-border merger and acquisitions (M&A). In another study in the M&A context, Vaara et al. (2005) have pointed out that the implementation of a CCL affects power distribution in a merged company.

In the context of human resource management, a pioneering study by Marschan-Piekkari, Welch and Welch (1999a), has explained the importance of expatriates as "language nodes," and other studies have recognized language as a barrier in inter-unit knowledge transfer (Barner-Rasmussen & Björkman, 2005; Welch & Welch, 2008). Scholars including Neeley, Hinds, and Cramton, (2012), Neely (2013), Henderson (2005), Klitmøller and Lauring (2013), and Tenzer, Pudelko and Harzing (2014), who focus on language and its effect on international teams, have examined the influence of language on interpersonal communication. Other popular topics in language issues include headquarter-subsidiary communication and knowledge transfer, as well as inter-subsidiary relations (e.g., Harzing & Feely, 2008; Harzing, Köster & Magner, 2011; Harzing & Pudelko 2014; Marschan-Piekkari, Welch & Welch, 1999b).

2.2.2.1. Self-perceived language proficiency

Self-perceived language proficiency can be described as an individual's ability to communicate and understand conversations in any given language (Khaleel, Shankar Chelliah & Iftikhar, 2016). While the importance of language has been a recognized issue in

international business studies over the last 30 years (Tenzer, Terjesen & Harzing, 2017), several studies merely focus on the effects of speaking the same or a different language on international business performance (Harzing & Pudelko, 2014; Klitmøller & Lauring, 2013; Lauring & Selmer, 2012; Aichhorn & Puck, 2017). On the macro-level, these studies tend to examine factors such as language distance or relatedness (Ambos & Ambos, 2009; Selmier & Oh, 2013; Schomaker & Zaheer, 2014).

The English language is described as "the global language" (Crystal, 2003) and is the most commonly used language and most typically implemented CCL in international business communication (Louhiala-Salminen & Kankaanranta, 2012). While the majority of studies focus on language difference, as in sharing or not sharing the same language, fewer studies take perceived English language proficiency at the individual level into consideration (Peltokorpi, 2015). A pioneering study by Vaara et al. (2005) has illustrated that the implementation of one of the native Nordic languages as a CCL affects the distribution of power in a merged company. Klitmøller, Schneider and Jonsen (2015) have found similar results. Analysis of interviews has lead these researchers to propose that differences in the individuals' English abilities can lead to social categorization in GVTs.

Peltokorpi (2015) has investigated CCL proficiency in light of reverse knowledge transfer in headquarter-subsidiary relationships and has demonstrated that the host country nationals' language ability is directly and positively related to reverse knowledge sharing, displaying the importance of language proficiency in yet another aspect of MNC operations. Remaining in the context of reverse knowledge transfer, Peltokorpi and Yamao (2017) have examined the interplay of corporate language proficiency and shared vision and have concluded that language ability positively influences a shared vision, which in turn positively influences reversed shared knowledge.

While the aforementioned studies have relied on third parties to rate individuals' language proficiency, Yamao and Sekiguchi (2015) have taken research a step further and examined self-perceived English language ability. This analysis reveals that employees' self-perceived proficiency is positively related to affective and normative commitment toward the globalization of the firm, while there is no effect on continuance commitment. Khaleel, Shankar Chelliah and Iftikhar (2016) have also chosen to measure self-perceived English language proficiency in order to examine the influence of language proficiency on job satisfaction and affective organizational commitment. Khaleel, Shankar Chelliah and Iftikhar have found that self-perceived language proficiency is positively related to both job

satisfaction and the employees' level of commitment. As a result, Khaleel, Shankar Chelliah and Iftikhar have argued that proficient English speakers are more committed and, due to a higher level of communication and understanding of processes within the company, more satisfied with their jobs.

2.2.3. Language in international joint ventures

As discussed above, one of the characteristics found in the description of an IJV is that there are at least two parent companies from different countries that come together to establish a new independent company. Many of the parent company employees are later employed at the newly formed IJV (Shenkar & Zeira, 1987; Jalalklamali et al., 2016; Yan & Luo, 2016). Inter-partner communication between the venture partners is essential for the IJV's success (Yan & Luo, 2016). It is therefore surprising that, to this author's knowledge, there has been only a small number of studies focusing on the issue of language in IJVs. Liu, Adair and Bello (2015) have examined how the language tool of relational metaphors used by the IJV partners reflects their semantic fit and ability to communicate with each other regarding the ventures' operations. The two-step analysis reveals that formal ownership moderates the relationship between metaphorical language and managerial planning.

Although language issues are not mentioned as part of their research focus, Sharma, Maheshkar and Chandra (2018) have examined cultural problems and the steps used to overcome them in an IJV between China and India. Interviews with employees, however, have brought the importance of differences in common language proficiency as a burden on inter-partner communication to these researchers' attention. As a step to overcome both cultural and recently discovered language issues, these authors have suggested offering culture and language training to improve inter-partner communication. These findings suggest that language influences inter-partner communication and that further research is required to validate these findings.

2.2.4. Communication media

Several studies have focused on how the different media used in MNCs can serve as a tool to cope with language issues. While some studies have focused on the differences in the type of media used, others have examined the contribution of the frequency of the media use. The nature of IJVs implies, however, that a vast portion of inter-partner communication does not happen face-to-face because the locations are distant from each other (Tenzer & Pudelko, 2016). Hence, managers must rely on communication through various types of virtual media including oral communication (e.g., telephone calls and video conferences) and

written communication (e.g., emails, reports, and memoranda). Therefore, the following sections review the prior research that has been conducted on media choice and frequency in a multilingual international context.

2.2.4.1. Language and the choice of communication media

In a pioneer study, Feely and Harzing (2003) have examined the effects of the use of different languages on MNCs and developed initial guidelines on how companies can manage language barrier issues. They have proposed 11 guidelines that managers can invoke when constructing strategies to lower language barriers. However, while these ideas range from adopting a corporate language over offering language training possibilities to employing translators, relying on different communication media to cope with language issues is not mentioned as a possible solution. Nearly a decade later, Harzing, Köster and Magner (2011) have returned to the solutions proposed by Feely and Harzing (2003) to empirically examine and reveal which language barrier solutions MNCs practically apply. Harzing, Köster and Magner have interviewed 44 managers in eight Japanese and German company headquarters and their subsidiaries and have found that two of the initially proposed solutions, functional multilingualism and controlled language, are not among the practical solutions commonly applied. Instead, these authors have found five additional practices commonly used by their sample, including the adjustment of the mode of communication as an informal day-to-day solution. Several managers have reported that relying on different kinds of media has helped them to overcome language differences and reduce the frequency of misunderstandings.

The study of communication media types, with their characteristics and effects, is not new to the academic world. Media richness theory, developed by Daft and Lengel (1983; 1986), is one of the most commonly used media theories. It is intended to explain which medium is the most effective in terms of the purposes for which it is used (Dennis, Fuller & Valacich, 2008). Daft and Lengel (1983) have argued that media can be categorized into rich and lean media, where the degree of richness refers to the number of cues transferable through the medium (e.g., voice tone and body language), the availability of instant feedback, and natural language. Evaluating the criteria, face-to-face communication is described as the richest medium, while written communication is described as the leanest. Initially, MRT does not consider new media; however, with the growth of the internet and technical communication, Dennis and Kinney (1998) did include new media such as email and video communication in the theory. It is surprising that even though Harzing, Köster and Magner (2011) have clearly identified the choice of communication media as one of the most

practically applied language barrier solutions, little research has been done examining the use of different communication media in multilingual companies, especially since virtual communication is high on the agenda (Tenzer & Pudelko, 2016). Pioneering studies by Klitmøller and Lauring (2013), Peltokorpi (2015) and Klitmøller, Schneider, and Jonsen (2015) have taken a first step into the field of language and communication media.

In their study "When global virtual teams share knowledge: Media richness, cultural difference, and language commonality," Klitmøller and Lauring (2013) have examined how culture, shared language commonality, and media choice effect equivocal and canonical knowledge sharing in virtual teams of a Nordic MNC. They have found that if there is a high degree of cultural and language diversity, face-to-face communication is the most suitable for equivocal knowledge sharing, followed by other rich media when face-to-face communication is not possible. Regarding canonical knowledge sharing, virtual communication effectively fulfills the same purpose. In teams where few share the same language, however, lean media is preferred because rich media can lead to misunderstandings related to difficulties with accents, for example. These authors have suggested a modification of the MRT in that the richest media might not always be the most efficient when utilized in multilingual teams.

Peltokorpi (2015) has taken this thought a step further and examined how corporate language proficiency, communication media richness, and commitment to the headquarters influence reverse knowledge sharing in MNCs. Analysis of survey data has revealed that corporate language proficiency positively influences reverse knowledge transfer and that this relationship is mediated by the richness of the communication medium used. Also, the author provides statistical evidence that individuals with high language abilities turn to rich media when targeting knowledge transfer. Another finding of the research is the moderating role of commitment on the relationship of media richness and reverse knowledge transfer. Both of the aforementioned studies add to the image of MRT, suggesting that language issues should be considered in the choice of communication media.

Klitmøller, Schneider and Jonsen (2015) have also analyzed choice of media and its interplay with common language proficiency and have concluded that there is a difference between verbal and written communication and their effect on social categorization. Verbal communication, which is classified as rich media, in combination with high differences in language proficiency, is likely to lead to social categorization. This effect is not observed for written and leaner media such as communication via email. On the contrary, these authors

have found that written communication can reduce the perception of language variances because individuals with a lower proficiency can take more time to formulate and spell-check messages. Since previous research has already shown that social categorization can be strongly harmful to communication and teamwork (Lauring, 2008), these findings are of great importance.

Building on the thought that, when it comes to media choice, not only the richness of the media but also the communication processes and purposes matter, Dennis, Fuller and Valacich (2008) have developed the MST. Media synchronicity theory distinguishes between two fundamental processes of communication: conveyance and convergence. Conveyance refers to the individual transfer of raw information, mainly on a large scale, while convergence refers to the process of communicants interpreting and discussing different points of view and perspectives. Furthermore, these authors have argued that processes take place both synchronically and asynchronically. They have suggested that for conveyance, the use of synchronized media is most beneficial, while non-synchronized media use represents a better fit for convergence. Additionally, they have assigned five different capabilities to each communication medium: 1) rehearsability, enabling the sender to edit and, if necessary, improve the message before sending; 2) reprocessability, enabling the receiver to use time to decode and understand the message; 3) parallelism, enabling several individuals to transmit a message at the same time; 4) transmission velocity, referring to the communication of messages at high speed by a medium; and 5) natural symbol sets, referring to a medium that allows for sending multiple cues.

While the original theory argues that media providing rehearsability, reprocessability, and parallelism are the least suitable and media permitting transmission velocity and a range of natural symbol sets are most suitable for conveyance processes, Tenzer and Pudelko (2016) have placed the theory in a multilingual virtual context and called for its adjustment to multilingual communication in international business. According to these authors, media that provide rehearsability and reprocessability are more suitable for the convergence process because they allow the sender to carefully set up or decode a message in a foreign language, contributing to understanding and joint sense-making. Furthermore, these authors have stated that media permitting transmission velocity and natural symbols can complicate and hinder understanding due to excessive speed and an overload of cues.

2.2.4.2. *Language and communication frequency*

The importance of frequent communication in international business has long been understood (Lyles, 1987; Mohr & Nevin, 1990). High communication frequency between partners contributes to the quality of information sharing and can improve partner relation satisfaction (Mohr & Spekman, 1994). Hence, the frequency of communication can be used as an essential tool to improve the quality of information sharing in an IJV in the same way that frequent communication between partners can reduce misunderstandings and the adverse effects of unmet expectations among IJV partners (Yan & Luo, 2016). Furthermore, frequent two-way inter-partner communication has been found to positively influence the effectiveness of IJVs (Labahn, 1999), as well as mutual trust between IJV partners and therefore employee commitment and, eventually, the performance of the IJV (Kwon, 2008).

While not specifically in an IJV, Barner-Rasmussen and Björkmann (2005) have recognized the interplay of language and communication frequency in multilingual organizations. They have argued that one of the key goals of international corporations is to gain competitive advantages originating from knowledge sharing. Since knowledge sharing depends on inter-unit communication, these authors' research focuses on practices that can improve inter-unit communication in MNCs. These authors have found that in subsidiaries with many expatriates, the frequency of communication via telephone positively influences inter-unit communication. Expatriates rely on telephone communication to maintain emotional and personal relationships with people in widely dispersed locations. Additionally, these researchers have found that language skills positively influence both the perceived importance of face-to-face communication and communication by telephone, while in terms of frequency, language skills only affect face-to-face communication. Lauring and Selmer (2012) have also examined communication frequency. These authors have examined how language diversity and communication frequency influence perceived openness toward linguistic, visible, value, and informational diversity and have found that the number of languages spoken positively influences the openness to all four diversities, while communication frequency, which is measured by daily job contacts, positively influences only three diversities. Regarding frequency of communication, these authors have suggested that increasing the frequency of daily communication can help managers to improve both the performance and social life of their employees.

In a recent study by Peltokorpi and Yamao (2017), communication frequency has been examined as a moderator of the relationship of corporate language proficiency, shared vision,

and reverse knowledge transfer in foreign subsidiaries in Japan. These authors have discovered that shared vision mediates the relationship of corporate language proficiency and reverse knowledge transfer, and that the frequency of communication with overseas departments positively influences both relationships. While the aforementioned studies place their focus on the overall frequency of communication, Harzing and Pudelko (2014) have examined the frequency of use of different types of media within the context of headquarter-subsidiary communication of MNCs. These authors have investigated the influence of language differences on communication and knowledge transfer and have found that the absence of a shared language results in an increased number of misunderstandings, conflicts, and the formation of parallel information networks. Moreover, these results demonstrate that while the absence of a shared language leads to less face-to-face and telephone communication in comparison to individuals who share a native language, the absence of a shared language does not influence written communication.

In a recent study, Varhelahti et al. (2017) have also analyzed differences in the frequency of media usage. This study has examined which medium is most frequently used in computed mediated communication when the corporate language of a multicultural business is English. These authors have concluded that there are differences between countries in terms of the use of different types of media. Data from Finland has been compared to data from other European countries, indicating that email is generally the most frequently used medium, while video communication is the second most frequently used, compared to document sharing platforms in other European countries. Instant messaging and social networking are found to be used the least in Finland and other European countries, respectively. Based on these findings, these researchers have concluded that the language of communication influences the choice of communication medium, since email was most frequently used when communicating in a foreign language.

2.2.5. Communication satisfaction

Communication satisfaction can be described as an individual's effective response when the process of message transfer fits or even exceeds the expectations of the individual before the transfer (Hecht, 1978). Hence, communication satisfaction occurs when an individual is satisfied with a range of aspects in situations involving communication with other individuals (Crino & White, 1981). Communication satisfaction is said to be an essential factor in organizational contexts because it can increase motivation, reduce stress, and improve job performance (Downs & Hazen, 1997). Mohr and Nevin (1990) have argued that

in the case of businesses formed between partners from different backgrounds (e.g., different organizations or even different countries), communication dissimilarities caused by language and culture differences can hinder both the formation and the quality of business relationships. This makes high communication satisfaction a critical requirement in MNCs, and especially in IJVs (Kwon, 2008; Jalalkamali et al., 2018). The above discussion is in line with Barkema and Vermeulen (1997), who have argued that problems with culture and communication are the main challenges experienced by IJVs. Namazie and Frame (2007) have noticed the importance of communication satisfaction in international companies and an increase in the number of studies examining these issues. While communication satisfaction was initially interpreted as a one-dimensional construct, today it is commonly seen as a two-dimensional construct composed of informational and relational communication satisfaction (Redding, 1972; Downs & Hazen, 1997).

Two recent studies take a closer look at the importance of communication satisfaction in IJVs (Jalalkamali et al., 2016a; 2016b). Jalalkamali et al. (2016a) have analyzed the interplay of work values, communication satisfaction, and job performance. This analysis reveals that work values have a positive influence on both dimensions of communication satisfaction, which in turn positively affect the IJV employees' job performance. In a further study, Jalalkamali et al. (2016b) have examined the relationship between the frequency of humor and effectiveness, informational and relational communication satisfaction, and contextual and task performance. They have concluded that the frequency of humor positively influences performance and communication satisfaction, that informational communication satisfaction has a positive effect on performance, and that relational communication improves task performance.

As stated above, the importance of communication satisfaction within MNCs, especially IJVs, has long been recognized (Barkema & Vermeulen, 1997). Also, researchers recognize that different cultural backgrounds can influence inter-partner communication and communication satisfaction (Kwon, 2008; Mohr & Nevin, 1990). Additionally, researchers understand the influences language can have on communication in international business (Barner-Rassmussen & Björkmann, 2005). Given the understood importance of communication satisfaction and language issues in international business, it is surprising that, to the best knowledge of this author, the influence of language on the satisfaction with communication in MNCs, especially IJVs, has not yet been examined in detail. For these reasons, this study aims to shed light on the relationship between language and

communication satisfaction within the context of inter-partner communication in a Japanese-European IJV. Even though the original questionnaire for communication satisfaction developed by Downs and Hazen (1997) consists of 35 questions grouped into seven categories, this study only focuses on the aspect of "media quality," or, more precisely, on the question "To which extent the amount of communication is about right?", because this category was found to be the most relevant for this research.

2.3. Theory and hypotheses development

Based on prior literature and both MRT and MST, this section of the chapter develops the hypotheses examined in this study. First, hypotheses concerning self-perceived English language proficiency (English = the IJV's implemented CCL), the frequency of communication, and the interaction between these two aspects are developed, followed by hypotheses regarding perceived differences in English language proficiency and their interplay with the frequency of communication. Figure 2.1 shows the conceptual model of this study with the corresponding hypotheses.

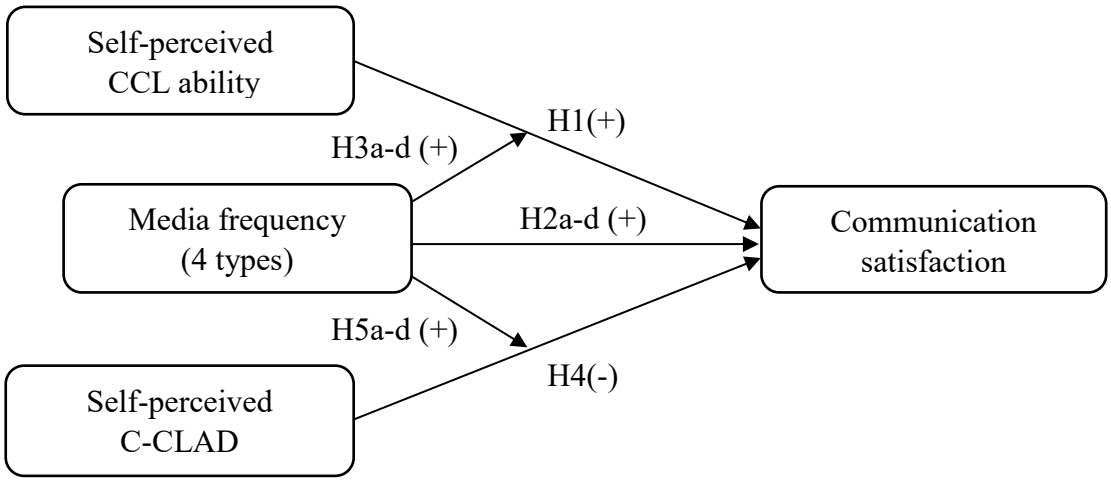

Figure 2.1
Conceptual model and hypotheses

2.3.1. Effect of self-perceived common corporate language ability

As discussed above, Khaleel, Shankar Chelliah and Iftikhar (2016) have found a positive relationship between self-perceived English language proficiency and job satisfaction. One aspect of job satisfaction is, among others, the satisfaction with communication within the company (Spector, 1997). Furthermore, research has shown that having poor English skills results in insecurity when communicating and increases anxiety (Aichhorn & Puck, 2017), which is said to reduce satisfaction (Zhang & Zheng, 2009). This means that having excellent CCL abilities should increase understanding and confidence when communicating

in a different language, reducing anxiety and thereby increasing satisfaction with communication overall. Harzing and Feely (2008) have argued that differences in language increase the frequency of misunderstandings in inter-unit communication. A high level of CCL proficiency should therefore reduce the frequency of misunderstandings, improve the quality of communication, and lead to higher communication satisfaction. As Lauring and Tange (2010) have argued, language-based differences can cause language-based inclusion or exclusion, which is supported by Klitmøller et al. (2015), who have argued that perceived language ability differences can lead to social categorization. Furthermore, Woo and Giles (2017) have argued that having difficulties even when using a common language can lead to discrimination, perceived unfairness, and a feeling of stress. Since stress is known to have a negative influence on satisfaction, it is likely that a higher level of proficiency reduces perceived stress, leading to higher satisfaction with communication. Moreover, Neeley, Hinds, and Cramton (2012) have stated that social categorization relates to feelings of inferiority, which should reduce the satisfaction of communication. Again, a high level of CCL ability should reduce the perception of being inferior, increasing communication satisfaction. Managers with higher self-perceived CCL proficiency should therefore feel more satisfied with their communication.

Hypothesis 1. Managers' self-perceived CCL ability is positively related to satisfaction with communication.

2.3.2. Effect of media frequency

In 2005, Barner-Rasmussen and Björkmann's analysis of practices increasing the quality of inter-unit communication in MNCs demonstrates that an increase in communication positively influences overall inter-unit communication. Peltokorpi and Yamao (2017) have found that increasing the frequency of communication has a positive effect on the relationship between language proficiency and shared vision as well as the latter's influence on reverse knowledge transfer. Additionally, Lauring and Selmer (2012) have concluded that having a high number of daily job contacts positively influences openness to linguistic, visible, and informational diversity. Shedding light on the other side, Avtgis (2000) has argued that communication avoidance and a lack of communication have a negative effect on relational satisfaction. Lauring and Klitmøller (2015) have also stated that communication avoidance is a critical issue in multilingual companies. In the context of IJVs, frequent inter-partner communication is found to positively influence multiple aspects of IJVs, including partner relationship satisfaction and overall IJV performance (Mohr & Spekman, 1994; Kwon, 2008).

Therefore, an increase in communication in a multilingual environment should generally lead to higher communication satisfaction.

In an IJV, managers can choose between a range of different media to communicate with managers from the IJV partner, but it is likely that most of the communication takes place virtually through written communication (e.g., email) and verbal communication via telephone, video, or Skype calls (Tenzer & Pudelko, 2016) due to managers often being based at different locations (Yan & Luo, 2016). As previously mentioned, both MRT and MST examine the effects of the use of different types of media on communication. Media richness theory, originally formulated by Daft and Lengel (1983, 1986) and later adjusted to new communication media by Dennis and Kinney (1998), argues that different media have different effects on efficiency depending on how they are used (Dennis, Fuller & Valacich, 2008; Peltokorpi, 2015). Furthermore, this theory states that media can be ranked according to richness, whereas face-to-face communication ranks as the richest medium and written communication (e.g., email) places lowest in the richness hierarchy (Dennis & Kinney, 1998). In accordance with MRT, email communication has either no effect or a negative effect on communication satisfaction because face-to-face communication is considered to be the most efficient for knowledge sharing, for example, followed by other rich media where face-to-face communication is not possible (Dennis, Fuller & Valacich, 2008).

However, within the context of international communication in geographically distributed and multilingual MNCs, email communication is preferred and found to be the most efficient because rich media leads to misunderstandings related to difficulties with, for example, accents and an overload of cues (Klitmøller & Lauring, 2013; Tenzer & Pudelko, 2016). Klitmøller, Schneider and Jonsen (2015) have also supported the argument that in a multilingual context the use of lean media might be more suitable. This conclusion is in line with Tenzer and Pudelko's (2016) suggested adjustments to MST in a multilingual context. Tenzer and Pudelko's (2016) have argued that in multilingual virtual teams, the use of media with rehearsability and reprocessability is more suitable for convergent communication. Furthermore, Varhelahti et al. (2017) have confirmed that the medium most frequently used by non-native English speakers in European MNCs is email. The above arguments imply that in a multilingual context, managers are not only comfortable with email communication, but that the use of email seems to improve the quality of communication by reducing uncertainty, stress, and misunderstandings in multilingual communication; hence, the use of email should

also improve communication satisfaction. It is therefore hypothesized that an increase in email communication leads to greater communication satisfaction.

Hypothesis 2a. The frequency of email communication is positively related to managers' satisfaction with communication.

According to MRT, communication via telephone is still seen as rich communication because it allows participants to listen to voices and intonations (Dennis, Fuller & Valacich, 2008); hence, the use of the telephone should contribute to more efficient communication. This idea is in line with the findings of Barner-Rasmussen and Björkmann (2005), who have found that frequent communication of expatriates via telephone positively influences inter-unit communication between international headquarters and their subsidiaries. Moreover, especially in a multilingual context, language skills positively affect the perceived importance of telephone communication. Furthermore, MST suggests that media that transmit messages at a high speed and allow for direct feedback (e.g., a telephone) are very suitable for convergence communication. Klitmøller and Lauring (2013) have found that employees prefer telephone communication since message transfer is quick and feedback can be given directly. In line with the above arguments, it is hypothesized that a high frequency of telephone communication leads to higher communication satisfaction.

Hypothesis 2b. The frequency of telephone communication is positively related to managers' satisfaction with communication.

The new communication media video and Skype add visual cues to standard telephone communication, making these the richest communication media when face-to-face communication is logistically impossible (Dennis & Kinney, 1998). Klitmøller and Lauring (2013) support this conclusion because they have found that in GVTs characterized by many cultural and language differences, the richest medium is the most effective for knowledge sharing. According to MST, video and Skype communication are high-speed methods of communication and allow for the transmission of various symbol sets that support joint sense-making (Dennis, Fuller & Valacich, 2008), which is likely to result in more satisfaction with communication. Therefore, it is hypothesized that a high frequency of video and Skype communication leads to greater communication satisfaction.

Hypothesis 2c. The frequency of video and Skype communication is positively related to managers' satisfaction with communication.

Due to their widespread locations, face-to-face communication between IJV partners is rare (Yan & Luo, 2016). Nevertheless, according to MRT, face-to-face communication is the richest and most efficient of all media (Daft & Lengel, 1983). Media synchronicity theory also argues that, due to the high number of transferable natural symbol sets and its speed, face-to-face communication is highly suitable for the transmission of convergent information (Dennis, Fuller & Valacich, 2008). Barner-Rasmussen and Björkmann (2005) have highlighted the importance of face-to-face communication and have found that, especially in multilingual corporations, language skills are positively related to the perceived importance of face-to-face communication. Klitmøller and Lauring (2013) have stated that, if possible, even in the context of high language diversity, face-to-face communication is the most preferred and is sufficient for equivocal knowledge sharing. Therefore, it is reasonable to expect that even in an IJV with infrequent face-to-face communication, the more the communication occurs face-to-face, the more satisfied the managers are with their communication overall. Building on these arguments, it is hypothesized that frequent face-to-face communication leads to more satisfaction with communication.

Hypothesis 2d. The frequency of face-to-face communication is positively related to managers' satisfaction with communication.

2.3.3. Moderating effects of common corporate language ability and frequency of media use

As stated above, the literature on communication frequency in multicultural and multilingual companies suggests that high communication frequency improves the quality of communication and is assumed to improve satisfaction with the latter (Mohr & Spekman, 1994; Barner-Rasmussen & Björkmann, 2005; Kwon, 2008; Lauring & Selmer, 2012; Lauring & Klitmøller, 2015; Peltokorpi & Yamao, 2017). Furthermore, high proficiency in the CCL positively influences a set of various MNCs' communication issues (Klitmøller, Schneider & Jonsen, 2015; Peltokorpi, 2015; Yamao & Sekiguchi, 2015; Khaleel, Shankar Chelliah & Iftikhar, 2016; Peltokorpi & Yamao, 2017). Common corporate language proficiency is therefore thought to have a positive effect on communication satisfaction. Drawing on MRT, MST, and the above findings, it is likely that high communication frequency strengthens the relationship between self-perceived CCL ability and communication satisfaction. An individual with high CCL ability and highly frequent inter-partner communication will be more satisfied with the communication than individuals with lower CCL abilities and less (frequent) inter-partner communication. It is therefore

hypothesized that the frequency of each communication medium will intensify the positive influence of self-perceived CCL ability on communication satisfaction.

Hypothesis 3a. The frequency of email communication moderates the positive relationship between self-perceived CCL ability and communication satisfaction, such that the relationship will be stronger, with rather high self-perceived CCL ability.

Hypothesis 3b. The frequency of telephone communication moderates the positive relationship between self-perceived CCL ability and communication satisfaction, such that the relationship will be stronger, with rather high self-perceived CCL ability.

Hypothesis 3c. The frequency of video and Skype communication moderates the positive relationship between self-perceived CCL ability and communication satisfaction, such that the relationship will be stronger, with rather high self-perceived CCL ability.

Hypothesis 3d. The frequency of face-to-face communication moderates the positive relationship between self-perceived CCL ability and communication satisfaction, such that the relationship will be stronger, with rather high self-perceived CCL ability.

2.3.4. Effect of perceived common corporate language ability differences

Previous studies have focused on language differences in the sense of sharing or not sharing the same language (Harzing & Pudelko, 2014; Klitmøller & Lauring, 2013; Lauring & Selmer, 2012; Aichhorn & Puck, 2017). Harzing and Feely (2008), Harzing and Pudelko (2014), and Harzing, Köster and Magner (2011) have found that differences in language can result in misunderstandings and conflicts, while Lauring and Tange (2010) have argued that differences regarding the proficiency level of the spoken language lead to feelings of inclusion or exclusion. This is in line with Klitmøller, Schneider and Jonsen (2015), who have stated that wide differences in individuals' levels of language proficiency lead to social categorization in GVTs, while Aichhorn and Puck (2017) have noticed that communication among individuals with differing levels of proficiency can trigger a feeling of insecurity and increase anxiety. Additionally, Klitmøller and Lauring (2013) have pointed out that language differences can reduce the quality of knowledge sharing, while Sharma, Maheshkar and Chandra (2018) have exposed differences in language levels as a detriment to the quality of inter-partner communication in IJVs. Communication satisfaction occurs when there is a high level of satisfaction with various elements of communication (Crino & White, 1981). Misunderstandings, conflicts, social categorization, insecurity, and anxiety are all attributes negatively associated with satisfaction (Zhang & Zheng, 2009) and are therefore assumed to

reduce the level of satisfaction. Especially in IJVs, where inter-partner communication is an essential aspect (Mohr & Nevin, 1990; Yan & Luo, 2016), managers perceiving a wide C-CLAD between themselves and their IJV partners will be less satisfied with their communication.

Hypothesis 4. The perceived C-CLADs between managers and their IJV partners is negatively related to satisfaction with communication.

2.3.5. Moderating effects of common corporate language ability differences and frequency of media use

When combined, Hypotheses 2a–d and 4 suggest that a frequency of use of each of the four examined media types has a positive influence, while the perceived C-CLADs have a negative influence on communication satisfaction. Drawing on MRT and MST while taking into consideration the previous reasoning, it is likely that the frequency of communication weakens the negative relationship between perceived C-CLADs and communication satisfaction. Managers who perceive a rather high C-CLAD will be unsatisfied with the communication. However, an increase in the frequency of inter-partner communication through all four types of communication media, namely email, telephone, video/Skype, and face-to-face conversation, should increase communication satisfaction. It is therefore hypothesized that the frequency of each communication medium will reduce the negative influence of perceived C-CLADs on communication satisfaction.

Hypothesis 5a. The frequency of email communication moderates the negative relationship between perceived C-CLADs and communication satisfaction such that the relationship will be weaker with a rather high perceived C-CLAD.

Hypothesis 5b. The frequency of telephone communication moderates the negative relationship between perceived C-CLADs and communication satisfaction such that the relationship will be weaker with a rather high perceived C-CLAD.

Hypothesis 5c. The frequency of video and Skype communication moderates the negative relationship between perceived C-CLADs and communication satisfaction such that the relationship will be weaker with a rather high perceived C-CLAD.

Hypothesis 5d. The frequency of face-to-face communication moderates the negative relationship between perceived C-CLAD and communication satisfaction, such that the relationship will be weaker, with a rather high perceived C-CLAD.

2.4. Method

This section displays and explains the research setting and data used to test the hypotheses in this study. First, a brief description of the research setting used to collect the data is provided, followed by an explanation of the data collection process and the sample characteristics. Third, details about the questionnaire conducted are presented via an examination of elements in the questionnaire, their measurement, and testing for convergent and discriminant validity.

