NEW MEDIA AND COMMUNICATION IN "NEWTECH" TRANSNATIONAL FIRMS: THE ROLE OF CULTURAL DIFFERENCES AND COMMUNICATION IN IDENTIFICATION PROCESSES

Dr Sara Mormino

Lumsa University-CRESEC
Via della Traspontina, 21 - 00193 Rome
Italy
Tel.: ++3906-684221
Fax: ++3906-68422246
Email: s.mormino@lumsa.it

and

Dr Fabrizio Maimone

Lumsa University-CRESEC
Via della Traspontina, 21 - 00193 Rome
Italy
Tel.: ++3906-684221
Fax: ++3906-68422246
Email: fabrizio.maimone@tin.it

Abstract

This paper aims to contribute to the understanding of the relationship between new media and organizational communication in "newtech" transnational organizations characterized by the presence of multicultural quasi-virtual teams.

The first part of the paper describes the theoretical framework of the research. Employees can create and share their own perceptions of the organization's features such as norms, values and culture, interacting and communicating. This creates a sense of a shared interpretive context (Zack, 1993). Consequently communication contributes to create a clear sense of the organization's identity, and thus may strengthen individuals' identification. Furthermore, according to Huff et al., frequent communication leads individuals to feel themselves as active members of own organization (1989).

According to Fulk, Steinfield, Schmitz, & Power (1987) different media produce different communication effects. Orlikowski (1992) adopts the co-evolutionary perspective and describes a dialogic relationship among individuals, organizations and technology.

We assume that cultural differences (Hall, 1990; Hofstede, 1980; Kluckhohn & Strodtbeck, 1961; Adler 2002, Trompenaars, 1997) may influence the effect of organizational communication in transnational organizations.

We adopt a processual oriented identity approach (Alvesson & Wilmott, 2002) and argue that organizational identity may emerges from different forms of identification processes, that are the result of the interplay among individual, cultural and organizational factors.

In the second part of this paper, we report the results of a field study (field research based on qualitative methodologies).

The case study is the italian branch of a nordic "newtech" company, that operates in a global scenario. The company has an "horizontal" organizational structure, based on business units, cross-organizational global service groups and virtual project teams. The subsidiary employs local workers and a few expatriates. Roughly the 20% of the staff is employed in transnational/global teams.

The outcomes of field research show people tend to identify with their work group, even though the spatial distance and cultural differences (among team mates of different nationalities) may affect the perception of workers. People seem to respond to virtuality building up social networks based on spatial proximity, personal bonds, nationality, etc. We found also the emerging of conflicts between national and transnational identities that affects some members of transnational teams, that operates across the global structure of their organization.

We argue that individual identity is the result of a complex processes of construction and adopt the concept of "multiple identities" to explain some outcomes of the research. The process of identification seems to be related to national and organizational culture and other salient aspects of organizational life.

We argue physical/virtual dimensions are a critical factor in the identification process. When face-to-face on "the spot" relationships and virtuality co-exist, as in the case of people working for virtual teams but employed in a local subsidiary, conflicts of identity and process of "identity losing" could emerge.

We conclude different type of relationships ("real" and virtual) can produce different and multiple forms of identification processes. And so managerial practice may benefit from an increased focus on the "multiple" processes of identification in flexible multicultural organizational structures.

Theoretical Framework

Identity issues are related to the questions: "Who am I?" or "What ar we?", and concern the meanings of own life and work experiences . According to Berger & Luckmann (1979) the development of a professional and organizational identity is part of the so called "secondary socialization".

We agree with the assumption that people construct and show multiple identities throughout life, such as their professional identities. Whyte (1956) have described the ways in which people identify themselves with their work and their organization.

According to this theoretical perspective individual identities are tied to social structural positions (i.e., individuals' memberships and roles in the groups, organizations, and networks to which people belong form the basis of many of their identities). These multiple identities are enabled by individuals in different occasions of their life, providing guidance for their perceptions and behaviors.

