

【Case Note】

# Organizational Communication, Leadership, and Organizational Performance: Case Studies from the Automobile Manufacturing Sector in Uzbekistan

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## Abstract

The overarching purpose of this article is to offer practical advice to potential investors in Japan who are considering investing in a variety of business sectors in Uzbekistan, an emerging economy that, from a Japanese business and management perspective, remains little explored. The focus for the investigation is processes of organizational communication, leadership and organizational performance, specifically in the automobile manufacturing sector in Uzbekistan.

Applying a case study approach, we present empirical evidence from semi-structured interviews with expatriate managers with considerable experience in interacting with senior business and political leaders along with policymakers influencing flows of inward foreign direct investment (FDI) in Uzbekistan.

The article discusses the extent to which styles of organizational leadership in Uzbekistan influence organizational performance and, consequently, potential returns on FDI. The article concludes with practical suggestions to potential investors in Japan who are considering investing in a variety of business sectors in Uzbekistan.

*Keywords: communication, organizational communication, organizational culture, leadership, leadership style, case study, Uzbekistan*

## I Introduction

According to Uzbek government statistics, there was recorded a total of US\$11.1 billion of foreign direct investment (FDI) during the fiscal year 2021, with the equivalent of US\$

9.8 billion in fixed assets, such as infrastructure and manufacturing plants. This latter figure indicates a growth rate of 110% compared to 2020<sup>1)</sup>. Currently, the main sources of inward FDI in Uzbekistan are (by volume) China, Russia, Turkey, Germany and South Korea<sup>2)</sup>.

According to a report issued by the United Nations Conference on Trade and Development (UNCTAD, 2021), Uzbekistan has adopted a gradual transition strategy from a centrally planned economy to one driven more by market forces. The report highlights how the Uzbek Government has been launching programs to exploit the country's mineral endowments, including through FDI. All these initiatives led to the attraction of some major foreign investors, through joint ventures (JV), in mining, automobile manufacturing, petrochemicals, metal production and telecommunications.

From the perspective of potential foreign investors in multiple business sectors in Uzbekistan, a distinguishing factor of the business environment remains the direct involvement of the country's President and, thereby, the promise of tax benefits and state support measures for foreign investing companies. As we discuss in this article, this 'top-down' style of political and business leadership might be regarded as a legacy from times when Uzbekistan was part of the former Soviet Union (Ivancevich et al, 1992; Shama, 1993).

Against this background of traditional leadership styles, we can refer to a meeting co-hosted by the Japan-Uzbekistan Economic Committee, the Japan Association for Trade with Russia and NIS (ROTOBO) and the Uzbekistan-Japan Economic Committee in Tashkent, the capital of Uzbekistan, in October 2022. Here, the chairman of the Japan External Trade Organization (JETRO), Sasaki Nobuhiko, pointed out how reforms by President Shavkat Mirziyoyev of Uzbekistan appear to have steadily improved the business environment; Chairman Sasaki expressed his commitment to revitalizing business exchange between Japan and Uzbekistan.

At the meeting, representatives of JETRO and leading Japanese corporations expressed interest in renewable energy and decarbonization business in Uzbekistan – a sector that is viewed increasingly attractive among Japanese investors as countries worldwide seek to reduce carbon dioxide emissions<sup>3)</sup>. Accordingly, in October 2022 Japan and Uzbekistan established a Joint Crediting Mechanism (JCM) with the express purpose of furthering joint investment and business development cooperation in the environment and energy sectors, thereby enabling Japan to reduce its nationally determined contribution (NDC) to global greenhouse gas emissions, an endeavor in which the automobile manufacturing sectors in both countries will play major roles<sup>4)</sup>.

In this article, we present evidence from original research into processes of organizational communication and business performance in two case study organizations in Uzbekistan. We highlight how differing styles of organizational leadership in the automobile manufacturing sector can, over time, influence the emergence of organizational cultures and, as a consequence, impact on measures of organizational performance. Echoing Matsumoto and Jackson (2017), we seek to offer practical guidance towards helping Japanese investors in Uzbekistan might avoid the risks of communication breakdown and instead achieve the opportunities of forming synergistic cross-border business relationships.

Specifically, this article addresses the following questions:

1. What is 'organizational communication'?
2. How do styles of organizational leadership influence the development of cultures and subcultures that appear distinctive for organizations in Uzbekistan?
3. How might styles of organizational communication and leadership in Uzbekistan impact on the effectiveness of organizational performance: e.g., in business ventures with investors from Japan?

## **II Literature Review**

In this brief review of research literature, we offer readers definitions of the 'key words' presented earlier in this article and guide them towards connecting between the concepts defined in order to appreciate how we chose the design of our research.