2.4.1. Research setting

The hypotheses of this research are tested within the setting of a Japanese-European IJV. While in terms of formal ownership the Japanese partner owns the majority, roughly 85% of the total employees are from the European partner side, and the headquarters are also located in Europe. The setting of a Japanese-European IJV forms an interesting scenario for the study of CCL (here English) proficiency. Japan provides the environment of a homogenous country, and while English is considered the primary foreign language (Yamao & Sekiguchi, 2015), English proficiency levels are rather low (Tsuneyoshi, 2005; Peltokorpi, 2007). In fact, the Japanese perceive more difficulties in communicating in English than individuals in other countries do (Woodrow, 2006). Europe, on the other hand, provides the setting of a continent in which many different languages are spoken and in which the English proficiency among the European countries is rather high (Harzing & Pudelko, 2013).

Nevertheless, even among European countries there are variations in the levels of English proficiency. Northern and Western European countries are known for a rather high English level, while a lower level of English proficiency seems to be the norm in Southern European countries. Hence, the Japanese-European IJV provides an optimal setting for examining the influence of different corporate language proficiency levels on both sides of the IJV.

2.4.2. Prior interviews

Initial telephone interviews with two European managers were used to gain insights into problems within the IJV relating to corporate language differences. The interviews lasted between 30 and 45 minutes and were conducted over the telephone. Both interviewees were top-level managers on the European side of the IJV. The managers stated that “there are hardly any problems regarding language when it comes to the communication between the managers on the European side, but it is ‘a mess’ when communicating with the Japanese partner side.” Through information from a third individual, the author was also made aware of a perceived

lack of communication between the two partner sides. Details about the interviews can be found in Appendix A.

2.4.3. Data collection and sample characteristics

Data was collected by the author through an online survey and was obtained from 149 individuals employed at the IJV at the time of the survey. In cooperation with the human resources (HR) management, the survey was only to be sent out to employees on the managerial level whose work included communication with the partner side of the IJV. An email with the link to the survey was sent out to 300 managers located in various departments in all locations worldwide. The data collection period lasted for three weeks, during which the HR management sent out a reminder after an initial data collection period of two weeks. One hundred fifty-eight responses were received, representing a 53% response rate. Since several individuals did not complete the whole survey, nine replies had to be excluded from the analysis. The resulting 149 responses represent a 50% response rate. The survey was developed by the author but adjusted to conform to privacy regulations in accordance with the stipulations of the HR management.

Due to different privacy regulations in different countries, personal questions (e.g., gender) had to be omitted from the survey. Data regarding participants' ages or lengths of time working at the company had to be collected categorically (e.g., age = 31–35; years at company = three to six years). At the time of the survey, all participants were between 31 and 60 years of age and, on average, were between 46 and 55 years old. Since the survey was only sent out to employees on the managerial level, the relatively high average age seems reasonable. The sample represents responses from managers of 12 different nationalities located across 10 countries. Unlike in previous studies, the sample of this study also includes 23 native speakers of the CCL (here English). The number of years the individuals have worked for their parent company varies from "under three years" to "over 30 years." On average, the individuals have worked for their parent company for between 11 and 18 years, which again is reasonable since all of the participants are managers. Seventy percent of the individuals who answered the survey are employed by the European partner side, and 30% by the Japanese partner side. When taking into consideration that the number of regular employees in the IJV from the European side is approximately seven times higher than the number of employees on the Japanese side, these results are unsurprising.

2.4.4. Survey design and measures

The survey used in this study was developed based on previous research concerning CCL and English proficiency and language in international business. It was originally created in English and then translated into both German and Japanese via a bilingual approach (Yamao & Sekiguchi, 2015). Research by Harzing et al. (2009) on how to reduce response and language bias in international research indicates that there is a more considerable difference between countries when cross-national surveys are provided in the native languages compared to a one-version English approach. In line with the findings of the study, the survey in this research was provided in English, German, and Japanese, since these are the languages most often native to the targeted participants.

As a first step, two Japanese-English bilinguals translated the English survey into Japanese independently, and then they jointly discussed the two versions until an agreement was reached. A third bilingual Japanese researcher then translated the Japanese version back into English, which was compared to the original version in cooperation with the author. Finally, the translated Japanese version was again checked by a fourth Japanese native speaker for understanding and to see if the survey sounded "natural." The translation of the German version followed the same approach. As a final step, employees from the IJV whose native languages were English, Japanese, and German approved the three versions, which the author then uploaded to an online survey platform. As described above, the HR management sent out an email to suitable employees. The email was written in English but contained three links to the survey (i.e., one for each language). This enabled the individuals to choose to answer the survey in their preferred language and reduced the response bias of possible hesitation to answer the survey suffered by individuals with poorer English ability or less confidence in their English ability (Harzing et al., 2009).

2.4.5. Survey items

The survey used in this research consists of 21 questions. The questions are further grouped into three separate categories. The survey opens with a cover letter that welcomes the participants to the survey, explains its purpose, and classifies the meaning of the term "partner," because it is vital for the outcome of the research that the respondents answer the questions based on the same understanding of the term. The first category of the survey examines the participant's CCL (English) ability, and the second category focuses on the communication between the IJV partners. Completion of both categories is mandatory. The final group of questions collects general information about the participants and their

backgrounds. The construction of the items is explained in the following subsection. The questions of the survey and sources for the constructs can be found in Appendix B.

2.4.5.1. *Self-estimated common corporate language proficiency*

Self-estimated CCL proficiency is measured through an adjusted version of Yamao and Sekiguchi's (2015) five-item scale. In their study, these authors have examined the effect of CCL proficiency of Japanese employees on commitment to the globalization policies of their firms. The authors have stated in their limitations section that their data is cross-sectional, and therefore it might be a higher commitment to the globalization policies that leads to an improvement in CCL proficiency. In the present study, however, the possibility of higher communication satisfaction improving managers' CCL ability is rather low, reducing the risk of vice-versa relationships. The construct CCL ability was measured on a five-point Likert scale where respondents are asked to rate their English ability in reading, writing, listening, speaking, and communication confidence ranging from one (very low) to five (very high) (e.g., "I rate my English reading ability as…"). Cronbach´s alpha for the scale is 0.98, which is comparable with Yamao and Sekiguchi's (2015) original scale. On average, the English language ability for the whole sample is rather high at 4.08.

2.4.5.2. *Common corporate language ability difference*

The author calculated the C-CLAD variable. The survey includes a single-item question asking the respondents to rate the overall English language ability of their IJV partner side on a five-point Likert scale from one (very low) to five (very high). On average, the respondents rate their IJV partner side's English ability at 3.18. The C-CLAD variable was then calculated by taking the absolute difference of the respondents' self-perceived English language ability and their estimated partner side's English ability. The average absolute C-CLAD found in the whole sample is 1.57.

2.4.5.3. *Communication frequency*

Communication frequency is measured independently for the four communication media, namely face-to-face communication, telephone communication, video/Skype communication, and email communication, as inspired by Barner-Rasmussen and Björkman (2005) and Harzing and Pudelko (2014) but adjusted to fit this study. Neither of the aforementioned studies includes video/Skype communication. However, since video communication has rapidly increased in MNCs, it was added to this study (Klitmøller & Lauring, 2013). Barner-Rasmussen and Björkman (2005) have focused on how language skills influence the intensity of inter-unit communication in MNCs. Inter-unit communication

intensity was measured by asking for communication frequency and the importance of the different media types, namely face-to-face, telephone, and email communication for knowledge transfer. Not specifying the content of inter-unit communication was mentioned as a limitation in their study. Harzing and Pudelko (2014) have examined the role of language differences in subsidiary-headquarter relationships and tested how not sharing the same language influences the frequency of oral versus written communication. These authors have conducted their test separately for face-to-face, telephone, and email communication, as well as for communication through memoranda and reports. In the limitations of the study, they have mentioned that data was gathered from company key informants from a variety of countries and industries and that conducting similar, more detailed studies within companies across different managerial levels and departments might be beneficial. Therefore, in the present study communication frequency among IJV partners is assessed using the question, "On a scale from one (very low) to five (very high), please indicate how frequently you experience communication with the IJV partners," followed by the four aforementioned items. On average, the respondents rated the frequency of face-to-face communication at 2.5, telephone communication at 2.2, video/Skype communication at 3, and email communication at 3.9.

2.4.5.4. Communication satisfaction

The dependent variable communication satisfaction predicted overall communication satisfaction from medium-specific predictors. It was measured using a three-item scale based on the media quality dimension of Downs and Hazen's communication satisfaction measurement (1977), but adjusted to fit this study. As stated above, communication satisfaction originated as a one-dimensional construct. Downs and Hazen (1977) have grouped the construct into seven dimensions by running several questionnaires that, after factor analysis was conducted multiple times, resulted in dividing the 35 questions into seven different dimensions. Also, the authors compared communication satisfaction to job satisfaction and concluded that the three dimensions, namely personal feedback, relationship with supervisor, and communication climate, correlate highest with job satisfaction. As previously mentioned, the dimension of media quality – more specifically, the question of "to which extent the amount of communication is about right" was found most fitting for the purpose of this study. Hence, this study's construct of communication satisfaction was measured on a five-point Likert scale where respondents were asked to rate their satisfaction with the amount of face-to-face, telephone, and email communication, ranging from one (very low) to five (very high) (e.g., "I am satisfied with the amount of face-to-face communication

with the IJV partner"). The average of the three items was then taken as the overall communication satisfaction. Cronbach´s alpha for the scale was 0.87.

2.4.6. Common method variance issues and exploratory factor analysis

This study uses two modified multiple-item variables, namely communication satisfaction and self-perceived English ability. Furthermore, data from this study was gathered using a self-report survey. Hence, it is likely that the research results are affected by common method variance (Podsakoff, MacKenzie, & Podsakoff, 2012). A three-step approach was used to minimize this influence. First, the participants in the survey were assured twice – once in the official mailing from the HR department and again in the cover letter of the survey that appeared after following the provided link – that the data is collected anonymously and used solely for academic purposes. This step was taken to reduce social desirability bias (Krumpal, 2013). As a second step, exploratory factor analysis (EFA) was conducted for the aforementioned multiple-item variables with Varimax rotation. The included Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy has a value of 0.87, which indicates that the size of the sample is sufficient for the purposes of analysis. The EFA showed two factors with eigenvalues exceeding 1.0 and the items load as expected (see Table 1). The final step consisted of testing for convergent and discriminate validity. With an average variance extracted (AVE) of 0.92 for CCL ability and 0.74 for communication satisfaction, convergent validity is supported (Hair, Anderson, Tatham & Black, 1995). The inter-construct correlations for self-perceived language ability stretch from 0.87 to 0.93 and from 0.51 to 0.70 for communication satisfaction. With the square root of the AVEs being 0.96 and 0.86, respectively, and exceeding the inter-construct correlations, discriminate validity is established (Fornell & Larcker, 1981; Henseler, Ringle, & Sarstedt, 2015).

2.4.7. Control variables

The study controls for five variables that might affect the results of the analysis. Based on intercultural communication, communication flows are likely to be exposed to various interferences, influencing the process of encoding and decoding (Hall, 1959; Al-Fedaghi, 2012; Merkin, Taras, & Steel, 2014). In particular, the variables controlled for are the two demographic variables age and nationality and the three work-related variables parent company, years worked at parent company, and department. Age and nationality were controlled for because these two variables could have affected the participants' CCL ability (Donovan & MacIntyre, 2004) and satisfaction (Smith, Patmos & Pitts, 2018). To control for nationality, dummy variables were created for each nationality represented in the sample.

Since the CCL (English) proficiency can vary among employees within a company (Barner-Rasmussen & Aarino, 2011), the study controlled for the number of years worked at the company and the departments in which the respondents of the survey are employed. To control for department, dummy variables were created for every department represented in the sample. The dummy-coded variable parent company was also controlled for.

Table 2.1

Scale items and EFA with Varimax rotation

	Factor loadings	
	1	2
Self-perceived CCL ability		
1. Reading ability	**0.93**	0.08
2. Writing ability	**0.96**	0.13
3. Listening ability	**0.95**	0.17
4. Speaking ability	**0.96**	0.12
5. Confidence in communicating in English	**0.96**	0.14
Communication satisfaction		
1. Satisfaction with face-to-face communication	0.15	**0.77**
2. Satisfaction with email communication	0.10	**0.66**
3. Satisfaction with telephone communication	0.07	**0.91**
Eigenvalues	4.68	2.15
Cumulative % of variance	58.50	85.40

N=149; loadings greater than 0.4 are shown in bold.

2.5. Results

This section of the chapter interprets the predictive power of the independent and moderator variables on the dependent variable communication satisfaction by using linear regression and investigates whether the hypotheses mentioned above are supported. Table 2.2 shows the alpha coefficient of the two multi-item variables and presents means (M), standard deviations (SD), and the bivariate correlations of the variables used in this study. Tables 2.3 and 2.4 summarize the regression results. First, the results of the regression of the influence of self-perceived CCL ability, communication media frequency, and the interaction effect on communication satisfaction are presented in Regression 1, followed by the presentation of the results of Regression 2, namely the influence of perceived C-CLADs and its interaction with frequency of use of communication media on communication satisfaction.

Table 2.2
Correlations

	M	SD	α	1	2	3	4	5	6	7	8	9	10	11	12	13
1. CCL ability	4.08	0.99	.98	1												
2. C-CLAD	1.57	0.98	-	.16*	1											
3. Communication satisfaction	3.39	0.78	.87	.13	-.40**	1										
4. Frequency face-to-face	2.41	1.10	-	.07	0.04	.29**	1									
5. Frequency telephone	2.15	1.10	-	.20*	-.30**	.34**	.32**	1								
6. Frequency video & Skype	2.96	1.16	-	-.07	-.41**	.39**	.29**	.35**	1							
7. Frequency email	3.87	1.05	-	.03	-.27**	.41**	.34**	.41**	.59**	1						
8. Age	6.46	1.66	-	-.16	.12	-.11	.02	-.06	-.07	.00	1					
9. Years at parent company	4.68	2.53	-	-.08	.08	.04	.10	.01	.03	.04	.45**	1				
10. Engineering (dep. dummy)[b]	0.08	0.27	-	-.20*	-.01	-.06	-.10	-.26**	-.06	-.07	.16	.15	1			
11. Project mngt. (dep. dummy)[b]	0.06	0.24	-	-.16	-.11	.09	.03	.08	.00	.15	.14	.18*	-.07	1		
12. Manufact. (dep. dummy)[b]	0.03	0.17	-	-.09	.13	-.21*	-.02	-.14	-.07	-.06	.01	-.10	-.05	-.04	1	
13. Functions (dep. dummy)[b]	0.58	0.49	-	.06	.03	.08	-.01	.01	.02	-.12	-.16	-.22*	-.35**	-.30**	-.21*	1
14. Parent company 2 (dummy)[c]	0.70	0.46	-	.59**	.15	.10	.10	.10	-.23**	-.06	-.20*	.00	-.09	-.03	-.07	-.03

Note: Additionally, controlled for 19 nationality dummies

2.5.1. Regression of self-perceived common corporate language ability (Regression 1)

In Regression 1 (see Table 2.3), Model 1 presents the control variables; furthermore, it is controlled for nationality and department. Model 2 tests the associations between self-perceived CCL ability and communication satisfaction. No evidence of a statistically significant relationship between these two elements is found. Hypothesis 1 is therefore not supported. Models 3, 5, 7, and 9 test the associations between the frequency of the four types of communication media. Frequency of communication via all four types of media is found to statistically and positively influence communication satisfaction, supporting Hypotheses 2a-d (email: $\beta = 0.24$, $p < 0.01$ in Model 3; telephone: $\beta = 0.16$, $p < 0.05$ in Model 5; video and Skype: $\beta = 0.28$, $p < 0.01$ in Model 7; face-to-face: $\beta = 0.24$, $p < 0.01$ in Model 9). Models 4, 6, 8, and 10 test the association between the interaction terms of self-perceived CCL ability and frequency of the four types of communication media on communication satisfaction. Only the interaction term of self-perceived CCL ability and frequency of email communication is statistically significant and positive, and this only at a 10% level (interaction of self-perceived CCL ability and email frequency: $\beta = 0.10$, $p < 0.1$ in Model 4). Hypothesis 3a is therefore supported, but Hypotheses 3b–d are not. The variance inflation factors (VIFs) for all models range from 1.09 (Model 10) to 2.39 (Model 2) and are respectively much lower than the threshold VIF value of 10 or above, indicating that the data used is free of multicollinearity issues (Hair, Anderson, Tatham & Black, 1998; Chari & Chang, 2009).

Figure 2.2 presents the interaction plot for CCL ability and frequency of communication via email. Simple slope analysis in accordance with Aiken, West and Reno (1991) was conducted to investigate the nature of the significant interaction. The interaction shows that an increase in CCL ability increases communication satisfaction. The effect of CCL ability on communication satisfaction is stronger when communication frequency with email is rather high (one standard deviation below the mean) ($\beta = 0.18$, $p < 0.1$). When email communication frequency is rather low (i.e., one standard deviation above the mean), no evidence for a significant influence of CCL ability on communication satisfaction is found.

2.5.2. Regression of perceived common corporate language ability difference (Regression 2)

In Regression 2 (see Table 2.4), Model 1 presents the control variables. Additionally, it is controlled for nationality and department. Model 2 tests the associations between C-CLAD and communication satisfaction. The regression reveals that C-CLAD has a negative and statistically significant influence on communication satisfaction (C-CLAD: $\beta = -0.22$, $p < 0.01$ in Model 2), providing support for Hypothesis 4. Models 3, 5, 7, and 9 provide additional support for Hypotheses 2a–d, which were tested in Regression 1. Again, frequency of all four types of communication media is found to be statistically significant, positively influencing communication satisfaction (email: $\beta = 0.22$, $p < 0.01$ in Model 3; telephone: $\beta = 0.12$, $p < 0.1$ in Model 5; video/Skype: $\beta = 0.26$, $p < 0.01$ in Model 7; face-to-face: $\beta = 0.22$, $p < 0.01$ in Model 9). The influence of communication frequency on the negative relation of the perceived C-CLAD and communication satisfaction is separately tested for each medium in Models 4, 6, 8, and 10. Once again, the results provide support for the interaction of perceived C-CLAD and frequency of email communication, with a positive influence at a 5% significance level (interaction of C-CLAD and email: $\beta = 0.15$, $p < 0.05$ in Model 4). Additionally, the interaction effect of perceived C-CLAD and frequency of video and Skype communication, as well as the interaction of C-CLAD and frequency of face-to-face communication, are found to be statistically significant and positive (interaction of perceived C-CLAD and video and Skype frequency: $\beta = 0.09$, $p < 0.1$ in Model 8; interaction of perceived C-CLAD and face-to-face frequency: $\beta = 0.11$, $p < 0.05$ in Model 10), supporting Hypotheses 5a, 5c, and 5d. However, Hypothesis 5c is only supported at a 10% significance level, and no support is found for Hypothesis 5b regarding the interaction of perceived C-CLAD and telephone communication frequency. Since the VIFs for all models stretch from 1.06 to 1.43 – again, all much lower than the threshold VIF value of 10 or above – multicollinearity is not an issue (Hair et al., 1998; Chari & Chang, 2009).

Table 2.3

Regression 1

Self-perceived CCL ability and communication satisfaction

	Model 1		Model 2		Model 3		Model 4		Model 5	
	β	S.E.	β	S.E.	β	S.E.	β	S.E.	β	S.E.
(Constant)	3.08	.37	2.67	.54	1.75	.55	3.37	1.1	2.57	.53
Age	-.03	.06	-.03	.05	-.02	.04	-.04	.04	-.03	.04
Parent Company (Dummy variable) 2	.11	.22	.09	.22	.12	.21	.10	.21	.05	.21
Years worked at Parent Company	.05	.03	.05	.03	.04	.03	.04	.03	.05	.03
Self-perceived CCL ability			.10	.09	.08	.09	-.30	.25	.06	.09
Frequency email					.24	.06**	-.13	.23		
Self-perceived CCL ability x Frequency email							.10	.06*		
Frequency telephone									.16	.06**
Self-perceived CCL ability x Frequency telephone										
Frequency video and Skype										
Self-perceived CCL ability x Frequency video and Skype										
Frequency face-to-face										
Self-perceived CCL ability x Frequency face-to-face										

	Model 6		Model 7		Model 8		Model 9		Model 10	
	β	S.E.	β	S.E.	β	S.E.	β	S.E.	β	S.E.
(Constant)	2.68	.73	1.92	.50	2.21	.82	1.98	.52	1.65	.76
Age	-.03	.04	.00	.04	.00	.04	-.03	.04	-.03	.04
Parent Company (Dummy variable) 2	.05	.22	.18	.20	.19	.20	.12	.20	.12	.21
Years worked at Parent Company	.05	.03	.03	.03	.04	.03	.04	.03	.04	.03
Self-perceived CCL ability	.04	.15	.04	.08	-.03	.18	.11	.09	.19	.16
Frequency email										
Self-perceived CCL ability x Frequency email										
Frequency telephone	.09	.33								
Self-perceived CCL ability x Frequency telephone	.02	.07								
Frequency video and Skype			.28	.05**	.17	.25				
Self-perceived CCL ability x Frequency video and Skype					.03	.06				
Frequency face-to-face							.24	.06**	.36	.21*
Self-perceived CCL ability x Frequency face-to-face									-.03	.05

Notes: Additionally, controlled for nationality and department, (n = 149),
Model 2, R = 0.557; R^2 = 0.209; Adj. R^2 = 0.079; F = 1.631; p = 0.064, Model 3, R = 0.549; R^2 = 0.302; Adj. R^2 = 0.187; F = 2.638; p = 0.001, Model 4, R = 0.570; R^2 = 0.325; Adj. R^2 = 0.200; F = 2.608; p = 0.001, Model 5, R = 0.497; R^2 = 0.247; Adj. R^2 = 0.124; F = 2.002; p = 0.013, Model 6, R = 0.500; R^2 = 0.250; Adj. R^2 = 0.112; F = 1.811; p = 0.025, Model 7, R = 0.604; R^2 = 0.365; Adj. R^2 = 0.260; F = 3.502; p = 0.000, Model 8, R = 0.606; R^2 = 0.367; Adj. R^2 = 0.250; F = 3.144; p = 0.000, Model 9, R = 0.555; R^2 = 0.308; Adj. R^2 = 0.194; F = 2.715; p = 0.001, Model 10, R = 0.566; R^2 = 0.320; Adj. R^2 = 0.195; F = 2.559; p = 0.001.

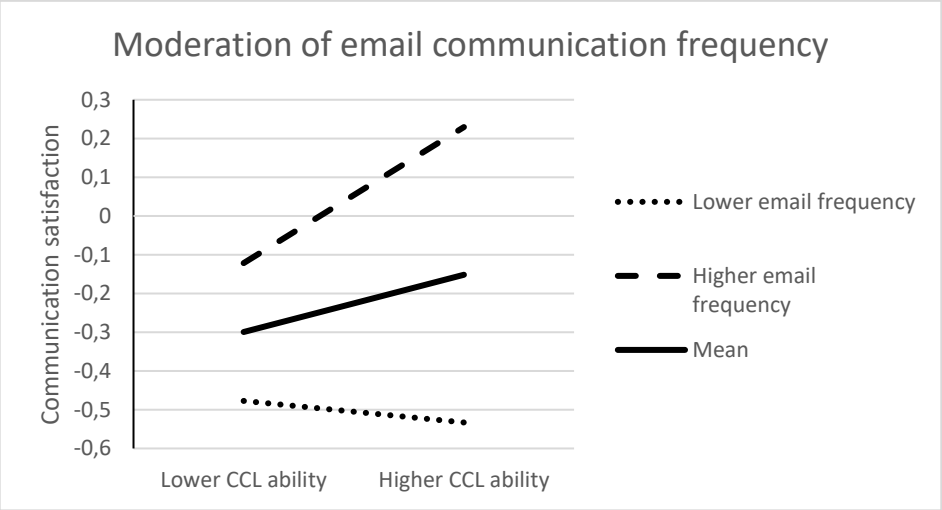

Figure 2.2
Interaction plot for CCL ability and email communication frequency in relation to communication satisfaction

Table 2.4
Regression 2
Perceived C-CLAD and communication satisfaction

	Model 1		Model 2		Model 3		Model 4		Model 5	
	β	S.E.	β	S.E.	β	S.E.	β	S.E.	β	S.E.
(Constant)	3.08	.37	3.40	.37	2.45	.44	3.48	.62	3.14	.39
Age	-.03	.05	-.01	.04	-.01	.04	-.02	.04	-.02	.04
Parent Company (Dummy variable)	.11	.22	.11	.21	.14	.20	.18	.20	.08	.21
Years worked at Parent Company	.05	.03	.04	.03	.04	.03	.04	.03	.04	.03
Perceived C-CLAD			-.22	.07**	-.16	.07**	-.76	.26**	-.18	.08**
Frequency email					.22	.06**	-.03	.12		
Perceived C-CLAD x frequency email							.15	.07**		
Frequency telephone									.12	.06*
Perceived C-CLAD x frequency telephone										
Frequency video and Skype										
Perceived C-CLAD x frequency video and Skype										
Frequency face-to-face										
Perceived C-CLAD x frequency face-to-face										

	Model 6		Model 7		Model 8		Model 9		Model 10	
	β	S.E.	β	S.E.	β	S.E.	β	S.E.	β	S.E.
(Constant)	3.16	.44	2.27	.42	2.78	.51	2.79	.38	3.29	.45
Age	-.02	.04	.01	.04	.00	.04	-.01	.04	-.02	.04
Parent Company (Dummy variable)	.08	.21	.19	.20	.18	.19	.15	.20	.10	.20
Years worked at Parent Company	.04	.03	.03	.03	.04	.03	.04	.03	.04	.03
Perceived C-CLAD	-.19	.15	-.08	.07	-.33	.16*	-.20	.07**	-.46	.14**
Frequency email										
Perceived C-CLAD x frequency email										
Frequency telephone	.12	.11								
Perceived C-CLAD x frequency telephone	.01	.06								
Frequency video and Skype			.26	.06**	.12	.10				
Perceived C-CLAD x frequency video and Skype					.09	.05*				
Frequency face-to-face							.22	.06**	.04	.10
Perceived C-CLAD x frequency face-to-face									.11	.05**

Notes: Additionally, controlled for nationality and department, (n = 149),
Model 2, R = 0.507; R^2 = 0.257; Adj. R^2 = 0.136; F = 2.116; p = 0.008, Model 3, R = 0.549; R^2 = 0.302; Adj. R^2 = 0.187; F = 2.638; p = 0.001, Model 4, R = 0.602; R^2 = 0.363; Adj. R^2 = 0.245; F = 3.090; p = 0.000, Model 5, R = 0.497; R^2 = 0.247; Adj. R^2 = 0.124; F = 2.002; p = 0.013, Model 6, R = 0.530; R^2 = 0.281; Adj. R^2 = 0.149; F = 2.125; p = 0.025, Model 7, R = 0.604; R^2 = 0.365; Adj. R^2 = 0.260; F = 3.502; p = 0.000, Model 8, R = 0.622; R^2 = 0.387; Adj. R^2 = 0.274; F = 3.421; p = 0.000, Model 9, R = 0.555; R^2 = 0.308; Adj. R^2 = 0.194; F = 2.715; p = 0.001, Model 10, R = 0.615; R^2 = 0.378; Adj. R^2 = 0.236; F = 3.298; p = 0.000.

Figure 2.3, Figure 2.4, and Figure 2.5 represent the interaction plots for C-CLAD and communication frequency via email, video/Skype, and face-to-face conversation, respectively. Again, simple slope analysis was conducted to investigate the nature of the significant interactions (Aiken, West & Reno, 1991). The interaction of C-CLAD and email communication frequency (see Figure 2.3) demonstrates that an increase in C-CLAD decreases communication satisfaction. This effect is stronger when communication frequency via email is rather low (i.e., one standard deviation above the mean) ($\beta = -0.33$, $p < 0.05$). When the frequency of email communication is rather low (i.e., one standard deviation above the mean), no evidence of a significant effect of C-CLAD on communication satisfaction is found.

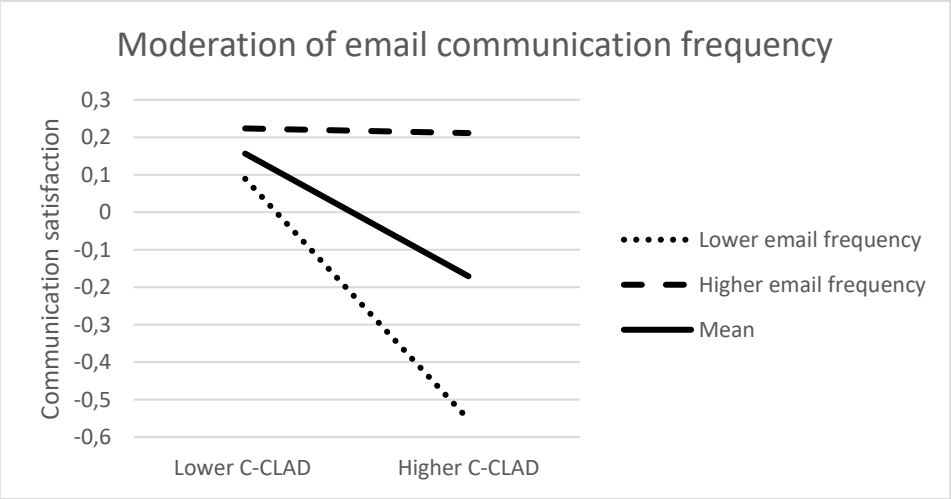

Figure 2.3
Interaction plot for C-CLAD and email communication frequency in relation to communication satisfaction

The interaction of C-CLAD and video/Skype communication frequency (see Figure 2.4) illustrates that C-CLAD negatively affects satisfaction with communication and that this effect is stronger when communication frequency via video/Skype is rather low (i.e., one standard deviation above the mean) ($\beta = -0.17$, $p < 0.1$). Even though the interaction plot demonstrates a positive slope for higher video/Skype communication, simple slope analysis reveals that, due to the non-significance of C-CLAD, the effect at a higher communication frequency level via video/Skype is essentially zero.

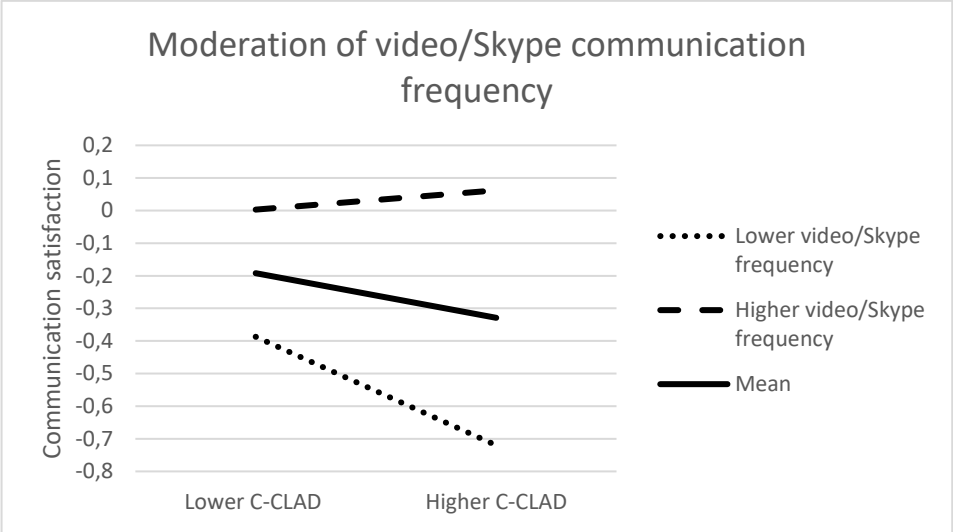

Figure 2.4
Interaction plot for C-CLAD and video/Skype communication frequency in relation to communication satisfaction

The interaction between C-CLAD and face-to-face communication (see Figure 2.5) reveals that C-CLAD negatively affects communication satisfaction. This effect is stronger when face-to-face communication is rather low (i.e., one standard deviation above the mean) (β = -0.32, $p < 0.01$). Furthermore, simple slope analysis shows that if face-to-face communication is rather high (one standard deviation below the mean), no significant evidence for an effect of C-CLAD on managers' inter-partner communication satisfaction is found.