Structural symbolic interaction theory (Stryker, 1980) suggests a number of ways in which the identities may relate to each other in terms of the way in which the positions are connected within the social structure. The research conducted by Stryker and Serpe (1982) was particularly important. The author developed an explicitly ecological understanding of the multiple-identity self.

Identity relates also to other organizational factors such as geographical space, nationality, core business, product or technology niche or expertise, organizational design, gender, values, strategy, or knowledge base among others (Bouchikhi & Kimberly, 2003).

Communication is the lifeblood of organizations, the glue that binds the organization (Goldhaber, 1993). According to McPhee and Poole (2001): "In the new forms, communication comes into the foreground as a major facet of structure rather than as a secondary variable that "comes with" or "is influenced by" structure. Studies of the new forms may have emphasized the communicative and coordinating functions of structure almost totally – the financial and external functions have received much less attention" (*Ib.*).

In post-modern organizations communication facilitates not only information exchanging, but also knowledge sharing, trust promotion and social ties creation.

Particularly employees can produce and share their own perceptions of the organization features such as norms, value and culture interacting and communicating. This creates a shared interpretative context (e.g. Zack 1993). Consequently communication contributes to create a clear sense of organization's identity and thus may strengthen employees' identification.

According to Fulk, Steinfield, Schmitz, & Power, (1987) different media produce different effects on communication and have a different impact on the creation and maintaining of employees' organizational identification.

So face-to-face communication is supposed to vehicle very strongly personal and social cues (Sproull & Kiesler, 1986; 1991), and to be very effective in creating social presence (Fulk & Boyd, 1991) and a shared interpretive context among individuals (e.g., Zack, 1993).

The informality of CMC, especially in virtual workers, may promote a feeling of equality, making status, department and job differences less salient. So virtual communications is supposed to enhance virtual workers to feel themselves as a part of a larger whole (Wiesenfeld, Raghuram, Garud, 1999)

Moreover Markus' research (Markus, 1994) suggests that the social context has also a fundamental part in determining the impact of different communication media on individuals. The study run by Markus highlighted the relevance of the social context (norms, values, culture) in building up the frame of communication.

Further findings support the co-evolutionary perspective and assume the dialogic relationship among individuals, organizations and technology (Orlikowski, 1992). This perspective emphasizes the role that the virtual context and member identification plays in influencing communication technology as well as the role of the technology in creating the virtual context and member identification.

Communication activities in post-fordist organizations (Rullani 1998) are supposed to take place more frequently within networks rather than simply between individuals (Peters, Fletcher 2004). We know that –"social networks were enablers in allowing people to share and develop new ways of relating and sharing without having to go through very standardised/explicit organisational arrangements to do so."- (Garcia-Lorenzo, Mitleton-Kelly and Galliers, 2003).

Post-fordist organizations (Rullani 1998) are often transnational and multicultural environments. We assume that cultural differences (Hall and Hall, 1990; Hofstede, 1980; Trompenaars, 1997) may influence the effect of organizational communication in transnational organizations. Transnational companies have to cope with a very complex and varied environment, developing and "exploiting" organizational diversity, that is considered by many authors (Cox and Blake, 1991, Adler 2002) a resource for the success of multicultural organizations. Transnational organizations can be described also as a "transnational space" (Kim, 2000). According to Kim (ib.), the transnational space is "the social field in which there is the physical translocation of labor, capital, goods and services across the boundaries of two or more nation-states. Adopting this definition, both the ways in which TNCs are institutionalized and the identities of people that are shaped by the experience of moving across places with some regularity can be closely examined (Mahler 1998)."

Transnational companies are supposed to be characterized by a high degree of organizational complexity, related to the "glocal" nature of multinational organizations. Many authors paid particular attention to the explanation of culture dynamics in MNCs, adopting a postmodern approach to culture analysis. Brannen and Kleinberg (2000), among others, argued organizational culture could be interpreted as an "emergent" phenomenon and so as the outcome of the dynamic process of cultures negotiation. According to the authors, this approach –"focuses on understanding culture as an output (albeit emergent and shifting) of ongoing interactions between people of distinct national cultures."- (ib. Page 395). The interplay between national, organizational and local cultures is supposed to influence organizational behaviours and dynamics (Maimone 2005) of transnational organizations. Therefore, multicultural organizations can be described also a "multicultural space" (Maimone Ib.).