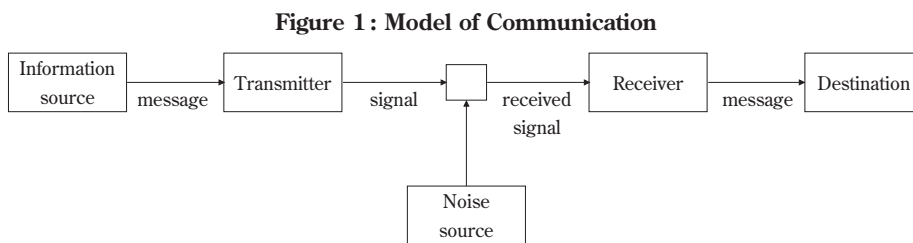
### **1 Communication**

In general terms, 'communication' can be defined as "a process by which information is exchanged between individuals through a common system of symbols, signs, or behavior"<sup>5</sup>). The term 'common' can be interpreted as both 'learned' and 'shared': e.g., as members of a specific societal-culture will share a language or dialect by means of which they can share information and thereby reinforce the sense of a common group or cultural identity. The reference to signs or symbols indicates how processes of human communication can proceed explicitly (e.g., through speech or writing) and / or tacitly, as when using gestures or facial expressions: i.e., combinations of verbal and non-verbal communication.

More specific definitions of 'communication' vary depending on each researcher's specialist field of study. Consequently, in the field of communication studies, communication is de-

defined as the process of transmitting information (Robinson, 1961; Ford and Ford, 1995; Jimenez-Castillo and Sanchez-Perez, 2013). Other disciplines define human-to-human communication or *interaction* combining psychological, socio-cultural or semantic perspectives (Robinson, 1961; Jablin and Putnam, 2011).

In 1949, Shannon and Weaver published a ‘Mathematical Theory of Communication’, which influenced early conceptualizations and research of verbal and non-verbal interactions in organizations (Hallahan et al, 2007). A version of their research model appears in **Figure 1** (below).



In the logic of this model, the exchange of information is visualized to begin from an ‘information source’ and is ‘fed through’ a transmitter and a channel before reaching a receiver and a destination. The model illustrates a common left-to-right and linear bias of research models whose design is influenced by system thinking (Jackson, 2011). Correspondingly, Shannon and Weaver’s model conceptualizes communication as the one-way emission of information that limits the feedback capacity of the communication process. Critics of this model argue that such an approach to communication is overly sender-oriented and understates or ignores the important role of ‘receivers’ in the process (Hallahan et al, 2007).

Shannon’s theory provided communication researchers with a conceptual foundation for quantifying human interaction. Therefore, ‘information’ became the fundamental notion in academic communication research, with ‘message effects’ serving as the primary dependent variable (Hallahan et al, 2007). Shannon’s model was created for static, technical systems that involved intentional, formal, explicit, and logical information transfer; however human communication such as nonverbal communication, unintentional messages, and interpretive differences had no place in his model (Koschmann et al, 2015). These all could be considered as a ‘noise’ in the Shannon and Weaver model.

Specific to our research theme, standard interaction or exchanges of information between members of an organization or of a section within a larger organization might experience

‘noise’ or ‘interference’ in a variety of forms. For example, the sender and receiver (*interlocutors*) of the information being exchanged might come from differing professional backgrounds: one might be an automotive engineer; one might be a human resource manager, while another might be a marketing expert. There might be occasions when they appear not to ‘speak the same language’ – or, at least not to the same degree of fluency.

A further source of noise or interference interrupting the smooth flow of communication might be a manager who chooses not to provide the interlocutors with the information they need in order to communicate effectively. As we later illustrate, it might be a manager whose style of leadership is ‘top-down’: e.g., instructing his / her subordinates to behave in ways that run counter to their professional standards and / or personal preferences.

## 2 Organizational communication

The term ‘organizational communication’ also appears in literature specific to the study of organizations as ‘management communication’. According to Putnam et al (2017: 1):

- Organizational communication as a field of study focuses on the role of messages, media, meaning, and symbolic activity in constituting and shaping organizational processes. Researchers also study communication ties or connections between organizational members and the nature and patterns of information flow. More recently, scholars have centered on discourse, interactions, conversations, and texts as they constitute and alter organizational processes.

In an earlier and seminal study, Putnam and Cheney (1985) emphasize how studies of organizational communication can serve to elicit patterns of management thinking about the nature and purpose of organizing (e.g., people at work) and how communication permeates and shapes organizational processes and structures. They identify challenges and opportunities associated with the integration of *internal* (i.e., in-organizational) and *external* (extra-organizational) communication: for example, disagreements between senior and middle-level managers within an organization or department; tensions between senior politicians setting performance targets and senior managers tasked to achieve these targets in state-controlled enterprises. Correspondingly, a common source of ‘noise’ can appear as the interdependence of management action and organizational structure and, internally and externally, the influence and impact of multiple voices in the organizing process and, by extension, on measures of organizational performance.

