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Cultural differences- Hinder or Opportunities?

A study of Swedish subsidiaries in Turkey

Master thesis within management

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Abstract

During 2001 experienced Turkey a deep financial crisis with high inflations, large public debt and a growing currency account deficits that caused a loss of confidence among investors. However, the International Monetary Fund (IMF) and the Turkish government together established a stand-by-arrangement which gave remarkable results. The recover of Turkey's economy has been a success story with an average growth of 10 percent that has attracted Foreign Direct Investments facilitated by the investors' recognition of the country's valuable opportunities.

This has also attracted Swedish companies and today it is over 400 Swedish companies represented in Turkey. Hofstede (1997) study shows that there are significant cultural differences between Swedes and Turks which will imply that the expanding Swedish companies will face problems that hinder their effectiveness due to these differences. The aim of this study is therefore to identify the common cultural differences in order to facilitate the cultural interaction in the workplace.

This thesis applies Hofstede (1997) study of nationalities as a foundation to identify the cultural differences. The authors have also used qualitative methods and ethnographic science to be able to interpret and analyse the findings. The information was gathered from the managers of Volvo Cars, Tetra Pak and IKEA and was also complemented by a questionnaire to the Swedish and Turkish employees.

The findings shown important cultural differences that is essential to consider in management in order to increase the effectiveness in the workplace. The analysis show that Turks want to be provided clear directives rather than guidelines, while Swedes want a consultative manager, take more responsibility and solve their task independently. Turks are also very emotional integrated with their tasks and thereby take criticism more personally. Swedes, on the other hand, handle the criticism more professionally due to their emotional distance to their work. The findings also shown that there are differences in risk taking where Swedes are willing to take risk at a greater extent than the Turks. The nationalities moreover belong to different time cultures which require the managers to be tolerant to delays. However, there are also similarities as both Turks and Swedes value team-work as a prior motivator. The conclusion state that it exist common cultural differences but that are not considered as troublesome in the studied companies due to the expatriates cultural experience and intercultural skills.

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1 Introduction

This first chapter provides the reader with an introduction to the topic and why this study is relevant and of current interest. It also presents a discussion that stresses the importance to consider cultural differences when managing diversity. This discussion leads into the purpose of the thesis which is followed by a disposition of the study that illustrates the process.

1.1 Background

Turkey has recovered from a deep financial crisis caused by a run on the country's banks in 2001. The crisis involved high inflation, large public debt, a growing currency account deficit and loss of confidence among investors. To deal with the crisis the government and the International Monetary Fund (IMF) established a stand-by-arrangement where the exchange rate was designed to play a key role in anchoring inflation expectations and reducing interest rates. Structural reform was introduced to make fiscal adjustment sustainable and improve economic efficiency by increased privatization and improve transparency of the government. The strict monetary program helped establishing the Central Bank's credibility and resulted in a dramatic decline in real interest rates as confidence recovered. The recovery has been facilitated by an average growth of 10 percent, well above the 5 percent forecast in its Stand-By Arrangement with the IMF (IMF, 2005).

The positive trend of decreased inflation and exchange rate volatility has resulted in a more stabilized Turkish economy. The stabilization is maintained by a new stand-by-arrangement with IMF and by World Bank's Country Assistance Strategy for Turkey (for 2004-2006). The purpose of the World Bank strategy is mainly to support Turkey in the process towards integration with Europe because Turkey is a candidate country for the European Union since 1999 and a membership in the Union would open up the economy and further facilitate foreign investment (World Bank, 2005).

Turkey has been a market-based economy since 1980 and this policy has increased productivity and competitiveness. The government has a favourable attitude towards foreign investment and in order to attract foreign investors they have decreased legislations and bureaucratic formalities (Friedlich, 1999). Historically, Foreign Direct Investment (FDI) has been low in Turkey due to macroeconomic vulnerability, but since the recovery after the crisis in 2001 the FDI has improved. This process has been facilitated by investors' recognizing the opportunities with a large population and a valuable geographic position (IMF, 2005).

Since the liberalization of foreign trade in Turkey, in the 1980s, the Swedish exports to Turkey have shown a fast growth, it has sharply increased by 50% since 2003 (The Ministry of foreign affairs, 2004). There are also over 400 Swedish companies represented in Turkey through agents or distributors. The leading Swedish companies work actively on the Turkish market, for example Volvo ranked Turkey as one of the markets with highest development potential and Tetra Pak has established modern production facilities. IKEA also decided to expand their business and enter the market with their first store in spring 2005. The remarkable growth rate of 10%, the large population and investment in new industries makes Turkey an attractive market for Swedish companies. An establishment in the market also facilitates the process of expansion to other Central Asian countries since Turkey has both cultural and linguistic bonds with these countries (Swedish Trade Council, 2005).

1.2 Problem discussion

In the economic environment today, companies realize that they need to expand abroad in order to grow and make profit. The expatriation is an attractive method to accumulate foreign markets since it effectively transfer knowledge from the mother company to the foreign. However expatriate expansion implies cultural challenges as the expatriates must adjust to the unfamiliar culture and learn to cooperate with the foreign human resources (Lee, 2005).

Culture has an essential role in intercultural management and has been defined from different aspects. This thesis is based on the definition of Hofstede who mean that culture is *“The collective programming of the mind which distinguishes the members of one human group from another. Culture, in this sense, includes systems of values; and values are among the building blocks of culture”* (Hofstede, 1997, p.5).

However, culture also includes subcultures, expressed in individual and group characters, which challenge the international manager to a greater extent. A diversified culture can be a great source of competence and imply opportunities for development, but if the differences are not understood, and not properly managed, they can cause serious problems. Managers of international companies must therefore adapt their management style depending on the national culture they are operating in since different cultures emphasize different aspects of management (Mead, 1998).

Hofstede (1997) argue that nationalities can be used as a criterion to analyze cultural differences. His study, which considers how values in the workplace are influenced by culture, shows that there are cultural factors facilitating and hindering cooperation. Brislin (1990) concurs and means that the managers must be aware of the differences in order to create an effective working environment. This is therefore vital when establishing subsidiaries abroad, especially when integrating domestic and foreign workers.

The cultural study by Hofstede (1997), (see appendix A) shows that Turkey and Sweden has significant cultural dissimilarities. There is an increasement of Swedish subsidiaries in Turkey and this implies that more companies will face problems due to the cultural difficulties. This makes it crucial to identify the differences since Hofstede (1997, p. 10) means that: *“Culture is more often a source of conflict than of synergy. Cultural differences are a nuisance at best and often a disaster”* and managers must therefore find an optimal way to manage these (Mead, 1998).

Based on the discussion above, this thesis will therefore identify general cultural differences in order to facilitate the management of Swedish subsidiaries in Turkey. It will focus on subsidiaries that have a mixture of domestic and foreign workers where the cultural interaction occurs. The aim is to identify cultural differences that appear in daily interactions, the difficulties they cause and how the expatriate managers deal with the problems. The study will include the Turkish subsidiaries of Volvo Cars, Tetra Pak and IKEA, actors that plays essential roles in the Turkish market according to the Swedish Trade Council in Istanbul (Swedish Trade Council, 2005).

1.3 The purpose of the thesis

The purpose of the thesis is to identify cultural differences in Turkish subsidiaries of Swedish companies and examine what problem they cause and how the expatriate managers handle these.

1.4 Disposition

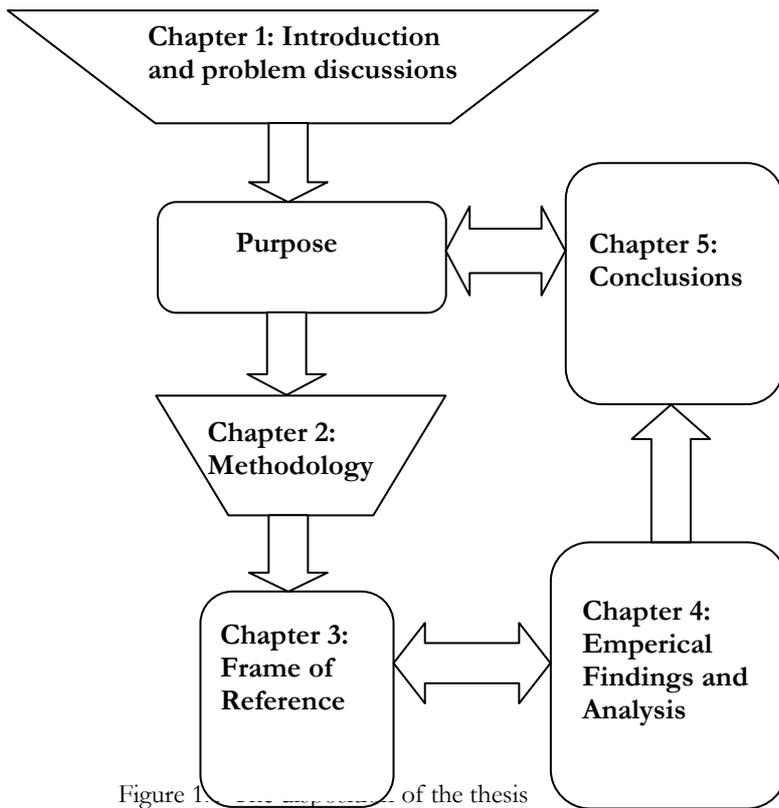


Figure 1. Disposition of the thesis

Chapter 1 includes the background to our study and a discussion why this study is interesting and of relevans.

Chapter 2 describe the methodological methods used to gather empirical data in order to fulfill the purpose of this thises.

Chapter 3 presents relevant theories that facilitate the understanding and interpretation of cultural differences.

Chapter 4 presents the emperical findings from the interviews and is analysed with assistance of theories from chapter two.

Chapter 5 contains the conclusions of our study and recomondations for further research. It also includes a discussion of the generalisability and criticism to the study.

2 Methodology

This chapter begins with an introduction to the authors' scientific view. It then continues with introducing the reader to ethnographic studies and the ethnographic methods and techniques that the authors used to fulfill the purpose of the thesis. Finally, the chapter presents a discussion of the reliability and validity of the study.

2.1 Scientific view

Within scientific research there are two main approaches, positivism and hermeneutics. The positivistic framework is a representative of the scientific approach while hermeneutics is an example of humanist approach (Bernard, 2000).

Positivism concerns collecting and validating factual knowledge by scientific methods confirmed by testing hypothesis in order to generalize the knowledge and search for common rules (Lundahl & Skärvad, 1992). The experience is the foundations of knowledge where the quality of recording is the key. The recording of the experience contributes to categorization in the humanistic field where insight and understanding result in knowledge (Bernard, 2000).

Hermeneutics, or interpretivism, is the rival approach to positivism. It aims to establish a methodology to be able to understand the meaning in the human social science. Hermeneutics concerns interpretations where the researcher transforms tacit knowledge into words (Gummesson, 2003). The interpretation refers to using the own feelings and values to achieve an insight into the nature of human and describe cultural related behaviour (Lundahl & Skärvad, 1992). The extension of hermeneutical interpretation also includes pre-understanding which refers to what the researcher already knows about the phenomenon of study (Gummesson, 2003). One of the authors has a Turkish background and thereby knowledge about the culture and ideas about potential cultural clashes. The authors of this study are aware that this creates a pre-understanding and could thereby bias the interpretations.