According Fiol, Hatch and Golden-Biddle (1998) –"An organization's identity is the aspect of culturally embedded sensemaking that is self-focused. It defines who we are in relation to the larger social system."-

To explain the complexity of multiple organizational identities we adopt a processual oriented identity approach (Alvesson & Wilmott, 2002) and argue that organizational identity may emerges from different forms of identification processes, that are the result of the interplay among individual, cultural and organizational factors.

Bovim (2005) argued that identification process are tied to different social foci of identification: -" In our study we found that the employees identified with different kinds of social entities including the entire organization, organizational units, various local groups or communities as well as formal and informal networks."-

Sveningsson and Alvesson (2003), then, conceptualized identity in processual terms as identity work and struggle and argued both fragmentation as well as integration are the result of the interplay between organizational discourses and identity.

The field research

The case study is the italian branch of a nordic "newtech" company, that operates in a global scenario. The company is a leading MNC operating in the TLC sector, that has 15 manufacturing facilities in nine countries and research and development centres in 11 countries. At the end of 2005, the MNC employed approximately 58,900 people.

The company has an "horizontal" organizational structure, based on business units, cross-organizational global service groups and project teams. The company comprises four business groups and two horizontal groups. The italian subsidiary employs approximately 500 people. Roughly the 20% of the staff is employed in transnational/global teams.

The italian branch of the company is also divided into different divisions and each one is organized in "sub-units". The main two divisions operate respectively in the BTC (goods market) and BTB (service delivery) sectors. The italian branch of the company has different offices situated in the south, the center and the north of Italy. The headquarter is situated in Milan.

According to Yin (Yin, 1984, p. 23), case study research method is defined "as an empirical inquiry that investigates a contemporary phenomenon within its real-life context.". Even though many authors support the deductive approach to case study analysis (Eisenhardt, 1989), there are evidences that case studies could be used following an inductive approach for theory building (Dyer and WilkIns 1991). The design of the study is "mixed", because it starts from "open" hypotheses but try to "open doors" to empirical evidences that could extend the bounders of the theoretical construction. According to these criteria, the open hypotheses of the study are:
-       Processes of identification in the organizational context are related to organizational cultures;
-       The level of organizational diversity may affect identification processes as well;

-        The particular nature of MNCs (local and global at the same way) and the level of supposed complexity of such organizations should play a role in these processes as well.

According to Yin (1984), the research design may adopt different methodologies, in order to make possible the triangulation of data. Coherently with the methodology applied, each step of the studies is also aimed to build up new categories and define emerging variables for the next phases of the research.

The research design path is "explorative" (Di Franco, 2001). The goal of the study is to define post-hypotheses and find out drivers for further researches. So the approach was mainly "qualitative", according to social research methodology (Guala, 2000).

The field research followed these steps:
a)   Field research, based on qualitative methodologies;
b)   Data analysis and interpretation, aimed to the to formulation of ex - post research hypothesis for further investigations

The field research began with informal interviews with Human Resources, internal and external Communication managers. These open-ended interviews were used to get a general understanding of the organizational context and to build a preliminary set of hypotheses. Then we collected and analyzed various organizational documents, in order to define the organizational structure, the functions and the basic processes of the organization.

After the preliminary phase of the research, we conducted 10 semi-structured interviews with managers and key roles of the organization studied (5 managers and five employees interviewed). The purposes of these interviews were: to explore the main topics of the field research, to draw up a general picture of the organizational relations and to develop "operationalizations" of the central constructs for the next step of the research, the focus groups.

Then, we conducted 4 focus groups. Each group was composed of managers and workers collected on a geographical base (2 focus groups were composed of manager and workers based in Milano, two focus groups of managers and people based in Rome). The sample (4 focus groups) was composed of 32 people. The main findings related to the paper's topic are reported in this paper.