### 3 Organizational cultures and sub-cultures

The observation by Putnam and Cheney (cited above) about how communication permeates and shapes organizational processes and structures leads researchers to a consideration of how organizational ‘cultures’ and ‘sub-cultures’ are formed. According to Schein (1992: 6), ‘organizational culture’ can be defined as:

- The deeper level of basic assumptions and beliefs that are shared by members of an organization, that operate unconsciously and define, in a basic ‘taken for granted’ fashion, an organization’s view of itself and its environment.

As we saw in the (hypothetical) noise-impacted interaction between an automotive engineer, a human resource manager and a marketing expert, each can be expected to share ‘basic assumptions and beliefs’ specific to their organization and their roles and responsibilities in it. In a state-owned enterprise, these employees might be expected to identify themselves tacitly or, even *required* explicitly to voice concur with the ‘assumptions and beliefs’ expressed by senior politicians or other powerful stakeholders internal and external to the organization as a social, cultural and business entity.

When each of these hypothetical employees interacts with members of their own professional and social groups within the organization, we can envisage them communicating in contexts that can be described as ‘sub-cultures’ within the larger organizational cultural group. Within these subcultures, we can expect to observe them communicate in groups that identify themselves by sharing, verbally and non-verbally:

- Patterns of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that have worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (Schein, 1992: 7).

Here we can invoke the pioneering research of social anthropologists such as Edward Hall and his thought-provoking claim that “culture is communication and communication is culture” (Hall, 1976). Correspondingly, we can recognize how communication can be expected to proceed most efficiently and effectively where ‘noise’ is minimized: e.g., when members of one sub-cultural group of employees are attempting to solve problems of ‘external adaptation’ (e.g., pandering to the demands of external stakeholders) and ‘internal integration’, as when seeking and receiving relevant information from members of other sub-cultural groups

within the organization.

#### **4 Leadership**

One pioneer in the scientific study of 'management' as a human activity was Henri Fayol. He methodically observed and noted how workers in the industrial setting of the early industrial revolution in France behaved in settings with and without direct supervision: e.g., on assembly lines for automobiles – a business sector in which French companies dominated technologically before being challenged by automobile manufacturers in Germany, Britain and, later, in the USA. Fayol theorized about how the work of individual employees could be organized, planned, controlled and / or co-ordinated collectively: in other words, managed with the result that resources input into processes of manufacturing could be processed more efficiently and effectively (Fayol, 1949).

More recently, 'leadership' has become recognized as an opportunity for those with responsibilities to manage resources and the work of others. A prominent voice in this increasingly fertile field of management and organizational research is John Kotter, who states emphatically that a clear distinction should be made between processes of 'management' and 'leadership', given that the latter represents:

A process of taking an organization into the future, finding opportunities that are coming at it faster and faster and successfully exploiting those opportunities. Leadership is about vision, about people buying in, about empowerment and, most of all, about producing useful change (Kotter, 2013: 1 – our emphasis).

Research analyses have shown that many organizations do not understand the importance of communication (Bowers, 2000; Dyer et al, 2002). Therefore, it is vital to educate company leadership before starting the development of organizational communication in order to understand the importance of communication for a company's success (Argenti, 2017; Wiggill, 2011; Jablin and Putnam, 2011).

According to Pocheptsov (2001), and from an organizational research perspective, communication can be described as either hierarchical, which assumes top-down communication, or democratic, which assumes two-way communication with the possibility for both transmitters / senders and receivers to share feedback (see Figure1 above). Since effective communication in an organization facilitates the democratic sharing of messages among employees to help them perform their duties, it affects the relationships between the leadership team and their subordinates, as well as among employees (Rogala and Białowas, 2016). An impor-

tant feature of communication in organizations is that along with delivering information which is necessary for employees to perform their duties, communication in an organization affects the relationships between employees, their job satisfaction, commitment, motivation, energy, and efficiency (Rogala and Bialowas, 2016).

Misunderstandings and conflicts among people, groups and organizations are frequently related to the culture of a company (Schein, 1986). The cultures of individual organizations can be theorized to evolve through and in response to organizational leadership: re-invoking Hall's bold claim that 'culture is communication and communication is culture' we can envisage how effective leadership communication is vital towards creating and sustaining a 'positive' work culture in organizations and – at the level of subcultures – teams. Therefore, we can conclude from our review of the literature that leadership is the fundamental process that changes and forms the cultures and sub-cultures describing contexts for work and productivity in organizations (Schein, 1986).