While positivists are searching for general rules the hermeneutics concerns emphatic understanding and ideographic, which imply that it seeks to describe the particular. The emphatic understanding means searching for cognitive coherence which is achieved by putting together pieces, consisted by factors such as emotions, economics and politics, to be able to see the whole picture. An important tool in the emphatic understanding is the interpretation which intends to build a bridge between the observable differences by understanding these and serve as a dialogue between the different customs (Bernard, 2000).

The approaches differ concerning the methodology and how the study will proceed to achieve the goals (Bernard, 2000). Gummesson (2003) claims that interpretation is required when the research aims to generalize theory and the data is collected through interviews and conversations. This thesis will therefore proceed in the spirit of the hermeneutics since the emphatic understanding and interpretation is essential when describing the Swedish and Turkish culture and compare them by conducting interviews. This also implies generalizations to a certain extent which is required in a comparison to achieve a cross-culture synthesis. Nevertheless, these comprehensive interpretations will facilitate the work to understand the differences.

The distinction between positivism and hermeneutics does not refer to the difference between qualitative and quantitative methods, even though positivism usually submits quantitative technique while hermeneutics favours qualitative methods (Bernard, 2000). In the following part the differences will appear distinctly and a discussion of the method of study will be presented.

2.2 Method of study

In quantitative research methods the data is collected through surveys, experiments and time series analyses (Lekvall & Wahlbin, 1993). The collected data is measurable or comparable and often systematically standardized and easily presented in a short space (Patton, 1990). The advantages with a quantitative research is that it is relatively easy to reach many respondents, however, it is difficult to reach underlying factors, as attitudes and valuations (Svenning, 1996)

The qualitative research methods, on the other hand, are more focused on detailed data which implies that the number of respondents and cases are limited. The detailed data facilitates the understanding of cases and situation, however it reduces the ability to generalize since the response are neither systematic nor standardized (Patton, 1990). Qualitative investigations consist of interpretations of the reality (Patel & Davidsson, 1994). This interpretation provides rich description which aims to set the qualitative results into their human context (Trochim, 2002). Common ways of collecting qualitative data is through interviews and observations (Patel & Davidsson, 1994). These methods are also optimal when interpretation emotions and obtain rich descriptive (DeMarrais & Tisdale, 2002). However, when interpreting the authors have some biased assumptions already in the beginning of the investigation. The biased thinking is undesirable but appears to a certain extent in every investigation and is more or less unavoidable. Other disadvantages imply that a qualitative method generally takes longer time since it cannot be analyzed by using computer programs, and demand straight goals (Patel & Davidsson, 1994).

The authors believe that the most suitable method for this study is qualitative methods since interpretation and obtaining rich descriptive is necessary to understand the culture and the related problems due to attitude and value differences. The cultural phenomenon and the respondents' perceptions could not be measured with statistical techniques. Interviews will facilitate the understanding of the culture and the underlying reasons for their problem since it enables the authors to interact with the individuals related to the studied problem. The interviews are also an excellent way of obtaining rich descriptive and the authors will achieve this by using citations from the interview respondents as much as possible.

The aim to interpret culture guides the authors to ethnographic methods where the interpretation and understanding of cultural human behaviour is in focus. The following part will therefore introduce ethnographic studies and present methods and techniques used in the spirit of ethnography.

2.3 Ethnographic studies

The ethnographic study has been defined in many forms and the utilized definitions affect the criteria brought up in the methodology part (Stewart, 1998). This study is based on the definition that ethnography is a research methodology used to study and interpret people's behaviour which is argued to be the proof of their regularities in social life (Alasuutari,

1995). Since this thesis is focusing on understanding the Swedish and Turkish culture in order to make comparisons, culture must first be described to provide an understanding and is thus relying on ethnographic methodologies. Culture can be learned by observation of people and by listening to stories and problems related to culture because conflicts arise due to different interpreting experience linked to culture. This is recognized as explicit cultural knowledge and can be used to describe a culture (Fetterman, 1998).

The main methods of gathering information are through observation, participant observation and interviewing. Observation methods implies not only audio and visual senses, it also includes observational material and documents. The participant observation involves describing and analyzing own understanding of cultural experience (Prus, 1996). However, the authors in these cases must have a distance to the subject in order to avoid bias. Interviewing is the main method that can provide primary source of data for the study and with this method it is easier to keep intersubjectivity.

The authors of the thesis will gather their primary data from interviews and gain an understanding of the culture by using explicit cultural knowledge. The study will also be based on observation and complemented by a questionnaire in order to obtain a better understanding of the culture. However, the authors were not able to do participative observations due to time and resource limitations.

Ethnographic science requires that the investigators are open minded in order to understand the overall view of the culture in focus. This open-mind strategy allows the ethnographer to explore valuable data that was not considered in the research design. However, the open minded criterion can't be fully achieved since the ethnographer usually begins with a preconceived notion of how the studied people behave and how they think (Fetterman, 1998; Stewart, 1998). The choice of geographic location and the sampling is also biased and all these biases contribute positively and negatively to the study. Fetterman (1998) means that controlled biases can limit the research effort and keep the focus on the important while uncontrolled biases can undermine the quality of the research. The authors have done theoretical research and obtained information about cultural differences between the Swedish and Turkish culture thus the study is biased to a certain extent. The pre-understanding of the differences, due to one of the author's Turkish background, is also contributing to the biased interpretation.

2.3.1 Fieldwork and research design

The development of the fieldwork is the crucial part in the ethnograph research design since it combines essential elements in the investigation which facilitates the problem-solving sequence. The ethnographer begins with a problem, an effort to describe and understand a culture, and then adopts specific data collection techniques to conduct the research. The theoretical approach is the elemental part that helps to define the problem and find methods to deal with the difficulties. The selection of theory also depends on the appropriateness and explanatory power of the theory and the function as a guide in the research (Fetterman, 1998). This thesis uses the study by Hofstede (1997) as the fundamental theoretical approach. The authors believed that it contribute to define and understand the cultural differences in the subsidiaries by using the introduced dimensions (further explained in 3.1). It also provides a complete view of how all the pieces work together. The work by Hofstede will be complemented with the study of Trompennars that highlights essential factors that are useful for this thesis.

The fieldwork is guided by the choice of perspectives which influences how the authors can describe people by observing and listening to them and by that create taxonomies of how they view the world (Fetterman, 1998). This leads us to cultural interpretation explained in the next part.

2.3.2 Cultural interpretation

Cultural interpretation implies that the author describes their observation to understand the comprehensive cultural perspective. These interpretations are based on the collected data and the methods and techniques for gathering data therefore shape the ethnographic study. The interpretations are guided by different perspectives to view the reality, namely the holistic, contextualization, emic and ethic perspective. The holistic perspective attempts to see the culture comprehensively and as a complete picture while the contextualization aims to place observations into a larger perspective. The emic perspective describes how people think and act with multiple realities as economic and political factors with a view from the insider. An ethic perspective, on the other hand, covers the external, social scientific point of view (Fetterman, 1998; Stewart, 1998). Fetterman (1998) argues that when emic and ethic perspectives are used they must complement each other to achieve validity.

This thesis emphasizes the holistic perspective to obtain a complete picture of the culture to be able to describe behaviour and recognize differences. The contextualizing perspective is also used to discover inter-relationships by placing the observations in a larger perspective.

2.4 Methods and techniques

The ethnographer uses methods and techniques to achieve reliability of the data and these processes are adapted to resource and time constraints. The optimal tools and methods for the investigation are not always accessible and the researcher must therefore accept and be aware of the limitations (Fetterman, 1998).

2.4.1 Information gathering

To get data items that are exactly tailor-made to the requirement of the thesis are those that the authors have collected by themselves. These data are also likely to be much more up to date than anything from a published source (Morris, 2000). Tailor-made data is usually called primary data and is often collected through observation, interviews or the use of questionnaires. Published sources are categorized as secondary data and are often collected for some other purpose than the specific thesis (Curwin & Slater, 2002). It's quite rarely that it's a choice between secondary and primary data; they are more or less integrated in the most thesis. Secondary data will often provide a useful overall description and inform as a foundation for the collection of primary data. Primary data on the other hand will add more detail, particularly current attitudes and opinions to the study (Curwin and Slater, 2002).

The authors have used secondary data to get a better understanding and knowledge about the cultural differences between Sweden and Turkey. It has also given the authors an insight in the current literature and reports within the field. The secondary data has also been used to design the questionnaires and the interview guide (Appendix C). This thesis gathers its primary data through personal interviews and a complementary survey. This is essential

since the study is based on person opinions and knowledge that could not be collected through a study of only secondary data.

2.4.2 Selection and sampling

The purpose and aim of the study shape the sampling and the authors should base the selection according to the probability of finding relevant data (Fetterman, 1998). This thesis includes a sample of Swedish subsidiaries in Turkey that possess relevant information according to the Swedish Trade Council (The Swedish Trade Council, 2005). The selection is therefore based on judgment sampling that implies that the authors rely on their own judgment to select appropriate candidates (Fetterman, 1998).

The selected companies are Volvo Cars, Tetra Pak and IKEA and the empirical findings and analysis chapter will include a presentation of the companies and their business in Turkey. Study of intercultural diversity must also be complemented with knowledge about the structure in the organization and the functional relationship (Fetterman, 1998). The introductions of the companies therefore also include information regarding the organization structure, relationships and communication. The chapter with empirical finding and analysis will provide the reader with company information essential for understanding the preceding study.

2.4.3 Questionnaires

The ethnographic questionnaire is conducted to explore more about the specific phenomenon when the authors has retained a holistic view and can see how the pieces fit together. The questionnaires are seen as an extension of the structured interview and provide possibilities to reach respondents to a larger scale. When formulating the questions the authors must consider cultural terms and expressions to avoid misunderstandings and inappropriate questions (Fetterman, 1998). The authors has therefore conducted the questionnaires in English and Turkish and adapted the phrases to the culture.

Questionnaires can be used to prevent bias due to over reliance of key actors and provide insight in the phenomenon. However, it should not be the authors' main primary data because a questionnaire implies distance between the authors and the respondents and lack the opportunities of interactive questions. The authors have therefore only used questionnaires to complement the information retained by the key actors (Appendix C). This was also performed in order to compare the collected data with the interviews to achieve higher validity.

An additional negative aspect of questionnaires is the differences in assumption and understanding of the questions that could lead to misinterpretations. Questionnaires are also biased since the respondents are selected to certain criteria's (Fetterman, 1998). The questionnaire was distributed to two Swedes and two Turks in each company and it was provided to employees in the management team since the Swedes primarily work at these upper levels. The result from the employees will be considered in each company's cases.

2.5 Interviews

The interview is the most important data gathering technique for the ethnographer and the aim is to explain what the authors identify and experience and put it into a larger context

(Fetterman, 1998). The authors have therefore chosen to gather primary information through interviews as explained in 2.4.1.

There are several interview types, namely, semi-structured, informal and retrospective interviews, however these usually overlap. Semi-structured interviews are usually conducted with explicit questions aimed to compare the responses and put them in a context of a culture. Retrospective interviews aim to explore an earlier issue that is linked to the research (Ritchie & Lewis, 2003). The informal interviews on the other hand contain implicit questions and take the form of casual conversations to discover values that notify behaviour. Informal interviews are also difficult to conduct and require an experienced researcher that can carry out a natural dialog and at the same time receive answers to the unasked questions (Fetterman, 1998).