The data analysis adopted a qualitative approach and used the methodology of content analysis (Hsieh and Shannon, 2005, Krippendorff, 1980). We focused our data analysis on "manifest content" (Downe-Wamboldt, 1992), creating categories (Krippendorff, 1980) and themes (Polit and Hungler, 1999).

The outcomes of field research were presented to and discussed with the steering committee (board of top managers), the Human Resources, Internal Communication and External Communication managers. A summary of the findings were communicated to employees.

The field research showed people identificate more with own work group, unit, local office, etc., than with own company. People are attached to their company and are happy to work for it, but don't have a strong sense of belonging to their organization, if we refers to the corporate level. Simply, it seems the "hic et nunc" experience of working for a Business Unit, a project team, a division is stronger than the perception/feeling of being part of a bigger picture. Employees presumably share a common bond with their company, but this bond seems to be weak, or better saying, "weaker" than the day-by-day experience of working and living with own work group, or, within own "organizational silos" (Maimone 2007). The global/local dimension is a critical factor of employees' experience. Workers employed in transnational business units seem to live in two parallel universes: the local dimension (the physical workplace) and the global dimension (the quasi-virtual international work team). Then, employees and managers affirm there is some kind of dis-alignment between the Italian practices and the Nordic Corporate culture.

People seem to response to virtuality building up social networks based on physical proximity, personal bonds, cultural similarities, etc.. Cultural differences play a role in this process, because people seem to build up stronger ties with colleagues that share the same national and/or professional cultures. CMC impacts to individual perception and feelings, but personal ties seem to be stronger, in terms of level of emotional impact and affective intensity. The virtual organization does not take the place of the "physical" one. May be we can use the concept of "multiple dimensions" of organizational experience, in order to describe the parallel existence and the reciprocal "permeation" of cyber and real workplaces.

We found also a conflict of identies related to company and social units (multiple) affiliations. Sometimes people seem to "choose" own favourite identity ("project team member" or "local office employee", for example) as we illustrated before, sometimes people live their experience with a sense of confusion, identity struggle, internal conflict. Another critical point is the conflict between national and transnational identities, that affects some members of transnational teams, that operates across the global structure of their organization.

Discussion

We argue that individual identity is the result of a complex process of construction and so identity could be described as a dynamic phenomenon. We assume identity process is the result of ongoing interactions main variables, at individual, group, inter-group and organizational level.

CMC plays a role in this process but, at least for employees involved in this study, it is only one of the main factors involved in the process of identification. The continuous interplay between virtual communication and face to face interaction is one of the key factors that explain identity processes, at least referring to employees involved in our study. Virtual relationships and "on the spot" direct interactions seem to contribute both to the process of reality construction.

We argue physical/virtual dimensions are a critical factor in the identification process. People come to terms with distance communication and relationship, but this does not exclude the need of face-to-face relationships, at least in the organization studied. When face-to-face on "the spot" relationships and virtuality co-exist, as in the case of people working for virtual teams but employed in a local subsidiary, conflicts of identity and process of "identity losing" could emerge.

We adopt the concept of "multiple identities" to explain some outcomes of the research. The process of identification is likewise related to national and organizational culture and other salient aspects of organizational life. The relationships between national culture and organizational identity is a topic that needs further studies. Some authors (see Maimone 2005) affirm that cultural identity is static and so cross-cultural management have simply to recognize and manage diversity, as it is. Some authors instead assume national identities are dynamic and can change as a consequence of processes of ibridation and cultural change (Elfenbein Anger and Ambady 2002, Maimone 2005). Cultures interplay is not neutral nor easy to face. Identity lost and intra-personal conflicts are the unexpected outcomes of this process.