## **5 Leadership styles and organizational communication**

The notion of individual styles of leadership might be used to describe the observable behaviors and tendencies of individual leaders. Correspondingly, the management communication styles demonstrated by individual leaders can - by virtue of their relative seniority in the hierarchical structures of organizations – can be observed to influence the development of organizational cultures and sub-cultures. To illustrate, the preferred communication style of the head of a department or section in an organization is likely to influence how the members of that sub-culture are likely to interact with the head, with each other (internally) and (externally) with members of other sub-cultures.

Here we can note how the term 'style' (in English) originates from the Latin *stilus*: a writing instrument or pen. Through experiences of socialization during years of early development, we each as individuals are taught certain standard or acceptable styles of handwriting: e.g., when proceeding through a national system of education. We are each 'taught' standards of legibility that are considered 'acceptable' to influential members of the cultural and sub-cultural groups we interact with: we are taught to write – and speak – in forms that are designed to normalize certain choices of our individual interactive behavior. As we each become more mature and self-confident, we might develop and express more individual styles of written and spoken communication: e.g., each business leader might express a 'signature' leadership *style*.



In contexts for organizational communication informing strategies for managing organizational change, Senior et al (2020: 338) illustrate and contrast two commonly observed styles of leadership in organizations seeking to change in an attempt to improve business performance. One style they identify as a ‘top-down’ style of leadership; the other they identify as a ‘communicative leadership’ style. With the ‘top-down’ style, senior leaders ‘dictate’ a need or urgency for change *without* offering prior consultation: e.g., through opening ‘two-way communication’ opportunities with key organizational stakeholders and / or other groups and individuals who are likely to be most impacted by the proposed changes. Citing from Lloyd and Feigen (1997: 37), Senior et al highlight the risks associated with *not* offering an open or inclusive leadership style:

- Vision statements only work when the needs of those at the bottom of the organization are integrated upwards with the needs of the market.

In other words, if the (arguably) ‘useful’ changes being proposed – or are being ‘pushed’, top-down - by management do not correspond (ultimately) with the needs, demands or expectations of key ‘markets’, then competitive organizational performance is unlikely to improve. Furthermore, there might arise internal tensions of resistance, resentment or open hostility among those within the organization who perceive the changes proposed by senior management to be a threat to their own or the organization’s business and competitive strategic interests.

As mentioned previously, Senior et al (2020: 257) cite seminal research by Dunphy and Stace (1993) which highlights opportunities for senior managers to adopt a ‘communicative’ leadership style: i.e., one where members of key stakeholder groups are invited to participate in processes of researching internal and external needs for organizational change and setting goals for this change. The communicative leadership style appears more inclusive than the aforementioned ‘top-down’ approach. As business environments become increasingly globalized and thereby complex, inviting expert contributions from various groups of stakeholders in processes of managing change appears more likely to create opportunities for what Kotter (2013) terms ‘useful change’.

On balance, there is a common view that ‘top-down’ leadership styles might appear to offer a more *efficient* course of action for managing organizational change: the organizational communication focus appears markedly *internal*. In contrast, more inclusive leadership styles might appear to promise more *effective* and perhaps more sustainable responses to *external*

(e.g., market-driven) challenges to organizational performance. A further risk with top-down leadership styles is that the strategic perspectives of senior women managers or leaders might be overlooked – a risk that becomes especially acute in organizational cultures where male perspectives and claims of ‘expertise’ can be observed to dominate sources and patterns of organizational communication (Jackson et al, 2023; Jackson, 2020).

### BOX 1

#### Organizational communication and leadership styles in Japan: *nemawashi*

Arguably, each individual’s experiences of being socialized into the norms of behavior particular to one society appear particularly salient in Japan, where young people are required to invest much time and effort into rote learning and memorizing *kanji*. Echoing our earlier discussion of ‘communication’ as a process of ‘exchanging information’, we can note how influential philosophers of language in Japan argue for the distinctive origins and structures of the Japanese language and thereby its relevance towards developing and expressing a distinct ‘national cultural identity’.

To illustrate, in his attempt to ‘clarify the nature of Japanese’, Kindaichi (1957 : 27) posits that:

- Language can be looked upon as a reflection of culture and not simply as a tool for the transmission of thought. In other words, the clarification of the Japanese language – especially its vocabulary and the characteristics of its expressions – will surely be helpful in any reconsideration of the life and way of thinking of the Japanese people.

As a co-researcher team whose members have not been socialized or received early years education in Japan, we can put Kindaichi’s above-cited claim to the test by trying to apply our understanding of a management communication style considered distinctive for organizational communication in Japan: 根回し (*nemawashi*). A literal translation to English of the *nemawashi* concept renders phrases such as ‘digging around the roots of a tree before transplanting it’. In contexts for organizational communication, it can denote ‘laying the groundwork for an important collective decision to be made ; a “behind-the-scenes” consensus-building process in the organization<sup>8)</sup>.