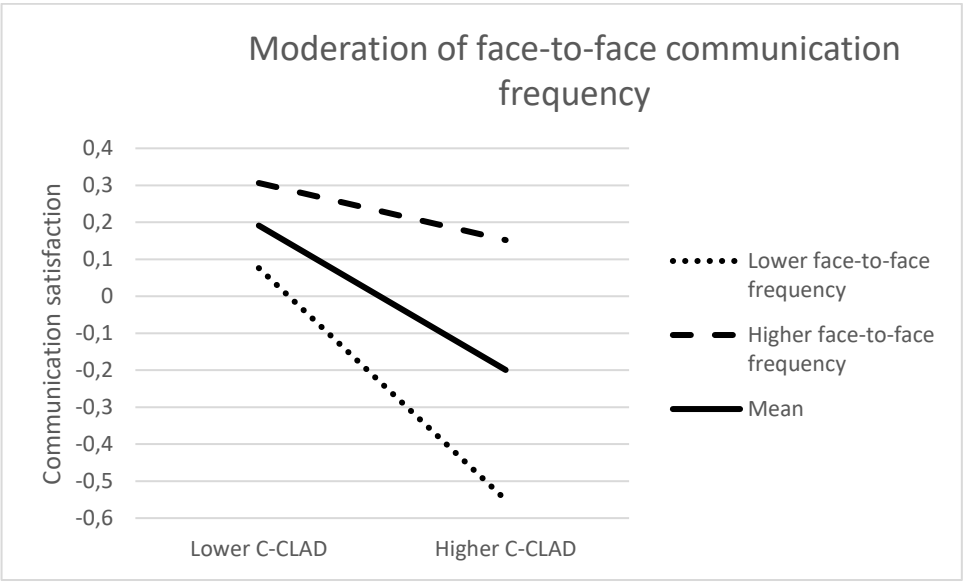

Figure 2.5
Interaction plot for C-CLAD and face-to-face communication frequency in relation to communication satisfaction

2.6. Discussion

The quantitative analysis of this study was intended to reveal factors influencing communication satisfaction between partners in an IJV. In order to obtain a deeper understanding of the research topics and answer the research questions asked earlier in this study, this chapter discusses the findings in more detail. First, it elaborates on the results from the analysis and their relationship to the established hypotheses, taking into account the existing literature and theories described in previous chapters. This chapter then discusses theoretical contributions and possible managerial implications. Finally, limitations and directions for future research are presented.

2.6.1. Theoretical contributions

This study links self-perceived CCL ability, frequency of communication, and perceived C-CLAD to inter-partner communication satisfaction in IJVs. Additionally, it hypothesized that frequency of communication has a moderating effect between self-perceived CCL ability and communication satisfaction as well as between perceived C-CLAD and communication satisfaction. The findings provide support for nine of the 14 hypotheses and provide a foundation for a range of theoretical contributions and managerial implications concerning language, the frequency of communication, and communication satisfaction in IJVs.

First, the findings contribute to international business research by showing that, against the author's expectations, managers' self-perceived CCL ability does not influence their inter-partner communication satisfaction, at least not for the Japanese-European IJV under investigation. Even though language proficiency was previously found to influence power distribution negatively, leading to anxiety, insecurity, and social categorization, and to positively influence reverse knowledge sharing, shared vision, commitment, and job satisfaction (Peltokorpi, 2015; Aichhorn & Puck, 2017, Klitmøller, Schneider & Jonsen, 2015; Peltokorpi & Yamao, 2017; Yamao & Sekiguchi, 2015; Khaleel, Shankar Chelliah & Iftikhar, 2016), no evidence of an influence of self-perceived CCL ability on inter-partner communication satisfaction was found. This suggests that, in this specific case study, one's personal language skills are not relevant when it comes to an individual's satisfaction with communication.

In this, the second finding of this study provides a possible explanation. The perceived C-CLAD between the partners is found to strongly and negatively affect inter-partner

communication satisfaction. These findings contribute to the literature on language by showing that regarding one's satisfaction with communication, it is not the individuals' CCL ability per se that matters, but rather the perceived C-CLADs between the communicating partners. If a manager is highly proficient in the CCL but her/his communication partner is not, or vice versa, s/he will be unsatisfied with the communication. Dissatisfaction increases with the perceived C-CLADs. A wide C-CLAD may lead to misunderstandings and conflict and hinder the knowledge flow (Harzing et al., 2010; Klitmøller & Lauring, 2013), which results in dissatisfaction with communication. This is an important finding because especially in IJVs, inter-partner communication is the key to success (Yan & Luo, 2016). Communication satisfaction can serve as a proxy for performance. Hence, low communication satisfaction can emerge as a critical obstacle to overall performance (Jalalkamali et al., 2016a).

Furthermore, this study contributes to the existing literature by examining the C-CLAD perceived by managers between themselves and their communication partners. Previous literature has measured language differences on the macro-level in terms of language distance or relatedness (Ambos & Ambos, 2009; Selmier & Oh, 2013; Schomaker & Zaheer, 2014), or on the micro-level in terms of sharing or not sharing the same language and through an assessment by and comparison to third parties (Harzing & Pudelko, 2014; Lauring & Selmer, 2012; Aichhorn & Puck, 2017; Klitmøller, Schneider & Jonsen, 2015). Examining the actual perceived C-CLAD on an individual level highlights the influence that C-CLADs can have on communication satisfaction.

Third, the findings suggest that communication frequency positively influences communication satisfaction. Even in a multilingual context like in an IJV, an increase of communication frequency leads to greater inter-partner communication satisfaction. The frequency of all four types of media (email, telephone, video/Skype, and face-to-face conversation) is positively related to communication satisfaction. This finding is in line with previous research results, suggesting that frequent communication leads to better communication regarding information sharing and can enhance inter-partner trust and relationship satisfaction (Mohr & Spekman, 1994; Yan & Luo, 2016; Kwon, 2008). Moreover, in a multilingual environment with geographically dispersed communication partners, frequent communication can be used as a tool to reduce the frequency of misunderstandings or a perceived lack of communication and can ensure that managers are on the same page (Avtgis, 2000) thus resulting in partners being more satisfied with communication.

Fourth, the findings of this study suggest that email communication frequency has a weak moderating effect between self-perceived CCL ability and communication satisfaction, but there is no moderation for face-to-face, telephone, or video/Skype communication. Despite self-perceived CCL ability not affecting communication satisfaction, the interplay with the frequency of email communication shows that for individuals with rather high CCL ability, communication satisfaction is improved through a high frequency of email communication. This effect might be due to email communication being rather fast and direct, saving the individual time. This might also be why face-to-face, telephone, and video/Skype communication cannot have the same effect, because they require simultaneous communication, which demands preparation and scheduling across different time zones. Accordingly, if individuals are very proficient in the CCL, they are more satisfied with frequent communication by email because email seems sufficient and might save time (Klitmøller & Lauring, 2013).

Fifth, regarding perceived C-CLAD, the findings reveal that email, face-to-face, and video/Skype communication frequency positively moderates the negative relationship between C-CLAD and communication satisfaction, thus increasing the latter. This means that individuals who perceive a high C-CLAD are unsatisfied with the inter-partner communication and that more frequent email, face-to-face, and video/Skype communication can reduce this negative effect. There is no such effect observed for the frequency of telephone communication. Furthermore, when examining the coefficients, it is evident that the effect is most potent for email communication ($\beta = 0.22$), followed by face-to-face communication ($\beta = 0.11$) and a weak moderation of video/Skype communication frequency ($\beta = 0.09$). These results add to the research literature by demonstrating that if communication partners are geographically dispersed and a wide C-CLAD is present, individuals are most satisfied when lean media – in this case, email communication – are used frequently, followed by frequent face-to-face and video-Skype communication. This finding contradicts the argument of MRT, namely that the richest medium is the most efficient and provides additional statistical evidence for Klitmøller and Lauring's (2013) argument that in a multilingual context the richest medium might not always be the best. Despite possible efficiency through the use of richer media, dissatisfaction due to differences in language ability is most reduced by communication via email. This finding also provides support for Tenzer and Pudelko (2016), who have also argued that MST requires adjustment when considering a multilingual context. These authors have suggested that media offering rehearsability and reprocessability are most

suitable in multilingual virtual teams because they allow for fine-tuning and offer more time for decoding messages. The findings of this study support Tenzer and Pudelko's suggestion by providing evidence for frequent email communication being the best defense against C-CLADs causing communication dissatisfaction.

The finding that frequent face-to-face and video/Skype communication also positively moderates the negative relation between perceived C-CLAD and communication satisfaction disagrees to some extent with Klitmøller, Schneider and Jonsen (2015), who have argued that a high ability difference paired with frequent verbal communication can lead to social categorization. Even though this study does not focus on social categorization, results indicate that frequent use of face-to-face and video/Skype communication, at least in an IJV, improves the communication satisfaction of individuals perceiving a high C-CLAD. It also stands in contrast with the findings of Tenzer and Pudelko (2016), which suggest that media transmitting information at a high speed and with a wide range of visual and verbal cues is not suitable for multilingual virtual teams.

The frequency of telephone communication is not found to have any influence on the negative relationship of perceived C-CLAD and communication satisfaction. This might be due to individuals having to rely solely on their listening skills. Telephone communication rates as the least rich verbal medium in MRT (Dennis & Kinney, 1998). Especially when a high C-CLAD is present, relying on additional cues like facial expressions, tone of voice, and body language can improve understanding, leading to greater communication satisfaction. With the absence of additional cues and the presence of different language accents making comprehension even more difficult (Klitmøller & Lauring, 2013), frequent telephone communication cannot serve as a countermeasure for communication dissatisfaction.

Based on the aforementioned findings, this research suggests the following theoretical implications: MRT and MST should indeed be adjusted to multilingual environments like IJVs, at least regarding communication satisfaction. In line with Klitmøller and Lauring (2013), this study argues that when it comes to frequent media use in multilingual and geographically dispersed settings, the richest communication media are not always the most suitable. In this study, the lean communication medium email was found to be the most effective in terms of mitigating the negative relationship between C-CLAD and communication satisfaction. This is in line with Tenzer and Pudelko (2016), who have suggested that media allowing for rehearsability and reprocessability are the most suitable in a multilingual setting. However, this study somewhat contrasts with Tenzer and Pudelko

(2016), who have argued that media transmitting messages at high speeds are unsuitable for multilingual virtual teams because they can cause incomplete and inaccurate message processing, and media providing a range of different cues can overwhelm individuals with poor CCL proficiency. Instead, the present study indicates that at least in IJVs, both face-to-face communication and video/Skype communication can enhance communication satisfaction for individuals perceiving a wide C-CLAD. Therefore, MRT and MST should be adjusted in the sense that in a multilingual environment with significant differences in language abilities ranging from native speakers to low ability non-native speakers, frequent communication via email is the most suitable for improving communication satisfaction, followed by frequent face-to-face encounters and frequent video/Skype communication.

2.6.2. Managerial implications

The findings of this study can also be used to provide three managerial implications. First, even though self-perceived CCL proficiency itself is not found to be influence managers' inter-partner communication satisfaction, the importance of similar levels of CCL proficiency is highlighted by the negative influence of perceived C-CLADs on the managers' communication satisfaction. Managers in multilingual corporations should therefore encourage practices that improve the CCL proficiency of the employees, such as offering training and workshops (Yamao & Sekiguchi, 2015; Peltokorpi & Yamao; 2017). In this vein, it might also be beneficial to match communication partners according to their CCL ability through, for example, language-sensitive recruitment (Peltokorpi & Vaara, 2014). Since this study finds that communication satisfaction decreases with an increasing perceived C-CLAD, minimizing the perceived C-CLAD is likely to result in better communication satisfaction, possibly increasing the overall performance of multilingual companies, especially IJVs (Kwon, 2008).

Second, the findings of this study show, that, in general, increased communication results in higher inter-partner communication satisfaction in multilingual and geographically dispersed organizations. Managers should encourage frequent communication with their partners. Frequent communication mitigates the effects of a perceived lack of communication, reduces the frequency of misunderstandings and conflicts, strengthens a good partner relationship, and improves inter-partner communication satisfaction (Avtgis, 2000; Lauring & Klitmøller, 2015).

Third, the interactions of perceived C-CLAD and communication frequency tested in this study indicate that increasing the frequency of email, face-to-face, and video/Skype

communication can reduce communication dissatisfaction caused by high perceived C-CLADs. From a managerial perspective, this can be addressed by developing policies regarding the choice of media. In cases where a significant C-CLAD is observed, communication through email, video/Skype, and, if possible, face-to-face encounters should be promoted. Managers perceiving a wide C-CLAD should, however, refrain from increasing the frequency of telephone communication because this was not found to reduce communication dissatisfaction (Klitmøller, Schneider & Jonsen, 2015). In this vein, if an individual is highly proficient in the CCL, frequent communication via email is also found to increase communication satisfaction. Even though the findings of this study are at the managerial level of an IJV, they may also be relevant for other forms of multilingual virtual teams or relationships. Since communication satisfaction is not only an essential factor in IJVs, other forms of international businesses might also profit from implementing the aforementioned suggestions to improve communication satisfaction.

2.6.3. Limitations and future research directions

Although this research was carefully prepared, it is not without limitations and shortcomings. First, because of the time limit, this research was only conducted with a relatively small population. The hypotheses of this study are tested using survey data from individuals at the managerial level of a single Japanese-European IJV. Even though this setting provides an excellent context for the study, since differences in corporate language proficiency between Japan and Europe and between European countries themselves are found to vary widely (Tsuneyoshi, 2005; Peltokorpi, 2007), the findings of this study might be setting and company-specific and might therefore be limited in terms of generalizability. Although it is expected that corresponding results will be found in other international business groups in which there is great variation among employees' CCL ability levels, future research is required to confirm the findings in other settings.

Second, the data used in this research is solely cross-sectional. Future research should focus on how communication satisfaction, especially in IJVs, changes over time, or how increases in the CCL proficiency over time might affect the relationship. Furthermore, the data used in this study was gathered with the help of the HR department, which sent out emails to possible participants. This may have given rise to a bias in the results that the author could not influence. Future studies could test the results with a more random sample of participants to see if the findings are significantly different.

Third, the dependent variable examined in this study is communication satisfaction. Communication satisfaction could be influenced by other variables as well, (Downs & Hazen, 1997), which should be examined in additional studies. Also, even though the dependent variable in this study was based on prior measurements, the author still adjusted it to provide a better fit for the study. Using different measures for communication satisfaction might lead to slightly different results, which offers opportunities for future research on this subject.

Fourth, this study does not take any cultural influences into account. Even though recent language studies have argued and proved that language should be treated as an independent factor in international business studies, it is nonetheless questionable to what extent differences in language proficiency are detachable from differences in culture (Piekkari, 2006). Furthermore, it would be interesting to explore in what sense cultural sensitivity or cultural openness of individuals in multilingual settings influences the relationships examined in this research, as well as how perceived CCL ability and C-CLAD influence other IJV-related factors such as decision-making or negotiation. Despite these limitations, which open paths for future research, this study demonstrates the importance of CCL ability in multilingual organizations and contributes to the understanding of inter-partner communication satisfaction.

2.7. Conclusion

This study empirically examines the influencing factors of inter-partner communication satisfaction for employees in an IJV and whether or not the level of satisfaction differs concerning self-perceived CCL ability, perceived C-CLADs in language proficiency, the frequency of communication, and the choice of communication media. The focus is placed on employees at the managerial level, who are all involved in communicating with the IJV partner. Using data from an online survey conducted by the author for this research, this study first examines whether self-perceived CCL proficiency and frequency of communication influence communication satisfaction. Based on linear regression analysis, it appears that in this case of a Japanese-European IJV, the managers' self-perceived CCL ability per se has no statistically significant influence on communication satisfaction; however, the influence of the communication frequency via all four media types examined (email, telephone, video/Skype, and face-to-face conversation) was found to be statistically significant and positively influence communication satisfaction.

Second, this study examines whether the frequency of communication has a moderating effect between self-perceived CCL ability and communication satisfaction.

Managers with a high self-perceived level of CCL proficiency are more satisfied with communication when communication frequently occurs via email. Third, this study examines whether the perceived C-CLADs have an influence on communication satisfaction and whether the frequency of communication has a moderating effect on this relationship. The examination reveals a statistically significant, negative influence of perceived C-CLADs on communication satisfaction, and that the communication satisfaction of managers who perceive a wide C-CLAD increases through frequent communication via email, video and Skype, and face-to-face encounters.

To summarize, although the importance of language in international business has recently been an important topic in academic research, most studies focus on language differences per se or linguistic distance (Ambos & Ambos, 2009; Selmier & Oh, 2013; Schomaker & Zaheer, 2014). The purpose of this study is to examine how an individual's self-perceived CCL proficiency and C-CLADs influence communication satisfaction. This research demonstrates the importance of perceived C-CLADs and how the frequency of communication and the use of different media can improve communication satisfaction in IJVs. Finally, this study suggests that IJV managers who perceive fewer C-CLADs are more satisfied with their inter-partner communication. Furthermore, this study suggests that communication frequency can generally improve communication satisfaction within an IJV and that the use of frequent email, face-to-face, and video/Skype communication can improve communication satisfaction for managers who perceive a higher C-CLAD. The findings indicate that when it comes to communication satisfaction in IJVs, it is not the self-perceived CCL ability per se that matters, but rather the perceived C-CLAD that is most influential.

Chapter 3
Effects of language proficiency and communication on procedural justice

3.1. Introduction

Companies aiming to internationalize can choose between several internationalization strategies, ranging from those with relatively low engagement with foreign markets, such as exports, to those with relatively high engagement with foreign markets, such as cross-border takeovers (Buckley & Casson, 1998). An oft-chosen alternative falling between these extremes is the formation of an international joint venture (IJV) (Yan & Luo, 2016). Despite their popularity, IJVs are frequently unable to meet expectations regarding performance and business objectives, which is represented by a reported failure rate among IJVs of 37–70%

(Nemeth, 2012; Jalalkamali et al., 2016b). Despite this high failure rate, many companies still undertake the establishment of IJVs, which has made them attractive subjects for international business research (Ali & Larimo, 2016). This demonstrates that, although internationalization is generally regarded as beneficial, it is also likely to impose new challenges (Keyton, 2011). In the context of IJVs in particular, communication, negotiations, and the final decision-making process must occur between partners from at least two different countries, and the accompanying cultural and linguistic diversity can create significant barriers to the management of IJVs (Yan & Luo, 2016). The performance and success of IJVs, however, relies heavily on inter-partner negotiations and particularly on mutual agreement during joint decision-making (Khalid & Ali, 2017). In this, it is crucial for every individual involved in the decision-making to perceive the processes as fair, because fairness, which is commonly referred to as procedural justice, can highly influence group harmony, individuals' work attitudes and behavior, and eventually, the performance of a whole organization (Brockner & Wiesenfeld, 1996; Colquitt et al., 2013; Qin et al., 2014; Yean & Yusof, 2016). A conventional method for IJVs to cope with communication issues caused by linguistic diversity is the implementation of a common corporate language (CCL) (Nickerson, 2005). As differences in the proficiency levels of common corporate language ability (C-CLAD) have been found to often negatively affect the processes of multinational companies (MNCs) (Vaara et al., 2005; Klitmøller, Schneider & Jonson, 2015; Lauring & Klitmøller, 2015), this study examines the effects of C-CLADs on procedural justice in decision-making from the perspective of managers from a recently formed Japanese–European IJV.

This paper makes three contributions to the literature. First, it investigates how perceived C-CLADs and communication frequency influence procedural justice in the decision-making process of the IJV. Second, it examines how communication frequency influences the relationship between C-CLADs and procedural justice in the decision-making process. A third contribution results from more closely examining the perceived C-CLADs by dividing them into three groups depending on whether managers possess higher, lower, or equal CCL abilities compared to their IJV partners. Based on prior research, equity theory, social exchange theory, and the "voice effect," it is found that C-CLADs negatively influence and communication frequency positively influences procedural justice. It is furthermore revealed that C-CLADs and communication frequency matter to managers with higher CCL proficiency than their IJV partners, while no such influence is found for managers with lower CCL ability than their IJV partners. The study also finds that, in general, managers with high

C-CLADs perceive the decision-making process as fairer when communication occurs frequently. It is further discovered that for managers with higher CCL abilities, communication frequency has no moderating effect on the relationship between C-CLADs and procedural justice, while for managers with both lower CCL abilities than their IJV partners and high C-CLADs, frequent communication is found to increase procedural justice.

3.1.1. Background and motivation

The perceived fairness of the decision-making process is a critical issue in organizations, as it can ensure that individuals perceive the outcomes of the process as just, which leads to better work attitudes and behavior (Qin et al., 2014). Furthermore, individuals who perceive a particular process (e.g. the decision-making process) as just are more likely to accept decisions, and individuals perceiving processes as fair are more likely to engage in not only the decision-making process itself but also the company or organization. This phenomenon is known as the "fair process effect" (Bauman & Skitka, 2009, p. 40). In the context of IJVs, perceived fairness can furthermore reduce inter-partner conflict, increase inter-partner trust, and thereby improve IJV performance (Yan & Luo, 2016). A primary predictor of procedural justice is perceived voice (Folger, 1977; Hulst, Van den Bos, Akkermans & Lind, 2017). Voice describes the possibilities or options individuals possess to express their thoughts, views, and opinions as well as the possibilities to practice criticism during various processes (Lind, Kanfer, & Earley, 1990; Brockner, 2015). Although procedural justice in the decision-making process has been found to be essential for IJVs, researchers argue that a shortage of studies focusing on procedural justice in IJVs still exists and thus that more studies are needed to fully seize and understand the phenomenon (Gomes, Barnes & Mahmood, 2016).

In an IJV, the decision-making process most often occurs between individuals from different countries and parent companies who do not share the same native language (Yan & Luo, 2016). Furthermore, not sharing a language is found to impose barriers on various aspects of MNCs (Harzing & Feely, 2008). As mentioned above, a conventional method to facilitate communication among individuals with different native languages is the implementation of a CCL (Luo & Shenkar, 2006; Nickerson, 2005). However, it has been found that variations in employees' CCL proficiency levels are common, ranging from individuals with very low proficiency to those who are fluent or native speakers. Prior studies have demonstrated that communication between individuals with different language proficiency levels can cause unequal power distribution or social categorization, which can

further lead to anxiety, stress, or even the reluctance to communicate (Vaara et al., 2005; Klitmøller, Schneider & Jonson, 2015; Lauring & Klitmøller, 2015). Language is indispensable to communication (Piekkari, Welch, & Welch, 2014). Still, a limited amount of research examining the influence of language differences among managers on procedural justice exists, and academics have called for further studies examining this issue (Kulkarni & Sommer, 2015).

3.1.2. Research purpose

As stated above, procedural justice in the decision-making process is a critical factor affecting individuals' group harmony and behavior as well as their attitudes toward work and their IJV partner firms. It can furthermore increase performance and ultimately determine the failure or success of an IJV (Brockner & Wiesenfeld, 1996; Colquitt et al., 2013; Qin et al., 2014; Yean & Yusof, 2016; Yan & Luo, 2016). Moreover, in an IJV, individuals are involved in the decision-making process who come from different countries and parent companies and who commonly do not share the same native language. To cope with language issues, the parent companies of IJVs often implement a CCL, most often English. The level of CCL proficiency is likely to vary among the employees of the IJV; Therefore, this paper examines how managers' perceived C-CLADs relate to their perceptions of procedural justice in the decision-making process.

Furthermore, this paper explores how communication frequency between IJV partners relates to procedural justice, as adequate and timely information is likely to enhance perceived fairness. Therefore, the purpose of this paper is to examine how perceived C-CLADs relate to managers' perceptions of procedural justice and how communication frequency influences this relationship. The participants in this research are managers in a Japanese–European IJV with locations worldwide. This paper thus aims to answer the following research questions:

Q1: To what extent do C-CLADs and communication frequency influence procedural justice in decision-making?

Q2: How does communication frequency influence the relationship of C-CLADS and procedural justice in decision-making?

A literature review and a statistical analysis of survey data determine the answers to the above-stated questions. The exploration of previous research on IJVs, procedural justice, communication frequency, and language in MNCs forms the theoretical framework of this

study. To gain academic understanding, Adams' (1963) equity theory and Thibaut and Walker's (1975) "voice effect" are explored.

3.1.3. Structure of the chapter

This chapter consists of seven sections. First, the motivation and background for this research is briefly presented in the introduction, followed by a discussion of the purpose and outline of this paper. In the second section, the literature is reviewed by focusing on the key factors and phenomena examined in this research. The hypotheses of this study are developed in the third section, followed by a presentation of the applied research method and the survey items and their validation in Section 4. In the fifth section, the results of the study are presented. Results of the analysis are discussed and interpreted in Section 6, and possible managerial implications are furthermore provided. A conclusion is drawn in Section 7.

3.2. Literature review

This section of the chapter reviews existing literature relevant to CCL ability differences and procedural justice in the decision-making process of IJVs, explains terminologies, and examines theories commonly applied in this field. First, IJVs are briefly explained, followed by an examination of the organizational justice literature with a particular focus on procedural justice. An overview of the literature examining procedural justice in IJVs and procedural justice and language follows. The study then shifts toward the literature examining communication frequency and finally delves deeper into the subject by exploring literature regarding procedural justice and communication frequency.

3.2.1. International joint ventures

To increase understanding of IJVs, this section begins with a brief explanation of joint ventures (JVs), which are generally described as "legally […] separate organizational entities created by two or more parent organizations that collectively invest financial as well as other resources to pursue certain objectives" (Yan & Luo, 2016, p. 1). Hence, a JV can be considered an enterprise that is formed by two or more parent companies but is juristically independent. Despite their juristic independence, however, JVs still rely, particularly economically, on the parent companies (Harrigan, 1988). Parent companies often use the formation of a JV as a strategy to respond to new developments in the business environment, such as governmental policies, or as a strategy for the transfer of new technologies or growth through entry into new markets (Jalalkamali et al., 2016a). An IJV is a JV where the above described process occurs at the international level and involves at least two different countries (Shenkar & Zeira, 1987; Jalalklamali et al., 2016b; Yan & Luo, 2016). International joint

ventures are commonly described as “equity-based, cross-border alliances formed by two or more legally distinct organizations with headquarters in different countries” (Barmeyer & Davoine, 2019). In the same manner as JVs, IJVs are independently operating organizations. Hence, they must engage in and fulfill the same organizational procedures as any other company (Killing, 2013). As mentioned above, IJVs enjoy high popularity, as they incur lower transaction costs than other modes of foreign entry (Ng, Lau, & Nyaw, 2007). In addition, IJVs enjoy high popularity because their formation enables parent companies to combine competencies and increase both effectiveness and efficiency. A possible increase in knowledge sharing, as well as the synergy of resources, further contributes to the popularity of IJVs (Nippa, Beechler & Klossek, 2007).

However, IJVs often perform poorly and struggle to meet their goals, as reported through relatively high IJV failure rates (Nemeth, 2012; Jalalkamali et al., 2016b). As many companies nevertheless decide to undertake IJVs, the investigation of aspects influencing IJV activities is popular among international business researchers (Johnson, Korsgaard, & Sapienza, 2002; Ali & Larimo, 2016). A specific characteristic of IJVs is joint ownership by their parent companies. Being owned by two independent parties increases not only the level of required observation but also the importance of commitment and inter-partner trust. Furthermore, as every business-related decision must occur both within the IJV itself and between the IJV partners, high levels of negotiations, relationship management, and joint decision-making are required to successfully reach IJVs’ goals (Ren, Gray & Kim, 2009; Yan & Luo, 2016). Accordingly, the majority of IJV research focuses on IJV formation motivation, partner selection, and IJV governance and control, as well as performance and stability (Parkhe, 1993). In the research fields mentioned above, focus is furthermore placed on various antecedents of performance, such as inter-partner trust, opportunistic behavior, commitment, and communication (Kwon, 2008; Ren, Gray & Kim, 2009; Khalid & Ali, 2017). Research on procedural justice as a predictor of the constructs mentioned above also enjoys popularity (Johnson, Korsgaard, & Sapienza, 2002; Luo, 2007a; 2009). As IJVs are located across different countries and combine different cultures, mindsets, and languages, sophisticated inter-partner relationship management is required. As a popular international business form, IJVs furthermore create various challenges, making them an appealing issue for academic researchers, which is demonstrated by an increasing number of studies in the field (Luo, 2007b; Le Nguyen, Larimo & Ali, 2015).

3.2.2. Organizational justice

Organizational justice refers to the level of fairness individuals perceive in and about specific interactions within an organization (Colquitt et al., 2013). It is a popular research subject in the field of business studies, as individuals' perceived justice strongly affects their attitudes toward work and their behavior both in- and outside the workplace, which eventually affects the performance of a company (Qin et al., 2014). Organizational justice is commonly divided into three distinct types: distributive justice, procedural justice, and interactional justice (Cohen-Charash & Spector, 2001). Early studies of justice, or fairness (hereafter used interchangeably), date back to the 1960s, beginning with Adams' (1963; 1965) examination of inequity in social exchange. While Adams based his research on justice in psychology, the subject was quickly adopted and implemented by researchers in the business field (Walster, Walster & Berscheid, 1978). Initial research focused primarily on what is known today as distributive justice, which examines how fair individuals perceive the outcome of a certain process to be (Colquitt et al., 2013). Researchers used distributive justice to predict individuals' emotional reactions, primarily cognitive, affective, and behavioral, toward organizational outcomes, such as bonuses, promotions, or salary (Walster, Walster & Berscheid, 1978). In theory, if a particular outcome is perceived by an individual as somewhat unfair, negative emotions follow that eventually affect the behavior of the individual and his/her performance and may potentially lead to voluntary turnover (Weiss, Suckow & Cropanzano, 1999; Adams, 1965; Austin & Walster, 1974).

A common theory used to explain the above-described reactions is Adams' equity theory, which argues that any relationship requires equity to succeed and survive and that individuals must perceive a balance between their input and others' in relation to their received outputs compared to others. If inputs are met with adequate outputs, fairness is perceived (Adams, 1963). However, this and similar theories could not fully explain how individuals react to and perceive unfairness. For this reason, researchers concluded that the processes leading toward the outcomes and distribution of compensation occasionally matter more than the perceived fairness of the output itself. Research thus shifted from focusing on the fairness of outcomes to the fairness of processes (Cohen-Charash & Spector, 2001). At first, the shift toward interest in procedural justice occurred in the field of psychology. Organizational research was quick to follow, resulting in first studies examining the effects of procedural justice in the organizational context (Thibaut & Walker, 1975; Lind & Tyler, 1988; Cohen-Charash & Spector, 2001). While distributive injustice prioritizes the perceived unfairness of the outcome, and reactions are commonly transferred to the relevant outcome

itself, perceived procedural injustice is found to be directed by the individuals toward not just the outcome or process but the entire organization (Sweeney & McFarlin, 1993).

After the development of procedural justice, the development of interactional justice followed (Bies & Moag, 1986). Interactional justice focuses on the social stance of organizational procedures, particularly on the management's treatment of and interaction with their employees. It considers attributes such as politeness, respect, and honesty (Yean & Yusof, 2016). While the perceived unfairness of distributive and procedural justice is directed to the outcome itself and the entire organization, respectively, researchers have found that interactional injustice relates immediately to the person believed to be the distributor of justice, commonly managers or direct supervisors (Masterson, Lewis, Goldman & Taylor, 2000). A further addition was made to interactional justice by Colquitt (2001), who argues that interactional justice can furthermore be divided into interpersonal and informational justice, referring to the fairness in treatment and provision of information, respectively (Kurian, 2018). Organizational justice had already attracted the interest of researchers in the 1960s, although it was not until the 1990s that the field experienced high popularity among researchers; Since then, numerous studies have continuously been published. Among them, numerous studies have justified the division into the three primary dimensions of distributive, procedural, and interactional justice (Cohen-Charash & Spector, 2001; Colquitt, Conlon, Wesson, Porter & Ng, 2001; Colquitt et al., 2013).

3.2.3. Procedural justice

This study focuses on perceived fairness in the decision-making process, particularly the individual perceptions of the managers in the IJV. It examines how C-CLADs influence aspects of the decision-making process, such as whether managers perceive that they possess a "voice," can challenge and oppose views, or can influence the outcome of the decision-making process. As stated above, distributional justice commonly measures perceived fairness regarding the outcomes of processes (Colquitt et al., 2013), and interactional justice primarily focuses on the fairness of organizational procedures (e.g. communication, as in whether the management's treatment of their employees is polite, respectful, and honest) (Yean & Yusof, 2016). This study does not intend to examine the perceived fairness of outcomes or whether managers feel that they are treated fairly by their superiors or IJV partners; Instead, it examines IJV managers' perceived justice in the decision-making process itself, by focusing on managers' opportunities to challenge and oppose views and decisions, for example. Therefore, the dimension of procedural justice is determined the most suitable

for examining the perceptions as mentioned above. As such, this section more closely examines the existing literature on the antecedents and consequences of procedural justice and leaves the other two dimensions of organizational justice, distributional and interactional justice, untouched. Procedural justice examines the perceived fairness of processes leading to a particular outcome (Yean & Yusof, 2016). Early in the research of organizational justice, it has already been found that procedural justice is particularly important regarding situations related to group harmony and affects performance through influencing the attitudes of individuals (Brockner & Wiesenfeld, 1996). Performance, organizational citizenship behavior, counterproductive work, and withdrawal behavior, as well as attitudes toward certain organizational aspects (e.g. commitment toward the organization) are the most researched consequences of procedural justice (Korsgaard, Schweiger & Sapienza, 1995; Cohen-Charash & Spectorl 2001; Colquitt et al., 2013).