The case study, in our opinion, shows different type of relationships ("real" and virtual), typicall of new organizational forms, can produce different and multiple forms of identification processes. Space (virtual and "real"), time, personality, role, professional background, national cultures influence the ongoing process of identity building. Individual and organizational identities seem to be the result of the interplay of several factors and may be the outcome of the "weak" influences of many variables, more than the consequence of the "strong" influence of a few elements, like hierachy, gender, age, etc. The proactive management of multiple foci and processes of identification and the systemic and integrated development of CMC and direct communication processes are presumably the first step toward a successful organizational development of new forms of organizations.

It seems that ambiguity and identity struggle are a unexpected consequence of new flexible forms of organization. We can't say the case studied shows a complete disintegration, nor a real integration of identity. The outcomes of field research seem to draw up a sort of "hologram", and may be this is a sort "functional" response to complexity.

We argue that individual identity is the result of a complex processes of construction and adopt the concept of "multiple identities" to explain some outcomes of the research. The process of identification seems to be related to national and organizational culture and other salient aspects of organizational life.

We conclude different types of relationships ("real" and virtual) can produce different and multiple forms of identification processes. And so managerial practice may benefit from an increased focus on the "multiple" processes of identification in flexible multicultural organizational structures.

REFERENCES

- Adler, N. (2002), *International Dimensions of Organizational Behavior*, IV Edition, South Western, Cincinnati, USA;
- Alvesson M., Willmott H. (2002), "Identity Regulation as Organizational Control: Producing the Appropriate Individual", *Journal of Management Studies*, Vol. 39, pp. 619-644;
- Berger, P., and Luckman, T. 1967. *The social construction of reality: A treatise in the sociology of knowledge.* Garden City, NY: Doubleday.
- Bouchikhi H., Kimberly J., 2003. Escaping the Identity Trap, *MIT Sloan Management Review*, Spring 2003, pp. 20 – 26.
- Brannen, M Y. & Kleinberg, J. (2000) "Images of Japanese management and the development of organizational culture theory". In N.M. Askanasy, C.P.M. Wilderoom, & M.K. Peterson (2000): *Handbook of Organizational Culture and Climate*. Thousand Oaks, CA: Sage
- Cox, T., & Blake, S. 1991. *Managing cultural diversity: Implications for organizational competitiveness*. The Academy of Management Executive, 5(3): 45-56.
- Di Franco, G. 2001. *EDS: Esplorare, descrivere e sintetizzare i dati, guida pratica all'analisi dei dati nella ricerca sociale*. Milano: Franco Angeli.
- Downe-Wamboldt, B., 1992. "Content analysis: method, applications, and issues". Health Care for Women International 13, (3), 313–321.
- Dyer W. G., Wilkins A. L., "Better Stories, Not Better Constructs, to Generate Better Theory: A Rejoinder to Eisenhardt, The Academy of Management Review", Vol. 16, No. 3 (Jul., 1991), pp. 613-619;
- Eisenhardt K. M., 1989, "Building Theories from Case Study Research", The Academy of Management Review, Vol. 14, No. 4 (Oct., 1989), pp. 532-550
- Elfenbein Anger H. and Ambady N., 2002, "On the Universality and Cultural Specificity of Emotion Recognition: A Meta-Analysis", Psychological Bulletin 2002, Vol. 128, No. 2, 203–235;
- Fiol, M., Hatch, M. J., & Golden-Biddle, K. 1998. Organizational culture and identity: What's the difference anyway? In D. Whetten & P. Godfrey (Eds.), *Identity in organizations*: 56–59. Thousand Oaks, CA: Sage.
- Fulk, J. & Boyd, B. 1991. *Emerging theories of communication in organizations.* Journal of Management, 17, 2, 407-446.
- Fulk, J., Steinfield, C.W., Schmitz, J. & Power, J.G. 1987. *A social information processing model of media use in organizations*. Communication Research, 14, October, 529-552.
- Garcia-Lorenzo, Lucia and Mitleton-Kelly, E and Galliers, R.D. (2003) Organisational complexity : organising through the generation and sharing of knowledge. *International journal of knowledge, culture and change management*, 3 (1). pp. 275-293.
- Goldhaber G., (1993), *Organizational Communication*, Brown & Benchman, Madison.
- Guala C. (2000), *Metodi della ricerca sociale*, Carocci, Roma
- Hall E. T. (1959), *The silent language*, Garden City (NY), Doubleday;
- Hall, E. T., & Reed Hall, M. 1990. Understanding cultural differences. Yarmouth, Intercultural Press.