In practice, and re-invoking Kotter’s generic definition of organizational leadership, *nemawashi* can see one senior manager with leadership responsibility approaching a number of key decision-makers – both discretely and discreetly – with the purpose of ascertaining their support for a particular strategic ‘vision’ for ‘the future’ of the organization and, consequently, willing openly to ‘buy into’ this vision in a decision-making forum: e.g., an Executive Board Meeting.

Analogous with our own case study research design, Davies and Ikeno (2002) combine an ‘outsider-looking-in’ (etic) and an ‘insider-looking-in’ (emic) interpretation in their discussion of what they term ‘the Japanese mind’<sup>8)</sup>. Towards explaining *nemawashi* to an international (i.e., both Japanese and non-Japanese) audience, they posit that:

- The Japanese are not accustomed to the Western style of communicating and negotiating, which lets both sides present conflicting interests and ideas before concluding. They prefer to reach a conclusion as amicably as possible, and there is a tendency to compromise with others by *laying groundwork* before reaching a final agreement (2002: 159 - *our emphasis*)<sup>9)</sup>.

### **III Methodology**

As a research method (Yin, 2009) or, alternatively, as a research strategy (Saunders et al, 2020) choosing to gather data by means of a case study represents an attempt to develop ‘detailed, intensive knowledge about a single ‘case’ or a small number of comparable ‘cases’ (Robson, 2002: 89). As a mixed-method approach to research and thus relevant towards the gathering and analysis of both qualitative and quantitative data, a case study “involves the empirical investigation of a particular contemporary phenomenon within a real-life context, using multiple sources of evidence” (Saunders, et.al., 2012: 666).

The case study method is an established approach in the fields of organizational communication research, spanning industries and business sectors. Its application also offers a distinct opportunity for researchers to highlight ‘non-mainstream’ settings for research into organizational communication (Johansson, 2009). For, and as stated in our Introduction, we believe that our choice of conducting and sharing empirical findings from case studies of two directly comparable organizations that are both operating and, to an uncommon extent, competing in the business setting of an emerging economy: in our case, Uzbekistan.

#### **1 Sampling strategy**

We used a network sampling approach (Robson, 2002) to identify potential expatriate interviewees who had experience at both executive and senior levels of management in automobile manufacturers in Uzbekistan. We targeted our sampling at two organizations, subsequently identified as Organization A and Organization B. Respondents were selected for their extensive experience internationally and locally to ensure they had experience of leadership styles in differing yet comparable contexts for organizational communication.

#### **2 Sample population**

All respondents had experience as ‘expatriate managers (‘expats’) working in emerging markets such as Brazil, China, Mexico, Russia, Thailand and Vietnam. Each had worked in Uzbekistan for at least two years at different times over a ten-year period. Three of the expatriates were in executive positions: these had specific responsibilities and a significant influence in communications development. As a sample population, all expat respondents communicated routinely with local authorities and local business partners in Uzbekistan, including senior politicians and FDI policymakers and providers.

### **3 Research ethics**

All respondents were sent a letter with brief summary about the purpose, procedure and benefits of the study and a commitment to respect the confidentiality of the interviewees prior to the interview date. The interviews took place over Facebook Messenger or, WhatsApp video / audio call meetings with a duration of about 40–60 minutes. The video and audio recordings were transcribed and coded for further analyses. To protect the anonymity of participants, we coded both the company names and created individual respondent identifiers (IDs) in order that each respondent's personal information and data were kept secure<sup>10</sup>.

## **IV Case study**

### **1 Business context**

After the collapse of the Soviet Union, it was realized that many leaders were not ready to work under free-market conditions that were contradictory to their centrally planned fundamental business system (Ivancevich et al, 1992). This could be due to the fact that most managers of enterprises were chosen for their position not for their skills but because of their links with the Communist Party (Shama, 1993).

Since Uzbekistan became independent, many large state enterprises have been transformed into joint-stock companies. However, the private sector doesn't own a total controlling share in most of these companies as the government owns at least 25 percent of the share which allows it to have a controlling vote (Gürgen et al, 1999). Large strategic industries are still controlled by the government, sometimes through the formation of an international joint venture in order to widen its learning of international standards.

The automobile manufacturing sector of Uzbekistan is one of the most dynamically developing sectors of the country's economy. It is an example of Uzbekistan's export capacity and plays an increasing role in the development of the country's foreign economic activity. The industry includes the manufacturing of private and business cars, OEM, and spare parts.

### **2 Organizational context**

In 2008 Western Multinational Company (MNC) founded two manufacturing companies with the local government with different stock shares in each. Organization A was established from ground level and had the biggest share of MNC's stock - 52%. Organization B

was a mature operating company and MNC got its 25% share stock.