Fetterman (1998) indicate that it is important that the ethnographer has respect for the investigated culture regarding physical appearance, language and behaviour. Pleasantries and icebreakers are also essential in the interview and facilitate the interviewer's effectiveness. The authors must also give the respondent opportunity to talk freely in order to achieve a more viable intersubjectivity (Prus, 1996).

The interviews for this study where semi-structured since the purpose was to compare the response and categorize them in a culture context (see Appendix B). The interviews with Volvo Cars and Tetra Pak where face-to-face while the Interview with IKEA was by telephone due to time limitation. In the beginning of the interview the authors also applied icebreakers by prevailing informal talks.

2.5.1 Descriptive and Structural questions

The authors must have some knowledge about the respondent's routine activities to have the opportunity to ask relevant questions (Spradley, 1979). The information about the daily interaction routines for the subsidiaries was therefore obtained before formulating the interview and questionnaire questions. The information regarding the daily interactions are presented in the empirical and analysis chapter.

The aim of the authors' questions is to encourage the respondent to talk about their culture and the problems arising due to the differences (Spradley, 1979). There are different forms of questions. Descriptive questions are asked in the beginning of the interview when the authors' knowledge about the respondent is limited. As the authors gains clarity in the situation the questions become more detailed and focused on cultural issues in order to describe a certain event or phenomenon (Spradley, 1979).

Structural questions appear in three different types, verification questions, cover term and included term questions. The common ground for these questions is that they are straightforward and consider cover term issues which is categories of cultural knowledge. These types of questions are usually more sensitive and should therefore be asked carefully and in the end of the interview when trust has been built up between the respondent and the researcher (Spradley, 1979).

Spradley (1979) claims that a successful interview should include both descriptive and structural questions and begin with descriptive and then transcend to structural questions. The authors therefore used descriptive questions that facilitated the conversation and gave a valuable view of the situation. The structured questions where later on considered when

the respondent felt more comfortable and the authors needed more detailed and sensitive information.

Questions in the native language are important in order to avoid misunderstandings in the translations of the language between the authors and the respondent, since the respondent uses terms and phrases most common in that nations. Supported by Spradley (1979), the interviews in this study were held in Swedish with the manager of Volvo Cars and Tetra Pak. The manager of IKEA will be interviewed in English which is not the native language of the manager, so the authors was alert to potential misunderstandings and ask complementary questions when a answer was unclear.

2.5.2 Key actors

The researcher's work will be considerably facilitated by interviewing key actors that possess relevant and important information for the study (Fetterman, 1998). These actors can provide information about the history and interpersonal relationship. The key actor is not a perfect representative for the group or culture but is the one that has a position that has overview of the situation (Fetterman, 1998; Stewart, 1998). This study therefore uses the managers as key actors since they possess relevant information about the problems which could be related to culture and have a general overview of the organization. However, over reliance of a key actor can give a biased picture of the situation and a study therefore requires multiple sources (Prus, 1996). The authors of this thesis therefore also chose to gather information from the employees in the management team in order to complement the interview with the manager.

2.5.3 Equipment

The authors used tape recorders during the interviews since Fetterman (1998) argues that it allows the ethnographer to maintain a natural conversation flow without the distraction of manual recording and at the same time capture verbal quotations. However, the authors are aware that tape recorders can hinder people from speaking freely but by emphasizing the confidentiality of the data it was possible to prevent the problem.

2.6 Research quality

Within ethnography there are two essential perspectives when measuring the quality of the data, triangulation and patterns, that will be discussed in this part.

2.6.1 Triangulation

The ethnographic analysis is an interactive process and requires the ethnographer to make sense of all the complex information to grasp the whole picture. This entails that the researcher possess critical thinking skill when evaluating the information. It is also essential to process this information meaningfully and usefully. Triangulation is the ethnographer's validity and is understood as the 'correctness' or 'precision' in a research. Triangulation implies testing sources of information against another. The ethnographer must therefore identify the role of the actor and test the quality of the data with the intention of understanding the whole (Fetterman, 1998). The authors achieve validity of the study by interviewing the managers and complement with the subordinates in order to compare the gathered information and crystallize the overall impression of the organization.

2.6.2 Patterns

The aim of the ethnographer is to search for patterns and behaviour. The investigation of patterns is a form of analysis since the observer has unidentified pieces of information that need to be compared to contribute to an overview picture of the situation. The authors must therefore match the observed patterns with a model of stereotypes (Fetterman, 1998). These patterns are a form of reliability which is replicability of the research findings were other studies has showed the same results. This thesis compares the observed and the gathered information at the interviews with Hofstede's stated observations related to the studied national cultures. The obtained data is also being matched with cultural difficulties stated by the Swedish trade council in order to achieve a higher level of reliability.

3 Frame of Reference

The methodology chapter concerned what issues the authors must focus on in order to carry out an ethnographic research and it therefore guides the authors' choice of theories necessary to interpret and understand the cultural differences. This chapter will present theories that underline this research with emphasize on the cultural study by Hofstede which serve as a base for this thesis. It also introduces the reader to the Swedish and Turkish culture and management style. This is followed by a discussion of the importance of cross-cultural training.

3.1 The Hofstede dimensions

Culture is developed through social organization and the concept of culture is therefore usually referred to societies. Hofstede means that citizens of a nation share common values and beliefs to a certain extent even though it does not achieve complete internal homogeneity. It is therefore relevant to study a nation as a culture and use nationality as a criterion in order to examine cooperation among the nations focusing on factors separating and uniting them (Hofstede, 1997).

Hofstede has studied collaboration in a multinational company by examining people in several different countries. The study of national culture differences resulted in a model with four important cultural dimensions (Hofstede, 1997);

- Power distance
- Individualism versus collectivism
- Masculinity versus Femininity
- Uncertainty avoidance

The countries are categorized into these dimensions and the result of the study is presented in Appendix A. The result affirms that there are significant cultural differences between Sweden and Turkey in all the stated culture dimensions, this could obstruct the cooperation between the nationalities in the Swedish subsidiaries. The work of Hofstede will therefore be the foundation of this thesis and will be used to define and analyze the cultural problems by using the stated culture dimensions.

3.1.1 Power distance

Power distance is a measure of dependence in the relationship between the subordinates and their manager. In nations where power distance is low, the employees express a preference for a consultative management style which implies that the manager discusses with his or her employees before taking a decision. The relationship is based on interdependence with less emotional distance and subordinates can therefore contradict their managers. On the opposite side of the power distance scale employees are more afraid of the managers and prefer managers emphasizing autocratically decision making. This leads to a counter dependence, a polarization between the powers, and anxiety to approach their bosses (Hofstede, 1997).

In the workplace large power distances are characterized by hierarchical structures where salary systems show wide gaps. The subordinates are also usually undereducated and expect

to be told what to do. In low power distance workplaces a hierarchical system is just an inequality of roles and only established for convenience purpose (Hofstede, 1997).

3.1.2 Individualism versus Collectivism

Hofstede introduced the concept of individualism and collectivism that refers to the ties between individuals. Individualism implies loose bonds between individuals where the individual interests prevail over the interests of the group. The individualist adjusts their time to be able to have sufficient time for personal and family life and they also praise freedom and challenges. A collectivist, on the other hand, entails strong integration of people and is based on the power of the group, decision is therefore not always to the benefit of the individual. The collectivist emphasizes the usage of their skills and training opportunities at work to improve these skills (Hofstede, 1997).

Differences in these concepts imply differences in management styles. In societies with individualism, management means to manage individuals, they are more task-oriented and providing negative feedback is considered as key skills for a successful manager. People in individualistic cultures thereby handle negative feedback in a more professional way due to their emotional distance. Management in collectivist societies are rather a question of management of groups and indirect communication. The collectivists are also more emotional integrated and emphasize personal relationships in business affairs while individualists advocate that business is done with companies (Hofstede, 1997).

Hofstede confirms that the measure of power distance and individualism is negatively correlated, in culture where people are dependent on groups (collectivism) they are also usually dependent on power figures. Individualists, however, are relatively less dependent on powerful models. Hofstede (1997) means that the negative correlation is due to differences in national economic developments. This implies that when the development factor is constant the relationship between these dimensions disappears (Hofstede, 1997).

3.1.3 Masculinity versus femininity

The masculine cultures have distinct social gender roles and emphasize earnings, advancements and challenges in the workplace. People in the culture appear to be self-confident and success-oriented and the manager makes the decision alone. Conversely feminine societies have more overlapping roles and managers are concerned with cooperation and tendered relationships and are therefore more invisible as leaders (Hofstede, 1997).

The distinctions between the societies, related to this dimension, result in differences in conflict solving. Feminine cultures resolve conflict by compromising and negotiating while problems in a masculine culture are resolved by power authority. These differences also imply that motivation and reward programs must be adapted to the culture. Masculinity stresses career advancement and is thereby more task oriented, on the contrary feminist societies are more towards modesty and therefore people should be rewarded on the basis of equality (Hofstede, 1997).

3.1.4 Uncertainty avoidance

Hofstede (1997) define uncertainty avoidance as “*the extents to which the members of a culture feel threaten by uncertain or unknown situations*” (p.113). He means that uncertainty creates anxiety and this feeling, and the ways of handling it, belongs to a culture heritage. The dimension

of uncertainty avoidance concerns job stress issues and the respect to formal and informal rules. In a nation with high uncertainty avoidance the employees in a work place feel stressed without rules and therefore want rules to be respected in order to create a predictable environment. Within these cultures it is also acceptable to show emotions and people are perceived as aggressive and active (Hofstede, 1997).

However, in low uncertainty avoidance nations the anxiety level is relatively low, there is also less expressiveness and people appear to be quiet and controlled. They have a less demand to predict the future and rules are only established if necessary (Hofstede, 1997).

Hofstede (1997) argues that that the uncertainty level and the masculinity and femininity dimension are linked to each other. Low uncertainty level encourages more risk-taking in order to show more visible results which are highly associated with a masculine culture. In a feministic culture, on the other hand, the uncertainty avoidance is high since the safety and security prevail over other needs. However, this is not always the case. The results from the study show that Sweden is a country with low uncertainty avoidance but are at the same time a feministic society.

3.1.5 Criticism to Hofstede

Gert Hofstede's study of national cultures and differences is well-known and respected, however, it has also received some criticism (McSweeney, 2002). Since this study is mainly based on the work by Hofstede it is also important to highlight some criticism to his study as it will influence the trustworthiness of this thesis.

The criticism concerns the assumptions of Hofstede's study. Hofstede assumes that all the individuals share common national culture. He does not consider subcultures and the interaction of macroscopic and microscopic cultural levels. Critics also argue that Hofstede generalizes about an entire population in each country based on a limited extent of questionnaires. The respondents consist of employees from a certain category in a subsidiary in a single company and critics mean that this sample can not represent the whole nation. The depicted dimensions are contrasting positions (e.g. individualism versus collectivism) and by that Hofstede denies the fact that both can coexist and change depending on the situation. McSweeney (2002) claims that some people are committed to a dimension in their home environment while their behaviour changes to the opposite dimension at the workplace. He therefore means that the study is not trustworthy since the questions were exclusively about workplace issues.