- Hofstede, G. 1980. *Culture's consequences: International differences in work-related values*. La Jolla, CA: Sage.

- Hsieh, H.-F. and Shannon, S.E. (2005), "Three Approaches to Qualitative Content Analysis.", Qualitative Health Research. 15:9, 1277-1288.
- Huff, C., Sproull, L., & Kiesler, S. 1989. Computer communication and organizational commitment: Tracing the relationship in a city government. *Journal of Applied Social Psychology*, 19, 1371-1391
- Kim J. K. (2000), "Coethnic identities and the institutionalization of transnational space: a study of south korean transnational corporations in us", Department of Sociology, Columbia University, Spring 2000;
- Krippendorff, K., 1980. *Content Analysis. An Introduction to its Methodology*. The Sage Commtext Series, Sage Publications Ltd., London.
- Maimone F., 2007, *Dalla rete al silos*, Franco Angeli, Milan;
- Maimone, F. & Sinclair, M. forthcoming/2010. "Affective Climate, Organizational Creativity and Knowledge Creation: Case Study of an Automotive Company". In Zerbe, W.J., Härtel, C. and Ashkanasy, N. (Eds) *Research on Emotions in Organizations, Volume 6: Emotions in Learning, Creativity and Innovation*, Emerald/JAI, Bingley, UK;
- Maimone, F. 2005. Organizzazione cosmopolita. Relazioni organizzative e comunicazione nei contesti multiculturali. Un approccio sociologico. Rome: Aracne.
- Markus, M.L. 1994. *Electronic mail as the medium of managerial choice*. Organization Science, 5, 502-527.
- McPhee, R. D., Poole M. S. (2001), "Organizational structures and configurations", in F. M. Jablin & L. L. Putnam (Eds.) *The new handbook of organizational communication* , Thousand oaks, CA: Sage Publications
- Orlikowski, W.J. 1992. *The duality of technology: Rethinking the concept of technology in organizations*. Organization Science, 3, 3, 398-427.
- Polit, D.F., Hungler, B.P., 1999. *Nursing Research. Principles and Methods*, sixth ed. J.B. Lippincott Company, Philadelphia, New York, Baltimore.
- Rullani E., & Romano L. (Eds) 1998. *Il postfordismo. Idee per il capitalismo prossimo venturo*, Milano: ETAS.
- Schauber A. C. 2001, "Effecting Extension Organizational Change Toward Cultural Diversity: A Conceptual Framework", *Journal of Extension*, June 2001, Volume 39 Number 3;
- Sproull, L., & Kiesler, S. 1986. *Reducing social context cues: Electronic mail in organizational communication*. Management Science, 32, 1492-1512.
- Sproull, L., & Kiesler, S. 1989. *Computer communication and organizational commitment: Tracing the relationship in a city government*. Journal of Applied Social Psychology, 19, 1371-1391.
- Stryker, S. (1980). *Symbolic interactionism: A social structural version*. Menlo Park: Benjamin Cummings.
- Sveningsson S. and Alvesson M., 2003. "Managing Managerial Identities Organizational Fragmentation, Discourse and Identity Struggle", *Human Relations*, Vol. 56, No. 10, 1163-1193.
- Trompenars F. (1997), *Riding the waves of culture*, Nicholas Brealey, London, U.K.;
- Whyte W. H., 1956. *The organization man*. NewYork: Doubleday.
- Wiesenfeld, B., Raghuram S. and Garud R. (1999) "Communication modes as determinants of organizational identity in a virtual organization", *Organization Science*. 10, 777-790
- Yin R. (1984), *Case study research : design and methods*. Beverly Hills, CA: Sage;

- Zack, M.H. 1993. *Interactivity and communication mode choice in ongoing management groups.* Information System Research, 4, 3, 207-239.