MNC brought a well-developed communications system to Uzbekistan as part of its organizational structure. The company has a communications strategy that is aligned with the company strategy and communicative leadership style which is uncommon in local companies. The company has a structural process for identifying and eliminating problems at all levels. Generally, employees are not blamed for raising the problems which they may face during the working process, instead, they are solved according to their classification: technical, managerial or process. There are many various tools that can be used within Problem Solving to help with the analysis of the problems. Overall, MNC tries to maintain a common discourse, leadership style, principles of communication, methods of assessment and processes that helps the company to achieve business results.

Changing culture in a mature organization is quite a difficult task than creating it in a new one (Yukl, 2013). Hofstede (1997) recommends creating an organizational chain of key people at all levels so that others can follow them. MNC follows this pattern when it establishes new plants in other regions. When it opened joint ventures in Uzbekistan, more than 30 experienced people from headquarters and other plants were sent to fill key positions including executive, senior leadership and engineer positions (Expatriate F1, personal communication). These expatriates served as transformers of the culture of MNC company.

In 2017 partners decided to take forward operations under a new alliance to support a more independent automotive industry in Uzbekistan. In 2019, under the new alliance local partner took full ownership of the business. As part of the alliance, local partner continued access to technologies and know-how of MNC and continued commercial relationship in Uzbekistan.

Constraints in communication, leadership behavior and culture at higher government levels as well as at the organizational level emerged from expats' responses. All expats had background experience which made them able to understand organizational communication, leadership and cultural topics and compare and contrast the communication system of local companies with international communication systems. Their observations provided comparative information which could shed light on the conditions of communications systems in Uzbek companies since they had no prior experience working in Uzbekistan.

## V Discussion

Obtained data was reorganized into categories according to similarities in answers. The analysis involved examining answers in order to identify which clusters were most common, had greater importance, and had more impact on the development of communication. To analyze the obtained qualitative data, the major themes were identified which included: communication challenges and opportunities; the importance of leadership attitude; and the influence of national culture on the business environment.

### 1 Communication challenges and opportunities

#### Communication Style

Executive expatriate respondents had a similar view on the main objective of the communication system. They mentioned that communication should help people to align with a company strategy and to understand its direction, should have people feel responsible, committed and should help them make the right decisions, should help to remove problems and ensure that employees treat the company as their corporate family.

Expatriate F1 mentioned,

*A leader needs to be able to share. Holding information is not positive, because people need to know where the company's direction. For me the more you communicate the better. As a company, you got to have an overall strategy and share information with entire the team. And if you cannot you will not have the direction necessary to operate more effectively.*

#### Transparency

Two executives also mentioned that local partner worked based on a hidden agenda or not sharing information with them. Expatriate M1 mentioned,

*We had challenges not so much internally, we had challenges with people who were working in the outside of the company. There were a lot of hidden agenda, that was not clear for me. For example, the partner was trying to give business to certain companies. It is hard to communicate and address the issue if you really don't know what the issue behind. It took a long time for me to understand those challenges.*

Expatriate M5 suggested,

*Every government, every company prefers not to change anything. I think, it really takes companies to do [to change]<sup>11</sup> it first, then the government. And they [companies] are doing [changing] it because they understand if they don't make change, the people will leave, they don't make money. Strong need for them to keep people happy and continue to evolve. I don't see the same need with the government. I think it comes from the companies. The more transparent you are the faster you get ahead of bad news or surprising news. The employees are going to trust you and do not suspect you for hiding something. You earn a lot of creditability by saying the right thing to everybody as often as you can. Being honest with the people can only help, not harm. Less communication which usually harms.*

### Gender Issues

A female participant who worked in both senior leadership and executive positions mentioned that gender was an issue for them working in a managerial position. Expatriate F1 said, *...one thing know – it was challenging from the standpoint of women. But I find sometimes it is not always just in Uzbekistan, it can be in the US too. But in Uzbekistan, I was tested a lot. I still remember my first interview with the government official who looked at me as if what you can do for us. What made it successful for me was I tried to maintain the level of trust, not build the story in my head, treat others with respect and share my knowledge. I proved that I deserve the same respect as my male colleague.*

According to Expatriate M4 (male respondent), communication between men and women was the biggest challenge. He explained,

*... there is some topics that are not openly accepted by women. You have to find a way to communicate [communicating to a man versus communicating to a woman]. Women normally occupy certain types of positions. People have an opinion [in Uzbekistan] that women are not so technical [do not understand technical subjects].*

## **2 The importance of leadership styles**

Expatriate M2, mentioned that there was not much communication between leaders and employees in the local companies. According to Expatriate M2,

*Leadership in Uzbek companies mostly were not listening to their employees, they were not asking questions from them [to the employees]. Employees just do it [what the leaders say]. In local companies, traditionally, leaders inform and expect actions. Most leaders*

*are not patient enough to gain understanding. Comparatively, international companies take time to make people understand, so that people are committed and actions are sustainable.*

Expatriate M1 added,

*Leadership's culture or culture at the top, definitely goes through the organization. But you have to have proper culture at all levels. ...behaving in front of the leaders one way and treating people who works for you in different way is not a good culture. And ultimately, if you don't respect people who you work with or for, when it is time for you to make an important decision or taking important actions, they may not do the right thing. A lot of suffer.*

### **3 The influence of culture on business environment.**

#### Soviet Union Era

Respondents indicated that the influence of former Soviet Union era organizational principles and way of thinking had an impact on the way how business operates in Uzbekistan.