Regarding performance, findings considering procedural justice's direct predictive power are mixed. While some studies identify a positive relationship between the two variables (Konovsky & Cropanzano, 1991; Colquitt et al., 2013), others provide findings suggesting a negative relationship (Kanfer, Sawyer, Earley & Lind, 1987), and others find no evidence to support any relationship (Gilliland, 1994, Williams; 1999). Findings regarding procedural justice's predictive power have become more consistent, with numerous studies finding significant relationships when the predicted outcome is related to the individuals' attitudes or behaviors, such as commitment, trust, or organizational citizenship behavior (Tremblay, Cloutier, Simard, Chênevert & Vandenberghe, 2010; Poon, 2012; Colquitt et al., 2013; Marique, Stinglhamber, Desmette, Caesens, & De Zanet, 2013; Greenberg; 2017). When examining the antecedents of procedural justice, the most-studied predictive variable is voice (Folger, 1977; Hulst et al., 2017). Possessing voice implies being able to express thoughts and criticism during processes (Lind, Kanfer, & Earley, 1990; Brockner, 2015).

Previous research discovered a clear and positive relationship between possessing voice and procedural justice (Lind, Kanfer, & Earley, 1990; Walumbwa, Hartnell, & Oke, 2010; He, Zhu & Zheng, 2014). While the majority of studies have examined voice as the primary predictor of procedural justice, a few other studies have examined whether the characteristics of the justice perceiver (e.g. age, gender, race, and education of individuals, as well as the personality trait "negative affectivity") influence justice. While the demographic variables are not found to influence perceived justice, Cohen-Charash and Spector (2002) have found that "negative affectivity" does decrease perceived procedural justice.

In research focusing on procedural justice, one of the most-studied processes is the decision-making process (Johnson, Korsgaard, & Sapienza, 2002). Decision-making is an essential process for any organization (Pettigrew, 2014), and is it likewise essential that this process is perceived as fair. As mentioned above, if the decision-making process is perceived as just, individuals are more likely to accept final decisions and remain more involved in the process, and they tend to have lower voluntary turnover intentions (Bauman & Skitka, 2009).

3.2.3.1. International joint ventures and procedural justice

The importance of justice, and procedural justice in particular, in IJVs today is an undisputed fact (Christoffersen, 2013). In a review of IJV literature, Reus and Ritchie III (2004) recognized the importance of the construct but note that more research is needed to fully understand the effects that procedural justice can produce on IJVs. Nearly a decade later, findings are mixed. In a literature review on the antecedents of the performance of international strategic alliances, Christoffersen (2013) finds procedural justice to be a key predictor.

In contrast, a review by Gomes, Barnes, and Mahmood (2016) of 22 years of strategic alliance research in leading management journals reveals that indeed, more studies now focus on justice in alliances; The authors also discover that in 805 reviewed articles, only one percent focus on justice in strategic alliances, including all three differentiated types of justice. The authors, therefore, note that the field of justice is still under-researched and that further studies examining justice in strategic alliances, such as IJVs, are needed. As mentioned above, several studies have considered procedural justice as a critical aspect in IJVs.

In an early study on JV hotels in China, Leung, Smith, Wang, and Sun (1996) found that procedural justice correlates highly with employee job satisfaction, while Johnson, Korsgaard and Sapienza (2002) have revealed a positive relationship of procedural justice in decision-making on employee commitment to both the IJV and parent companies. In another study conducted in China, Chen, Choi, and Chi (2002) find that Chinese locals feel unfairly treated in comparison to expatriates. If, however, the compensation of the Chinese locals exceeds the compensation of the expatriates, perceived justice is found to increase. Since Reus and Ritchie III encouraged researchers to increase studies on justice in IJVs in 2004, an increase is indeed visible: Luo's studies (2005; 2007; 2009) focus on how differences in procedural fairness between IJV partners influence various aspects of IJVs. He demonstrates that procedural justice influences IJV performance and that furthermore, performance is highest when justice perceptions among partners are equally high. He further argues that

although overall procedural justice remains the same, performance is lower if justice perceptions among partners are unequal (2005). In another study, Luo (2007a) identifies joint effects between different categories of justice, such as the following: If goals differ profoundly among IJV partners, the combined effects of procedural and distributive justice positively influence alliance performance, while high interactional justice increases the positive influence of procedural justice on performance. In yet another study (2009), the author further analyzes the causes of differing perceptions of procedural justice among boundary spanners, high-level IJV managers representing their parent companies in IJV negotiations. Luo finds that disagreements over justice arise through ownership gaps, ownership asymmetry, and environmental uncertainty, while mutual familiarity between partners can decrease perceived differences in justice.

In another vein of research, Ariño and Ring (2010) focus on the role of fairness in the process of alliance formation and find that fairness influences partners' decisions on whether to form an IJV through the evaluation of property rights, control rights, and relational quality. Further studies, such as one by Wong (2011), examine the effects of procedural justice on employee commitment in IJVs and state-owned enterprises in a Chinese context. The author finds a positive influence of procedural justice on commitment in both types of organizations; The positive effect, however, is found to be stronger in IJVs than in state-owned enterprises. Even though he does not examine procedural justice per se, in his doctoral dissertation on antecedents of trust and their effect on IJV performance, Mahmoudi Khorassani (2012) finds that perceived fairness is a crucial predictor of trust within Iranian IJVs. The above-reviewed studies highlight the importance of procedural justice in IJVs. However, more studies are needed to further elaborate upon this issue (Gomez et al., 2016).

3.2.3.2. Language and procedural justice

As relatively fewer studies examine the predictors of procedural justice compared to its consequences (Cohen-Charash & Spector, 2002), and most merely deal with the expression of voice (Lind, Kanfer, & Earley, 1990; Walumbwa, Hartnell, & Oke, 2010; He, Zhu & Zheng, 2014), it is not surprising that even fewer studies examine language and procedural fairness. In a recent study, Kulkarni and Sommer (2015) propose that language-based exclusion might lead to perceived unfairness in the decision-making process, as individuals' lower corporate proficiency levels possibly hinder participation in the process. The authors furthermore argue that lower language levels can lead to feelings of rejection, as colleagues with superior

language abilities might associate lower language levels with lower competence in general, which would cause an overall perception of unfairness.

In a different field, a study by Zhang and Lauring (2019) examines how the local language skills of Finnish expatriates in China influence organizational behavior and interaction with host-country nationals. Although procedural justice is not the subject of the research per se, the authors note that Chinese locals perceive it as unfair when they communicate with expatriates but cannot rely on their native language, despite being in their own country. The shortage of studies examining the effect of language differences on justice has been noted by Kulkarni and Sommer (2015), who call for more studies examining these relationships as well as for studies testing their developed propositions.

3.2.4. Communication frequency

It is beyond question that frequent communication between business partners, both on the national and international levels, is essential for the success of organizations (Lyles, 1987; Mohr & Nevin, 1990). In the context of multilingual corporations in particular, frequent communication between individuals, here IJV partners, is found to positively influence the perceived quality of information sharing, trust, internal relations, commitment, and even performance (Mohr & Spekman, 1994; Labahn, 1999; Becerra & Gupta, 2003; Kacmar, Witt, Zivnuska & Gully, 2003). Frequent communication is furthermore regarded as a tool to diminish and mitigate misunderstandings as well as the adverse effects of unmet expectations among IJV partners (Yan & Luo, 2016). Peltokorpi and Yamao (2017) find in a recent study on shared vision and knowledge transfer in foreign subsidiaries in Japan that the relationship of corporate language proficiency and reverse knowledge transfer is mediated by shared vision. They furthermore find that communication frequency with overseas departments positively influences both relationships.

A study by Gajendran and Joshi (2012) on leader–member exchange and member influence on team decisions in globally distributed teams furthermore demonstrates that communication frequency has a strengthening influence on the positive relationship between these two factors. Hence, if individuals communicate more, they feel that they possess more influence in the decision-making process. Along these lines, Lauring and Selmer (2012) find in their study on dissimilarity issues in multicultural organizations that communication frequency positively influences perceived openness toward linguistic, visible, and informational diversity. The authors further argue that frequent communication is likely to improve not only the performance of the employees but also their social lives and wellbeing.

Although the above-mentioned studies do not examine the direct effects of communication frequency on perceived procedural justice in decision-making, they do highlight that communication frequency can increase the perceived influence of individuals in decision-making (Gajendran & Joshi, 2012) and can increase overall communication and knowledge sharing within multilingual companies (Peltokorpi & Yamao, 2017; Yan & Luo, 2016; Kacmar et al., 2003). The direct influence of communication frequency on procedural justice in the decision-making process of an IJV is, therefore, an interesting subject to study.

3.3. Theory and hypothesis development

Based on prior literature regarding both equity theory and the "voice effect," this section of the study develops hypotheses to be investigated in this research. First, hypotheses concerning perceived language ability difference and communication frequency are developed. This is then followed by the development of hypotheses regarding the interaction between the two variables mentioned above. Figure 3.1 displays the conceptual model of this study with the corresponding hypotheses.

3.3.1. Theoretical framework

Among the many theories used in the literature on organizational justice, three appear more popular than others: equity theory (Adams, 1963), social exchange theory (Homans, 1958; Kelley & Thibaut, 1978; Emerson, 1976; Blau, 2017; Thibaut, 2017), and "voice effect" (Thibaut & Walker, 1975). Equity theory was one of the first theories that attempted to explain perceived unfairness and injustice, and it is still popular today (Adams, 1963; Yean & Yusof, 2016; Virtanen & Elovainio, 2018). The theory argues that any relationship requires equity to succeed and survive and that individuals must perceive a balance between their input into the relationship and their received outputs. If inputs are met with adequate outputs, fairness is perceived. In contrast, if individuals feel that the output does not match their input, they perceive injustice (Adams, 1963; Virtanen & Elovainio, 2018).

Another popular and commonly applied theory in the field of justice is the social exchange theory. This theory follows a similar approach to equity theory by arguing that individuals weigh costs against benefits when they form relationships. If the perceived costs exceed the expected benefits, they are unsatisfied with the relationship and perceive it as unjust (Homans, 1958; Cropanzano & Mitchell, 2005). In 1964, Blau (2017) further extended the theory by arguing that expectations determine whether individuals are satisfied with their social exchanges. If the benefits they receive meet or exceed their expectations, they are more satisfied and perceive the exchange as fairer. In this, expectations are formed not only from

an individual's experiences but also from comparing these benefits to those of others (Colquitt et al., 2013; Virtanen & Elovainio, 2018). In organizational justice research, both equity theory and social exchange theory are commonly used to explain why perceived procedural justice affects organizational aspects such as employee attitudes and reactions toward the management of the company (Cropanzano, Prehar, & Chen, 2002; Colquitt et al., 2013). Drawing upon both equity theory and social exchange theory, this study intends to examine how perceived language differences influence procedural justice. In this, manager inputs include, among other factors, time and the effort required to both understand and explain, as well as the willingness and patience to understand, individuals with differing CCL abilities during the decision-making process. The final decision or outcome of the process then represents the output. Furthermore, in line with social exchange theory, the IJV partner represents the counterpart of the relationship, and IJV managers compare themselves with their counter managers on the side of IJV partners.

A third theory that is often drawn upon to explain perceptions of procedural justice is the so-called "voice effect." As mentioned above, this indicates that justice perceptions are highly influenced by the possibility of individuals to speak their voice, or to have the option to state their opinions, views, and even practice criticism during certain processes (Thibaut & Walker, 1975; Lind, Kanfer, & Earley, 1990; Brockner, 2015). If individuals cannot express their voice, they perceive the process (here the decision-making process) as unfair, regardless of whether they are in favor of the eventual decision (Thibaut & Walker, 1975; Virtanen & Elovainio, 2018).

3.3.2. Effects of perceived common corporate language ability difference

As discussed above, several studies have found that differences in language can increase misunderstandings and conflicts (Harzing & Feely ,2008; Harzing & Pudelko, 2014; Harzing et al., 2011), while it is argued by Lauring and Tange (2010) that differences regarding the proficiency level of the spoken language can lead to feelings of either in- or exclusion. Along these lines, Kulkarni and Sommer (2015) suggest that individuals with lower CCL competence might not be able to actively participate in decision-making processes, which is likely to lead to perceived injustice. As discussed above, Zhang and Lauring (2019) further find that Chinese locals perceived it as unfair that they must communicate with expatriates in English. Perceived C-CLADs could furthermore hinder communication with the IJV partner and decrease the possibility of having a voice, in the sense of expressing one's

own opinions, views, and criticism. The perceived C-CLADs would hence decrease the managers' voice, resulting in individuals perceiving the decision-making process as unfair.

Considering both equity and social exchange theory, it is furthermore likely that perceived C-CLADs cause an unbalance between input and output. The perceived C-CLADs between IJV partners might demand a higher input from managers in terms of time, understanding, explanation, and patience. Also, managers are likely to possess expectations regarding how the final decision should look. If the final output of the decision-making process, the decision itself, is not as expected due to possible misunderstandings, conflicts, and differing views in general, the process is perceived as less fair. It can also be argued that managers compare themselves and their inputs in the decision-making process with the inputs of their IJV partners. A difference in CCL levels is furthermore found to impact the overall attributed competence of the language speaker; For example, more fluent CCL speakers attribute a lower overall competence to individuals who are less fluent (Tenzer, Pudelko, & Harzing, 2014; Kulkarni & Sommer, 2015). The process of reaching a joint decision with employees perceived to be less competent overall is likely to lead to frustration and perceived unfairness. Furthermore, communicating in languages in which individuals are not fluent requires a great amount of effort and self-discipline. Thus, due to the perceived C-CLADs, individuals might feel that their process input is higher than their IJV partner's. If the output is then equal for both partners, perceived unfairness is likely. Therefore, it is argued that managers perceiving wide C-CLADs compared to the CCL proficiency of their IJV partners will perceive the decision-making process as less fair.

Hypothesis 1. The perceived level of the C-CLAD of managers compared to the CCL proficiency of their IJV partners is negatively related to procedural justice in decision-making.

3.3.3. Effects of communication frequency

Regarding communication frequency, Peltokorpi and Yamao (2017) have found that an increase in the frequency of communication positively influences both the relationship between language proficiency and the existence of a shared vision and the latter's influence on reverse knowledge transfer. Lauring and Selmer (2012) conclude that interacting with a high number of daily job contacts positively influences openness to linguistic, visible, and informational diversity. In contrast, Avtgis (2000) finds that a lack of communication negatively influences relational satisfaction. This is supported by Lauring and Klitmøller (2015), who argue that, particularly in MNCs, communication avoidance is a hazardous issue. It is found that frequent communication in general, not only among IJV partners, is positively

related to various aspects within MNCs such as partner relation satisfaction, trust, commitment, and overall performance (Peltokorpi & Yamao, 2017; Mohr & Spekman, 1994; Kwon, 2008). In terms of procedural justice, Qin et al. (2014) have found that if participants in certain procedures lack clear information about the procedures, they perceive the respective procedures as less fair. Increasing communication frequency could assure managers that clear information exists, which in turn can increase the perception of fairness. Considering the "voice effect," frequent communication facilitates increased opportunities to express voice and furthermore indirectly ensures accurate, and especially timely, information. As mentioned above, frequent communication has furthermore been found to reduce misunderstandings and conflicts and to increase understandings of linguistic, visible, and informational diversity (Yan & Luo, 2016; Lauring & Selmer, 2012). Considering the above arguments, it is hypothesized that an increase in communication frequency also increases procedural justice in the decision-making process of an IJV.

Hypothesis 2. Communication frequency is positively related to procedural justice in the decision-making process.

3.3.4. Moderating effects of common corporate language ability difference and communication frequency

Combined, the above-established Hypotheses 1 and 2 suggest that the frequency of communication positively influences and that perceived C-CLADs negative influence procedural justice in the decision-making process. Drawing on the "voice effect," increased communication frequency offers more possibilities to express one's opinion, while research has found that frequent communication can reduce difficulties caused by C-CLADs. Hence, it is likely that frequent communication weakens the negative relationship between perceived C-CLADs and procedural justice in the decision-making process. Managers who perceive rather high C-CLADs will feel unfairly treated in this process. However, an increase in the frequency of communication is likely to increase perceived fairness and thus decrease the manager's perceived unfairness. It is therefore hypothesized that an increased frequency of communication will reduce the negative influence of perceived C-CLADs on procedural justice in the decision-making process.

Hypothesis 3. Frequency of communication moderates the negative relationship between C-CLADs and procedural justice, such that the relationship will be weaker, if the perceived C-CLADs are relatively higher.

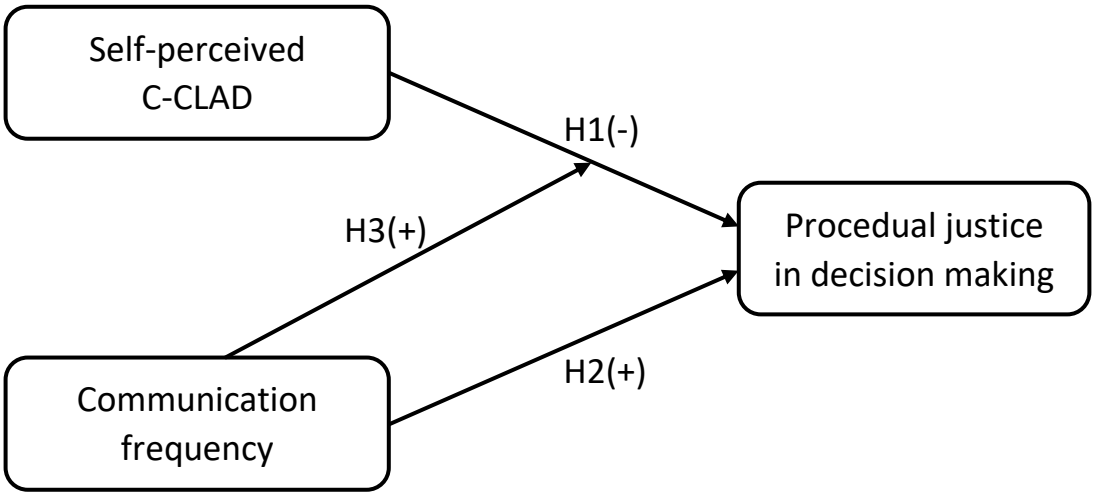

Figure 3.1
Conceptual model and hypotheses

3.4. Method

This section of the thesis presents and explains the research setting as well as the data used to test this study's hypotheses. It begins by briefly describing the research setting before explaining the data collection process and presenting the sample characteristics. Finally, this section presents details regarding the conducted survey by explaining the survey's items and their measurements. It furthermore tests for convergent and discriminant validity.

3.4.1. Research setting

The hypotheses of this study are tested on a Japanese–European IJV, headquartered in the United Kingdom, which is the local country of neither of its parent companies. While the Japanese side owns 51% of the company (the majority), employees from the European side represent approximately 85% of the IJV's workforce. The implemented CCL of the IJV is English, a neutral CCL, representing the native language of neither the Japanese nor the European side. The IJV provides an interesting setting for this study, as Europe is a continent where although numerous languages are spoken across different countries, English proficiency is quite high, at least among the northern European countries (Harzing & Pudelko, 2013). Japan, in contrast, is known to be a country with high homogeneity and relatively low English proficiency, despite English being the primary foreign language (Yamao & Sekiguchi, 2015; Tsuneyoshi, 2005; Woodrow, 2006).

3.4.2. Data collection and sample characteristics

The study uses data collected by the author through an online survey of 144 current upper-level managers of the IJV who are all frequently involved both in communicating with

their IJV counter managers from the partner side and in the IJV's decision-making. The survey was distributed to 300 managers via email through cooperation with the human resource management of the IJV. Recipients of the email, which provided a link to the survey, were located in all IJV facilities and across various departments. Initially, the data collection period lasted for two weeks; An additional week was added after a reminder was sent out by the HR management. With 158 responses, a 53% response rate was reached. Due to incomplete answers, 14 responses were eliminated from the survey, resulting in a 48% response rate. The author developed the survey and adjusted it slightly to fulfill the privacy regulations requested by the HR management.

To comply with privacy regulations, personal questions (e.g. gender) needed to be removed from the originally developed survey. Furthermore, data that could potentially lead to the identification of participants (e.g. their age or length of time working with the company) were required to be collected categorically (e.g. age=31–35; years at company=3–6 years). Table 3.1 outlines the demographics. The relatively high average age and time employed at the company are legitimate, considering that all participants were, at the time of the survey, employed at the managerial level.

Table 3.1
Demographics

Variable	Average	Sum	Variable	Average	Sum
Age	46-55yrs				
Nationalities		12			
Austrian		49	Italian		12
Japanese		31	South American		8
British		10	South Asian		3
German		6	other Central European		1
North American		13	other		1
Chinese		5	n.a.		17
French		2			
Locations		10			
Brazil		8	Japan		24
Austria		55	Mexico		6
China		7	United Arab Emirates		1
Great Britain		15	United States of America		12
India		4	n.a.		16
Italy		10			
Parent Company European		98			
Parent Company Japanese		33			
Departments		5			
Engineering		11	Project Management		8
Functions		80	Sales		34
Manufacturing		4	n.a.		21
Native CCL Speakers		23			
Worktime at Company	11-18yrs				

3.4.3. Survey design and measures

The survey distributed for this study was constructed considering previous research regarding English proficiency, language in international business, and procedural justice. First, an English version of the survey was created by the author. The survey was then translated into both Japanese and German, following a bilingual approach (Yamao & Sekiguchi, 2015). Previous studies have found that providing surveys in only a single language can lead to response and language biases, while the provision of surveys in several languages can identify more differences among countries in cross-national surveys (Harzing et al., 2009). As the majority of addressed participants are native German or Japanese speakers and English is the chosen CCL of the IJV, the survey was provided in these three languages. The translation of the original English survey occurred as follows: First, two Japanese bilinguals independently translated the English survey into Japanese. A discussion between the two individuals followed until both agreed upon one Japanese version. The Japanese survey then was retranslated into English by a third Japanese bilingual. In the company of the author, the new English version was then compared to the original version to ensure that the questions were understood accurately. As a final step, the Japanese version was examined by a fourth Japanese native speaker to check for a correct understanding and ensure the "naturalness" of the language. The German translation was conducted using the same method. An additional step was further conducted by native English, German, and Japanese speaking HR managers of the IJV, who reviewed and approved the survey. After receiving approval, the author uploaded the three versions to an online survey platform. The HR management then sent out an English-written email to the managers, in which links for each of the three versions of the survey were provided. This approach ensured that the managers could chose to participate in the survey using the language they felt most comfortable in. It furthermore served as a measure to diminish response bias caused by potential reluctance to participate in a survey in languages the individuals had no confidence in (Harzing et al., 2009).

3.4.4. Survey items

The survey conducted in this study consists of a total of 24 questions grouped into four separate categories. A cover letter opens the survey, welcoming the participants and informing them about the purpose of the survey. The term "IJV partner" is furthermore explained in the cover letter, as its understanding is essential for the outcome of the research. The survey then continues with an examination of the first category, the CCL ability (here English) of the participants and the perceived CCL ability of the counterpart managers on the IJV partner side. It continues with the second category, focusing on communication frequency

between counterpart managers. The third category follows, which examines participants' perceptions of procedural justice in the decision-making process. The completion of all three categories was mandatory to complete the survey. General information about the participants and their backgrounds was captured through a final group of questions. The development of the survey items is explained below; Appendix C provides the questions of the survey.

3.4.4.1. *Common corporate language ability differences*

The variable C-CLAD is a self-calculated variable. The survey first asks for participants' self-estimated CCL proficiency (Yamao & Sekiguchi, 2015), measured on a five-point Likert scale through the average of an adjusted five-item scale. The participants are asked to rate their own CCL ability (here English) in reading, writing, listening, speaking, and communication confidence, on a scale from 1 (very low) to 5 (very high). For example, "I rate my English reading ability as…" With a Cronbach's alpha of 0.98, CCL ability of this study is comparable to the original construct of Yamao and Sekiguchi (2015). In their study, CCL proficiency is used to predict employees' commitment toward the globalization policies of their firms. In terms of limitations, the authors mention that, due to the cross-sectional nature of their study, an interdependency of the constructs may exist and that a higher commitment might result in increasing CCL proficiency levels rather than the other way around. Although this study also relies on cross-sectional data, a reciprocal effect is quite unlikely.

The average score for language ability for the entire sample is 4.06, which is rather high. A single-item question is included to calculate the perceived C-CLADs of participants regarding the CCL of their IJV partner side counterpart manager, which asks the participants to estimate the English ability of their IJV partner on a scale from 1 (very low) to 5 (very high). The variable perceived C-CLAD is calculated by deducting the estimated CCL ability of their IJV partners from the respondents' own CCL abilities. With an average CCL ability on the partner side of 3.18, the average perceived C-CLAD in the entire sample is 1.58.

3.4.4.2. *Communication frequency*

Communication frequency is measured through the average of an adjusted four-item scale adopted from Barner-Rasmussen and Björkman (2005) and Harzing and Pudelko (2014). Both studies focus only on the frequency of face-to-face, telephone, and written communication, such as email, reports, and memos, and do not include communication via video or Skype. Prior studies suggest, however, that video communication is highly common among geographically dispersed MNCs (Klitmøller & Lauring, 2013). Also, discussion with

IJV managers revealed that, in particular, Skype is often used as a medium in IJV partner communication. For these reasons, the medium video/Skype communication is added to the construct. Also, the above studies both mention the use of data from only a single informant per company as a limitation and suggest that studies examining multiple respondents per company might increase the quality of the findings (Barner-Rasmussen & Björkman ,2005; Harzing & Pudelko, 2014). In contrast to these previous studies, this study averages the communication media frequencies and used data from multiple respondents, here managers from a single IJV. The construct is measured on a five-point Likert scale by asking the following question: "On a scale from 1 (very low) to 5 (very high), please indicate how frequently you experience communication with the IJV partners." This question is then repeated for the four items face-to-face communication, phone communication, video and Skype communication, and email communication. Cronbach's alpha for the scale is 0.71, and on average, the respondents rate their communication frequency as 2.85.

3.4.4.3. Procedural justice in decision-making

Procedural justice in decision-making is measured through an average of an adjusted six-item scale from Johnson, Korsgaard and Sapienza (2002), who adopted the measure from Kim and Mauborgne (1991) and Colquitt (2001). Several studies have found high reliability for this construct, and the measure used is theoretically supported by prior procedural justice literature (Folger, Konovsky, & Cropanzano, 1992; Colquitt, 2001; Rupp, Shapiro, Folger, Skarlicki & Shao, 2017). As mentioned above, procedural justice examines the perceived fairness of processes but does not involve the perceived fairness of the final outcome (here decision-making) occurring during the process (Cohen-Charash & Spector, 2001; Johnson, Korsgaard, & Sapienza, 2002). In their study, Johnson, Korsgaard, & Sapienza (2002) examine procedural justice in the context of IJVs and their relationships toward their parent companies. In doing so, procedural justice's influence on organizational commitment, particularly commitment toward the IJV itself, the local parent company, and the foreign parent company, is examined. As the authors recognize that single-informant studies are likely to be exposed to informant bias, they collect data from IJVs' top-manager teams instead of single key informants to reduce bias and gain deeper insight. In this, Rupp et al. (2014) note that the majority of studies examining procedural justice focus on organizational sources of justice, while only a few studies consider procedural justice in processes within teams. This is also noted by Shapiro and Brett (2005) who state, "we know relatively little about dynamics pertaining to the voice effect in situations where employees are dealing with peers" (p. 170). The authors call for new studies examining the voice effect and procedural justice in

management teams to increase knowledge in this field. In this study, procedural justice is examined among managers of an IJV; The construct is measured on a five-point Likert scale, addressing the perceived fairness of numerous procedures regarding the decision-making processes within the IJV. Participants are asked to state their agreement on a scale from 1 (fully disagree) to 5 (fully agree). For example, "I was given the opportunity to challenge and oppose the views of the IJV partners…" Cronbach's alpha for the scale is 0.86. As Johnsen et al. (2002) do not provide Cronbach's alpha for their measurements, comparison to the original construct is not possible. The average of perceived procedural justice in decision-making for the entire sample is 3.12.

3.4.5. Common method variance issues and exploratory factor analysis

Because the data for the study was obtained through a self-reported survey and three modified multiple-item variables, the results might be biased by common method variance (Podsakoff, MacKenzie, & Podsakoff, 2012). To minimize this possibility, this study implements three steps: First, through twice guaranteeing to survey respondents that the data would solely serve academic purposes and that participants would remain anonymous, social desirability bias is reduced (Krumpal, 2013). The first assurance occurred through the official email outlined by HR management and the second through the cover letter opening the survey. Exploratory factor analysis is conducted as a second step for the three multiple-item variables with Varimax rotation. As the Kaiser-Meyer-Olkin measure of sampling adequacy value equals 0.86, the size of the sample is adequate for the purposes of analysis. Exploratory factor analysis demonstrates three factors with eigenvalues exceeding 1.0, and the items load as expected (see Table 3.2).

As a final step, convergent and discriminate validity are tested for. An average variance extracted (AVE) of 0.90 for self-perceived CCL ability and an AVE of 0.72 for procedural justice in the decision-making process support convergent validity (Hair et al., 1995). The AVE for communication frequency is 0.37, which does not meet the threshold value for convergent validity. Convergent validity is however still supported by a composite reliability of 0.69. If composite reliability exceeds the threshold value of 0.60, the convergent validity of the construct is still found to be adequate (Fornell & Larcker, 1981). With the AVE square roots of 0.95, 0.72, and 0.61, respectively, exceeding the inter-construct correlations for self-perceived language ability and for procedural justice in decision-making, discriminate validity is established (Fornell & Larcker, 1981; Henseler, Ringle, & Sarstedt, 2015).

Table 3.2
Scale items and EFA with Varimax rotation

	Factor loadings		
	1	2	3
Self-perceived CCL ability			
1. Reading ability	**.92**	-.03	-.01
2. Writing ability	**.95**	-.01	.05
3. Listening ability	**.95**	.00	.08
4. Speaking ability	**.96**	-.01	.04
5. Confidence in communicating in English	**.96**	-.03	.07
Procedural justice in decision making			
1. There is a two-way communication in the decision-making process	.00	**.64**	.29
2. I was given the opportunity to challenge and oppose the views of the IJV partners	-.22	**.64**	.25
3. I have had influence over the outcomes of the decision-making process	-.02	**.64**	.27
4. The decision-making processes were applied consistently	.05	**.73**	.03
5. The decision-making processes have been free of bias	-.02	**.74**	.13
6. The decisions have been based on accurate information	.07	**.83**	.04
Communication frequency			
1. face-to-face communication frequency	.05	.11	**.44**
telephone communication frequency	.17	.05	**.54**
Video/Skype communication frequency	-.11	.21	**.73**
email communication frequency	-.01	.22	**.67**
Eigenvalues	4.74	4.12	1.66
Cumulative% of variance	31.58	59.02	70.08

N=144; loadings greater than 0.4 are shown in bold

3.4.6. Control variables

The results of the analysis might be affected by five additional variables, which are therefore controlled for in this research, including the two demographic variables, age and nationality, and the three work-related variables, parent company, years worked at parent company, and department. Age and nationality have both been previously found to possibly affect language ability as well as procedural justice in decision-making (Donovan & MacIntyre, 2004; Cohen-Charash & Spector, 2001; Luo, 2009). Dummy variables have been created for each nationality present in the sample to control for nationality. Variation in both language ability and procedural justice perceptions within a company are common (Barner-Rasmussen & Aarino, 2011; Johnson, Korsgaard and Sapienza, 2002; Luo, 2009), which is why this study also controls for both the number of years study participants have worked at the company and the departments in which participants are employed. For this purpose, dummy variables for all departments represented in the sample, as well for the parent company of the participants, have been created.