Hofstede (2002) has responded to the criticism by McSweeney where he states that four or five dimensions are not enough. However, Hofstede (2002) also claims that additional dimensions must be both conceptually and statistically independent from the earlier presented dimensions and correlate with external measures. He maintains that his study is old but recent replications show that it is still valid. The study is based on test data from other studies and indicators that measure the country level which furthermore strengthen the validity.

3.2 Trompenaars study

Hofstede and Trompenaars have done similar studies regarding cultural differences, however, Trompenaars has introduced some dimensions that Hofstede has not considered. The study aims to examine relations, and the presented dimensions can be used both in the

work place and social context. The authors of this thesis believe that the additional dimensions are essential in this study and the work of Hofstede will therefore be complemented by the study of Trompenaars. However, since the dimension *individualism and communitarism* are overlapping with Hofstede's dimension *individualism and collectivism* it will only be mentioned briefly. *Universalism and particularism* is also seen as a combination of Hofstede's *masculine and feminine culture* together with *uncertainty avoidance* and will therefore also serve as a support to Hofstede rather than as a foundation for the study. The emphasis will instead be on time and status achievements issues.

Trompenaars and Hampden-Turner (1997) identified five different cultural dimensions that could be used to identify cultural differences that could facilitate the management for the manager since the understanding of the differences increases. His study considers relation problems between people, the time concept and problems regarding the environment. The study can therefore be used both at the work place and in social contexts. The dimensions are presented below and are based on a cross-cultural survey made by Trompenaars (1993) which is supported by Trompenaars earlier studies.

3.2.1 Universalism and particularism

Trompenaars first dimension describes how we judge other people's behaviour. Universalism implies that the culture searches for similarities and equality, and adopts laws to maintain stability. Universalism can also be seen as a rule-based culture where behaviour tends to be abstract. Universalism argues that all citizens should follow the rules and be treated the same. Exceptions from rules are not approvable and exceptions are often seen as frightening as they weaken the rules and could lead to a collapse of the whole system (Trompenaars, 1993).

Conversely particularism searches for differences and uniqueness which are based on relations that do not consider people as citizens but rather as a person that is very important and bring emotions to the society. (Trompenaars, 1993). Trompenaars implies that it is suitable for a person to sustain, protect or discount another person no matter what the rules say. Particularistic cultures therefore focus on satisfaction of the individual person and thereby prefer uniqueness and customised service (Hampden-Turner & Trompenaars, 2000).

3.2.2 Individualism and communitarianism

Individualism is often related to the modern Western culture, while communitarianism, or collectivism, is more associated with the former failure of the communist empire (Trompenaars, 1993). Individualistic cultures are more focused on the individual responsibility and attempt to find creativity and achieve fulfilment. As a consequence the employees in an individual culture are more focused on their career and try to distinguish themselves within the group, to achieve promotion. Effective salary systems in these cases are therefore performance based payments and other similar individualistic systems (Trompenaars, 1993).

Communitarianism values the social interaction and the living society and emphasizes the spirit of the members and stress solidarity responsibility. In the working environment the work is based on groups and salary systems are based on group performances rather than individuals as in the individualistic cultures (Trompenaars, 1993).

3.2.3 Inner-directed and outer-directed orientation

Inner directed culture concerns the visualized value of the own soul and will. It also emphasizes the core beliefs and the self awareness and knowledge. The culture is focused on the “inner feelings”, the feelings that appear when we know that the decision is right. Individuals with an innate virtue have strong believes and are used to direct and guide other people (Trompenaars, 1993).

Outer-directed cultures try to emulate the surrounding world by anesthetizing the environment and relationships. An outer-directed person is more open and adjustable to external forces and therefore analyses the forces and tries to find potential opportunities to take advantage of (Hampden-Turner & Trompenaars, 2000).

3.2.4 Time as sequence and. time as synchronization

In a sequence time culture the focus is on time and individuals strongly follow their initial plans and schedules and missing a meeting is totally unacceptable (Trompenaars, 1993). This time focus is emphasized in the western countries and the early industrialization also gave it an upswing (Hampden-Turner and Trompenaars, 2000). In a synchronic time culture the individuals have many activities going on at the same time and the attitude concerning planning and scheduling is more flexible (Trompenaars, 1993). An individual in a sequenced culture is stressed by schedule changes while a synchronic person is more open and adapts to the new situation (Hampden-Turner and Trompenaars, 2000).

3.2.5 Achieved status and ascripted status

An achievement concerns what you have performed while ascription is related to who you are (Hampden-Turner and Trompenaars, 2000). Achievement implies that individuals are judged on what they have performed and their possessed skills (Trompenaars, 1993). Ascription, on the other hand, concerns the status that can be achieved through age, gender and through connections, network and education (Trompenaars, 1993).

3.3 Managing diversity

The growing internationalization of business has brought executives and workers to other countries in order to improve the company revenue and standard. This process has increased the intercultural contacts and puts emphasis on cultural relationships (Brislin & Yoshida, 1994). Manning (2003) argue that the most important skill of a manager is human interaction since even highly qualified persons can be unable to get along with others and thereby be unsuccessful. Failures due to lack of human interaction skills have especially been seen with many global leaders that has been selected based on technical expertise rather than experience from managing diversified workforce (Manning, 2003). The following part will therefore present essential topics to consider for a global manager based on Brislin & Yoshida (1994) indicators of successful intercultural interaction.

Brislin and Yoshida (1994) mean that it is common that a person from one country only interact with people from their own national background instead of communicating with people from other countries. It is therefore important to emphasize interactions with locals to facilitate the understanding of the unfamiliar culture and thereby avoid failures in the working process. In order to smooth the progress of integration with the new culture it is important to know how to behave to become accepted by the locals. This implies that the

expatriates must consider nonverbal signals which could be differences in body language, amount of eye contact, and facial places. It is also essential to be open and tolerant to the new culture since most people are sensitive for criticisms of their own culture. The manager must therefore understand the cultural differences and respect the local customs which could be expressed by participation in cultural rituals and interest in learning more about the customs. It's striven to acquire knowledge about the culture, confirm sympathy and managers must show that they are aware of the culture role in the managements. Also take concerns issues such as negotiations tactics and preferable leadership styles. Locals also appreciate if the expatriate knows the native language or at least learns the most commonly used phrases as greetings and polite remarks (Brislin, & Yoshida, 1994).

There are no cultures that are better than others and all nations possess know-how that contributes to the global market. It is therefore essential that the managers communicate that everyone is necessary and maintain the gained benefits by collaboration and cooperation. Studies show that management practices that consistent with the national culture are more successful than management that do not consider cultural issues. However, there are no "one size fits all" management style and success of finding the best way to manage a business and differences in national cultures rely on the manager's ability to interpret the cultural differences (Newman & Nollen, 1996). The following parts will therefore give the reader an insight to the Swedish and Turkish culture and management. The presented part is also linked to the fundamental studies for this thesis by Hofstede and Trompenaars in order to provide an overview of how the theories are related and by that gain a better understanding of the cultural differences.

3.4 The Swedish culture and management style

Bjerke (1998) describe Sweden as a country where equality is emphasized between professions, generations and equal wages for the same employment. This implies that laws and rules involve same rights for everyone and these equal rights are rooted in the Swedish strong belief in democratic values (Bjerke, 1998). Hofstede's (1997) study agrees because it maintains that Sweden is a feminine country where equality between the citizens is valuable. This is also shared by Trompenaars (1993) whose study shows that Swedish is a universal society where equality and rules are introduced to maintain stability. The equality and democratic spirit in Sweden contribute to a more open communication flow in the companies and the employees are not afraid of having discussions where the manager's opinion is not always shared. This implies that the Swedish employees have a significant influence on the decision making regarding the working processes (Bjerke, 1998). This is also in line with Hofstede (1997) who categorize Sweden as a low power distance country where relationship between the employees and their managers are likened to be consultative.

Swedes have respect for stated rules and laws, however, this can have a negative side-effect by slowing down the decision process (Bjerke, 1998). Some have criticized this addiction to common rules and mean that Swedish managers are undetermined and excessively careful (Phillips-Martinsson, 1991). The managers also hesitate to take uncomfortable decisions because they do not want to cause disorder and get too much attention. This behaviour is related to their natural shyness and their fear of behaving superior (Bjerke, 1998). Hofstede's (1997) study agrees with Bjerke to some extent since feministic cultures value equality rather than superiority. However, Hofstede's study also show that Sweden have low uncertainty level which implies that they shouldn't be afraid of taking risks and take uncomfortable decisions. In a survey by Phillips-Martinsson (1991) Swedish businessmen describe themselves as being organized, structured and effective. This assertion has re-

ceived support from Hill (1995), who also describes Swedes as organized and also sympathetic and caring about others feelings. The survey conducted by Phillips-Martinsson (1991) also shows that Swedish businessmen highly value honesty and see themselves as ethical, loyal and correct (Bjerke, 1998). These personalities are shared by the study of Hofstede (1997) who categorize Swedes as low uncertainty avoidance where people tend to be more quiet and controlled.

Swedes value their private life and as a consequence of this the Swedish managers do not interfere with their employees' spare time (Bjerke, 1998). This strict line between work and private life could also be a disadvantage in contact with new cultures. Swedes are not so outgoing and usually do not talk about their feelings which make it difficult to get to know them and thereby perceive them as serious (Daun, 1989).

Swedes appreciate sense and objectivity (Daun, 1989). Hofstede (1997) study agrees with this since Swedes are more business-oriented and choose to not show emotions due to their individualistic nature. Swedes value competence and education and Swedish managers are therefore usually well educated (Bjerke, 1998). The Swedish top managers have reached their position through hard work and the ambitious driving force is not only to achieve a good salary, rather to achieve appreciation (Bjerke, 1998).

Typical Swedish managers often try to avoid discussions that can raise uncomfortable feelings (Daun, 1989). However, discussion at the workplaces is seen as necessary and constructive, in this type of conflicts the Swedish managers therefore often take the position as mediator (Bjerke, 1998). This is also confirmed by Phillips-Martinsson (1991) whose study shows that Swedes are diplomatic in their nature.

3.5 The Turkish culture and management style

Turkey is taking the step from being an emerging market to a mature industrialized society. The culture therefore expresses duality of Western and Eastern culture which is built on traditional values (Kozan & Ilter, 1994). The most important cultural characteristics of Turkey are the difference in socioeconomic status at both societal and organizational levels. There are also influences of nationalism, secularism and statism that transform the society into a Western and secular structure. The culture is characterized by relatively conservative and traditionalist people that belong to a lower socioeconomic group of society (Pasa, 2000; Bayraktaroglu, 1996).

Bayraktaroglu (1996) describes the Turkish people as very patriotic where the flag is of prime importance. This is supported by Hofstede (1997) who maintains that nationalism is very common in countries where uncertainty avoidance is high. Bayraktaroglu (1996) also mean that Turks are very quick-tempered and hot-headed, but do forget and forgive easily as well. Within business the key to success is personal relationship and in the official context seriousness is associated with trust and confidence for the other partner. This personal and emotional emphasize is in line with Hofstede's (1997) categorization of Turkey as a collectivist culture where people are not afraid of showing feelings and be emotionally integrated Bayraktaroglu (1996) also emphasize that Turks have difficulties to be punctual for business meetings which is due to their relaxed attitudes that is not consistent with a rigid timetable. Bayraktaroglu (1996) also maintains that the Turkish people are individualistic and unwilling to work in teams since they are too competitive. Hofstede's study is linked to this issue since he categorizes Turkey as a masculine culture where people are success oriented and focused on career and social advancement.