Expatriate M1 commented,

*... I had spent time in Uzbekistan but I had not been in Soviet Union. It [Soviet Union] did get so much appreciation for Soviet culture. I watched documentary about Chernobyl. So many things that happened in that movie as far as management and communications were so similar to what I felt in Uzbekistan.*

Expatriate F1 shared her opinion on the culture of Uzbekistan and believed,

*I think, there is country culture, and you [Uzbekistan] got a history with Russia. As a result, it is how that relationship and how things over the years was, how the communications took place within companies. And I found that it [culture] is in St. Petersburg [this respondent had a practice of working in Russia, St. Petersburg] and Uzbekistan is quite similar.*

#### Open Communications

Expatriate F1 described the difficulties she frequently faced while working with her partners who were in leadership positions. She compared local and international companies by the following discussion:



*In international companies they are much more open in sharing strategy, bring people along and make sure they are understanding the direction of the company. In local companies, sometimes, they are afraid to give or share their knowledge away. Head leaders has a control and shares what he believes that can be shared with others, sometimes he limits amount.*

Expatriate M2 commented,

*...culture in Uzbekistan [organizations] is like every department has its own silo, tall narrow structures, walls above the ground. Due to those walls, departments don't talk well [to each other] and you cannot cross that walls. People in partner's company don't talk to each other, don't share information. Knowledge is power. In Organization A, we tried to break that down. You live within the country but business can be different. If you were collaborative culture, you don't need to go top [to go to a higher-up], you can work together and done a lot and faster. You just work across and ask.*

### Decision Making

Expatriate M5 discussed the decision-making culture of local people. He noticed that employees tend to have a “tell me what to do, tell me how to do this or direct me how I am supposed to do this,” attitude. He thought that it was much more an order-taking culture than one in which conversation or open dialog was promoted. He gave an example,

*One thing I will always remember is: whenever when we get into a meeting and I say what is the next step, how we are going to result this, people would always say “we need to take the decision”, which to me when I hear the word “take a decision” that means ‘I will not come up with my own decision, I will have my leader tell me what I have to do and take it from him. It should be “make a decision” [instead]. That was strange for me, because in Western culture you say ‘make’ you don't say ‘take’ [regarding a decision]. Because the culture there is more top down in companies. Westerns, I think, more collaborative, just by nature of society. So, it was interesting to me the word [local people use] for decision<sup>11)</sup>.*

## **VI Key findings**

Respondents were asked to compare the communication systems of international and local

companies and give examples of communication challenges. Based on their answers the following were underlined as the most frequent ones: 83% of the expatriates mentioned that leaders in local companies mostly had a top-down communication style and were quite authoritarian. Gender issues emerged as an additional communication issue that female leaders face from 33% of the respondents' answers. According to 50% of expatriates, leaders play an important role in creating an open communication environment in organizations. 100% of respondents mentioned that national culture has a substantial impact on how business culture now operates in Uzbekistan. They noted that Uzbek people had difficulties to communicate openly and share their thoughts for different reasons. Other cultural challenges mentioned by respondents were the decision-making process, and the country's persisting Soviet culture.

Analyzing the above, data shows that there are significant challenges in Uzbek organizations that are related to communication styles, transparency, gender issues that female workers may face, leadership styles, and organizational culture.

Based on respondents' experience and observation, to understand the situations in organizations in Uzbekistan we illustrated distinctions in a table (see Table 1). To reach a conclusion on organizational culture, we employed Handy's (1993) model of culture. In his book "Understanding Organizations," Handy outlined four types of organizational cultures: Power Culture; Role Culture; Task Culture; Person Culture are all concepts he developed based on his professional experiences as a manager and management consultant.

Our analyses show that Organization A has a Role Culture with clearly defined roles and responsibilities, with a focus on stability and efficiency. Organization B, on the other hand,

**Table 1 : Understanding Organizations, based on Handy, C (1993)**

<b>Elements</b>	<b>Organization A</b>	<b>Organization B</b>
Leadership style	democratic	autocratic
Communication type	dialog: two-way	monolog: one-way
Problem-solving	finding the root cause; training	looking for guilty; punishing
Decision making	work by logic and rationally	centralized
Activities controlled	by rules and regulations	by single person dominance
Situation in company	stable	fluctuated
Culture	collaborative; supportive	controlling; relationship based
<b>Conclusion</b>	<b>The Role culture</b>	<b>The Power Culture</b>

has a Power Culture which is centralized in the hands of a few individuals or a dominant leader where decision-making is often quick and centralized, with a focus on individual influence and control.