3.5. Results

In this section of the chapter, the predictive power of the independent and moderator variables on the dependent variable, procedural justice in decision-making, is examined using linear regressions to test the above-established hypotheses. The alpha coefficient of the three

multi-item variables, as well as the means, standard deviations, and bivariate correlations of all variables used in this study, are presented in Table 3.3. The regression results are summarized in Tables 3.4 and 3.5. The first regression, presented in Table 3.4, thereby uses the entire sample to test the hypotheses, while the second regression, presented in Table 3.5, tests the hypotheses separately for three groups of managers with a) higher, b) lower, or c) equal CCL levels compared to their IJV partners. As it is likely that there are differences in managers' perceptions caused by C-CLADs in terms of having higher or lower CCL ability than IJV partners, the author considered it critical to also run the regression separately for each of the three groups (Johnson, Cullen, Sakano & Takenouchi, 1996; Vaara, Tienari, Piekkari, & Säntti, 2005; Klitmøller, Schneider & Jonsen, 2015; Aichhorn & Puck, 2017). In this regression, 88 respondents of the total sample of 144 are represented in the group of individuals with higher CCL levels than their IJV partners, 32 are represented in the group of individuals with lower CCL levels than their IJV partners, and 24 are represented in the group of individuals with exact the same CCL level as their IJV partners. Average procedural justice, perceived C-CLAD, and communication satisfaction for the first group are 2.99, 2.72, and 1.94, respectively, and 3.27, 2.87, and 1.55 for the second group. The group of managers with equal CCL levels has an average perceived procedural justice of 3.34 and an average communication frequency of 3.30. In terms of the CCL proficiency levels represented in the three groups, average CCL ability for managers with higher CCL abilities than their IJV partners is 4.58, while it is 4.03 for the group of managers with equal CCL levels and 2.66 for managers with lower CCL levels than their IJV partners.

Table 3.3
Correlation matrix

	M	SD	α	1	2	3	4	5	6	7	8	9	10
1. Self-perceived C-CLAD	1.57	.98	-	1									
2. Communication frequency	2.85	.80	.71	-.33**	1								
3. Procedural justice	3.12	.72	.86	-.43**	.36	1							
4. Age	6.46	1.66		.12	-.04	.04	1						
5. Years at parent company	4.68	2.53		.08	.06	.05	.45**	1					
6. Parent company 2 (dummy)[b]	.70	.46		.15	-.03	-.14	-.20*	.00	1				
7. Engineering (dep. dummy)[c]	.08	.27		-.01	-.17	-.08	.16	.15	-.09	1			
8. Project mngt. (dep. dummy)[c]	.06	.24		-.11	.09	.00	.14	.18*	-.03	-.07	1		
9. Manufact. (dep. dummy)[c]	.03	.17		.13	-.10	-.19*	.01	-.10	-.07	-.05	-.04	1	
10. Functions (dep. dummy)[c]	.58	.49		.03	-.03	.13	-.16	-.21*	-.03	-.35**	-.30**	-.21*	1

Note: additionally, controlled for 19 nationality dummies

3.5.1. Regression of entire sample (Regression 1)

In Model 1 of Regression 1 (Table 3.4), the control variables are presented. Nationality and department are also controlled for. In Model 2, the effect of perceived C-CLAD on

procedural justice in decision-making is tested. A negative and statistically significant influence of perceived C-CLAD on procedural justice in decision-making is found (perceived C-CLAD: β=–0.29, p<0.01 in Model 2), providing support for Hypothesis 1. Model 3 tests the association between communication frequency and procedural justice in decision-making. Communication frequency is found to significantly and positively influence perceived procedural justice in decision-making, supporting Hypothesis 2 (communication frequency: β=0.29, p<0.01 in Model 3). Model 4 tests the association between the interaction term of perceived C-CLAD and communication frequency on procedural justice in decision-making. The interaction term is found to be statistically significant and positive, supporting Hypothesis 3 (interaction of C-CLAD and communication frequency: β=0.24, p<0.01 in Model 3). The variance inflation factors (VIFs) of 1.42, 1.29, and 1.12 for Model 2, Model 3, and Model 4, respectively, are all much lower than the threshold value of VIF of 10 or above, indicating that the data used in this study is free of multicollinearity problems (Hair et al., 1998; Chari & Chang, 2009).

Table 3.4
Regression 1
Dependent variable: Procedural justice in decision making

	Model 1		Model 2		Model 3		Model 4	
	β	S.E.	β	S.E.	β	S.E.	β	S.E.
(Constant)	-.39	.36	-.42	.34	-.42	.34	-.28	.32
Age	.01	.04	.03	.04	.02	.04	.02	.04
Years at parent comp.	.04	.03	.03	.03	.03	.03	.03	.03
Parent comp. (dummy)	-.09	.21	-.09	.20	-.07	.20	-.07	.24
Self-perceived C-CLAD			-.29	.07**			-.22	.07**
Communication frequency					.29	.08**	.20	.07**
Communication frequency x self-perceived C-CLAD							.24	.07**

Notes: Additionally controlled for nationality and department, (n = 144),
Model 2, R = 0.535; R^2 = 0.286; Adj. R^2 = 0.169; F = 2.449; p = 0.002
Model 3, R = 0.594; R^2 = 0.352; Adj. R^2 = 0.246; F = 3.321; p = 0.000
Model 4, R = 0.632; R^2 = 0.389; Adj. R^2 = 0.276; F = 3.449; p = 0.000

Figure 3.2 presents the interaction plot for C-CLAD and communication frequency. The nature of the significant interaction is investigated through simple slope analysis (Aiken, West & Reno, 1991). The interaction demonstrates that an increase in C-CLAD decreases procedural justice in the decision-making process. It is revealed that the negative effect of C-CLAD on procedural justice is stronger at a lower level of communication frequency (i.e. one standard deviation above the mean) (β=–0.415, p<0.01). When communication frequency is relatively high (i.e. one standard deviation below the mean), no evidence for an influence of C-CLAD on procedural justice is found.

3.5.2. Regression of divided sample (Regression 2)

Regression 2 (Table 3.5) runs the same analysis as Regression 1 with the sample being split into three groups to test the hypotheses for each group separately. The three groups are sampled according to their perceived C-CLAD. Individuals who are superior to their IJV partners in terms of CCL ability are sampled in Group 1. Group 2 represents individuals who perceive their own CCL ability and their IJV partners' CCL ability to be on the same level, and Group 3 represents individuals who feel inferior to their IJV partners in terms of CCL ability.

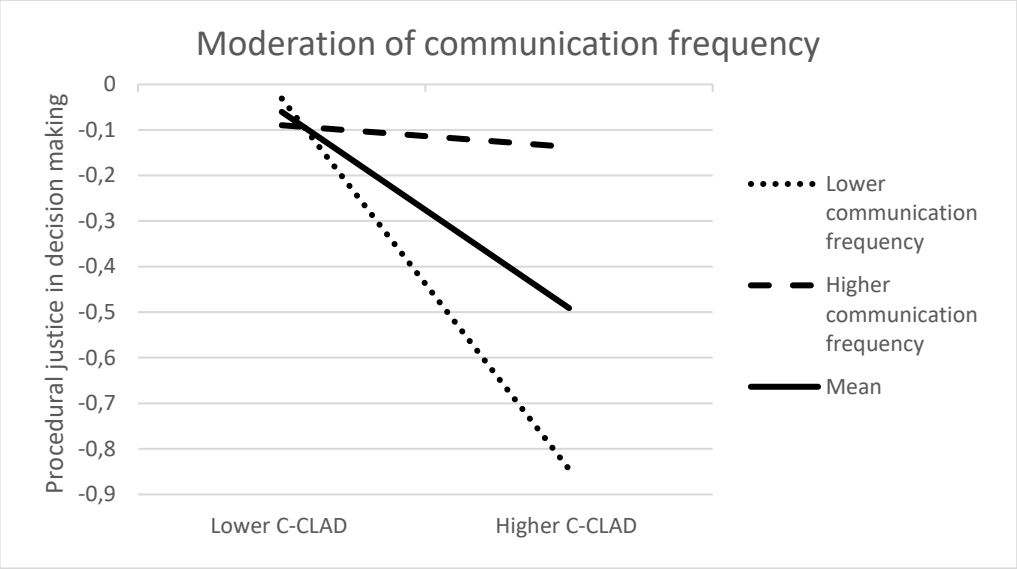

Figure 3.2
Interaction plot for C-CLAD and communication frequency in relation to procedural justice in the decision-making process

3.5.2.1. Individuals superior in terms of common corporate language ability

For the group of managers with higher CCL ability, Model 1 presents the control variables. Nationality and department are furthermore controlled for. The association between perceived C-CLAD and procedural justice is tested in Model 2; Perceived C-CLAD is found to have a statistically significant and negative influence on procedural justice in decision-making (perceived C-CLAD: β=–0.55, $p<0.01$ in Model 2), supporting Hypothesis 2. Model 3 tests the association of communication frequency and procedural justice in decision-making. Communication frequency is found to statistically significantly positively influence procedural justice in decision-making (communication frequency: β=0.49, $p<0.01$ in Model 3); Hypothesis 3 is therefore supported. The association between the interaction term of perceived C-CLAD and communication frequency on procedural justice in decision-making is tested in Model 4. No statistically significant relationship is found between these two;

Hypothesis 3 is therefore not supported. With VIFs of 1.25, 1.13, and 2.10 for Model 2, Model 3, and Model 4, respectively, there are no multicollinearity problems (Hair et al., 1998; Chari & Chang, 2009).

3.5.2.2. *Individuals equal in terms of common corporate language ability*

In the group of individuals perceiving equal CCL levels, only the effect of communication frequency on procedural justice in decision-making is tested. As no C-CLAD is present in this sample, C-CLAD variables are dismissed. Model 1 presents the control variables. and nationality and department are also controlled for. Model 3 tests the association of communication frequency on procedural justice in decision-making. No statistically significant relationship between these two is found for this subgroup; Therefore, Hypothesis 3 is not supported. The VIF for Model 3 is 1.70, under the threshold value of 10. Hence, multicollinearity is not found to affect the sample (Hair et al., 1998; Chari & Chang, 2009).

3.5.2.3. *Individuals inferior in terms of common corporate language ability*

In the group of managers with lower CCL ability, the control variables are presented in Model 1, and nationality and department are also controlled for. In Model 2, the association between C-CLAD and procedural justice in decision-making is tested. No statistically significant relationship between these two is found, so Hypothesis 1 is therefore not supported for managers inferior in terms of CCL ability. The association between communication frequency and procedural justice is tested in Model 3. Again, statistical analysis identifies no significant relationship between the two variables for this subgroup; Hypothesis 2 is therefore also not supported. Model 4 tests the association between the interaction term of perceived C-CLAD and communication frequency on procedural justice in decision-making. A statistically significant and positive relationship is found between the interaction term and the dependent variable, therefore supporting Hypothesis 3 for the group of managers inferior in terms of CCL ability (interaction C-CLAD and communication frequency: $\beta=0.44$, $p<0.01$ in Model 3). The VIFs of 1.29 for Model 2, 1.85 for Model 3, and 1.29 for Model 4 are under the threshold value of 10, suggesting that no multicollinearity problem exists (Hair et al., 1998; Chari & Chang, 2009).

Figure 3.3 presents the interaction plot for C-CLAD and communication frequency for the group of managers with lower CCL ability than their IJV partners. Simple slope analysis (Aiken, West & Reno, 1991) examines the nature of the significant interaction. The negative effect of C-CLAD on procedural justice is stronger at a lower level of communication frequency (i.e. one standard deviation above the mean) ($\beta=–0.558$, $p<0.01$).

Although the slope for the moderation with high communication frequency appears positive, simple slope analysis reveals that due to the non-significance of C-CLAD, its effect is in fact essentially zero at higher communication frequency levels. Hence, no evidence for an influence of C-CLAD on procedural justice is found.

Table 3.5
Regression 2
Dependent variable: Procedural justice in decision making

Grouped C-CLAD		Model1		Model2		Model3		Model4	
		β	S.E.	β	S.E.	β	S.E.	β	S.E.
higher CCL ability than IJV-partners	(Constant)	-.84	.58	-.92	.51	-.65	.53	-.57	.51
	Age	.06	.08	.13	.07	.03	.07	.07	.07
	Years at parent comp.	-.03	.05	-.05	.05	-.04	.05	-.05	.04
	Parent comp. (dummy)	.37	.39	.50	.34	.49	.35	.44	.34
	self-perceived C-CLAD			-.55	.13**			-.34	.14*
	Communication frequency					.43	.11**	.20	.13
	Communication frequency x self-perceived C-CLAD							.23	.18
equal CCL ability levels	(Constant)	-.56	.78	n/a	n/a	-.55	.81	n/a	n/a
	Age	-.04	.09	n/a	n/a	-.04	.10	n/a	n/a
	Years at parent comp.	.13	.08	n/a	n/a	.13	.08	n/a	n/a
	Parent comp. (dummy)	-.68	.36	n/a	n/a	-.69	.33	n/a	n/a
	Communication frequency					.06	.19	n/a	n/a
lower CCL ability than IJV-partners	(Constant)	-.59	.59	-.54	.58	-.08	.63	-.42	.54
	Age	.02	.06	.02	.07	.07	.07	-.01	.06
	Years at parent comp.	.11	.03**	.10	.03**	.10	.03**	.12	.03**
	Parent comp. (dummy)	-.77	.74	-.82	.73	-.98	.75	-.64	.61
	self-perceived C-CLAD			-.15	.12			-.23	.10*
	Communication frequency					.19	.14	.06	.12
	Communication frequency x self-perceived C-CLAD							.44	.13**

Note: Additionally, controlled for nationality and department

3.6. Discussion

The quantitative analysis of this study aims to uncover factors influencing procedural justice in the decision-making process within an IJV. The following section debates the findings of the analysis in more detail to gain a deeper understanding of the topic and provide answers to the research questions established earlier in this chapter. First, by considering the existing literature and theories described above, the results from the analyses and their consequences for the developed hypotheses are discussed, and theoretical contributions are provided. A presentation of possible managerial implications follows, and finally, limitations and directions for future research are provided.

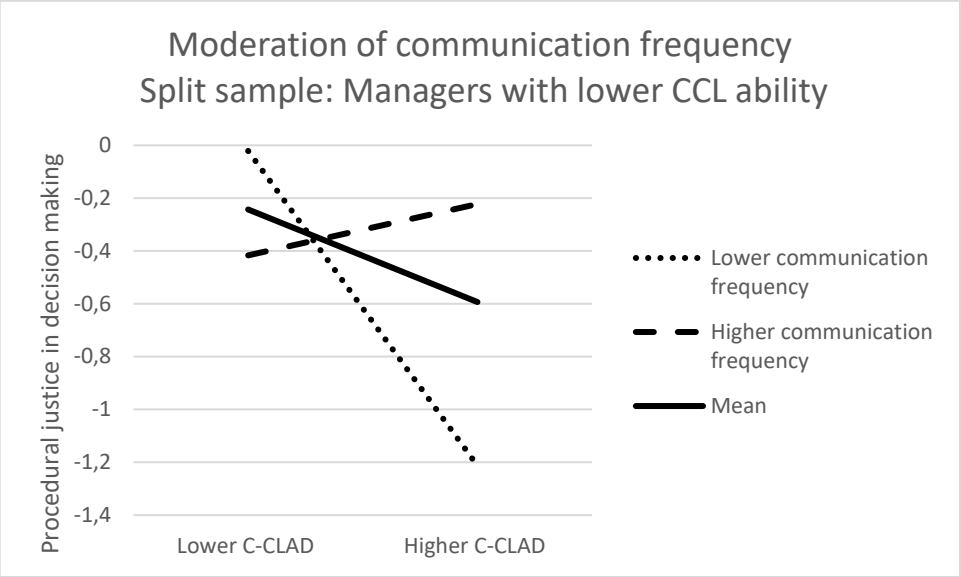

Figure 3.3

Interaction plot for C-CLAD and communication frequency in relation to procedural justice in the decision-making process for the group of managers with lower CCL ability than their IJV-partners

3.6.1. Theoretical contributions

This study connects perceived C-CLAD and communication frequency to procedural justice in decision-making in IJVs. It is furthermore hypothesized that communication frequency has a moderating effect between perceived C-CLAD and procedural justice in decision-making. When examining the hypotheses for the entire sample, the findings provide support for all three hypotheses. When more closely examining perceived C-CLADs by dividing the sample into individuals who perceive that they possess higher, lower, or equal CCL abilities compared to their IJV partners, the findings provide support for two hypotheses regarding the subgroup of managers with relatively high CCL ability, they provide no support for any of the hypotheses for the group of managers with lower CCL abilities, and they provide support for one hypothesis for the group of managers with equal CCL ability levels. The findings form the basis for theoretical contributions and managerial implications to language, communication frequency, and procedural justice in MNCs, especially IJVs.

First, the findings contribute to international business research by demonstrating that a perceived C-CLAD between partners, at least in one Japanese–European IJV, negatively influences procedural justice in the decision-making process. This suggests that if high C-CLADs exist, managers perceive the decision-making process as unfair. This study furthermore contributes to the literature by more deeply examining the field of perceived C-

CLADs through categorizing the perceived C-CLADs into higher and lower CCL abilities. For managers perceiving their own CCL ability to be higher than their partners', an increase in perceived C-CLAD leads to a decrease of procedural justice. This finding is critical, as individuals rating their CCL abilities lower than their IJV partners' do not share this perception.

This finding may be explained by individuals with higher CCL abilities tending to impute an overall relatively low competence to other individuals with lower CCL ability (Tenzer, Pudelko & Harzing, 2014). Drawing on social exchange theory, this could cause individuals to perceive the decision-making process as unfair. Possessing better CCL ability and higher perceived competence than partners but still receiving the same output could cause an unbalance, leading to perceived unfairness. Equity theory provides a further possible explanation. The lower CCL ability of the partner implies that managers with higher CCL abilities must invest more time and effort to explain their issues to partners with lower CCL abilities, and managers require more patience, as IJV partners with lower CCL levels might not clearly understand their arguments. Managers with high CCL abilities may perceive that IJV partners with lower CCL abilities do not invest as much input in the process but still receive the same output. This could result in perceived unfairness. The study also contributes to equity and social exchange theory by demonstrating that the theories can be applied not only to explain procedural justice's predictive power but also to explain how antecedents such as language differences predict procedural justice itself.

A further reason for the above results of perceived injustice by individuals with high CCL levels might simply be that they possess an indirect inhibition to express their voice in the decision-making process (Hulst et al., 2017). Although they possess the opportunity to express their voice, it might not be "heard" by IJV partners with lower CCL levels; The partners might not understand the expressed opinions and arguments, which will subsequently not be considered by the IJV partners with lower CCL levels. This situation may limit, among other factors, two-way communication in the process and influence over the eventual decisions and may hinder the possibility to challenge and oppose partners' opinions. Thus, the higher the perceived C-CLAD and indirect inhibition to voice their views are, the more unfair managers with higher CCL abilities will perceive the process to be. This reasoning also provides explanation for why individuals with lower CCL abilities than their IJV partners do not perceive the decision-making process as unfair. Even if they practice voice using lower

CCL, they still can express their voice, which is furthermore perceived to be understood by their partners with higher CCL abilities.

Another theoretical contribution along these lines is the focus on managers' perceived C-CLADs per se. In the existing literature, language differences are predominantly measured on the macro level, through language distance or relatedness, for example (Ambos & Ambos, 2009; Selmier & Oh, 2013; Schomaker & Zaheer, 2014), or on the micro level, in terms of sharing or not sharing a language, for example. Also, in the few studies examining different proficiency levels, assessment or comparison has occurred through third parties (Harzing & Pudelko, 2014; Lauring & Selmer, 2012; Aichhorn & Puck, 2017; Klitmøller, Schneider & Jonsen, 2015). This study, however, examines the individually perceived C-CLADs of the managers, which underlines the power that perceived C-CLADs have on procedural justice.

Second, the findings of this research demonstrate that increasing communication generally results in higher levels of procedural justice in the decision-making process within multilingual and geographically dispersed IJVs. By delving deeper and analyzing the different C-CLAD groups, it is found that communication frequency increases procedural justice in the decision-making process only for managers with higher CCL levels than their IJV partners. This may result from frequent communication serving as a tool to express voice; The more often the voice is expressed, the higher the likelihood is that it will be heard and understood. Prior literature has found that the possibility to express voice makes individuals feel engaged in the process and leads to increased perceptions of fairness, disregarding the actual outcome (here, the decisions made). It is interesting to note that communication frequency does not exert any influence on procedural justice in the decision-making process for managers with lower or equal levels of CCL. This might be because managers rate the CCL ability of themselves and their IJV partners as the same or might even rate their partners' CCL abilities higher than their own, and thus they do not feel impelled to increase their frequency of expressing voice through increased communication.

Third, the interactions of perceived C-CLAD and communication frequency tested in this study demonstrate that, in general, perceived unfairness in the decision-making process caused by high C-CLADs can be reduced by increasing communication frequency. However, when examining the three types of C-CLAD perceptions among IJV managers, it is found that for managers rating their CCL abilities higher than that of their IJV partners, communication frequency does not influence the perceived unfairness caused by C-CLADs. This may simply occur because even an increase of communication cannot reduce the perceived unfairness

described above. When examining the group of managers that rate the CCL abilities of their IJV partners as higher than their own, it is discovered that despite no direct effects of C-CLAD and communication frequency on procedural justice having been identified, for this small group of managers perceiving themselves to possess very high C-CLADs, communication frequency reduces the negative effect of C-CLAD on procedural justice in the decision-making process. The large gap of perceived C-CLADs might make them feel inferior, and possible language-based exclusion might make them perceive the decision-making process as unfair (Kulkarni & Sommer, 2015). An increase in communication reduces this feeling through increasing their inclusion in the process and voice, which results in increased levels of perceived justice.

3.6.2. Managerial contributions

The findings discussed above form the basis of two managerial implications. First, the importance of close levels of CCL proficiency is highlighted by the negative influence of perceived C-CLADs on managers' perceptions of procedural justice in decision-making. Procedural justice in the decision-making process is highly related to individual attributes such as commitment, trust, and work behavior (Colquitt et al., 2013; Qin et al., 2014; Yean & Yusof, 2016). Hence, managers in multilingual corporations should promote practices that improve employee CCL proficiency by organizing language classes, trainings, or workshops, for example (Yamao & Sekiguchi, 2015; Peltokorpi & Yamao; 2017).

Second, this study's findings demonstrate that, in general, an increase in communication results in higher perceived levels of procedural justice by managers of the IJV. Although communication frequency is not found to influence the procedural justice of managers with lower or equal CCL abilities, it is still advisable for managers to encourage frequent communication, as it significantly increases procedural justice for managers who perceive their own CCL abilities to be higher than those of their IJV partners. Furthermore, an increase in communication is found to serve as a countermeasure to reduce the perceived unfairness of individuals with lower CCL abilities who perceive very high C-CLADs.

3.6.3. Limitations and directions for future research

This research was conducted through careful preparation; Nevertheless, it is not without limitations. First, this research utilized a relatively small sample size, which further decreased when conducting the analysis separately for the three above-mentioned groups. Reducing the sample size can exert some influence on the examined relationships, and future research might test the hypotheses in larger populations to determine how the relationships

change. Furthermore, survey data from individuals at the managerial level of a single Japanese–European IJV has been used to test the hypotheses of this study. Although this setting represents an adequate context for this study, the findings may be company specific. For this reason, the generalizability of the findings might be limited. Although it is expected that corresponding results will be found in other international business groups, future research should determine whether the findings are also true in different scenarios. Also, since the data used in this study was gathered in cooperation with the HR department, the results might be affected by bias that the author could not control for. A more random sample should be used in future studies to determine whether the findings differ.

A second and major limitation of this research is that the data used was solely cross-sectional. Especially managers' perceptions of procedural justice are hard to grasp through responses to a survey. Through cross-sectional data, this study was able to show that there is a correlation between C-CLADs and procedural justice, and based on the model of the study, the applied theories and argumentation of previous literature, it is assumed, that C-CLADs indeed have influencing power on manager's perceptions of procedural justice in the decision-making process. However, as perceptions of procedural justice require reflections of situations and procedural justice itself is rather a process, future longitudinal studies as well as qualitative case studies are needed to lighten the content of the responses. Hence, through additional research, it would further be interesting to examine how procedural justice perception evolve over time or how changes in CCL proficiency over time might affect the tested relationships.

Third, this study does not consider cultural influences. Despite an increase in the number of language studies that conclude that language should be regarded independently and separated from, for example, culture in international business studies, the complete separation of language from culture is still controversial (Piekkari, 2006). It would be interesting to explore how the cultural sensitivity or cultural openness of individuals in multilingual settings influences both the tested relationships and the general performance of IJVs.

3.7. Conclusion

The factors influencing procedural justice in the decision-making process in an IJV, as well as whether level of fairness differs with regard to perceived C-CLADs and the frequency of communication, are empirically examined in this study. The study concentrates on managers of a Japanese–European IJV who are engaged in joint decision-making with

their IJV partners. Data from a self-conducted online survey serves to, first, examine whether perceived C-CLADs and communication frequency influence procedural justice in the decision-making process. Linear regression analysis is conducted, which reveals that in this case of a Japanese–European IJV, managers' perceived C-CLADs negatively relate to procedural justice, while communication frequency increases procedural justice. Through more closely examining the perceived C-CLADS, it is furthermore revealed that both C-CLADs and communication frequency matter to managers with higher CCL abilities than their partners, while neither factor influences the procedural justice of managers with lower CCL abilities. Second, the paper examines whether frequency of communication has a moderating effect between perceived C-CLADs and procedural justice. Managers with high C-CLADs are found to consider the decision-making process as fairer when communication occurs frequently. Again, through more closely examining perceived C-CLADs, it is revealed that managers with lower CCL abilities that lead to high C-CLADs perceive the decision-making process as fairer when communication occurs more frequently.

To conclude, the purpose of this study is to examine how an individual's perceived C-CLADs influence procedural justice in the decision-making process. This paper underlines the importance of perceived C-CLAD and how frequency of communication can be used to improve procedural justice in IJVs. This paper suggests that IJV managers who experience lower C-CLADs perceive the decision-making process as fairer. Finally, it further suggests that communication frequency can improve perceived fairness, particularly for managers with low CCL ability and high C-CLADs.

Chapter 4
The effects of language and cultural sensitivity on performance satisfaction

4.1. Introduction

In today's globalized business environment, establishing an international joint venture (IJV) is an oft-chosen new market entry strategy as well as an organizational strategy to increase internationality, promote organizational learning, and create value (Jusoh, Nasir Ibrahim, & Zainuddin, 2008; Ren, Gray, & Kim, 2009). Although IJVs are quite popular, they often end in failure (Hsieh, Rodrigues, & Child, 2010). Because many companies still choose to form IJVs as a strategy for internationalization, growth abroad, or the enhancement of knowledge transfer, examining the antecedents of IJVs' performance is a popular topic in international business research (Ali & Larimo, 2016). Ample evidence demonstrates that

managing cross-border companies such as IJVs is not easy. Differences in language are often found to affect the operations of multinational companies (MNCs), eventually affecting organizational performance (Pesch & Bouncken, 2018). The influences of differences in culture and language are found to most negatively affect MNC operations (Powell & Lim, 2017; Beugelsdijk et al., 2018; Tenzer, Pudelko & Harzing, 2014). As IJVs are formed between companies from a minimum of two different countries, cultural and linguistic diversity among employees is inevitable, and differences in languages spoken and cultural backgrounds are likely to significantly challenge management and potentially affect IJV performance (Luo & Shenkar, 2006; Yan & Luo, 2016). A popular solution regarding the issue of differences in spoken languages is the adoption of a common corporate language (CCL) (usually English) (Nickerson, 2005). Choosing and implementing a CCL can, however, bring challenges to MNCs (Vaara et al., 2005; Klitmøller, Schneider & Jonson, 2015; Lauring & Klitmøller, 2015). This study therefore examines managers' satisfaction with both the IJV's and their own performances. The setting is a recently formed Japanese–European IJV with English implemented as the CCL.

This paper contributes to the literature in three ways. First, it investigates how the IJV's managers' self-perceived CCL ability, common corporate language ability differences (C-CLADs), and cultural sensitivity influence IJV performance satisfaction. Second, it examines how the above-stated variables influence managers' satisfaction with their own performance within the IJV. Third, by splitting the managers in the sample into three groups according to the perceived "direction" of their C-CLADs, in the sense of possessing higher, lower, or equal CCL abilities compared to their IJV partner-side counterpart manager (hereafter IJV partner), it demonstrates how perceived C-CLADs can influence the relationships examined in this research.

It is found that in general, satisfaction with the performance of the IJV is negatively influenced by perceived C-CLADs, while satisfaction with one's own performance is positively influenced by CCL ability and cultural sensitivity. By splitting the sample into three groups of managers with higher, lower, or equal CCL abilities compared to their IJV partners, respectively, it is furthermore found that for managers with higher CCL abilities, satisfaction with the performance of the IJV is positively influenced by cultural sensitivity and negatively influenced by perceived C-CLADs, while satisfaction with their own performance is positively influenced by cultural sensitivity. Based on the tenets of person-environment (P-E) fit perspective, this indicates that managers with higher cultural sensitivity are generally more

satisfied with their own performance. For managers with lower CCL abilities, satisfaction with one's own performance is positively influenced by CCL ability and cultural sensitivity. Based on the tenets of self-efficacy and P-E fit perspective, these findings indicate that managers with higher CCL abilities and higher cultural sensitivity are more satisfied with their own performance. For the group of managers possessing equal CCL ability levels, satisfaction with the performance of the IJV is positively influenced by CCL ability. Again, based on the tenets of self-efficacy, this finding demonstrates that the small group of managers with higher CCL abilities are more satisfied with IJV performance.

4.1.1. Background and motivation

Every company strives to meet its targets, whether it deals with targeted growth rates, profits, or sales or other goals such as shareholder value creation, efficiency, organizational learning, innovation, or simply outperforming the competition (Eliashberg & Michie, 1984; Jusoh, Nasir Ibrahim, & Zainuddin, 2008; Ghauri, Cave & Park, 2013). The actions and processes of achieving these objectives can be described as organizational performance. Despite being one of the most popular internationalization strategies, IJVs often suffer from low performance and failure to meet their targets (Johnson, Korsgaard, & Sapienza, 2002; Ali & Larimo, 2016). Numerous studies have considered these facts by investigating factors that influence IJV performance (Parkhe, 1993; Ren, Gray & Kim, 2009; Christoffersen, 2013). By definition, IJVs are international; Therefore, cultural distances, as well as linguistic differences, are likely to provide challenges, as communication, negotiations, and decision-making often occur between individuals from different countries, time zones, cultures, and different spoken languages. An oft-taken countermeasure to manage the aforementioned challenges is the decision to implement a CCL (usually English). With this, IJVs intend to ease interactions between individuals with different native languages (Nickerson, 2005). Despite its now recognized importance, language was long considered a part of one's culture. Recently, after several researchers noted the high individuality of language and its significant influence on international businesses, other researchers have increasingly begun to examine language as an autonomous construct (Brannen, Piekkari, & Tietze, 2017).

In IJVs, good partner interaction and communication are often the most important determinants of a company's performance, as they highly influence IJV processes, partner cooperation, knowledge sharing, and decision-making. IJV performance is highly dependent on inter-partner communication, negotiations, and agreement (Khalid & Ali, 2017). As stated above, cultural and linguistic differences are likely to impose challenges to IJV operations.

Although the implementation of a CCL seems to mitigate problems caused by linguistic diversity (Luo & Shenkar, 2006; Nickerson, 2005; Harzing, Köster & Magner, 2011), it is also likely to impose additional, often underestimated, challenges (Vaara et al., 2005). Levels of CCL proficiency commonly vary among employees, which is found to create an unequal power distribution or social categorization. Furthermore, C-CLADs are found to increase anxiety and stress. In contrast, high CCL proficiency levels are found to increase knowledge sharing and commitment (Peltokorpi, 2015; Yamao & Sekiguchi, 2015). Regarding cultural differences, research demonstrates that cultural sensitivity can be used as a countermeasure against conflicts, misunderstandings, and opportunism (LaBahn & Harich, 1997; Voss et al., 2006; Skarmeas et al., 2002). Cultural sensitivity is furthermore found to increase trust (Boersma et al., 2003; Khalid & Ali, 2017), commitment (Lohtia et al., 2005; Skarmeas et al., 2002), and information exchange (Nguyen & Nguyen, 2014). While language is a crucial factor for facilitating processes in MNCs such as IJVs (Piekkari, Welch & Welch, 2014), research quantitatively examining the influence of CCL proficiency, cultural sensitivity, and C-CLADs among managers and their satisfaction with organizational performance is scarce. As such, prior studies have called for additional quantitative research to examine language and culture and their predictive power on various aspects of MNCs, particularly IJVs (Piekkari, Welch & Welch, 2014; Tenzer, Terjesen & Harzing, 2017; Sharma, Maheshkar, & Chandra, 2018).