The adaptation to the Western culture is progressing and many firms are adapting to modern management practices. However, there are still issues that distinguish Turkish organizations, such as centralized decision making, highly personalized, strong leadership and limited delegation. According to the study by Trompenaars, Turkey also has the steepest hierarchy that indicates the subordination of the employees and is the main mechanism of control and coordination (Kozan & Ilter, 1994; Pasa, 2000). The preservation of the hierarchy is also in line with Hofstede's categorization of Turkey's collectivist and high power distance culture.

The values relating to authority and conflict are deep rooted in the early socialization and changes regarding the leadership are therefore adapting slower to the western culture (Kozan & Ilter, 1994; Pasa, 2000). Leadership in Turkish culture involves influencing behaviour that implies to take over responsibility since they believe that the subordinates need guidance and assurance from their superiors. The leadership roles are associated with a manager who knows what's best and what should be done and therefore relieving the other employees of their responsibilities and assure that they do not take any risks. (Pasa, 2000). Hofstede (1997) has also shown that there is a high power distance which reflects a lack of participative style of the managers and fear of expressing disagreement with their superior. However, Kozan & Ilter (1994) mean that the autocratic style is not associated with emotional distance relationships, the firm is usually to be likened with a family where the manager is seen as a father figure.

Kozan & Ilter (1994) imply that there are basically a negative attitude towards conflicts and open discussions are seen as something harmful and are thereby avoided. They mean that the difficulties with confrontations are related to the high degree of uncertainty avoidance in the culture. This is supported by Hofstede's (1997) study which show high uncertainty avoidance for Turkey which implies that individuals are less tolerant to ambiguity and changes and avoid risk taking. The Turkish managers are relying more on their authoritarian when solving conflicts with subordinates rather than discussing with them which put confrontation and compromising behaviours in the background (Kozan & Ilter, 1994). Kozan & Ilter (1994) mean that the authority is also a personal matter and that managers may go beyond the need to maintain the authority for organizational goal achievement when defending their position. The focus on authority is also in line with Hofstede's study categorizing Turkey as high power distance and masculine culture where the managers desire to have total power and control.

3.6 Cross-cultural training

In order succeed abroad as an expatriate it is not enough to only be aware of the cultural differences. An essential element for a healthy cross-cultural relationship is also the acceptance and tolerance for the cultural differences. Studies of intercultural interactions show the importance of establishing a cross-cultural training program for managers and workers that will move abroad (Brislin & Yoshida, 1994). This section of the thesis will therefore introduce the aim and the concept of designing a successful cross-cultural training program.

Cross-cultural training assists people to make adjustment to new environments and cultures in order to create work effectiveness. It is essential that the administrator of the program is not a member of the organization, whose members will receive the training, since studies show that outsiders are often associated to be more knowledgeable. Brislin (1990) states that the development of the programs would be greatly improved if the program adminis-

trator emphasized his stated four goals and recommendations; this has also been supported in Brislin & Yoshida (1994).

The first statement of Brislin (1990) implies that people seek satisfaction in their working environment and are therefore willing to overcome obstacles that could interfere with their enjoyment of their cross-cultural experience. The programs could therefore help them to understand the cultural differences and thereby create a positive cultural experience. The second statement emphasizes the development of positive and respectful relationships with others in the culture. These relationships must be reciprocated which implies that the training should not only include people who are facing cross-cultural challenges in the host country but also those who are frequently interfering with them. The third statement of the program is to help people to accomplish their task by overcoming cultural obstacles to productivity. The workers should be able to accomplish the tasks in the same efficiency as they would in their own familiar culture by developing effective teams. Brislin (1990) means that the last statement is to emphasize the stress associated with culture shocks, which are common in the beginning of the cultural experience. The training should encourage people to prevent stress by understanding the reasons behind the stresses and thereby deal with them effectively (Brislin & Yoshida, 1994)

The cross-cultural training program should include aspects of awareness of culture and cultural differences. Culture is usually taken for granted and is not noticed until it contributes to difficulties in the daily interactions. The first step of intercultural success is therefore to create an understanding of these differences by providing knowledge of appropriate behaviour in the culture and by that prevent culture chocks and complex emotional responses. Brislin (1990) means that the awareness and knowledge about the culture must also be complemented by a development of intercultural skills since people are aware of what they must do but still do not change their behaviour. This process demands active involvement and exercises such as self-assessment in order to identify aspects of intercultural relationship that needs to be improved (Brislin & Yoshida, 1994).

4 Empirical Findings and Analysis

This chapter provides an analysis of the researcher's interpretation of the empirical and questionnaire findings for each company (Appendix D), in order to fulfil the purpose of the thesis. The analysis is carried out by assistance of the theories presented in chapter three.

4.1 Volvo cars

4.1.1 Volvo cars in Turkey

Volvo Cars are since 1999 a subsidiary to Ford Motor Company but are still fundamentally Swedish. Volvo Cars are represented in 120 countries as mostly independent companies working with Volvo Car Corporation as a business partner (Volvo Cars, 2004). The Volvo Car subsidiary in Turkey was established in 1984 when it was acquired from a private importer (G. Larsson, e-mail, February 11, 2005). The entrance to the Turkish market has been successful and it is nowadays considered as one of the most important markets for Volvo (Swedish Trade Council, 2005).

The organization consists of four Swedish and 25 Turkish employees. The executive group consist of the Sales director, Marketing & PR, Customer service and Finance and Administrator. The Swedes are within the executive group and these are; the general manager Göran Larsson and the sales and service managers. There is also a Swede located at the office that is reposting directly to a department in Gothenburg. The executive group also includes two Turks that have been working in Sweden in order to obtain *"the feeling for a Swedish management"* (G. Larsson, personal communication, April 31, 2005). The executive group is directly reporting to the general manager Göran Larsson. The communication between the directors and the general manager is through monthly performance meetings, quarterly planning's and approval meetings by phone. There are also approximately four conferences every year. Göran Larsson then has the responsibility to communicate with the head office in Gothenburg (G. Larsson, e-mail, February 11, 2005).

4.1.2 Cultural knowledge and experience

Mr. Larsson has been working abroad in many different countries and cultures. These experiences have given him the practice of handling unfamiliar cultures and facilitated the understanding of the differences. He states that *"I have learned to manage people"* (G. Larsson, personal communication, April 31, 2005). Mr. Larsson had been in contact with Turks before he was transferred to Turkey, he had both Turkish friends and co-workers at Volvo Cars. He was also provided a one-day cross-cultural training where a consultant at a seminar explained the essential aspects of how to manage in Turkey. These experiences have been important for Mr. Larsson when meeting and understanding the cultural differences in Turkey. His interest in meeting other people and cultures has also facilitated the integration. However, Mr. Larsson maintains that *"you can never understand everything, if you are not borne in the culture your insight is limited (...) you must therefore maintained certain humility to the culture"* (G. Larsson, personal communication, April 31, 2005).

4.1.3 Providing criticism and motivating

Mr. Larsson's aim is to create a spirit of Swedish management style, however, he means that he needs to adapt his management style to the nationalities due to cultural differences.

The adjustments are especially important when giving negative feedback. He states that *"In Turkey they take criticism more personally, they have difficulties separating tasks and personal issues"* (G. Larsson, personal communication, April 31, 2005). This emotional sensitivity could be explained by their collectivist culture as these cultures are more emotionally integrated and take their work more personally. Mr. Larsson therefore needs to consider how he expresses himself when conveying his message. He also claims that this task would be facilitated if he knew the language. The language knowledge could also contribute to better understanding of the indirect communication used by collectivist cultures. However, it is easier for Mr. Larsson to provide direct feedback to the Swedish employees since they handle criticism more professionally and business-oriented. This is due to the cultural match since the Swedes belong to a more individualistic culture where negative feedback is more task-oriented.

However, when motivating the employees Mr. Larsson does not adjust to cultural differences since the bonus system differs according to patriots and expatriates. The bonus system for the Turkish employees has its roots in the Ottoman time where employees were given gifts at holidays and received 15 months salary irrespective of performance. Mr. Larsson has adjusted this system to fit the Volvo Car policy. The new system implies that the salary is linked to business ratios such as performance, profitability and volume. This new system has generally achieved acceptance and positivism since it implies that the employees can achieve 4-6 extra monthly salaries. Mr. Larsson means that generally there has been little negativism towards changes and the suspicion that exists is human rather than a cultural issue. However, the positivism regarding the salary system is due to the fit between Volvo cars policy and the Turkish culture. Hofstede implies that masculine cultures, as in the case of Turkey, emphasize earnings and advancement, which is also expressed by the Turks that filled in the questionnaires. The bonus system is therefore appropriate for the success-oriented culture since it shows the individual performance and visible results.

4.1.4 The clash between performed and expected management

Mr. Larsson claims that the Turkish management style is more based on authority rather than democracy and collaboration as in Sweden. These differences create expectations of the manager that is inconsistent with the Swedish way of managing. The manager before Mr. Larsson had been an authorizer and when Mr. Larsson was transferred to Turkey he introduced the Swedish management style. The Swedish management style implies that he only gives main guidelines and provides resources necessary for the employees to achieve their tasks. It is then up to the individuals to find their own ways and take their own decisions to carry out their tasks. He means that *"it took the Turkish employees six months before they realized that they were allowed to take their own decisions"* (G. Larsson, personal communication, April 31, 2005). The employees are thus responsible for the results and the implementation of their ideas. Mr. Larsson is then available for support if it occurs problems that could not be handled independently.

In the beginning of Mr. Larsson's time as a manager the Turkish employees expected to be provided more detailed directives and approvals from him, *"they were standing at the door with a lot of questions and wanted me to say 'yes' or 'no'"* (G. Larsson, personal communication, April 31, 2005). These clear directions provided them with protection from criticism caused by performance that their managers found inappropriate. This avoidance of taking risks is also negative for the management since it implies that they miss opportunities to develop

These behaviours are due to the clash between the Turkish authorizer and the democratic Swedish management style. These could be explained by the power distance and uncertainty avoidance. The power distance in Turkey is high and this implies that they are used to an autocratic style of managing and high hierarchies. They are therefore expecting the manager to direct their work in detail. Hofstede means that the dimension is also linked to collectivist culture which also creates a demand of a visible leader to depend on. Mr. Larsson uses a more consultative management style where he gives them guidelines and encourages independent work, he thereby emphasizes invisible leadership which is common in feminine cultures. The high power distance that the Turks are used to creates anxiety to approach their bosses and makes them afraid of doing things wrong. The consequence is that the employees that ask too much and do not feel confident with only the provided guidelines, a behaviour linked to their uncertainty avoidance. They want a more predictable environment with rules in order to minimize the probability of failure. With only guidelines provided by Mr. Larsson they feel lost. However, Mr. Larsson maintains that *“now they have realized that they will not be killed for doing a mistake”* (G. Larsson, personal communication, April 31, 2005). The difference in risk taking is also expressed by the employees where the Swedes are willing to take risks at a larger extent than the Turks. The questionnaires also show the difference in power distance regarding responsibility. The responsibility provided by Mr. Larsson is a motivating factor for the Swedes while the Turks grade this factor as low motivating. This is related to the Turks' familiarity to have a leadership style that implies taking over the responsibility from the employees since traditional Turkish managers do not believe that their employees can handle their tasks independently.