## VII Conclusions

Uzbekistan is strategically placed at the crossroads of Europe and Asia on the ancient Silk Road. It is one of Central Asia's fastest developing economies. Since President Shavkat Mirziyoyev's election in 2016, Uzbekistan has been undergoing large-scale political and economic changes, resulting in a more open, market-oriented economy and a more favorable investment climate. Investing in Uzbekistan can be a fruitful opportunity due to the country's potential for economic growth and development.

We suggest the following practical preparations to managers and their organizations in Japan who are considering investing in business sectors in Uzbekistan:

First, to familiarize themselves with the business practices in Uzbekistan before establishing local partnerships to understand the business climate. A well-established local partnership can help mitigate risks and enhance investors' chances of success. Building relationships is crucial in this market and can help create opportunities and pave the way for successful investments.

Second, to consider investing in training and development programs for local employees in Uzbekistan. Building a skilled local workforce can not only benefit their investment projects but also contribute to the long-term economic growth and development of diplomatic relationships between Japan, Uzbekistan and other emerging economies in Central Asia and other regions that were once part of the Soviet Union.

Finally, investors can implement international companies' practices to improve the understanding among managers in local organizations about effective leadership styles and processes of organizational communication which consequently would help to improve organizational performance, and the potential return on inward FDI. Adopting more diverse communication management and leadership styles from international companies into the former Soviet countries may not be a straightforward task. Nonetheless, the findings from our research among experienced expat managers in Uzbek organizations give indicators as to how – practically – this challenging task might be mastered.

Placing importance on organizational communication and leadership is much more essen-

tial to organizational performance than ever before. The interim findings generated by this study already provide practical implications for potential Japanese investors in established business sectors such as automobile manufacturing, mining and petrochemicals. The findings also suggest directions for future research and investment in emerging business sectors such as telecommunications and sustainable energy technologies.

#### Endnotes:

- 1) **Source:** [invest.gov.uz/mediacenter/news/which-countries-and-how-much-invested-in-uzbekistan-in-2021](http://invest.gov.uz/mediacenter/news/which-countries-and-how-much-invested-in-uzbekistan-in-2021), accessed 15<sup>th</sup> August 2023.
- 2) **Source:** [www.spot.uz/ru/2022/03/10/ivestments](http://www.spot.uz/ru/2022/03/10/ivestments), accessed 15<sup>th</sup> August 2023.
- 3) **Source:** [www.jetro.go.jp/en/jetro/topics/2022/2210\\_topics3.html](http://www.jetro.go.jp/en/jetro/topics/2022/2210_topics3.html), accessed 17<sup>th</sup> August 2023.
- 4) **Source:** [www.meti.go.jp/english/press/2022/1025\\_002.html](http://www.meti.go.jp/english/press/2022/1025_002.html), accessed 9<sup>th</sup> September 2023.
- 5) **Source:** Merriam Webster Online Dictionary, available at: [www.merriam-webster.com/dictionary/communication](http://www.merriam-webster.com/dictionary/communication), accessed 20<sup>th</sup> August 2023.
- 6) **Source:** [jisho.org/search/nemawashi](http://jisho.org/search/nemawashi), accessed 20<sup>th</sup> August 2023.
- 7) **Sugimoto** (2014: 29) explains how an *emic* research perspective assumes that concepts [e.g., *nemawashi*] might be interpreted as being ‘specific and peculiar to a particular culture and meaningful only to its members’. For contrast, adopting an *etic* research perspective assumes that processes such as ‘laying the ground for important collective decisions in an amicable way’ might (potentially) be applied to organizational cultures and sub-cultures in and across *all* societies.
- 8) **Speculation:** In our dual role as ‘insiders’ to Japanese organizations and as ‘outsiders’ to Japanese culture (as described by Kindaichi sensei), to what extent might reference to the *nemawashi* style of management communication help explain experiences that we each occasionally have of being excluded from major decision-making processes and, concomitantly, being denied information that might be assessed as relevant and, arguably, vital to our respective contributions to the performance of our host organizations in Japan?
- 9) Given the specifics of the contexts for organizational communication and leadership we were researching in, we anticipated and resisted pressures to share raw data before they were analyzed and anonymized. Echoing Yin (2014), these internal ‘pressures’ to share data are a common challenge of case study research.
- 10) The words appearing in [brackets] represent the researchers’ interpretations of the meaning.

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