4.1.2. Research purpose

As stated above, C-CLADs and differences in culture are characteristics found in IJVs that most likely influence IJV performance and perceptions of performance by IJV managers (Luo, 2007; Le Nguyen, Larimo & Ali, 2015). To identify the effects of C-CLADs and cultural sensitivity on IJV performance satisfaction, this study explores how IJV manager proficiency in the CCL (here English) and their perceived C-CLADs with their IJV partners relate to both their satisfaction with the performance of the IJV as well as their own performance within the IJV. Furthermore, this research explores how cultural sensitivity may affect the two above-described types of satisfaction. As it is difficult to measure IJV performance, since many IJVs are formed for reasons other than common quantitative financial business objectives such as growth or profit and instead target goals such as organizational learning or value creation (Jusoh, Nasir Ibrahim, & Zainuddin, 2008), this study chooses to examine managers' satisfaction with their individual performance as well as with the performance of the IJV. If the IJV meets its targets, managers should be satisfied with the performance; If not, they should be relatively unsatisfied. The measurement of

manager satisfaction as a performance measure is a commonly applied subjective measure (Yan & Gray, 1994; Larimo, Le Nguyen & Ali, 2016). Individuals participating in this research are all employed at the managerial level of a Japanese–European IJV, with facilities located around the world and headquarters located in the United Kingdom, which is not the country of origin of either of the parent companies. All participants are furthermore frequently involved in inter-partner communication and the joint processes of the IJV. The purpose of this study is thus to answer the following research questions:

Q1: To what extent do CCL ability, cultural sensitivity, and C-CLADs influence satisfaction with the performance of the IJV?

Q2: To what extent do CCL ability, cultural sensitivity, and C-CLADs influence satisfaction with one's own performance within the IJV?

To answer the above-stated research questions, a literature review and statistical analysis using survey data is conducted. The theoretical framework of this study is formed by exploring previous research on IJVs, language proficiency, and cultural sensitivity. To gain additional understanding, theoretical foundations of self-efficacy (Bandura, 1997; 1998) and P-E fit perspective (Searle & Ward, 1990) are explored.

4.1.3. Structure of the chapter

This chapter consists of seven sections. First, the introduction briefly provides background information regarding the phenomena examined in this study and presents the study's motivation and purpose. Thereafter the structure is displayed, followed by a literature review on the key factors examined in this study. The third section develops the hypotheses of this paper before explaining the applied research method and the survey items and their validation in Section 4. The fifth section presents the results of the study, and the sixth section discusses and interprets the results, offering possible managerial implications. Section 7 draws a conclusion.

4.2. Literature review

This section of the chapter examines and reviews the existing literature relevant to the research and furthermore clarifies the terminology used in this study. Commonly applied theories are also discussed. First, IJVs are explained, followed by a brief review of prior literature focusing on the performance of IJVs. Thereafter, the literature on language in IJVs, as well as the literature on CCL ability and C-CLADs, is briefly examined. The review then

shifts toward an exploration of existing literature on cultural sensitivity and cultural sensitivity within the context of IJVs.

4.2.1. International joint ventures

To understand the essence of and motivation for the formation of IJVs, this section first briefly discusses joint ventures (JVs) in general. Joint ventures are formed when at least two independent organizations or companies, referred to as parent companies, establish a legally independent organization that is owned collectively by the parent companies (Yan & Luo, 2016). Joint ventures are formed by parent companies and are, despite being registered as independent companies, economically dependent on their parent companies (Harrigan, 1988). Forming a JV is a common and popular strategy for companies that is used to react to new developments in the business environment, such as governmental policies, for example. Furthermore, IJVs are often undertaken to enable the transfer of new technologies or as a measure of growth through entry into new markets (Jalalkamali et al., 2016a). If the above described occurs between two or more countries, the JV is labeled an IJV. Here, IJVs, as legally independent companies, are also formed by two or more parent organizations; However, the parent companies must originate from at least two different countries (Shenkar & Zeira, 1987; Jalalklamali et al., 2016b; Yan & Luo, 2016). It is critical to restate that, despite being established by at least two parent companies, IJVs are separate organizations (Killing, 2013). However, they often heavily rely on the parent firms' networks and resources (Harrigan, 1988). Often chosen for new entries into foreign markets, the creation of IJVs is among the most popular procedures in international business (Park & Harris, 2014; Ren, et al., 2009). As IJVs are located throughout different countries with different cultures, mindsets, and languages, complex inter-partner relationship management is necessary for their success. The challenges associated with IJVs and their struggles to perform according to targets make them an interesting topic for academic researchers. It is therefore not surprising that an increase in studies exploring IJVs has recently occurred (Luo, 2007; Le Nguyen, Larimo & Ali, 2015).

Although IJVs are extremely popular, they often fail to reach their targets, as they tend to have considerable performance issues. As IJV formation is nevertheless increasing, they have become an appealing subject for international business researchers (Johnson, Korsgaard, & Sapienza, 2002; Ali & Larimo, 2016). Due to the characteristics described above, IJVs require a high level of control, as well as commitment, inter-partner trust, negotiations, and relationship management, to meet their targets (Ren, Gray & Kim, 2009; Yan & Luo, 2016).

It is therefore not surprising that the most-studied areas in IJV research include motives for formation, partner selection, governance, control, stability, and performance (Parkhe, 1993).

The study of IJVs is not new for researchers in international business. Studies on reasons for formation and IJV performance in particular date back to the 1960s (Friedmann & Kalmanoff, 1961; Tomlinson, 1970; Franko, 1971). At that time, common measures of performance included stability or satisfaction, primarily examined by relying on secondary data available through databases (Parkhe, 1993). Through the 1990s in particular, companies increasingly engaged in IJV formation. With this increase, studies attempting to evaluate different predictors of IJV performance simultaneously increased (Christoffersen, 2013). In an extensive literature review of 91 studies examining predictors of IJV performance, Robson, Leonidou and Katsikeas (2002) note that although most studies investigating antecedents of performance draw mixed conclusions, studies investigating "soft performance antecedents," including behavioral factors such as trust and commitment, generally discover matching relationships. This finding is supported by another literature review, conducted by Reus and Ritchie III (2004). As the increase in IJVs and studies examining them continues, Ren, Gray and Kim conducted yet another literature review in 2009 and identified commitment, bargaining power, control, trust, justice, conflict, effectiveness of conflict resolution, cooperation, culture, and goal compatibility in IJVs the "best predictors of IJV performance" (p. 824).

The question of how the "performance" of an IJV should be measured remains an ongoing issue of discussion. Common measures for performance can be divided into two categories: traditional and relatively objective financial performance measures versus relatively subjective performance measures (Larimo, Le Nguyen & Ali, 2016). When considering financial performance measures, research increasingly argues that these measures may not be able to fully reflect companies' competitiveness, effectiveness, or efficiency (Abdel-Maksoud, Asada & Nakagawa, 2008) and may fail to identify positive performance if an organization's target is to increase shareholder value in the long run, for example (Ratnatunga & Montali, 2008). Regarding the performance at IJVs, it is even more difficult to find adequate performance measures, as accounting standards vary among countries, and IJVs' business objectives might differ from common quantitative corporate objectives such as growth or profit. Instead, IJVs often aim to reach qualitative goals in the sense of organizational learning, value creation, or inhibiting competition (Jusoh, Nasir Ibrahim, & Zainuddin, 2008). For these reasons, academics argue that IJV performance must be measured

from different angles (Ghauri, Cave, & Park, 2013). Depending on the motives and goals of an IJV, popular measures are therefore often non-financial and are commonly associated with strategic goals (Larimo, Le Nguyen & Ali, 2016; Spender et al., 2009). Although a wide range of non-financial measures exist, the majority examine, to a certain extent, parent firm satisfaction with IJV achievement respective to different operations (Yan & Gray, 1994; Larimo, Le Nguyen & Ali, 2016).

4.2.2. Language in multinational companies and international joint ventures

The view of language as an independent construct is relatively new in research focusing on international business. After being described as "the forgotten factor" in international business research (Marschan, Welch & Welch, 1997), language began to continuously receive attention in the field. After Luo and Shenker (2006) labeled MNCs as "multilingual communities" a decade later, a second starting point of the area of language in international business research can be identified, and today language has become a strong player in international business research (see Tenzer, Terjesen & Harzing, 2017 for a recent review). Language is often examined as a negative influence and has been described in prior research as a "barrier" (Harzing & Feely, 2008), a "disruptive element" (Tenzer, Pudelko & Harzing, 2014), an "impediment" (Marschan-Piekkari, Welch & Welch, 1999a), or an "obstacle" (Henderson 2005). Only a few studies investigate language as a positive influence, facilitator or cohesive factor (Andersen & Rasmussen, 2004; Cohen & Kassis-Henderson, 2017). With an increase in language studies over the past 30 years, problems regarding language have been examined in a wide range of scenarios. A recent literature review of 92 "language-sensitive" articles in the field of international management from 1997 to 2015 by Karhunen, Kankaanranta, Louhiala-Salminen & Piekkari (2018) reveals that language studies can be divided into three categories: language as a top management problem, language as an individual characteristic of employees, and language as social practice. In this, the authors state that studies grouped in the first category view language as a barrier or problem that should be handled by the top management of MNCs. Studies in this category commonly recommend, among other strategies, the implementation of a "shared language" (e.g. a CCL) to reduce language-related issues (Charles & Marschan-Piekkari, 2002, pp. 9–10; Mäkelä, Kalla & Piekkari, 2007) or recruiting in accordance to language proficiency (Luo & Shenkar, 2006). Recent studies in this category furthermore tend to regard language as an "independent variable" that should be segregated from culture (Mäkelä, Kalla & Piekkari, 2007; Peltokorpi, 2015).

Instead of considering language as a practice of top management, studies grouped in the second category refer to language as an individual characteristic of employees and examine how differences in language, for example, can lead to social categorization (Piekkari et al, 2005; Vaara et al., 2005). Most of the studies in this category rely on theories borrowed from social psychology and argue that language is included in cognitive self-perception and that although implementing a CCL to ease communication may seem prudent, it can trigger social categorization issues, for example, when implemented in practice (van den Born & Peltokorpi, 2010). Also, studies in this category primarily represent the view that culture and language are not easily separated, as culture influences how individuals communicate and understand interactions (Goodall, Li & Warner, 2006). In the third category identified by the authors, studies refer to language as a "social practice among other human practices" (Karhunen et al., 2018, p. 994). Here, studies examine, among other factors, how individuals in MNCs develop their own form of language through simplifying languages (Harzing, Köster & Magner, 2011), mixing native languages (Cuypers, Ertug & Hennart, 2015), or relying on code-switching, which eventually creates what is described as "new English," or English as Business Lingua Franca (Ehrenreich, 2010).

Regarding the various contexts in which language has been studied, Piekkari et al. (2005) and Vaara et al. (2005) examine the influence of CCL on integration processes and power distribution in a merger and acquisition context, while the influences of languages on expatriate management and inter-unit knowledge transfer are examined in the context of human resource management (Marschan-Piekkari, Welch & Welch, 1999a; Barner-Rasmussen & Björkman, 2005; Welch & Welch, 2008). In the context of interpersonal communication, the influence of language is furthermore examined (e.g. Neeley, Hinds, and Cramton (2012), Neely (2013), Henderson (2005), Klitmøller, and Lauring (2013), and Tenzer, Pudelko and Harzing (2014)). In addition to the aforementioned, oft-investigated topics regarding language issues include headquarter–subsidiary communication, knowledge transfer, and inter-subsidiary relations (e.g. Harzing & Feely, 2008; Harzing, Köster & Magner, 2011; Harzing & Pudelko 2014; Marschan-Piekkari, Welch & Welch, 1999b).

Although the importance of language in international business has been recognized by many researchers, as described above, it is surprising that, to the author's best knowledge, only a small number of studies focus on the issue of language in IJVs. As one specific characteristic of IJVs is that they are formed between at least two parent companies from different countries (Shenkar & Zeira, 1987; Jalalklamali et al., 2016; Yan & Luo, 2016), all

processes occur between individuals who likely do not share the same native language. Liu, Adair, and Bello (2015) find that the language tool of relational metaphors used by IJV partners reflects their semantic fit and ability to communicate and that furthermore, formal ownership moderates the relationship between metaphorical language and managerial planning. In another study, Sharma, Maheshkar and Chandra (2018) find that differences in common language proficiency are a burden on inter-partner communication within a Chinese–Indian IJV. The above-stated findings note that indeed, language has an influential power on inter-partner communication, and its effect on IJVs requires further investigation.

4.2.3. Self-perceived common corporate language ability

Self-perceived language ability refers to the perception of one's ability to communicate and comprehend communication in any specific language (Khaleel, Shankar Chelliah & Iftikhar, 2016). As described above, the importance of language and its effect on transactions in international business has, for over 30 years, been recognized by international business academics (Tenzer, Terjesen & Harzing, 2017). Many authors, however, instead examine language effects on a macro level, through investigating whether individuals speak the same language and how language distance or relatedness affects business performance (Harzing & Pudelko, 2014; Klitmøller & Lauring, 2013; Lauring & Selmer, 2012; Aichhorn & Puck, 2017; Ambos & Ambos, 2009; Selmier & Oh, 2013; Schomaker & Zaheer, 2014).

This study examines the self-perceived CCL (here English) proficiency of IJV managers. English often has been dubbed "the global language" (Crystal, 2003), and it is the primary CCL implemented in international businesses (Louhiala-Salminen & Kankaanranta, 2012). Despite the main research stream focusing on language differences per se, a small but increasing number of studies focus on actual perceived CCL proficiency at the individual level (Peltokorpi, 2015). Along these lines, Vaara et al. (2005) find that implementing a CCL can lead to a power distribution that is perceived unequal and hinder post-merger integration, as employees more fluent in the CCL gain more power and feel superior, while employees with less proficiency feel excluded and inferior. This is supported by Klitmøller, Schneider and Jonsen (2015), who find that differences in individual CCL levels can lead to social categorization in global virtual teams (GVTs). Peltokorpi (2015) furthermore discovers that host-country nationals' language abilities positively influence reverse knowledge sharing, while Peltokorpi and Yamao (2017) note that CCL ability has a positive influence on shared vision, which again positively influences reversed shared knowledge.

As the above-mentioned studies rely on third-party evaluations of language proficiency, Dyk, Chaffe-Stengel, Sanchez and Olson-Buchanan (2007) further extend the research by developing a measure to assess language fluency self-efficacy and measure its effect on perceived organizational support. The authors find a positive relationship between language fluency self-efficacy and perceived organizational support. Freeman and Olson-Buchanan (2013) adopt the same measure, and they find that expatriates' host-country language proficiency influences their cultural adjustment. Using a different measure, Yamao and Sekiguchi (2015) examine self-perceived English proficiency, and they conclude that it positively influences affective and normative commitment toward a firm's globalization policies. In this line of research, Khaleel, Shankar Chelliah and Iftikhar (2016) furthermore find that self-perceived CCL is positively related to job satisfaction and employees' levels of commitment. The above studies demonstrate that proficiency in the CCL, as well as C-CLADs among employees, can critically affect the transaction of MNCs, and researchers thus call for more studies to further examine these effects (Peltokorpi, 2015; Khaleel, Shankar Chelliah & Iftikhar, 2016).

4.2.4. Cultural sensitivity

An inevitable challenge for organizations that operate in multiple countries is the combination of at least two different cultures from different nations or regions. The difficulties and challenges that distant cultures can bring have long been understood and investigated by researchers in the international business context. Hence, it is not surprising that cultural distance is one of the most-studied areas in the international business "distance" literature (Powell & Lim, 2017; Beugelsdijk et al., 2018). Roughly 80% of these studies examine culture and organizational internationalization by concentrating on cultural distance (López-Duarte, Vidal-Suárez & González-Díaz, 2016). To cope with problems caused by cultural distances, researchers suggest that an awareness of relevant foreign cultures might have alleviating effects, and indeed, early studies by, for example, Lorange and Roos (1993), identify a positive connection between the cultural awareness and successes of international strategic alliances. Johnson et al. (1996) coined the term "cultural sensitivity" to describe this cultural awareness. In this, cultural sensitivity implies that a firm or individual is not only aware of differences between themselves and others but also actively attempts to understand, handle, and manage the differences.

In contrast to the later developed concept of "cultural intelligence" (including cognitive, motivational, and behavioral intelligence) (Earley & Mosakowski, 2004), cultural

sensitivity does not refer to an individual's competence to recognize, interpret, or react to new and equivocal cultural signals; Instead, it refers to "the firm's understanding of and adaptation to its exchange partner's domestic business practices as perceived by its partner" (LaBahn & Harich, 1997, p. 31). Thus, to call oneself culturally sensitive, one must not only establish a profound understanding of other cultures but also to demonstrate a willingness to adapt and act respectfully. Prior studies have shown that cultural sensitivity can, among other factors, reduce conflicts, misunderstandings, and opportunism (LaBahn & Harich, 1997; Voss et al., 2006; Skarmeas et al., 2002), while it also can increase trust (Boersma et al., 2003; Khalid & Ali, 2017), commitment (Lohtia et al., 2005; Skarmeas et al., 2002) information exchange (Nguyen & Nguyen, 2014), and overall quality of business relationships (Shapiro, Ozanne & Saatcioglu, 2008). For these reasons, many authors suggest intercultural cultural awareness training, frequent informal contacts, and open behavior as measures to increase cultural sensitivity and improve the management of MNCs (Johnson et al., 1996; Shapiro, Ozanne & Saatcioglu, 2008; Khalid & Ali, 2017).

By nature, IJVs are formed between different countries, and thus cultural differences are likely to influence operations and behavioral attitudes between IJV partners. As stated above, cultural sensitivity can be used as a mitigation measure regarding challenges imposed by cultural differences. Cultural sensitivity within an IJV thereby implies that IJV partners understand the other partners' cultures and are willing to adapt to and manage cultural differences (Thuy & Quang, 2005). Considering the large number of studies examining the effects of cultural differences and cultural distance, the number of studies investigating countermeasures of cultural sensitivity in strategic alliances, especially of IJVs, is quite small. Although not directly in the context of IJVs but instead in the similar context of non-equity-based international cooperative alliances (ICAs), cultural sensitivity was first examined by Johnson et al. (1996). The authors investigate antecedents of trust in ICAs, and they find that the local partner's cultural sensitivity to the foreign partner's culture is positively related to inter-partner trust. Cullen, Johnson and Sakano (2000) support this finding by demonstrating that both trust and commitment in IJVs can be enhanced through cultural sensitivity and that culturally sensitive managers are likely to have better communication with partners.

Furthermore, in the vein of trust, although not directly investigating cultural sensitivity per se, Brouthers and Bamossy (2006) recommend that inter-partner cultural understanding is likely to intensify trust between partners and eventually lead to an increase in performance. This suggestion is supported by Khalid and Ali (2017) who find cultural sensitivity to be an

antecedent to increasing trust. Although trust is a popular topic of research, other issues are also found to be predicted by cultural sensitivity. In an early study on leadership in IJVs, Li, Xin, Tsui & Hambrick (1999) note that foreign cultural understanding can improve the effectiveness of the leadership of IJVs managers. Another early study by Cyr and Schneider (1996) discovers through qualitative research that cultural sensitivity increases joint learning among managers within IJVs. This is supported by Barmeyer and Davoine (2019), who—also through qualitative research—find that cultural skills such as the understanding of and willingness to adapt to foreign culture can enhance mutual learning within IJVs. In another vein of research, Ott (2015) argues that culturally sensitive long-term IJV contracts that open the path for cultural cooperation can possibly increase the longevity of IJVs. Despite the above-mentioned studies, findings regarding cultural sensitivity, however, are mixed. In a study focusing on relational capital and the performance of IJVs in Vietnam, the authors were unable to find significant evidence that cultural sensitivity influences relational capital (Thuy & Quang, 2005). The above-stated findings in the existing literature note that indeed, cultural sensitivity can positively affect IJV operations and furthermore that investment is still required.

4.3. Hypothesis development

Based on the elaborated prior literature on the theoretical foundations of self-efficacy (Bandura, 1997; 1998) and P-E fit perspective (Searle & Ward, 1990), this section of the paper develops the hypotheses examined in this research. First, hypotheses concerning the effects of self-perceived CCL proficiency, culture sensitivity, and perceived C-CLAD on satisfaction with IJV performance are developed, followed by the establishment of hypotheses regarding the effects of the above-mentioned variables on satisfaction with individuals' own performance. Figure 4.1 displays the conceptual model of this paper with the corresponding hypotheses.

4.3.1. Effects of self-perceived common corporate language ability on satisfaction with performance

Several studies have examined the effects of language proficiency levels. In doing so, Khaleel, Shankar Chelliah and Iftikhar (2016) find that self-perceived CCL proficiency increases job satisfaction, which is known to be a crucial indicator of job performance (Zhang & Zheng, 2009). In this vein, research has further demonstrated that insufficient CCL abilities enhance anxiety (Aichhorn & Puck, 2017), which is said to decrease satisfaction and in turn reduce job performance (Zhang & Zheng, 2009). Possessing high CCL abilities should hence result in increased understanding and higher confidence when interacting in a foreign

language, leading to increased satisfaction and performance. Self-efficacy theory implies that individuals who consider themselves to be able to perform tasks have better task performance than individuals lacking this subjective feeling (Chen, Casper & Cortina, 2001). Drawing on the theory, it is furthermore likely that managers with high self-perceived CCL abilities feel more confident in performing tasks within the IJV, thus leading to higher satisfaction with their own performance in and the performance of the IJV. This argument aligns with Ellen et al., 1991, who find that the perceived self-efficacy of individuals, in the sense of having confidence in operating a new product, indirectly leads to higher performance satisfaction with the respective product. It can be argued that managers with high perceived CCL abilities are better able to perform their tasks in the CCL language within the IJV and therefore are more satisfied with their own and the IJV's performance. Furthermore, Dyk et al. (2008) find that language fluency self-efficacy positively influences organizational commitment and perceived organizational support. Managers who are committed and feel support from their organization are likely to be more satisfied with their jobs, perform better, and hence be more satisfied with the performance of both themselves and the IJV. It is therefore hypothesized that managers with higher self-perceived CCL abilities will feel more satisfied with both the performance of the IJV and their own performance.

Hypothesis 1a. Managers' CCL ability is positively related to satisfaction with the performance of the IJV.

Hypothesis 1b. Managers' CCL ability is positively related to satisfaction with their own performance within the IJV.

4.3.2. Effects of cultural sensitivity on satisfaction with performance

As stated above, several studies have found that in accordance with transaction cost theory, perceived cultural distances have a positive relationship with costs and perceived uncertainty, while they can also decrease trust, commitment, and efficiency in IJVs, resulting in an overall negative influence on IJV performance (Nielsen 2007, Zhan& Chen, 2013; Khalid & Ali, 2017). It is likely that cultural sensitivity can mitigate the above-described negative effects of cultural differences. By definition, culturally sensitive people not only understand the IJV partner's culture and manner of doing business but also actively attempt to understand and manage differences by demonstrating willingness to adapt to differences (LaBahn & Harich, 1997; Khalid & Ali, 2017). Two arguments can be drawn from this premise. On the one hand, IJV managers with high cultural sensitivity are likely to have more empathy for the IJV partner's culture and show understanding for differences in, for example,

business processes, or have less misunderstandings and conflicts with their IJV partners. This could increase managers' satisfaction with the overall performance of the IJV. On the other hand, managers with high cultural sensitivity are likely to deliberately attempt to not only understand the IJV partner's culture but also to manage possible cultural differences. This presumably increases managers' satisfaction with their own performance.

Literature has furthermore argued that cultural differences or distances among individuals can lead to difficulties in integration processes on the macro level, such as post-merger integration (Bauer & Matzler, 2014) and that cultural differences, both on the national and organizational level, can furthermore negatively influence cooperation among IJV partners (Christoffersen, 2013). Cultural differences are furthermore likely to cause agency problems and hinder integration. In addition, cultural differences can trigger perceptions of "us" versus "them," preventing identification within MNCs (Kostova, Nell & Hoenen, 2016), here the IJV. Cultural sensitivity is likely to mitigate the above-listed negative influences. Considered through the P-E-fit perspective, highly culturally sensitive managers are furthermore likely to better overcome cultural differences and thus perceive a better "fit" within the IJV. The overall perceived feeling of fitting into the IJV should lead to higher satisfaction with the performance of the IJV as well as managers' own performance. It is therefore argued that the more highly culturally sensitive managers are, the higher their satisfaction with their own and the IJV's performance is.

Hypothesis 2a. Managers' cultural sensitivity is positively related to satisfaction with the performance of the IJV.

Hypothesis 2b. Managers' cultural sensitivity is positively related to satisfaction with their own performance within the IJV.

4.3.3. Effects of perceived common corporate language ability difference on satisfaction with international joint venture performance

As discussed above, numerous studies have found evidence for the argument that differences in language increase misunderstandings and conflicts (Harzing & Feely ,2008; Harzing & Pudelko, 2014; Harzing, Köster & Magner, 2011). Furthermore, C-CLADs have been found to lead to social categorization and a perception of being in- or excluded (Lauring & Tange, 2010). Kulkarni and Sommer (2015) argue that individuals with lower CCL abilities might not be able to actively participate in communication, negotiations, or decision-making processes. In addition, Klitmøller and Lauring (2013) note that language differences decrease the quality of knowledge sharing, and Sharma, Maheshkar and Chandra (2018) conclude that

differences in language levels can determine the quality of inter-partner communication in IJVs. As such, managers perceiving higher C-CLADs between their own CCL ability levels and those of IJV partners are likely to be unsatisfied with the performance. Through conflicts, misunderstandings, and inefficient communication caused by language gaps between the sides, IJV performance, as well as managers' own performance, will likely fail to meet managers' expectations, which may result in dissatisfaction with the performance. It is therefore hypothesized that managers perceiving wide C-CLADs compared to the CCL proficiency of their IJV partners will be unsatisfied with the performance of both themselves and the IJV.

Hypothesis 3a. Managers' C-CLADs compared to the CCL proficiency of their IJV partner side is negatively related to satisfaction with the performance of the IJV.

Hypothesis 3b. Managers' C-CLADs compared to the CCL proficiency of their IJV partner side is negatively related to satisfaction with their own performance within the IJV.

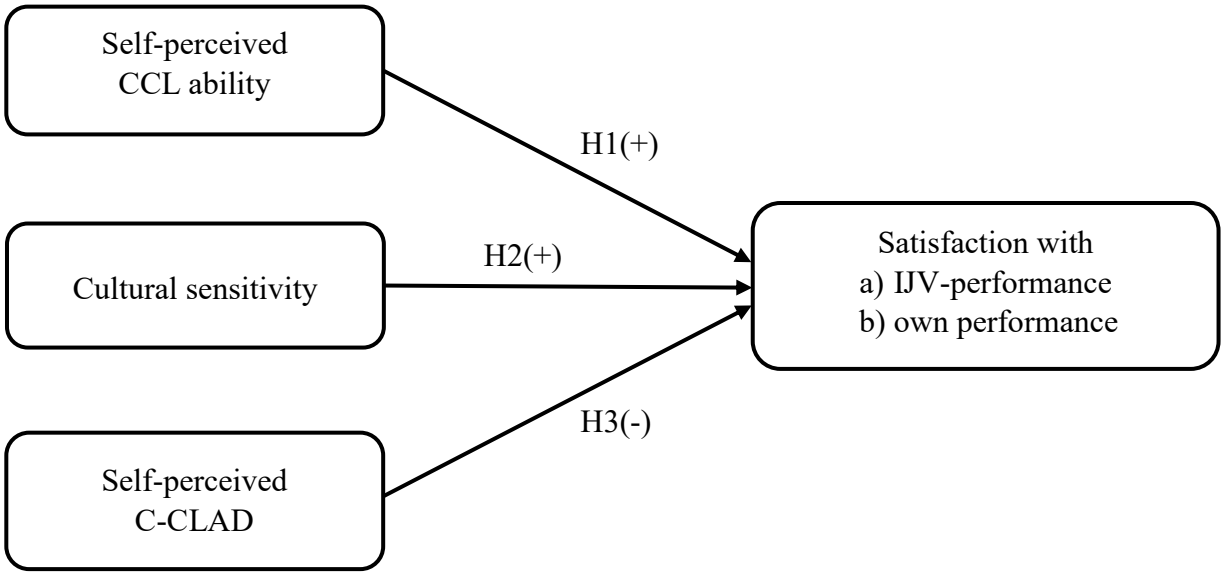

Figure 4.1
Conceptual model and hypotheses

4.4. Method

In this section of the study, both the research setting and the data used to test the hypotheses are presented. To do so, the section begins with a short description of the setting used to gather the data for this study. The data collection process is explained, followed by a presentation of the sample characteristics. Details of the conducted survey are displayed

thereafter, including descriptions of the survey's elements and their measurements, as well as an evaluation of convergent and discriminant validity.

4.4.1. Research setting

A Japanese–European IJV serves as the setting to test the hypotheses of this research. The headquarters of the IJV is located in the United Kingdom, which is a neutral country, as neither of the parent companies are located there. While in terms of legal ownership, the Japanese side owns 51%, the majority, of the IJV, approximately 85% of the IJV's employees are contracted on the European side. The implemented CCL of the IJV is English, a neutral CCL representing the native language of neither of the two parent companies. The setting of this study provides a perfect fit for this research, which explores the effects of self-perceived CCL proficiency, C-CLADs, and cultural sensitivity. Regarding the aspect of CCL, both sides of the IJV represent an interesting scenario, with Europe being a continent with numerous languages spoken in various countries. English proficiency is moderately high among the European countries, while some variation does exist, especially when comparing the west, with relatively high English proficiency, to the east and south, with relatively low proficiency ratings (Harzing & Pudelko, 2013). Japan, on the other hand, is a highly homogeneous country with relatively low English proficiency, even though English is the primary foreign language (Yamao & Sekiguchi, 2015). It has further been demonstrated that the Japanese face higher difficulties and must put in more effort in learning English than people from other developed countries (Tsuneyoshi, 2005; Woodrow, 2006; Peltokorpi, 2017). Regarding the above-mentioned characteristics, the setting provides an ideal scenario to test for the effects of CCL ability and perceived C-CLADs as well as cultural sensitivity.

4.4.2. Data collection and sample characteristics

The data used in this study is derived from 144 managers of the IJV. Data was gathered through an online survey conducted by the author with assistance from the IJV's human resource management. Through the HR management, the survey was mailed to managers who were all regularly involved in contact and communication with the IJV partner side. A link to the survey was officially mailed by the HR management to 300 managers, employed worldwide, within all facilities and several departments of the IJV. After an initial two-week period of data collection, a reminder was sent to the participants, offering an additional week to respond to the survey. After a total of a three-week collection period, during which 158 responses were received, a 53% response rate, the survey was closed. As a few responses

were missing data in some of the questions used in this study, the total sample size was reduced to 144 observations, representing a 48% response rate for this study.

Although initially developed by the author, the survey was slightly adjusted to align with the IJV's privacy regulations, which vary among the IJVs' countries of operation. The final survey used followed the privacy regulations deemed strictest among the countries. For this reason, personal questions (e.g. gender) could not be collected in the survey, and questions regarding the age of the participants or their length of time with their companies were grouped into categories of possible answers (e.g. age=31–35 years; years at company=3–6 years).

Participants' ages at time of survey ranged from 31 to 60 years, 46 to 55 being the average. On average, participants had worked for the company for 11 to 18 years. As the survey was meant to only reach employees on the managerial level, the relatively high average age and years working with the company are justified. Twelve different nationalities are represented among the managers, who are employed across ten countries. Although not common in studies on English proficiency, data from 23 native English speakers is also included. In the entire sample, 70% of the respondents are employed on the European side and 30% on the Japanese side.

4.4.3. Survey design and measures

The survey used to gather the data for this research was developed in accordance with previous studies on CCL proficiency, cultural sensitivity, and performance in international business and IJV studies. An English version of the survey was first created by the author, before being subsequently translated into two additional languages, German and Japanese, the two most common native languages in the IJV. Previous studies argue that providing a survey in only one language might lead to bias in responses (Harzing et al., 2009).

In accordance with a bilingual approach (Yamao & Sekiguchi, 2015), the English survey was first translated into Japanese separately by two Japanese bilinguals before they arrived at a single Japanese translation. A back translation into English was performed thereafter by a third Japanese bilingual, and together with the author, the result was compared with the original English version to ensure that the translations matched. The Japanese version was then reviewed by a fourth Japanese native speaker to ensure that the language in the survey sounded natural and that the content was easily understood. The German translation of the original English survey followed the same approach. The three final versions—English,

Japanese, and German—were sent to the HR management, where employees native to each language examined the survey. After receiving the HR management's approval, the surveys were uploaded to an online survey platform, and an English cover letter that included separate links to the surveys was distributed by HR management. This approach thus avoided bias arising from the language used in the survey documents, since the respondents were given the choice to answer the survey in the language they felt most at ease with. The approach also served as a measure to reduce the possibility of managers choosing not to answer the survey because it was offered in languages they were not comfortable with (Harzing et al., 2009).