The Swedish management style is not fully introduced in the whole organization. Turkish managers in other departments of the organization still maintain the Turkish authority to a certain extent *“lower down in the hierarchy there are significant tenderness of Turkish leadership”* (G. Larsson, personal communication, April 31, 2005). These “backlash” appears especially when Mr. Larsson is not in the organization. The managers then take over responsibility and provide detailed directions to their subordinates. Mr. Larsson aims to foster a company culture where employees take more responsibility for their business areas and tasks. The important decisions are decided together after discussions within the teams, but he believes in delegation and encourages the workers to take their own decision within their business area of responsibility as much as possible. This delegation is also important for Mr. Larsson since he travels a lot and must hand over some of his responsibilities.

The executive group have fully adapted the Swedish style of doing business and preserves a collaborative working style. The Turkish employees in the executive group have also been working in Sweden in order to experience the spirit of Swedish management style. This could therefore explain their smoother adaptation since Brislin (1990) states that this kind of cross-cultural training for locals will facilitate the understanding and acceptance of the differences. However, the decision making and management style differs in other departments of the organization and is mainly based on individual personality rather than nationality.

4.1.5 Team work and information sharing

The working style is based on team work and projects that cross the departments. This way of working has gained acceptance among the employees and no one struggles for independent work. Bjerke (1998) means that Turks are too success-oriented and is therefore unwilling to work in teams. However, in this case it has been successful and according to an internal study by Volvo cars the satisfaction in the organization has reached an index of 100. The results from our questionnaire show that both Turks and Swedes value team-work as a

management style and believe that it is highly motivating. This could be explained by the collectivist culture that implies that people are integrated and used to work together and accept decisions based on the group needs. Swedes value cooperation due to their feministic culture and they express that they enjoy team-work with the Turks as they are very hard working. Their hard work is also confirmed by the questionnaire where they state that they do not consider that their work interfere in their private life, as people in masculine cultures continuously strive to achieve success and distinguish. The individualistic Swedes on the other hand, value their spare time in a different manner and express that their work interfere in their private life.

However, Mr. Larsson implies that there are some problems with team work in the organization regarding the information flow between the employees "*Swedes expect that co workers share information, Turks has an ability to keep essential information to them selves*" (G. Larsson, personal communication, April 31, 2005). Bjerke (1998) believes that the democratic spirit in Sweden contribute to the open communication flow. The Turks, on the other hand, still maintain that knowledge implies power and therefore do not share all the information in order to be irreplaceable. This hinders the information flow in the teams and between the departments. It has also resulted in failed trainee programs since the expert were not willing to share the information that was required to develop the trainee. Problems due to these attitudes are usually solved by personal feedback.

The information flow has also been declining because the Turkish employees believe that asking about information shows that they are weak and can not solve their tasks by themselves. These attitudes regarding information sharing is a consequence of the masculine culture in Turkey where Turks are success-oriented and wants to show that they are superior and self-confident. Sharing information is not consistent with the culture since it implies to lose some of the individual power and share the own success. The corporate policy implies that the employees should ask their co-worker when they need the necessary information and Mr. Larsson hopes that this will facilitate the information flow. As a step in enhancing the information flow and his management style, Mr. Larsson has designed the office in Scandinavian style where the walls have been replaced by glass. However, this has not achieved the effect Mr. Larsson desires.

4.1.6 Clashes between time cultures

There are significant moral differences regarding time that is related to nationality. Mr. Larsson states that "*Turks are bad at attending at scheduled times and they are even worse to meet deadlines*" (G. Larsson, personal communication, April 31, 2005). Generally Mr. Larsson means that they do not respect rules and norms to the same extent as Swedes do. This has caused him some problems with suppliers that do not respect the quality and time request. The difference in attitudes regarding time is a consequence of cultural dissimilarities. According to Trompenaars Swedes belong to sequence time culture where the focus is on time and delays are unacceptable. Hill (1995) also maintained that this results in Swedes being understood as organized. The Turks on the other hand live in a synchronic culture where they, as Bayraktaroglu (1996) define it, have a more relax attitude that is not consistent with a rigid timetable. According to the questionnaire the Swedes experience this cultural difference as the Turks are disorganized which is actually due to their flexibility and that they are used to have many activities going on at the same time. However, these differences do not cause internal problems rather frustrations within teams.

4.1.7 Humbleness and adaptation to local culture

Mr. Larsson does not have serious problems due to cultural differences and he believes that this is based on his earlier experience with cultures and his understanding of the differences. He also maintains that *“if you are only aware of the differences it is easy to manage”* (G. Larsson, personal communication, April 31, 2005). The questionnaire of the employees also support that there are no serious problem due to cultural issues, conversely the Turks find the differences stimulating. However, the Turks maintained that the Swedes do not make effort to adapt the local culture. According to Brislin and Yoshida (1994) the success of working in a new culture is dependent on adaptation which implies that the Swedes need to be more understandable and humble to the culture. This is also very important since many people are sensitive to criticism regarding their own culture. This is especially the case for the Turkish employees where national pride is of prior importance (Bayraktaroglu, 1998) which is linked to their high uncertainty level according to the study by Hofstede.

The situation with Mr. Larsson is a dilemma since he needs to introduce the Swedish management style and at the same time consider cultural differences. This balancing to find the suitable management style depends on the manager’s ability to interpret and be aware of the cultural differences. This is especially the case when dealing with the Turks insecurity of handling tasks independently and having the responsibility to fulfil them. Mr. Larsson needs to find a balance were he encourage independent work by providing guidelines but at the same time to some extent consider the Turks desire of having specific directions.

4.2 Tetra Pak

4.2.1 Tetra Pak in Turkey

Tetra Pak established a sales department in Turkey 30 years ago and where by that the first Swedish firm establishing a factory in Turkey. Tetra Pak strategy when building new factories abroad is to buy the land and build the factory from scratch, however, in Turkey they bought an already existing firm and only did some smaller changes. They also considered cultural issues in the buying process and employed some of the employees from the old company. Today they have 210 employees in the organization (T.Körmendi, Personal communication, March 28, 2005).

In the beginning of the 90th decade Tetra Pak’s head office was moved to Lausanne in Switzerland. Last autumn, 2004, Tetra Pak also did some changes in their structure. The Turkish departments now belongs to the Middle East group, Mr. Körmendi therefore send his reports to Dubai (T. Körmendi, Personal communication, March 28, 2005).

Tetra Pak in Turkey has a diversified management team. Thomas Körmendi, who is Danish, is the general manager for the manufacturing department that was established in 1987. There are two Swedes in the management team, one of them are the technical director, and a process engineer which is part of the processing organization (T. Körmendi, Personal communication, March 28, 2005).

4.2.2 Cultural knowledge and experience

Thomas Körmendi, the general manager, has been working abroad since he graduated from Copenhagen Business School and has therefore encountered many different cultures, he state that *“even when I was working in Stockholm I was working with foreigners”* (T. Körmendi,

Personal communication, March 28, 2005). These experiences have facilitated his understanding of unfamiliar cultures by learning to be more open-minded and humble. He had no cross-cultural training before his transferred to Istanbul but believes that his experience of overseas business has been a great benefit. Mr. Körmendi had also been in contact with Turkey and its culture before he settled down in Istanbul, and this further smoothed the progress of integration. He states that he enjoys his time in Turkey *“Turkey is a fantastic country (...) I’m very positive about their future”* (T. Körmendi, Personal communication, March 28, 2005). Mr. Körmendi maintains that the Turks are very nationalistic, *“they love their country”* (T. Körmendi, Personal communication, March 28, 2005). He also believes that the Turks helpfulness and hospitality has contributing to the easy adaptation to the culture.

4.2.3 Providing criticism and motivating

The fear of criticism is according to Mr. Körmendi a general problem with Turks, *“people can not handle criticism and negative feedback”* (T. Körmendi, Personal communication, March 28, 2005). They take the criticism personally and are not able to separate private life and business as the Swedes do. This cultural difference affects the working environment and Mr. Körmendi therefore deals with the problem by providing negative feedback individually rather than in public. Criticism provided in public puts the Turkish employees in an uncomfortable position. However, although Turks is sensitive to negative feedback in public but, on the other hand, they desire to receive encouragement and credit in public. Mr. Körmendi is aware that this phenomenon contributes to motivation and effectiveness among his employees. He therefore also adapts his positive feedback to these circumstances and maintains honours as *“employee of the month”*.

Swedes, on the other hand, are able to handle negative criticism and do not take it personal to the same extent. Mr. Körmendi states that he also needs to express himself differently when providing direct negative feedback, *“you need to be harsher to make them understand the importance in your statement”* (T. Körmendi, Personal communication, March 28, 2005). When managing the Swedes he does not need to point out the essentials in his statement, he means that they usually understand the importance of the problems.

The Turkish employees behaviour is explained to their collectivist culture since it implies that they are more emotional integrated with their tasks and by that take the criticism more personally. Bayraktaroglu (1996) also concur and describe them as emotional intensive. This is also the case when receiving positive feedback. The emotional link to the task implies that they take it as a personal victory and by that get highly motivated.

The high power distance that they are used to also means that they are more afraid of their managers and therefore are more careful to not make mistakes and avoid criticism. They also fear that they will fail since they are supposed to be successful and self-confident in their masculinity culture. Criticism by their managers therefore also implies that they have failed to live up to their own standard in the society. Körmendi maintains that *“this is the land of heroes”* (T. Körmendi, Personal communication, March 28, 2005). This success-orientation is also supported by the employees’ opinions where Swedes defines the Turks key drivers as carer advancement and salary.

The Swedes handle the criticism more professionally because they have emotional distance to their task and are more business-oriented due to their individualistic culture. They have low power distance to their managers and do not experience him as a judge, rather as a consultative partner.

4.2.4 The clash between performed and expected management

Mr. Körmendi means that he is aware of the cultural differences and therefore adapts his management style to the dissimilarities. This is especially an issue to consider when delegating tasks to Turkish employees. In these cases he needs to give directives and guidelines to a larger extent than to the Swedish employees. The Swedes are more used to be provided with frames and then find their own way to fulfil their tasks, *“we discuss the tasks and then they work independently”* (T. Körmendi, Personal communication, March 28, 2005). Mr. Körmendi means that Turks are more careful and afraid to take risks, and the desire of clear directives implies avoidance of criticism from the manager.

Turks are used to be dependent on authorities, due to their collectivism, and on of the Swedish respondents in the questionnaire mean that *“they have great respect for their managers and unquestioning their decisions”*. Kozan & Ilter (1994) also mean that the employees are not familiar with delegation. The Turkish employees at Tetra Pak are therefore expecting to be provided more detail directives. Mr. Körmendi means that *“They do not take risks which are common in societies where authority plays an important role”* (T. Körmendi, Personal communication, March 28, 2005). The questionnaire support the Turks carefulness and the avoidance of risks are due to their high uncertainty avoidance that also explains their fear of criticism from their managers.