4.4.4. Survey items

The survey used in this research asks 22 questions, which are further sorted into four separate groups. It begins with a cover letter greeting participants and explaining specific terminology and the study's purpose. The survey starts by examining self-perceived CCL (here English) abilities as well as the perceived CCL abilities of IJV partners. The second group of questions then examines participants' cultural sensitivity, followed by a third group of questions asking participants about their satisfaction with both their own and the IJV's performance. The fourth group of questions focuses on general information about the participants and their backgrounds. In the following, the construction of each item is explained. The detailed survey questions can be found in Appendix D.

4.4.4.1. Self-perceived common corporate language proficiency

The construct self-perceived CCL (here English) proficiency is measured through an adjusted five-item scale, based on the work of Yamao and Sekiguchi (2015). The average of a five-point Likert scale, where participants must indicate their own English ability in reading, writing, listening, speaking, and communication confidence, is used to measure the constructs. Participants must indicate their CCL ability on a scale ranging from 1 (very low) to 5 (very high), for example, "I rate my English reading ability as…" On average, the English language ability for the entire sample is 4.06, which is relatively high. With a Cronbach's alpha of 0.98, internal consistency for the construct is demonstrated, which also compares to the original scale from Yamao and Sekiguchi (2015).

4.4.4.2. Common corporate language ability differences

The construct C-CLAD is calculated through taking the absolute difference between the participant's self-perceived CCL ability and their rating for the CCL ability of their IJV partner, which was further requested in the survey. Participants must rate their IJV partner's overall CCL abilities on a five-point Likert scale, ranging from 1 (very low) to 5 (very high).

The variable was constructed by the author for the purposes of this study. On average, participants rate the CCL ability of their IJV partners as 3.18, resulting in an average C-CLAD for the entire sample of 1.58.

4.4.4.3. Cultural sensitivity

The construct cultural sensitivity, based on Khalid and Ali (2017) and Johnson et al. (1996), was adjusted to fit this study. As mentioned above, Khalid and Ali (2017) examine antecedents of trust in IJVs and identify cultural sensitivity as one of a set of social antecedents. In their early study on trust building and strategic integration in international cooperative alliances, Johnsen et al. (2002) describe cultural sensitivity as a crucial contributor to partner trust building. Both studies again rely on key-informant data and mention that future studies should examine a wider range of respondents within companies. Furthermore, Khalid and Ali (2017) note that the study's variables (e.g. cultural sensitivity), in addition to other performance implications, should be examined regarding other aspects of IJVs.

In this study, the construct of cultural sensitivity is measured through the average of a four-item scale. Initially, a six-item scale was used to measure the construct; however, factor analysis revealed that in the dataset for this study, two items (Item 2, "I know about the IJV partner's culture," and Item 6, "I appreciate the nature of the IJV partner's decision-making and management techniques") do not load on the same factor and thus were dismissed from the final construct. Although Khalid and Ali (2017) do not provide Cronbach's alpha for their measures, they present composite reliability (0.89) and average variance extracted (AVE; 0.73) for their constructs. With a composite reliability of 0.72 and an AVE of 0.63, the construct in this study lies slightly under their values but still provides adequate measures (the AVE of the other constructs used in this study are presented hereafter). The Cronbach's alpha for cultural sensitivity in this study is, at 0.71, lower than Johnson et al.'s (1996) Cronbach's alpha of 0.91/0.89 (tested for two different groups) but meets the threshold for Cronbach's alpha of 0.70 and higher, indicating internal consistency for the construct. The average of cultural sensitivity for the entire sample is, at 3.99, relatively high.

4.4.4.4. Satisfaction with performance

Despite numerous studies having examined the performance of JVs, no comprehensive performance measure exists (Krishnan, Martin, & Noorderhaven, 2006). In addition, as stated above, evaluations of IJV performance tend to be rather difficult due to various business objectives that are unique to every IJV (Jusoh, Nasir Ibrahim, & Zainuddin,

2008; Ghauri, Cave, & Park, 2013). Therefore, studies often rely on subjective performance evaluations from the viewpoints of managers familiar with both the reasons for the formation of the IJV and its objectives (Krishnan et al., 2006). Satisfaction with both one's own performance and the performance of the IJV are therefore measured through manager satisfaction, using a single-item question. On a five-point Likert scale, participants are asked to state their agreement with statements such as "I am satisfied with the performance of the IJV" and "I am satisfied with my own individual performance." The scale ranges from 1 (fully disagree) to 5 (fully agree). Although single-item measures receive a variety of criticism, some studies argue that satisfaction in particular can be measured though a single-item question thus saving time in completion and increasing face validity (Nagy, 2002). The average satisfaction with the performance of the IJV for the entire sample is 3.21, which is slightly lower than the average satisfaction with one's own performance for the entire sample of 3.64.

4.4.5. Common method variance issues and exploratory factor analysis

Due to the nature of the modified multiple-item constructs used in this study and because the data for this study is gathered through a self-reported survey, the results of this research may be affected by common method variance (Podsakoff, MacKenzie, & Podsakoff, 2012). To minimize any such bias, this study uses a three-step approach. First, to reduce social desirability bias (Krumpal, 0213), HR management informed the participants of their anonymity. The participants were furthermore assured twice, once through mail and a second time through the cover letter for the survey, that gathered data would be confidential and would be used solely for academic purposes. The second step entailed conducting an exploratory factor analysis for the multiple-item variables with Varimax rotation. The included Kaiser-Meyer-Olkin of 0.87 indicates that the size of the sample suits the purpose of analysis. Exploratory factor analysis identifies two factors with eigenvalues exceeding 1; After excluding two outlying items of cultural sensitivity following the first run, the items loaded as expected.

Regarding a single cross-loading instance in the construct of cultural sensitivity, the relevant item (Item 3) still loads slightly higher than 0.4 on the factor of cultural sensitivity, indicating no threat to validity (see Table 4.1). As a final step, the study tests for the convergent and discriminant validity of the constructs. With an AVE of 0.88, convergent validity for CCL ability is supported (Hair et al., 1995). The AVE for cultural sensitivity is with 0.40, slightly below the threshold value of 0.5. As composite reliability is, at 0.72, still

higher than the threshold of 0.60, however, a convergent validity of cultural sensitivity can be supported (Fornell & Larcker, 1981). The square roots of AVE exceed the inter-construct correlations of self-perceived CCL ability and cultural sensitivity, at 0.94 and 0.63, respectively, indicating discriminate validity (Fornell & Larcker, 1981; Henseler, Ringle, & Sarstedt, 2015).

4.4.6. Control variables

As the results of the analysis might be affected by extraneous variables, this study implements five control variables to eliminate their possible effects on the results. First, the study controls for two demographic variables, age and nationality, that could possibly affect both language ability and cultural sensitivity (Donovan & MacIntyre, 2004; Pesch & Bouncken, 2017). For this reason, dummy variables have been generated for each nationality represented in the sample. The study further controls for three work-related variables, parent company, years worked at parent company, and department, since both language ability and cultural sensitivity have been found to likely differ among employees within a company (Barner-Rasmussen & Aarino, 2011; Pesch & Bouncken, 2017). For each department represented in the sample, a dummy variable has been created, and a single dummy-coded variable to control for the parent company of the participants is also included.

Table 4.1
Scale items and EFA with Varimax rotation

	Factor loadings	
	1	2
Self-perceived C-CLAD ability		
1. Reading ability	**.92**	.13
2. Writing ability	**.94**	.18
3. Listening ability	**.94**	.17
4. Speaking ability	**.94**	.17
5. Confidence in communicating in English	**.94**	.19
Cultural sensitivity		
1. I know that business is done differently in our IJV partners' countries	.04	**.50**
3. I try to show willingness to adapt to the IJV partner's way of doing things	.32	**.47**
4. I am aware that the norms for business communication are different in our IJV partners' countries	.20	**.70**
5. I am aware and understand that there are differences in the IJV partner's way to decide on a course of action	.13	**.80**
Eigenvalues	5.20	1.68
Cumulative% of variance	57.79	76.41

N=144; loadings greater than 0.4 are shown in bold

4.5. Results

This section of the research analyses the predictive power of the independent variables on the dependent variables, satisfaction with the performance of the IJV and satisfaction with one's own performance in the IJV. The analysis serves to test support for the above-developed

hypotheses. Regression 1 examines the predictive power of self-perceived CCL ability, perceived C-CLADs, and cultural sensitivity on satisfaction with the performance of the IJV. Regression 2 examines the predictive power of the above-mentioned independent variables on satisfaction with the manager's own performance. The alpha coefficient of the two multiple-item variables, as well as the means and standard deviations and the bivariate correlations of the entire set of variables used in this study, are presented in Table 4.2. The results of Regressions 1 and 2 are summarized in Tables 4.3 and 4.4, respectively. As a high likelihood exists that differences in the direction of perceived C-CLADs, in the sense of having higher or lower CCL abilities than IJV partners, influence managers' perceptions (Vaara et al., 2005; Klitmøller, Schneider & Jonsen, 2015; Aichhorn & Puck, 2017), whether any differences exist between the managers is tested by dividing them into three groups, according to whether they perceive that they possess a) higher, b) lower, or c) equal CCL abilities compared to their IJV partners. Therefore, two additional regressions are run to test the hypotheses of this study separately for the three groups.

Regression 3 presents the results of the divided sample for managers' satisfaction with IJV performance, while Regression 4 presents the results of the divided sample for managers' satisfaction with their own performance. The results for Regressions 3 and 4 are summarized in Tables 4.5 and 4.6, respectively. Of the total 144 respondents, 88 of the managers perceive their CCL abilities to be higher than their IJV partners', 32 perceive it to be lower than their IJV partners', and 24 perceive it to be the same as their IJV partners. For the group of managers with higher CCL abilities, average satisfaction with the IJV's performance is 3.22, and average satisfaction with their own performance is 3.83. Average self-perceived CCL proficiency is 4.58, and average perceived C-CLAD and cultural sensitivity are 1.94 and 4.18, respectively. For the second group of managers, those with lower CCL abilities than their IJV partners, average satisfaction with the IJV's performance is 2.97, and average satisfaction with their own performance is 3.16. Average self-perceived CCL proficiency is 2.66, and average perceived C-CLAD and cultural sensitivity are 1.55 and 3.60, respectively. In the group of managers with equal CCL ability levels, average satisfaction with the IJV's performance is 3.50, and average satisfaction with their own performance is 3.79. Average self-perceived CCL proficiency and cultural sensitivity are 4.03 and 3.80, respectively. As no C-CLADs are found in this group, the variable C-CLAD is dismissed.

Table 4.2
Correlations

	M	SD	α	1	2	3	4	5	6	7	8	9	10	11	12
1. CCL ability	4.08	.99	.98	1											
2. C-CLAD	1.57	.98	-	.16*	1										
3. Cultural sensitivity	3.99	.59	.71	.40**	.12	1									
4. IJV performance satisfaction	3.21	.97	-	.15	-.28**	,17*	1								
5. Own performance satisfaction	3.67	.76	-	.43**	-.10	.38**	.47**	1							
6. Age				-.16	.12	-.07	.01	-.09	1						
7. Years at parent company				-.08	.08	-.01	.06	-.01	.45**	1					
8. Parent company 2 (dummy)[b]				.59**	.15	,38**	.11	.38**	-.20*	.00	1				
9. Engineering (dep. dummy)[c]				-.20*	-.01	-.15	-.06	-.22**	.16	.15	-.09	1			
10. Project mngt. (dep. dummy)[c]				-.16	-.11	-.05	.01	.03	.14	.18*	-.03	-.07	1		
11. Manufact. (dep. dummy)[c]				-.09	.13	-.12	-.17*	-.04	.01	-.10	-.07	-.05	-.04	1	
12. Functions (dep. dummy)[c]				.06	.03	.06	,20*	.14	-.16	-.22*	-.03	-.35**	-.30**	-.21*	1

Note: Additionally, controlled for 19 nationality dummies

4.5.1. Regression of international joint venture performance satisfaction with entire sample (Regression 1)

Model 1 of Regression 1 (Table 4.3) presents the control variables; Nationality and department are also controlled for. The effect of self-perceived CCL ability on satisfaction with the performance of the IJV is tested in Model 2, while the effect of cultural sensitivity on IJV performance is tested in Model 3. In both models, no statistically significant influence is found. Hypotheses 1a and 2a are therefore not supported. Model 4 tests the association of perceived C-CLAD and satisfaction with the performance of the IJV. A statistically significant and negative influence of perceived C-CLAD is found, supporting Hypothesis 3a (C-CLAD: β=–0.29, $p<0.01$). The variance inflation factors (VIFs) for all models are, at 2.39, 1.43, and 1.43, for Models 2, 3, and 4, respectively, much lower than the threshold VIF value of 10 or above, indicating that the data used is free of multicollinearity issues (Hair et al., 1998; Chari & Chang, 2009).

Table 4.3
Regression 1
Dependent variable: Satisfaction with IJV performance

	Model 1		Model 2		Model 3		Model 4		Model 5	
	β	S.E.	β	S.E.	β	S.E.	β	S.E.	β	S.E.
(Constant)	-.73	.48	-.74	.48	-.76	.48	-.76	.47	-.79	.47
Age	.02	.06	.01	.06	.02	.06	.04	.06	.04	.06
Years at parent comp.	.06	.04	.06	.04	.06	.04	.05	.04	.05	.04
Parent comp. dummy	.03	.29	.00	.29	-.03	.29	.03	.28	-.04	.28
CCL ability			.07	.12					.05	.12
Cultural sensitivity					.24	.16			.21	.16
Perceived C-CLAD							-.29	.10**	-.29	.10**

Notes: Additionally controlled for nationality and department, (n = 144),
Model 2, R = 0.436; R^2 = 0.190; Adj. R^2 = 0.058; F = 1.437; p = 0.127
Model 3, R = 0.450; R^2 = 0.202; Adj. R^2 = 0.072; F = 1.550; p = 0.081
Model 4, R = 0.497; R^2 = 0.246; Adj. R^2 = 0.123; F = 1.996; p = 0.013
Model 5, R = 0.511; R^2 = 0.261; Adj. R^2 = 0.125; F = 1.916; p = 0.016

4.5.2. Regression of one's own performance satisfaction with entire sample (Regression 2)

In Model 1 of Regression 2 (Table 4.4), the control variables are presented; Nationality and department are also controlled for. The effect of self-perceived CCL ability on satisfaction with managers' own performance is tested in Model 2 (Table 4.4). Self-perceived CCL ability is found to be statistically significant and positively related to satisfaction with one's own performance, Hypothesis 1b is therefore supported (self-perceived CCL ability: $\beta=0.22$, $p<0.05$). The effect of cultural sensitivity on satisfaction with one's own performance is tested in Model 3. A statistically significant and positive influence is found; Hypothesis 2b is therefore supported ($\beta=0.42$, $p<0.01$). Model 4 tests the association of perceived C-CLAD and satisfaction with one's own performance, and no statistically significant influence is found; Therefore, Hypothesis 3b is not supported. As the VIFs for all models are, at 2.39, 1.43, and 1.43, for Models 2, 3, and 4, respectively, again all much lower than the threshold VIF value of 10 or above, and so multicollinearity is not an issue for the data (Hair et al., 1998; Chari & Chang, 2009).

Table 4.4
Regression 2
Dependent variable: Satisfaction with own performance

	Model 1		Model 2		Model 3		Model 4		Model 5	
	β	S.E.	β	S.E.	β	S.E.	β	S.E.	β	S.E.
(Constant)	-.50	.36	-.53	.35	-.55	.34	-.51	.36	-.58	.34
Age	.01	.05	.01	.04	.02	.04	.02	.05	.02	.04
Years at parent comp.	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03
Parent comp. dummy	.30	.21	.24	.21	.21	.21	.30	.21	.17	.21
CCL ability			.22	.09*					.17	.08
Cultural sensitivity					.42	.12**			.37	.12**
Perceived C-CLAD							-.07	.06	-.07	.07

Notes: Additionally controlled for nationality and department, (n = 144),
Model 2, $R = 0.575$; $R^2 = 0.331$; Adj. $R^2 = 0.221$; $F = 3.019$; $p = 0.000$
Model 3, $R = 0.606$; $R^2 = 0.367$; Adj. $R^2 = 0.264$; $F = 3.543$; $p = 0.000$
Model 4, $R = 0.551$; $R^2 = 0.304$; Adj. $R^2 = 0.189$; $F = 2.661$; $p = 0.001$
Model 5, $R = 0.625$; $R^2 = 0.391$; Adj. $R^2 = 0.279$; $F = 3.488$; $p = 0.000$

4.5.3. Regression of international joint venture performance satisfaction with divided sample (Regression 3)

Regression 3 (Table 4.5) runs the same analysis as Regression 1; However, Hypotheses 1a–3a are tested separately for each of the three groups explained above. Group 1 consists of 88 managers who perceive their CCL abilities as higher than their IJV partners'. The second group consists of 32 managers who perceive their CCL abilities to be lower than

their IJV partners', and finally, Group 3 consists of 24 managers who feel that their own CCL ability levels are equal to their IJV partners.

4.5.3.1. *Managers superior in terms of common corporate language ability*

In the group of managers perceiving their CCL abilities to be higher than the CCL abilities of their IJV partners', Model 1 (Table 4.5) presents the control variables, and nationality and department are also controlled for. In Model 2, the effect of self-perceived CCL ability on satisfaction with the performance of the IJV is tested. No statistically significant relationship is found between the two; Hence, Hypothesis 1a is rejected for those managers with higher CCL abilities. Model 3 tests the association of cultural sensitivity and satisfaction with the IJV's performance. Cultural sensitivity is found to have a statistically significant and positive influence on satisfaction with the performance of the IJV; Hypothesis 2a in the case of managers with higher CCL abilities is therefore supported (cultural sensitivity: $\beta=0.60$, $p<0.05$). In Model 4, the effect of perceived C-CLADs on satisfaction with IJV performance is examined. A statistically significant and negative relationship is found; Hence, Hypothesis 3a is supported for managers with higher CCL abilities (perceived C-CLAD: $\beta=-0.63$, $p<0.01$). With VIFs of 1.43, 1.39, and 1.25, for Models 2, 3, and 4, respectively, no multicollinearity problems exist in the data (Hair et al., 1998; Chari & Chang, 2009).

4.5.3.2. *Managers inferior in terms of common corporate language ability*

In the group of managers who perceive their CCL abilities to be lower than those of their IJV partners, the control variables are presented in Model 1 (Table 4.5). In addition, nationality and department are controlled for. Model 2 tests the association between self-perceived CCL ability and satisfaction with the performance of the IJV. The effects of cultural sensitivity and of perceived ability differences are tested in Models 3 and 4, respectively. For all associations, no significant influence is found. Hence, Hypotheses 1a–3a are not supported for managers perceiving their CCL ability levels to be lower than those of their IJV partners. With VIFs of 1.30, 2.00, and 1.29, for Models 2, 3, and 4, respectively, there are no multicollinearity problems in the data (Hair et al., 1998; Chari & Chang, 2009).

4.5.3.3. *Managers equal in terms of common corporate language ability*

Model 1 (Table 4.5) presents the control variables for the group of managers who rate the CCL abilities of themselves and their IJV partners on the same level. In Model 2, the effect of self-perceived CCL ability on satisfaction with the IJV's performance is tested. It is found that self-perceived CCL proficiency has a statistically significant and positive influence

on satisfaction with the performance of the IJV, thus supporting Hypothesis 1a for managers of equal CCL ability levels (self-perceived CCL proficiency: β=0.65, p<0.05). Model 3 tests the association of cultural sensitivity on satisfaction with IJV performance. No significant relationship is found; Hence, Hypothesis 2a is not supported for managers with equal CCL proficiency. The variable of perceived C-CLADs is dismissed for this group, as the managers perceive themselves to have exactly the same CCL ability levels. As the VIFs are, at 1.77 and 1.97 for Models 2 and 3, respectively, under the threshold value of 10 or higher, multicollinearity problems in the data can be ruled out (Hair et al., 1998; Chari & Chang, 2009).

4.5.4. Regression of one's own performance satisfaction with divided sample (Regression 4)

Regression 4 (Table 4.6) runs the same analysis as Regression 2; This time, however, Hypotheses 1b–3b are tested separately for each of the groups explained above. Again, Group 1 consists of the 88 managers who perceive their CCL abilities as higher than their IJV partners'. Group 2 consists of 32 managers who perceive their CCL abilities as lower than their IJV partners', and the third group consists of 24 managers who feel that both their own CCL ability and that of their IJV partners is on the exact same level.

Table 4.5
Regression 3
Dependent variable: Satisfaction with IJV performance

Grouped C-CLAD		Model1		Model2		Model3		Model4		Model5	
		β	S.E.	β	S.E.	β	S.E.	β	S.E.	β	S.E.
higher CCL than IJV-partner	(Constant)	-1.46	.77	-2.28	1.41	-1.58	.75	-1.55	.71	-1.94	.66*
	Age	.08	.10	.07	.10	.06	.10	.16	.10	.14	.09
	Years at parent comp.	.01	.07	.02	.07	.04	.07	-.01	.06	.02	.06
	Parent comp. (dummy)	.48	.52	.50	.52	.37	.50	.63	.47	.64	.44
	CCL ability			.18	.27					.70	.25*
	Cultural sensitivity					.60	.24*			.50	.24*
	Perceived C-CLAD							-.64	.17**	-.83	.18**
equal CCL levels	(Constant)	-1.14	.88	-3.29	.90**	-1.30	.95	-4.83	2.71	2.90	2.39
	Age	-.01	.10	-.06	.08	.01	.11	-.02	.10	-.03	.06
	Years at parent comp.	.20	.08	.21	.06	.19	.09	.18	.08	.21	.05**
	Parent comp. (dummy)	-.62	.11	-.56	.26	-.48	.44	-.74	.35	.04	.31
	CCL ability			.65	.19**					1.00	.23**
	Cultural sensitivity					-.19	.31			-.60	.21*
lower CCL than IJV-partner	(Constant)	.18	.94	.52	1.46	.18	1.00	.12	.95	.09	1.06
	Age	-.11	.09	-.12	.10	-.11	.10	-.11	.09	-.10	.11
	Years at parent comp.	.12	.05	.12	.06	.12	.05	.13	.05	.13	.06
	Parent comp. (dummy)	.68	1.20	.69	1.22	.68	1.23	.74	1.20	.76	1.26
	CCL ability			-.10	.18					.06	.34
	Cultural sensitivity					.01	.31			.06	.37
	Perceived C-CLAD							.18	.19	.24	.34

Note: Additionally, controlled for nationality and department

4.5.4.1. *Managers superior in terms of common corporate language ability*

Model 1 (Table 4.6) presents the control variables for the group of managers who perceive their CCL ability to be higher than that their IJV partners. Nationality and department are also controlled for. In Model 2, the effect of self-perceived CCL ability on managers' satisfaction with their own performance is examined. No statistically significant relationship is found between the two; Hence, Hypothesis 1b is rejected for the case of managers with higher CCL abilities. Model 3 tests the association between cultural sensitivity and satisfaction with one's own performance. Cultural sensitivity is found to have a statistically significant and positive influence on satisfaction with managers' own performance; Hypothesis 2b for managers with higher CCL abilities is therefore supported (cultural sensitivity: $\beta=0.48$, $p<0.05$). In Model 4, the effect of perceived C-CLADs on satisfaction with one's own performance is examined. No statistically significant effect is found; Hence, Hypothesis 3b is not supported for managers with higher CCL abilities. With VIFs of 1.43, 1.39, and 1.25, for Models 2, 3, and 4, respectively, no multicollinearity problems exist in the data (Hair et al., 1998; Chari & Chang, 2009).

4.5.4.2. *Managers inferior in terms of common corporate language ability*

Model 1 (Table 4.6) presents the control variables for the group of managers perceiving their CCL abilities to be lower than those of their IJV partners. Nationality and department are also controlled for. In Model 2, the association between self-perceived CCL ability and managers' satisfaction with their own performance is tested. A weak statistically significant and positive relation between the two variable is found, providing weak support for Hypothesis 1b for managers rating their CCL ability levels lower than their IJV partners' (self-perceived CCL proficiency: $\beta=0.41$, $p<0.1$). The effect of cultural sensitivity on managers' satisfaction with their own performance is tested in Model 3. A statistically significant and positive influence is found, supporting Hypothesis 2b for this group (cultural sensitivity: $\beta=1.04$, $p<0.01$). The effect of perceived C-CLADs is tested in Model 4. For the association between perceived C-CLADs, no statistically significant influence is found; Hence, Hypothesis 3b is not supported for managers perceiving their CCL ability levels to be lower than that of their IJV partners. With VIFs of 1.30, 2.00, and 1.29, for Models 2, 3, and 4, respectively, no multicollinearity problems exist in the data (Hair et al., 1998; Chari & Chang, 2009).

4.5.4.3. *Managers equal in terms of common corporate language ability*

In Model 1 (Table 4.6), the control variables for the group of managers rating the CCL abilities of themselves and their IJV partners on the same level are presented, and nationality

and department are also controlled for. Model 2 tests the effect of self-perceived CCL ability on managers' satisfaction with their own performance, and the association of cultural sensitivity is tested in Model 3. For both models, no significant relationships are found; Hence, Hypotheses 1b and 2b are not supported for managers with equal CCL proficiency. As the managers in this group all possess the same level of CCL abilities, the variable of perceived C-CLADs is dismissed. Multicollinearity problems for the data can be ruled out, as the VIFs, at 1.77 and 1.97, for Models 2 and 3, respectively, all fall under the threshold value of 10 or higher (Hair et al., 1998; Chari & Chang, 2009).

4.6. Discussion

The quantitative analysis of this study aims to reveal factors affecting managers' satisfaction with both the performance of an IJV and with their own performance within the IJV. The following section discusses the findings of the analysis in more detail to gain a deeper understanding of the topic and to answer the research questions posed above. The results from the analysis, as well as their relationships to the developed hypotheses, are elaborated by considering the existing literature and the above-described theories. Managerial implications are provided, and the limitations of the study are discussed by suggesting directions for future research.

Table 4.6
Regression 4
Dependent variable: Satisfaction with own performance

Grouped C-CLAD		Model1		Model2		Model3		Model4		Model5	
		β	S.E.	β	S.E.	β	S.E.	β	S.E.	β	S.E.
higher CCL than IJV-partners	(Constant)	-.64	.50	-.66	.51	-.74	.48	-.65	.50	-.79	.59
	Age	.04	.07	.04	.07	.03	.06	.05	.07	.04	.07
	Years at parent comp.	-.01	.05	-.01	.05	.01	.04	-.01	.05	.01	.05
	Parent comp. (dummy)	.42	.34	.43	.34	.34	.32	.44	.34	.37	.33
	CCL ability			.05	.17					.11	.18
	Cultural sensitivity					.48	.17**			.47	.18*
	Perceived C-CLAD							-.09	.12	-.10	.13
equal CCL levels	(Constant)	-.75	.68	-.53	.66	-.70	.74	-1.73	2.26	1.24	3.35
	Age	.02	.08	-.01	.08	.01	.09	.02	.08	.00	.09
	Years at parent comp.	.08	.07	.09	.06	.09	.07	.08	.07	.10	.07
	Parent comp. (dummy)	-.02	.27	.01	.26	-.06	.34	-.05	.29	.17	.43
	CCL ability			.29	.20					.42	.32
	Cultural sensitivity					.05	.24			-.13	.30
lower CCL than IJV-partners	(Constant)	-.90	1.23	-.65	1.16	-1.74	1.06	-.80	1.21	-1.55	1.14
	Age	-.02	.12	.01	.12	.12	.11	-.03	.12	.11	.12
	Years at parent comp.	.09	.07	.06	.07	.07	.06	.07	.07	.06	.06
	Parent comp. (dummy)	.06	1.56	-.01	1.47	.20	1.30	-.05	1.54	.15	1.35
	CCL ability			.41	.22*					.15	.36
	Cultural sensitivity					1.04	.33**			.92	.39*
	Perceived C-CLAD							-.31	.25	-.02	.36

Note: Additionally, controlled for nationality and department

4.6.1. Theoretical contributions

This study links self-perceived CCL ability, cultural sensitivity, and perceived C-CLADs to IJV managers' satisfaction with both the performance of the IJV and with their own performance in the IJV. When examining the developed hypotheses regarding satisfaction with IJV performance for the entire sample, only one of the hypotheses is supported; Perceived C-CLAD is negatively related to satisfaction with the performance of the IJV. Regarding the hypotheses for satisfaction with one's own performance, two of the three are supported; CCL ability and cultural sensitivity both positively affect satisfaction with one's own performance, while no evidence is found for the effects of perceived C-CLADs. When more closely examining the effects of CCL ability, cultural sensitivity, and C-CLADs on satisfaction with the performance of the IJV by dividing the sample into managers who perceive their own CCL abilities to be higher, lower, or equal to those of their IJV partners, the results differ. In the divided sample, cultural sensitivity has a positive effect, and C-CLAD has a negative effect, on satisfaction with IJV performance for managers with CCL abilities higher than their partners'. For managers on equal CCL ability levels, CCL ability is positively related to IJV performance satisfaction, while there no evidence is found for any of the relationships in the group of managers with lower CCL ability levels. Furthermore, when more closely examining the effects on satisfaction with one's own performance within the IJV by dividing the sample in the same way, cultural sensitivity is found to positively influence satisfaction with one's own performance for both managers with higher and lower CCL ability levels. Furthermore, CCL ability is found to weakly increase satisfaction with one's own performance for managers with CCL abilities lower than their partners'. No evidence is found for any of the relationships regarding the group of managers with equal CCL ability levels.

First, the findings contribute to international business research by demonstrating that, at least in one Japanese–European IJV, perceived C-CLADs reduce managers' satisfaction with IJV performance. This is a critical finding, since it is likely that the managers' satisfaction with IJV performance is similar to the actual performance of the IJV (Yan & Gray, 1994; Larimo, Le Nguyen & Ali, 2016). It is further demonstrated that regarding satisfaction with one's own performance, CCL ability and cultural sensitivity exert a positive influence. As satisfaction is found to positively influence mutual learning, organizational achievements, and outputs, as well as to reduce voluntary turnover (Brown, 1996; Tett & Meyer, 1993), these findings are critical.

This study furthermore contributes to the literature by examining perceived C-CLADs by categorizing them into either higher or lower CCL abilities compared to IJV partners. Herein, regarding managers' IJV performance satisfaction, the satisfaction of managers with higher CCL abilities is increased with higher cultural sensitivity, while it is decreased with higher perceived C-CLADs. For managers with equal CCL ability levels, satisfaction increases with higher CCL abilities. In this group, the average CCL ability is, at 4.03, already rather high; It ranges, however, from 2.2 to 5. If there are no C-CLADs, the CCL ability levels of the IJV partners rise equally, misunderstandings are likely to decrease, and the quality of interactions is likely to increase, which is reflected in higher satisfaction with the performance of the IJV. The above findings align with prior research. As the literature has demonstrated that wide proficiency differences may lead to misunderstandings and conflict and hinder knowledge flow (Harzing, Köster & Magner, 2011; Klitmøller & Lauring, 2013), managers perceive that the IJV suffers due to C-CLADS and thus cannot reach its target goals. The performance of the IJV does not meet the managers' expectations, resulting in low performance satisfaction. Furthermore, the literature has demonstrated that individuals with higher CCL proficiency tend to associate other, lower CCL ability managers with lower competence in general (Kulkarni & Sommer, 2015). If managers perceive their IJV partners' overall competence as low, they are likely to be unsatisfied with the IJV's performance. It is interesting that no such relationship is found for managers who perceive their CCL ability levels to be lower than their partners'. This may be explained by the managers either possessing lower expectations of IJV performance from the beginning or attributing higher competence in general to their IJV partners with higher CCL abilities, leading them to believe that, due to their overall highly competent partners, the IJV is performing well.

Second, the findings of this study demonstrate that regarding satisfaction with the IJV's performance, in the group of managers with equal CCL levels and no perceived C-CLADs, higher CCL ability is found to increase satisfaction with the IJV's performance. Considering that no evidence for this relationship is found for the other two groups, it can be argued that managers' own CCL abilities do not affect the satisfaction with IJV performance when C-CLADs exist between the IJV partners. If managers are highly proficient in the CCL but their communication partners are not, or vice versa, increased misunderstandings and conflicts and a lower knowledge flow may result (Harzing, Köster & Magner, 2011; Klitmøller & Lauring, 2013); Hence, the managers will be unsatisfied with inter-IJV operations and will believe that the IJV is not meeting expectations. This leads to less

satisfaction with the performance, regardless of the level of the managers' personal CCL ability.

Third, the findings suggest that high cultural sensitivity increases managers' IJV performance satisfaction. If managers have higher CCL abilities than their IJV partner side, higher cultural sensitivity can increase satisfaction with the IJV's performance. As culturally sensitive individuals understand their IJV partners' cultures, both national and organizational, and are willing to adapt to them, managers are more open to different practices and outcomes and likely possess different expectations regarding IJV performance. Along these lines, research has demonstrated that cultural sensitivity reduces conflicts and misunderstandings (LaBahn & Harich, 1997; Voss et al., 2006; Skarmeas et al., 2002) and positively influences trust (Boersma et al., 2003; Khalid & Ali, 2017), commitment (Lohtia et al., 2005; Skarmeas et al., 2002), information exchange (Nguyen & Nguyen, 2014), and overall business relationships (Shapiro, Ozanne & Saatcioglu, 2008). Thus, more culturally sensitive managers feel that the IJV performs better, leading to higher performance satisfaction. In addition, it can be argued, on the tenets of P-E fit, that managers with high cultural sensitivity simply perceive a better fit within the IJV, increasing their satisfaction with the performance.

Fourth, this study further contributes to the existing literature by showing that, regarding managers' satisfaction with their own performance, no evidence is found that perceived C-CLADs influence managers' satisfaction with their own performance. This may be because managers evaluate only their own individual performance, disregarding the performance of others; Hence, ability differences between managers and their IJV partner side simply do not affect satisfaction. If managers believe that they are performing well, they should be satisfied with their own performance, disregarding any other individuals from the IJV partner side.

Fifth, this research demonstrates that higher cultural sensitivity increases satisfaction with one's own performance both for managers with higher CCL abilities than their IJV partners and for managers with lower CCL abilities than their partners. More culturally sensitive individuals are more satisfied with their own performance within the IJV. Based on the characteristics of culturally sensitive individuals, it can be argued that, on the one hand managers with high cultural sensitivity put more effort into both understanding the IJV partner's culture and managing possible cultural differences between the partners. This should increase managers' satisfaction with their own performance, because they put effort into making the IJV "work" despite the cultural differences. On the other hand, also regarding

managers' satisfaction with their own performance, culturally sensitive managers may possess a better IJV fit in general, feel more integrated in and committed to the IJV (Kostova, Nell & Hoenen, 2016), and are more satisfied with their situations, which is reflected in higher satisfaction with their own performance.

Sixth, the findings of this study demonstrate that, regarding satisfaction with one's own performance within the IJV, managers with lower CCL ability levels than their partners are more satisfied with their own performance as perceptions of their CCL abilities increase. This can be explained through self-efficacy. Managers with high self-perceived CCL abilities who are included in the pool of managers with relatively low CCL abilities believe that they can achieve more and thus feel more confident in performing tasks within the IJV, increasing their satisfaction with their own performance (Chen, Casper & Cortina, 2001). Dyk et al. (2008) demonstrate that language fluency self-efficacy positively relates to organizational commitment. Managers with higher CCL abilities might be more committed to the IJV, exerting more effort and thus being more satisfied with their performance. An explanation for the lack of evidence for this relationship in the groups of managers with higher or equal CCL abilities compared to their IJV partners might be that higher CCL ability does not necessarily indicate higher self-efficacy, since in the group with high average CCL proficiency in particular, the managers are likely to perceive their high CCL to be average, which thus does not lead to a connection between higher CCL ability and satisfaction with one's own performance.

4.6.2. Managerial contributions

The findings elaborated above also indicate several managerial implications. First, the importance of close CCL proficiency levels is highlighted by the negative influence of perceived C-CLADs on satisfaction with the performance of the IJV. Although C-CLADs are not found to influence satisfaction with one's own performance, decreased satisfaction with the IJV's performance is likely to mirror either the actual performance of the IJV or the IJV's being unable to meet the expectations in terms of manager performance (Yan & Gray, 1994; Larimo, Le Nguyen & Ali, 2016). As perceived C-CLADs decrease satisfaction with IJV performance, this may also lower mutual learning and increase voluntary turnover (Brown, 1996; Tett & Meyer, 1993). Managers of organizations with high C-CLADs should encourage practices that improve the CCL proficiency of employees through, for example, offering workshops and language training (Yamao & Sekiguchi, 2015; Peltokorpi & Yamao; 2017). This is particularly crucial since high CCL ability is found to positively increase satisfaction

with managers' own performance if they possess lower CCL abilities than their IJV partners. It is also found that CCL ability increases satisfaction with the IJV's performance by managers with equal CCL proficiency levels. Managers should not only encourage practices promoting CCL proficiency but also match managers' CCL abilities through language-sensitive recruiting or IJV policies to reduce perceived C-CLADs between the communicating managers (Peltokorpi & Vaara, 2014).

Second, the findings of this research demonstrate that, in general, higher cultural sensitivity increases satisfaction with IJV performance for managers with higher CCL ability levels, as well as increasing satisfaction with one's own performance for managers with both higher and lower CCL ability levels. Since increasing cultural sensitivity can also lead to better understanding among partners, as well as better negotiations (Shapiro, Ozanne & Saatcioglu, 2008), managers in international corporations with high amounts of cultural diversity should be encouraged to participate in practices that increase managers' cultural sensitivity, such as intercultural training, frequent inter-partner informal contacts, or open discussions (Johnson et al., 1996; Shapiro, Ozanne & Saatcioglu, 2008; Khalid & Ali, 2017). Managers may furthermore include cultural sensitivity in their recruiting criteria to increase the overall cultural sensitivity of employees (Shapiro, Ozanne & Saatcioglu, 2008). As different language skills and cultural differences are not influencing factors only in IJVs, MNCs in general are likely to benefit from the above-presented suggestions and may be able to improve satisfaction with organizational performance as well as employee satisfaction with their own performance.

4.6.3. Limitations and future research directions

Despite careful preparation and the production of several useful findings, this research has certain limitations and shortcomings. First, due to time constraints, the sample in this research comprises a relatively small population. Moreover, the size of the sample was subsequently decreased when it was further divided into three groups for an in-depth analysis of the results. Small sample size can affect significant relationships between variables, and thus future research is needed to confirm the findings using a much larger sample. Also, survey data from managers of a single Japanese–European IJV is used to test the hypotheses of this research; The author has argued that the setting used provides an ideal context for this study. Nevertheless, research has identified significant differences in CCL proficiency (here English) between Japan and Europe and between the European countries themselves (Tsuneyoshi, 2005; Peltokorpi, 2007). Therefore, the findings of this study are likely to be

company and setting specific, thus limiting their generalizability. The author believes that studies in other IJVs or international business forms with high cultural diversity and variation among employee CCL proficiency levels will provide comparable results. Future research may need to confirm the findings using various other settings and contexts.

Second, as this study relies solely on cross-sectional data, it might be interesting to examine how managers' satisfaction with both their own and the IJV's performance evolves over time or how increasing CCL ability or cultural sensitivity over time influences this relationship. An additional limitation is that the data was gathered through cooperation with the HR management; Hence, the results might be exposed to a bias over which the author has no influence. Future studies should examine the results using data from a more random sample to verify the reliability and validity of the findings.

4.7. Conclusion

This study empirically examines the factors influencing employees at the managerial level and their satisfaction with both the performance of the IJV in which they work and their own performance within the IJV. The focus is on managers involved in communication, negotiations, and decision-making with the IJV partner side. Based on data collected through an online survey conducted by the author, this research first examines whether self-perceived CCL proficiency (here English), cultural sensitivity, and perceived C-CLADs influence on managers' satisfaction with the performance of the IJV. Linear regression analysis has revealed that in the case of this IJV, although managers' self-perceived CCL proficiency and cultural sensitivity was found to exert no influence in general, perceived C-CLADs, in general, decrease satisfaction with the IJV's performance. Through an in-depth analysis of perceived C-CLADs, cultural sensitivity is further found to increase satisfaction with the IJV's performance, while perceived C-CLAD is found to decrease satisfaction with the IJV's performance for managers who perceive their CCL abilities to be higher than their IJV partners'. This relationship is not found for managers with lower CCL abilities than their IJV partners. For managers with equal CCL ability levels, self-perceived CCL ability is found to increase satisfaction with IJV performance, while no evidence exists for this relationship for managers who perceive that C-CLADs exist between themselves and their partners.

Second, this study examines whether the above-mentioned variables influence managers' satisfaction with their own performance within the IJV. A second linear regression reveals that, in general, both self-perceived CCL ability and cultural sensitivity increase managers' satisfaction with their own performance, while no evidence is found for a

significant relationship between perceived C-CLADs and managers' satisfaction with their own performance. Similar to the first regression, a deeper examination of perceived C-CLADs furthermore reveals that cultural sensitivity increases satisfaction with one's own performance for managers perceiving their CCL abilities to be higher or lower than their IJV partners'. No evidence is found for perceived C-CLAD influence on satisfaction with one's own performance for any of the groups, while self-perceived CCL proficiency is found to increase satisfaction with one's own performance for managers who regard that their IJV partners possess higher CCL abilities than themselves.

In summary, although language has gained popularity internationally and has recently become an important topic in academic research, most studies still examine differences in language, such as whether or not a shared language exists, or linguistic distance, such as whether languages share the same roots (Ambos & Ambos, 2009; Selmier & Oh, 2013; Schomaker & Zaheer, 2014). The purpose of this study is to examine how an individual's self-perceived CCL proficiency, cultural sensitivity, and perceived C-CLADs influence satisfaction with performance in and of an IJV. It both underlines the importance of self-perceived CCL ability and perceived C-CLADs and outlines how cultural sensitivity can be used to improve satisfaction with both one's own and the IJV's performance.

Chapter 5
Conclusion

5.1. Summary of the thesis

This thesis explores the effect of language and culture on different aspects within IJVs to answer the thesis' six research questions. Based on prior literature, media theories, and equity and social exchange theory, as well as "voice effect," self-efficacy, and P-E fit perspective, this dissertation empirically examines and validates the influencing factors of 1) the inter-partner communication satisfaction of employees in an IJV and whether the level of satisfaction differs regarding self-perceived CCL abilities, perceived C-CLADs, frequency of communication, and choice of communication media; 2) procedural justice in the decision-making process in an IJV and whether the level of fairness differs regarding perceived C-CLADs and frequency of communication; and 3) factors influencing employees at the managerial level and their satisfaction with both the performance of the IJV in which they work and their own performance within the IJV. The focus is placed on managers involved in communication, negotiations, and decision-making between the IJV partner sides.

Using data from an online survey conducted for this thesis by the author, the thesis first examines whether self-perceived CCL proficiency (here English) and frequency of communication influence communication satisfaction. Through linear regression analysis, it is revealed that in the examined case of one Japanese–European IJV, managers' self-perceived CCL abilities per se exert no statistically significant influence on communication satisfaction; However, the influence of the communication frequency of all four media types examined (email, telephone, video and Skype, and face to face) is found to statistically significant and positively influence satisfaction regarding inter-partner communication. The thesis furthermore examines whether communication frequency has a moderating effect between self-perceived CCL ability and communication satisfaction. Managers with high self-perceived levels of CCL proficiency are found to be more satisfied with communication when it occurs frequently via email. To increase the understanding of both CCL proficiency and perceived differences within it, whether perceived C-CLAD influences communication satisfaction and whether communication frequency has a moderating effect on this relationship are also examined. The examination reveals that a statistically significant, negative influence of perceived C-CLADs is exerted on communication satisfaction and furthermore that the communication satisfaction of managers who perceive relatively wide C-CLADs can be increased through frequent communication via email, video and Skype, and face-to-face encounters.

Second, this thesis examines whether IJV managers' perceived C-CLADs and frequency of communication influence procedural justice in the decision-making process. Through a linear regression analysis, managers' perceived C-CLAD is revealed to generally negatively influence procedural justice, while communication frequency is generally found to increase procedural justice. Through more closely examining perceived C-CLADs by separating the sample into three groups of managers with a) higher CCL abilities than their IJV partners, b) lower CCL abilities than their partners, or c) equal CCL abilities as their partners, it is further revealed that C-CLADs and communication frequency are critical to managers with higher CCL abilities, while no evidence is found of an influence on perceptions of procedural justice of managers with lower CCL abilities. The thesis furthermore examines how communication frequency moderates the relationship between C-CLADs and procedural justice and finds that managers with high perceived C-CLADs generally consider the decision-making process as fairer when frequent communication occurs. Dividing the sample into groups according to the different perceptions of C-CLADs further reveals that for

managers with higher CCL abilities than their partners, communication frequency has no effect on the relationship between perceived C-CLADs and procedural justice. Managers with lower CCL ability than their IJV partners, however, feel that the decision-making process is fairer when communication frequency increases.

Third, this thesis examines whether managers' satisfaction with both the performance of the IJV and their own performance is influenced by self-perceived CCL proficiency, cultural sensitivity, and perceived C-CLADs. Through a linear regression analysis, it is revealed that, despite no influence on satisfaction levels by managers' self-perceived CCL proficiency and cultural sensitivity being found in general, C-CLADs negatively influence satisfaction with the IJV's performance. After dividing the sample into three groups depending on whether the managers have higher, lower, or equal CCL abilities compared to their IJV partners, it is furthermore revealed that cultural sensitivity increases satisfaction with the IJV's performance, while it is decreased by perceived C-CLADs for managers with higher CCL abilities. No evidence for this effect is identified in the group of managers with lower CCL abilities than their partners. For managers with equal CCL levels, self-perceived CCL ability is revealed to positively influence satisfaction with the IJV's performance, while no evidence of this relationship is found for managers perceiving C-CLADs.

5.2. Contributions and implications of the thesis

The findings of this thesis can be used to provide several theoretical and managerial implications. First, the findings contribute to literature on communication in international business and IJV research by demonstrating that perceived C-CLADs among IJV partners negatively influence inter-partner communication satisfaction. If managers are highly proficient in the CCL but their IJV counter-communication partners are not, or vice versa, they will be unsatisfied with the communication. Higher C-CLADs are likely to cause misunderstandings and conflicts and further can hinder knowledge transfer (Harzing, Köster & Magner, 2011; Klitmøller & Lauring, 2013). The findings furthermore contribute to the literature by demonstrating that frequent email communication has a weak moderating effect between self-perceived CCL abilities and satisfaction with communication. In the interplay with email communication frequency, it is demonstrated that individuals with relatively high CCL abilities are more satisfied with communication if they frequently communicate through email. This may be because for managers with higher CCL abilities, email communication is relatively quick and direct, saving individual time (Klitmøller & Lauring, 2013). Furthermore, the findings of this thesis contribute to the literature by demonstrating that email, face-to-face,

and video and Skype communication frequencies positively moderate the negative relationship between C-CLADs and communication satisfaction, hence increasing managers' satisfaction with communication.

Based on the above-displayed findings, this research suggests that media richness theory and media synchronicity theory be adjusted to multilingual environments such as IJVs, at least when focusing on communication satisfaction. In line with Klitmøller and Lauring (2013), this thesis argues that the richest communication media are not always the most suitable in multilingual and geographically dispersed contexts. In this study, the lean communication medium email appears most effective in reducing the negative influences of C-CLADs on communication satisfaction. This aligns with Tenzer and Pudelko (2016), who suggest that media that allow for rehearsability and reprocessability are the most suitable in a multilingual setting. Furthermore, this thesis finds that, at least in the case of the examined IJV, face-to-face communication and video and Skype communication enhance the communication satisfaction of managers who perceive higher C-CLADs. Therefore, media richness theory and media synchronicity theory should be adjusted, in the sense that in multilingual environments where significant differences in CCL abilities are present, frequent email communication is most suitable for improving communication satisfaction, followed by frequent face-to-face encounters and video and Skype communication.

Second, the findings contribute to the literature on procedural justice in international business and IJV research by demonstrating that perceived C-CLADs between partners, at least in the studied Japanese–European IJV, negatively influence procedural justice in the decision-making process. Managers experiencing high C-CLADs consider the decision-making process unfair. An additional contribution to the literature along these lines is the finding that the found effects of C-CLADs, communication frequency, and their interaction on procedural justice differ considering when managers possess higher, lower, or equal CCL abilities compared to their IJV partner side. For managers perceiving their own CCL abilities to be better than their partners', an increase in perceived C-CLAD leads to a decrease of procedural justice, while managers who place themselves below their IJV partners in terms of CCL abilities do not share this perception. Also, this thesis contributes to the literature by demonstrating that increasing the frequency of communication results in higher procedural justice in the decision-making process in multilingual and geographically dispersed IJVs. In this line, this thesis furthermore contributes to the literature by demonstrating that managers with higher CCL levels than their IJV partners perceive the decision-making process as fairer

if communication frequency increases. No such relationship is found for managers with lower or equal CCL levels. Still, these findings contribute to the literature by demonstrating that perceived unfairness in the decision-making process caused by high perceived C-CLADs can be reduced by increasing communication frequency. It is further demonstrated that the findings differ when the sample is divided into three groups according to managers' C-CLAD perceptions. For managers with higher CCL abilities, communication frequency cannot reduce the negative effects of C-CLADs on procedural justice. Furthermore, for the small group of managers who perceive very high C-CLADs and possess lower self-perceived CCL abilities, communication frequency increases procedural justice in the decision-making process.

Third, the findings contribute to the literature on satisfaction with performance in international business and IJV research by demonstrating that perceived C-CLADs reduce managers' satisfaction with IJV performance, while CCL ability and cultural sensitivity increase satisfaction with one's own performance. The findings furthermore contribute to the literature by demonstrating that the satisfaction of managers with higher CCL abilities is increased with higher cultural sensitivity, while it is decreased with higher perceived C-CLADs. For managers with equal CCL levels, satisfaction increases as levels of CCL proficiency increase. The findings of this thesis also contribute to the literature by demonstrating that higher CCL abilities are found to increase satisfaction with the IJV's performance for managers perceiving no C-CLADs in communication with their IJV partners and by demonstrating that cultural sensitivity increases managers' satisfaction with IJV performance. This is true for managers with both higher and lower CCL abilities than their IJV partners. An additional contribution is the finding that managers with lower CCL abilities than their IJV partners are more satisfied with their own performance when they perceive their own CCL abilities as higher.

Fourth, this thesis contributes to international business and IJV research by examining the individually perceived C-CLADs of managers between themselves and their IJV counter-manager communication partners. As previous literature primarily measures language differences on the macro level (Ambos & Ambos, 2009; Selmier & Oh, 2013; Schomaker & Zaheer, 2014) or on the micro level (Harzing & Pudelko, 2014; Lauring & Selmer, 2012; Aichhorn & Puck, 2017; Klitmøller, Schneider & Jonsen, 2015). This thesis furthermore contributes to the literature not only by examining perceived C-CLADs per se but by dividing

the differences according to the directions of perceived C-CLADs, in the sense of managers possessing higher, lower, or the same CCL abilities compared to their IJV partners.

The findings discussed above can be used to provide four managerial implications. First, the importance of CCL ability and similar CCL proficiency levels is highlighted by the positive influence of CCL ability on satisfaction with one's own performance within IJVs and through the negative influences of perceived C-CLADs on managers' communication satisfaction, procedural justice in decision-making, and satisfaction with the performance of the IJV. Managers of not only IJVs but also of multilingual organizations in general should therefore encourage practices to improve the CCL proficiency of employees, particularly managers, for example, through offering language trainings and joint workshops (Yamao & Sekiguchi, 2015; Peltokorpi & Yamao; 2017). This is critical since high CCL ability is found to positively increase satisfaction with managers' own performance if they possess lower CCL levels than their IJV partners. CCL ability is also found to increase satisfaction with IJV performance for managers with equal CCL proficiency levels. Furthermore, language-sensitive recruiting or IJV policies to match managers according to their CCL proficiency levels should be implemented (Peltokorpi & Vaara, 2014).

Second, the findings of this paper demonstrate that, in general, increasing communication results in higher inter-partner communication satisfaction and higher perceptions of procedural justice in the decision-making process of multilingual and geographically dispersed organizations. Here, managers should encourage frequent communication with partners. Frequent communication mitigates the effects of a perceived lack of communication, reduces the frequency of misunderstandings and conflicts, strengthens partner relationships, and improves inter-partner communication satisfaction (Avtgis, 2000; Lauring & Klitmøller, 2015). Furthermore, frequent communication can serve as a tool to express voice.

Third, the interactions of perceived ability differences and communication frequency tested in Chapter 2 demonstrate that low satisfaction with communication caused by high perceived C-CLADs can be reduced by increasing the frequency of email, face-to-face, and video and Skype communication. Managers can facilitate this positive effect by developing policies regarding the choice of media. In cases where significant C-CLADs are observed, communication through email, video and Skype, and, if possible, face-to-face encounters should be promoted, while managers should be discouraged from increasing communication via phone calls.

Fourth, the findings of this thesis demonstrate that higher cultural sensitivity increases satisfaction with IJV performance for managers with high CCL ability levels, as well as satisfaction with their own performance for managers with both higher and lower CCL ability levels. Managers in international corporations that demonstrate large amounts of cultural diversity should be encouraged to participate in seminars that stimulate managers' cultural sensitivity, such as intercultural trainings or frequent inter-partner informal contacts (Johnson et al., 1996; Shapiro, Ozanne & Saatcioglu, 2008; Khalid & Ali, 2017). Managers furthermore might include cultural sensitivity in their recruiting criteria to increase the pool of managers with higher overall cultural sensitivity (Shapiro, Ozanne & Saatcioglu, 2008). As linguistic diversity, differences in CCL abilities, and culture are influencing factors not only in IJVs, other forms of international businesses might also profit from implementing the above-presented suggestions to improve satisfaction with communication, satisfaction with organizational performance, employee satisfaction with their own performance, and procedural justice in the decision-making process.

5.3. Research limitations and areas for future research

Although this thesis was carefully prepared, it is not without limitations or shortcomings. First, due to time limits, this research was conducted with a relatively small population. The sample size was further decreased when conducting the analysis separately for the above-mentioned three groups, which may have influenced the significance of some relationships. Future research should test the hypotheses in a larger population to determine whether the significances of the findings hold. Also, the hypotheses of this paper are tested using survey data from individuals at the managerial level of a single Japanese–European IJV. The author argues, however, that the setting used provides an ideal context for the analysis of this thesis. Also, previous research has discovered that differences in CCL proficiency (here English) between Japan and Europe and between European countries themselves vary widely (Tsuneyoshi, 2005; Peltokorpi, 2007). The findings of this dissertation might be setting and company specific and therefore might be limited in terms of generalizability. Although it is expected that corresponding results will be discovered in other international business contexts in which high variation among employees' CCL ability levels is present, future research is needed to confirm the findings of this thesis in other settings. Furthermore, since the data used in this paper was gathered in cooperation with the HR department, bias may exist in the results that the author cannot influence. Future studies should test results using a more random sample of participants to determine whether significantly different findings occur.

Second, the data used in this thesis is solely cross-sectional. The found relationships in this thesis are assumptions, based on statistical data analysis, the established models and supported by theories and prior literature. However, as the majority of variables in this thesis is based on the managers' perceptions, the use of cross-sectional does not illuminate the content of the found relationships. To fully understand the managers' perceptions and to confirm the found relationships, qualitatively future research (e.g. through in-depth analysis by interviews, observations, and case studies) is needed. In this line, it might also be interesting to examine how managers' satisfaction with communication, their own performance, and the performance of the IJV changes over time, or how increases in CCL skills or cultural sensitivity over time influence satisfaction and procedural justice in the decision-making process.

Third, the dependent variables examined in this thesis, communication satisfaction, procedural justice in the decision-making process, and satisfaction with managers' own and the IJV's performance are all derived from the same questionnaire and therefore might be biased. Also, the dependent variables might be influenced by a series of other variables as well (Downs & Hazen, 1997), which should be examined in future studies. In addition, although the dependent variables in this thesis are based on prior measurements, they have nevertheless been adjusted by the author to provide a better fit for the studies. Using different measures for communication and performance satisfaction in particular might lead to slightly different results, which would offer opportunities for future research on this subject.

Fourth, this thesis only partially accounts for cultural influences. Although recent language studies have argued and proven that language should be treated as an independent factor in international business studies, to what extent differences in language proficiency are independent from cultural differences remains questionable (Piekkari, 2006). Furthermore, it would be interesting to explore in what sense cultural sensitivity influences relationships of CCL and communication satisfaction as well as of CCL and procedural justice in the decision-making process. These limitations may open paths for future research.

Fifth, this thesis adopts a "three viewpoints" approach and separately examines the influence of CCL ability and C-CLADs on communication satisfaction, procedural justice in the decision-making process, and satisfaction with both IJV performance and managers' own performance within the IJV. Although it as argued that the "three viewpoints" approach was chosen to individually emphasize the importance of CCL ability and C-CLADs for each relationship, consistency between the dependent variables used in the studies may exist. As

previously stated, communication is essential for the success of IJVs (Yan & Luo, 2016), and therefore satisfaction with communication is likely to be reflected in IJV performance satisfaction. Also, Colquitt et al. (2013), among others, demonstrate a positive relationship between procedural justice and performance, while Kanfer et al. (1987) find a negative relationship. Future research should address consistency between the dependent variables. Simultaneously examining all variables in a single study could provide an even deeper understanding of this thesis' findings and possibly add interesting insights.

This dissertation notes the importance of CCL ability, C-CLADs, and cultural sensitivity in multilingual organizations and thus contributes to a better understanding of IJV inter-partner communication satisfaction, procedural justice in the decision-making process, and performance satisfaction.

5.4. General conclusion

Although the importance of language in international business has recently been a key topic in academic research, most of the research examines language in terms of differences per se or in terms of linguistic distance (Ambos & Ambos, 2009; Selmier & Oh, 2013; Schomaker & Zaheer, 2014). Furthermore, little research examines the effects of language, here CCL, in the context of IJVs. The purpose of this study is to examine how individuals' self-perceived CCL proficiency, communication frequency and media, cultural sensitivity, and C-CLADs influence satisfaction with inter-partner communication, procedural justice in the IJV decision-making process, and satisfaction with both managers' own performance and the IJV's performance. This thesis demonstrates both the importance of CCL ability, perceived C-CLADs, and cultural sensitivity for the above-mentioned processes and how the frequency of communication and the use of different media can improve communication satisfaction and procedural justice in IJVs. Finally, this thesis suggests that IJV managers perceiving fewer C-CLADs are more satisfied with inter-partner communication and perceive the decision-making process as fairer. It further suggests that communication frequency can improve communication satisfaction and procedural justice within an IJV in general and that the use of frequent email, face-to-face, and video and Skype communication can improve communication satisfaction for managers who perceive higher C-CLADs. This thesis furthermore suggests that communication frequency can reduce perceived unfairness for managers with lower CCL abilities than their IJV partners and that cultural sensitivity can be used to improve managers' satisfaction with both their own performance and the performance of the IJV.

Appendix A

Initial interviews details:

The first initial interview was conducted by the author with a top-level manager of the European side of the IJV on November 15th, 2017. The first interview was conducted over the telephone and lasted for about 45 minutes. The second telephone interview was also conducted with another top-level manager of the European side of the IJV. The second interview took place on November 28th, 2017. It lasted for about 30 minutes. Both interviews were recorded by the author. As the managers requested to stay anonymous, however, no names or any other personal details can be named. A transcription of these information therefore was also not conducted.

Appendix B

Survey Questions, Mean and Standard Deviation of Study 1

	M	SD	α
Self-estimated CCL proficiency (adopted from Yamao & Sekiguchi (2015) and adjusted to fit this study)			
I rate my English reading ability as…	4.25	0.91	
I rate my English writing ability as…	4.11	0.97	
I rate my English listening ability as…	4.00	1.12	0.98
I rate my English-speaking ability as…	3.96	1.09	
I rate my confidence in communicating in English as…	4.07	1.06	
Estimated English language proficiency of partner side (own development but based on Yamao & Sekiguchi (2015))			
I rate the overall English ability of the foreign partner side as…	3.18	1.01	
What is the native language of the foreign partner side?	-	-	
Communication satisfaction (own development but based on Downs & Hazen's (1977) Media Quality Dimension of Communication Satisfaction)			
I am satisfied with the amount of face-to-face communication with the IJV partner	3.21	1.02	
I am satisfied with the amount of telephone/ skype conversation with the IJV partner	3.27	0.95	0.87
I am satisfied with the amount of email communication with the IJV partner	3.69	0.73	
Communication medium and frequency (adopted from Harzing & Pudelko (2014) and Barner-Rasmussen & Björkman (2005) and adjusted to fit this study)			
On a scale from 1 (very low) to 5 (very high), please indicate how frequent and efficient you experience communication with the IJV partners			
Face-to-face communication	2.41	1.10	
Telephone communication	2.15	1.10	
Video/Skype communication	2.96	1.16	
Email communication	3.87	1.05	
General questions			
What is your nationality?	-	-	
What is your age?	6.46	1.66	
Which is your parent company?	-	-	
How many years have you been with the parent company?	4.68	2.53	
Which department of the IJV do you work in	-	-	
Which country are you located in?	-	-	
What is your hierarchy level?	-	-	

Appendix C

Survey Questions, Mean and Standard Deviation of Study 2

	M	SD	α
Self-estimated CCL language proficiency (adopted from Yamao & Sekiguchi (2015) and adjusted to fit this study)			
I rate my English reading ability as…	4.25	0.91	0.98
I rate my English writing ability as…	4.11	0.97	
I rate my English listening ability as…	4.00	1.12	
I rate my English-speaking ability as…	3.96	1.09	
I rate my confidence in communicating in English as…	4.07	1.06	
Estimated English language proficiency of partner side (own development but based on Yamao & Sekiguchi (2015))			
I rate the overall English ability of the foreign partner side as…	3.18	1.01	
What is the native language of the foreign partner side?	-	-	
Procedural justice in the decision-making process (adopted from Johnson, Korsgaard, & Sapienza (2002) and adjusted to fit this study)			
There is a two-way communication in the decision-making process	3.17	0.72	0.86
I was given the opportunity to challenge and oppose the views of the IJV partners	3.13	0.98	
I have had influence over the outcomes of the decision-making process	2.98	1.05	
The decision-making processes were applied consistently	3.17	0.89	
The decision-making processes have been free of bias	3.03	0.91	
The decisions have been based on accurate information	3.24	0.92	
Communication medium and frequency (adopted from Harzing & Pudelko (2014) and Barner-Rasmussen & Björkman (2005) and adjusted to fit this study)			
On a scale from 1 (very low) to 5 (very high), please indicate how frequent and efficient you experience communication with the IJV partners			
Face-to-face communication	2.41	1.10	0.71
Telephone communication	2.15	1.10	
Video/Skype communication	2.96	1.16	
Email communication	3.87	1.05	
General questions			
What is your nationality?	-	-	
What is your age?	6.46	1.66	
Which is your parent company?	-	-	
How many years have you been with the parent company?	4.68	2.53	
Which department of the IJV do you work in	-	-	
Which country are you located in?	-	-	
What is your hierarchy level?	-	-	

Appendix D

Survey Questions, Mean and Standard Deviation of Study 3

	M	SD	α
Self-estimated CCL proficiency (adopted from Yamao & Sekiguchi (2015) and adjusted to fit this study)			
I rate my English reading ability as…	4.25	0.91	
I rate my English writing ability as…	4.11	0.97	
I rate my English listening ability as…	4.00	1.12	0.98
I rate my English-speaking ability as…	3.96	1.09	
I rate my confidence in communicating in English as…	4.07	1.06	
Estimated English language proficiency of partner side (own development but based on Yamao & Sekiguchi (2015))			
I rate the overall English ability of the foreign partner side as…	3.18	1.01	
What is the native language of the foreign partner side?	-	-	
Cultural Sensitivity (based on Khalid & Ali (2017) and Johnson et al. (1996) and adjusted to fit this study)			
I know that business is done differently in our IJV partners' countries	4.04	0.89	
I try to show willingness to adapt to the IJV partner's way of doing things	3.94	0.72	
I am aware that the norms for business communication are different in our IJV partners' countries	4.02	0.86	0.71
I am aware and understand that there are differences in the IJV partner's way to decide on a course of action	3.95	0.78	
Satisfaction with performance (own development but based on Krishnan et al. (2006)			
On a scale from 1 (very low) to 5 (very high), please indicate your agreement with the following statements			
I am satisfied with the performance of the IJV	3.21	0.97	
I am satisfied with my own individual performance	3.67	0.77	
General questions			
What is your nationality?	-	-	
What is your age?	6.46	1.66	
Which is your parent company?	-	-	
How many years have you been with the parent company?	4.68	2.53	
Which department of the IJV do you work in	-	-	
Which country are you located in?	-	-	
What is your hierarchy level?	-	-	

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