The individualistic Swedes are less dependent on power figures and take responsibility and solve tasks individually. The low power distance also implies that they have a more consultative relationship with their managers and therefore do not expect him to provide them with more than general guidelines. Bjerke (1998) also maintains that this is due to the democratic spirit and open communication between the managers and the employees.

4.2.5 Status

Mr. Körmendi points out that the Turkish employees are more prestige oriented than the Swedes. *“I believe that they expect me to be more keen on status quos (...) it is expected that the general managers are much more than the others”* (T. Körmendi, Personal communication, March 28, 2005). However, Mr. Körmendi does not emphasize status quotas. This split in behaviour and point of view created some problem and anxiety when Mr. Körmendi decided to take away the company-cars from a group of managers since he considered the cars as unnecessary when performing their tasks. At the same time another group of managers received new cars since their cars were old and their task performances were depending on their transportation. This caused confusion and frustration within the group of managers whose cars were withdrawn.

This misunderstanding could be explained by Pasa (2000) who state that status is important in Turkey since there are socioeconomic differences at both social and organizational level. Mr. Körmendi state that *“people here are very concerned about their positions (...) it is very prestige oriented”* (T. Körmendi, Personal communication, March 28, 2005). In the case with the withdrawal of the cars it therefore created frustration among the managers because they believed that their cars provided them with status among their subordinates. The withdrawal then put them on a lower level in the informal hierarchy and resulted into great dissatisfaction among the managers.

4.2.6 Team work and time oriented

The employees in Tetra Pak work together in teams and this working style has been very successful. The questionnaires show that team-work is preferable among the employees and that they find it highly motivating. Bjerke (1998) argue that team-work would not be successful in Turkey since the individual are to focused o own advancement. However, this success story could be explained by the collectivist culture which implies that the Turks are used to be integrated and work together so this may be an adaptation to the situation.

There are also no time problem within the groups regarding meeting times and deadlines, *“people in our company are very concerned about being punctual, they have a very professional attitude”* (T. Körmeni, Personal communication, March 28, 2005). This would thereby categorize Turkey as a sequence time culture were the time is in focus and delays not acceptable. This is however, not in line with Bjerke (1998) who mean that Turks have difficulties to be punctual. Mr. Körmeni state that *“the Turks in our company has a very good education, much better than any other places that I worked at”* (T. Körmeni, Personal communication, March 28, 2005). This could therefore explain their professionalism and punctuality.

4.2.7 Negative attitudes and expatriate adaptation to local culture

Mr. Körmeni argues that the Turkish employees and Turks in general, are very pessimistic and sceptical. He receives a lot of complaints that many times are not relevant, he mean that *“the employees here are spoilt”* (T. Körmeni, Personal communication, March 28, 2005). The complaints are generally not communicated to him, he usually hears it from others than the complainers or discovers the dissatisfaction by himself. He states that this issue is also problematic for other Swedish managers in other organizations. The negative attitudes among the Turks are due to the uncertainty avoidance since they are less tolerant to ambiguity and changes in their working environment and desire a predictable environment. Complaints and pessimism is usually not communicated directly to the manager because Turks are, according to Kozan & Ilter (1994), avoiding conflicts and open discussions since they believe that they are harmful.

However, in general Mr. Körmeni does not experience important cultural differences in the organization. He believes that a contributing factor to the problem-free working environment is the expatriates that are experienced in foreign business and the Turkish employees that are used to work together with expatriates. This smooth adaptation for the expatriates could be explained by their experiences which facilitate the understanding of unfamiliar cultures and is, according to Brislin & Yoshida, one of the most important factors for success abroad. Mr. Körmeni is also personally interested in Turkey and attends events with locals. These participations are associated with sympathy for the culture which is appreciated by the locals and further facilitate the integration with the culture.

4.3 IKEA

4.3.1 IKEA in Turkey

The IKEA purchasing office in Turkey was opened in 1989 but more effort was put into the business in 1998. That year did they obtain the responsibility for the IKEA purchasing activity and export worldwide from Turkey, Greece, Middle East and Central Asia. The es-

establishment in the Turkish market has been successful and the volume has risen from 20.5 Million Euro in 1998 to 200 Million Euro in 2004 (V. Lalic, e-mail, February 18, 2005). IKEA continue to grow in Turkey and on the 5th of May the first purchasing store opened in Istanbul (V. Lalic, personal communication, April 8, 2005).

Today the organization has 30 employees where six of them are foreigners mostly consisted by Swedes. General Manager for the department is Vladislav Lalic, how is from Serbia. The office communicates directly to the head office in Älmhult, Sweden (V. Lalic, e-mail, February 18, 2005).

4.3.2 Cultural knowledge and experience

Mr. Lalic has been working in Turkey for six and a half years and he believes that he is fully integrated in the culture. He has married a Turk and they have a son together, he has also learned the language and has Turkish friends. However, before Mr. Lalic moved to Turkey he did not receive any cross-cultural training, though he was provided with books about the culture and country. However, IKEA also provided him with a *“look and see trip when we get opportunity to see the workplace and a first impression of the new culture”* (Mr. Lalic, Personal communication, April 8, 2005) Mr. Lalic believes that this trip was very rewarding and successful. After working in Turkey for such a long time Mr. Lalic maintain that he has no important problems due to cultural differences. He also states that this is the case in the IKEA working environment as the communication between the nationalities in proceedings effectively.

According to Mr. Lalic the IKEA office have a high level of interaction and communication between the different nationalities which contributes to avoidance of failures in the working process due to cultural misunderstandings. This is supported by Brislin and Yoshida (1994) that argue that interaction between ethical groups in the workplace is essential in order prevent misunderstandings caused by cultural differences. The successful integration in IKEA is shown in there yearly survey, which proves that the employees are satisfied with their tasks and their positions in the organization. The yearly growth rate is also a proof of their working efficient. An additional explanatory factor is that IKEA is putting more effort into the region since it is an interesting and growing market.

4.3.3 Providing criticism and clashes between time cultures

IKEA has a very open culture and feedback is therefore given directly to the employees when a problem or situations arise. Feedback is provided in two different ways, during yearly performance appraisal and on an everyday basis. Mr. Lalic means that he adapts his way of providing feedback, *“Every single people reacts different to negative feedback (...) I also take the cultural differences in account when giving negative feedback, Swedes take negative feedback less personal than the Turkish employees, they take it more personally”* (Mr. Lalic, Personal communication, April 8, 2005). Negative feedback is therefore perceived more personally compared to the Swedes who separate business and personal issues and relate the feedback to their work. Mr. Lalic standpoint is supported by Hofstede study since he categorizes the Swedes as individualistic, more business oriented and the Turks as collectivistic and thereby more emotional.

The differences regarding the individualistic and collectivistic culture could also be expressed in the employees' way of valuating their time, where Swedes value freedom and family to a greater extent than the Turks. However the questionnaires show that both

Turkish and Swedish employees maintain that their work is interfering in their private life which thereby goes against the theory.

Mr. Lalic state that there are also morality differences regarding time. He means that in Turkey it is normal to be a few minutes late to business meetings and he is therefore tolerant to certain delays, *“Turks are not so good to be on time to business meetings as in Sweden”* (Mr. Lalic, Personal communication, April 8, 2005). The difference could be explained by Bayraktaroglu (1996) who state that Turks have a more relaxing attitude and is not time-centric as Hill (1995) describes the Swedish business man as well organized and punctual. This confirms that Sweden is denominated as sequence time while Turks belongs to the synchronization time perspective.

4.3.4 Team work and differences in working style

The IKEA organization is flat and work is usually performed in teams. According to Mr. Lalic the team work is well-functioning, *“The Turkish employees are quit ok with team working style in IKEA”* (Mr. Lalic, Personal communication, April 8, 2005). This has resulted in a flexible management style where the team members show sympathy for the cultural differences. The result of the questionnaires also supports that Swedes and Turks prefer to work in teams. This is not inline with the theory who state that Turks are not appropriate as a team worker since they are to individual success-oriented, due to their masculine culture.

Mr. Lalic has observed that Swedes are often taking more responsibility and are more independent, he believes that is a consequence of the Swedish education profile. The Turkish employees on the other hand want more advice, *“In general the Turkish employees want more directives”* (Mr. Lalic, Personal communication, April 8, 2005). Mr. Lalic tries to encourage the Turkish employees to take more responsibility, work more independently and take more own decision rather than waiting to be provided with detailed directives. Swedish employees take more responsible since they are used to influence the working process due to their low power distance culture. They therefore only have discussion about the aims of their tasks and take the responsibility to find their own way of carrying out the task. The Turks belongs to a culture with high power distance and is therefore more used to authority and expect their managers to provide them with directives.

Mr. Lalic also implies that Turks are often more willing to take risks than the Swedes, which are due to their competitiveness and ambitiousness to continuously strive for higher results and prestige. Mr. Lalic claims that this issue in Turkish firms imply that they change their companies frequently in order to achieve advanced status and salary. He states that this is not a case in IKEA since it is a stable organization and they chosen their employees based on consistency with IKEA values. This is support by the questionnaire where Turks has ranked salary and good friends at work as motivators which mean that they strive for advancements but also consider their working environment as important.

4.3.5 Diversity and national pride

IKEA in Turkey has maintained the same IKEA values as the Swedish company which implies that they emphasize diversity in the workplace. The subsidiary has an integrated management team and Mr. Lalic believes that this diversity creates understanding and encourages innovations which have contributed to the success of IKEA. This special corporate culture could be problematic for Turks that are not used to the Swedish way of working. Mr. Lalic is aware of this and state that, *“We know that if a person is formed in another com-*

pany they have it difficult to accept IKEA informal way" (Mr. Lalic, Personal communication, April 8, 2005). The Swedish employees therefore have it easier to accept and understand the company culture. IKEA tries to solve this problem by employing people that share their value. This is important because adjustment to a new environment and to learn about the culture is to create work effectiveness (Brislin, 1990).

Mr. Lalic states that an additional cultural issue in IKEA is the nationalism, *"Turkish people have a very high level of national pride"* (Mr. Lalic, Personal communication, April 8, 2005). He means that this can sometimes cause discussions and add emotional level to the dialogue that affect the decision making. Mr. Lalic means that these problems could be avoided with a more neutral opinion regarding these issues. He points out that the Turks take their work very personally and this causes difficulties when it leads to long and emotional discussions that are stealing time from other necessary topics needed to be discussed. This emotional intensity is in line with Bayraktaroglu (1996) which describes the Turks as quick-tempered and hot-headed. Mr. Lalic statement about the Turkish nationalism is supported by Bayraktaroglu (1996) who means that the Turkish people are very patriotic which is common in where uncertainty avoidance is high.

4.3.6 Corporate culture and cultural difficulties

Mr. Lalic argues that IKEA do not have important problems due to cultural issues. He means that this could be the result of the recruitment strategy. IKEA aims to employ people that share their values and are culturally open minded and strive for diversity. They also focus on young new graduated because they easier adapt to the corporate culture and management since they have not been rigid with the Turkish way of working. He states that *"background, education, experiences is important for us but the most important is the person's personality"* (Mr. Lalic, Personal communication, April 8, 2005). However, the analysis shows that IKEA has the same common cultural problems as the other companies in the study. On the other hand IKEA could have a lower degree of difficulty with their problems but this study does not aim to come to a decision about the level of difficulty and this hypothesis can thereby not be confirmed. The questionnaires also show that there are difficulties in the daily interaction between the nationalities. An employee believes that the cultural differences could be troublesome as he means that, *"IKEA is a company with strong IKEA culture and sometimes it is hard to understand this if you are not Swedish"*. The role of the corporate culture could therefore be discussed further but are not considered in this thesis.

4.4 Cross-cultural training and Intercultural skills

The expatriates in the study maintain that they do not have serious problems due to the cultural differences. An interesting aspect is that none of them had a cross-cultural training which is in line with Brislin & Yoshida (1994) definitions of an effective training. Before their establishment in Turkey Mr. Larsson had a one-day seminar where relevant cultural issues were presented while IKEA provided Mr. Lalic with a *"look and see trip"* (Mr. Lalic, Personal communication, April 8, 2005). Mr. Körmendi on the other hand did not have any kind of cross-cultural training. The analysis of this study shows that the managers are aware of most of the cultural differences which could be explained by their long residents in Turkey. The aim of cross cultural training, to define the cultural differences, therefore plays a less important effect on the management effectiveness at this stage. Cross cultural training is most effect full when the managers are recent establishes in the new culture since it accelerates the progress of reaching the same performance level as they have at

home. Brislin & Yoshida (1994) states that awareness of the cultural differences must also be complemented by intercultural skills. The managers in the study have essential experience of cultural issues from management in other countries. This has developed their intercultural skills and facilitates their way of handling cultural related difficulties. Their success could therefore be related to their earlier cultural experience.

Brislin (1990) stresses the importance of reciprocity relationship which implies that the local must also be provided a cross-cultural training in order to facilitate their adaptation to the different management style. Volvo Cars provided their executive managers with some kind of cross-cultural training when they sent their Turkish employees to work in Sweden and experience the spirit of Swedish management style. This has showed to be successful and should also be considered by the managers of Tetra Pak and IKEA.

5 Conclusions and Discussion

The final chapter provides the readers with general conclusions of the analysis based on the empirical findings. This is followed by a discussion of the results and the generalizability of the conclusions. The chapter is wrapped up by suggestions for further research and criticism to the study.

5.1 Conclusions

The aim of this study was to define cultural differences in Turkish subsidiaries of Swedish companies established in Turkey. The aim was also to examine if these differences implied problems in management and how the expatriate handle those. The empirical findings gave evident to common cultural differences that expatriate needs to consider in their management, and the conclusions drawn from this study is presented in this part.

The analysis showed important differences in preferences regarding management issues due to cultural dissimilarities. The Turkish employees want to be provided clear directives rather than guidelines and space for own initiatives, a behaviour that is rooted in old authority management style. The Swedes on the other hand prefers to have their manager as a consultant and by that take more responsibility and solve their tasks independently. However, even that the nationalities favour different aspects of management style, they all prefer cooperative team-work rather than authority. The team work in the companies are well functioning which is not supported by the presented theory that maintains that Turks are too competitive to work in teams. There is however, some information sharing problems due to this issue that hinders the team-work to function optimally. The result of the questionnaires also shows that the Swedes are willing to take more risks than the Turks that appear to be more careful.

An additional management aspect to consider for the expatriates is to adapt their way of providing criticism to their Turkish employees since they are more emotional attached to their tasks and therefore take criticism more personally. The Swedes on the other hand handle the criticism more professionally due to their emotional distance to their work. The managers in the studied companies consider the cultural related attitudes and therefore provide negative feedback individually. However, the Turks like to be rewarded in public and it is therefore important to maintain success related honours in order to motivate and increase the effectiveness of their work.

The morality regarding time issues was also showed to be a factor affected by cultural differences. The analysis shows that Turkey belongs to a synchronized time culture while Sweden is categorized into a sequence culture. These differences creates difficulties since Swedes expect the Turks to be punctual and meet deadlines while the Turks have a more relax attitude and is more flexible regarding time issues. The managers are aware of the cultural differences and are therefore tolerant and understandable to delays to a certain extent.

The analysis showed that the Turkish national pride is a factor that affects the cultural interaction and management since it implies tunnel-vision which hinders them to have discussions without nationalistic emotions involved. The high level of emotions in these discussions sometimes also affects the decision making. Theories show that status is an issue that differs due to nationalities where Turks are status oriented because of socioeconomic classes in the country. However, status was only shown to be problematic in Tetra Pak, thus not a general problem. These findings are not in line with the theory which maintains that Turks are status oriented due to socioeconomic classes in the country.

It is confirmed that these cultural differences are not creating important problems in the studied companies even that the managers have not been provided cross-cultural trainings. The analysis shows that this success could be explained by their developed intercultural skills.

5.2 Discussion and Generalizability

The conclusions have presented common cultural difficulties among the studied companies. However, the results of this study show that the cultural characteristics are not all in line with the presented theories. The theories bring up cultural differences that could cause problems but do not appear to be problematic in the studied companies. This could be explained by the nature of the sample that also limits the generalizability of the findings.

The studies companies where all located in Istanbul where the social life has adapted more to the western culture compared to other Turkish cities. Thus the Turkish attitudes are more likened to the Western culture which reduces the risk of cultural clashes. The studies companies are also large, well-know and reputable companies that attracts people with higher education to the management departments. Göran Larsson mean that the companies needs to recruit the high-educated also because the corporate language in these companies are English and it is only high-educated people in Turkey that has satisfactory language skills. This limits the employees to a certain social standard because Turkish high-educated people generally belong to upper-class since it is costly to receive a good education in Turkey. These upper-class people have usually also experienced Europe and the western culture before which further facilitates the understanding of the cultural difference. This issue plays an important role in the generalizability of this thesis because the study involves management departments higher in the hierarchy since the interaction with Swedes are more likened at these organizational levels.

The managers also have different backgrounds that need to be considered. The different backgrounds can imply that they recognize different cultural issues and experience them problematic at different levels. Mr Larsson and Mr. Körmendi are both embedded in the Scandinavian culture while Mr. Lalic has a different culture that could facilitate the understanding of the unfamiliar culture. However, the empirical findings show similarities in common cultural differences and how the management handles those. This could be explained by the fact that they all manage in Swedish companies in the spirit of Swedish management style and thereby faces same problems.

These presented issues are important to consider when stating the general conclusions of this thesis. This implies that the stated conclusions are valid for Turkish subsidiaries of Swedish companies located in Istanbul with similar size and well-know reputation. It is also essential for validity that the corporate language is English and the employees have high education. The expatriate managers must also have developed intercultural skills. This implies that small, relatively unknown, Swedish companies that want to establish subsidiaries in Turkey and employ Turkish manufacturing worker will probably experience more cultural difficulties than is presented in the results of this thesis. If the managers are also un-experienced, regarding management in dissimilar cultures, it is even more important to consider the cultural differences otherwise these will create hinders rather than providing opportunities to achieve success.

5.3 Recommendations for Further Research

The results of this study show that there are also others factors influencing the probability of finding cultural differences. The manager of IKEA argued that the absence of important cultural difficulties where due to a strong diversified corporate culture. However, the results are ambiguous. The question is if it facilitates cultural adaptation or does it contribute to more cultural related problems? We therefore believe that it would be interesting to study the role of the corporate culture as a buffer that prevents cultural problems due to the differences.

As discussed in the previous part the conclusion of the studied companies where limited to certain conditions regarding location, company positioning and standard of employees. We therefore suggest further research to identify cultural related problems in Turkish subsidiaries with dissimilar requirement and conditions and focus on the cultural interaction at lower levels in the hierarchy.

We further believe that it would be fascinating to study the Turkish subsidiaries of Swedish companies where the manager is a local rather than an expatriate. It would then be relevant to focus on the cultural problems that appears between the Swedish headquarter and the local manager. His role would also be of interest since he needs to find a balance in his management style where he considers the employees preferences and the headquarters requirements and demand.

5.4 Criticism to the study

This study contains certain assumptions and limitations due to time and resource constrains. The authors are aware of that this can affect the study and therefore chooses to discuss these factors.

The authors did not have the possibility to do participative observations since it implied that the authors where needed to follow the managers in their work during a time. The managers were not able to assist since they where traveling and the authors did not have time to stay in Turkey during a long time due to resource and time limitations. The managers traveling also implied that the authors could not have a face-to-face interview with the manager of IKEA. The lack of participant observations could weaken the link in the triangulation in multiple modes between interviews, observation and participant observation and thereby affect the validity of the study.

However, Stewart (1998) argues that ethnography is achievable without the participant observation if the authors can replace this by valuable data. The authors believe that this could be replaced by the Turkish author's knowledge to a certain extent. The author have lived and studied in the country but it could further be questioned how Turkish the author is since she is not native-born and to what extent this interfere in the cultural understanding. However, the author's cultural knowledge and experience where showed to be valuable since it stimulated the discussions with the managers and uncovered cultural differences that cause their management difficulties.

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Appendix A- Hofstede dimensions

Hofstede's Dimension of Culture Scales

Country	Power Dis- tance	Individualism	Uncertainty Avoidance	Masculinity
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Sweden	31	71	29	5
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Turkey	66	37	85	45
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Individualism index (IDV) values for 50 countries and 3 regions

<i>Score rank</i>	<i>Country or region</i>	<i>IDV score</i>	<i>Score rank</i>	<i>Country or region</i>	<i>IDV score</i>
1	USA	91	28	Turkey	37
2	Australia	90	29	Uruguay	36
3	Great Britain	89	30	Greece	35
4/5	Canada	80	31	Philippines	32
4/5	Netherlands	80	32	Mexico	30
6	New Zealand	79	33/35	East Africa	27
7	Italy	76	33/35	Yugoslavia	27
8	Belgium	75	33/35	Portugal	27
9	Denmark	74	36	Malaysia	26
10/11	Sweden	71	37	Hong Kong	25
10/11	France	71	38	Chile	23
12	Ireland	70	39/41	West Africa	20
	(Republic of)		39/41	Singapore	20
13	Norway	69	39/41	Thailand	20
14	Switzerland	68	42	Salvador	19
15	Germany F.R.	67	43	South Korea	18
16	South Africa	65	44	Taiwan	17
17	Finland	63	45	Peru	16
18	Austria	55	46	Costa Rica	15
19	Israel	54	47/48	Pakistan	14
20	Spain	51	47/48	Indonesia	14
21	India	48	49	Colombia	13
22/23	Japan	46	50	Venezuela	12
22/23	Argentina	46	51	Panama	11
24	Iran	41	52	Equador	8
25	Jamaica	39	53	Guatemala	6
26/27	Brazil	38			
26/27	Arab countries	38			

Masculinity index (MAS) values for 50 countries and 3 regions

<i>Score rank</i>	<i>Country or region</i>	<i>MAS score</i>	<i>Score rank</i>	<i>Country or region</i>	<i>MAS score</i>
1	Japan	95	28	Singapore	48
2	Austria	79	29	Israel	47
3	Venezuela	73	30/31	Indonesia	46
4/5	Italy	70	30/31	West Africa	46
4/5	Switzerland	70	32/33	Turkey	45
6	Mexico	69	32/33	Taiwan	45
7/8	Ireland	68	34	Panama	44
	(Republic of)		35/36	Iran	43
7/8	Jamaica	68	35/36	France	43
9/10	Great Britain	66	37/38	Spain	42
9/10	Germany FR	66	37/38	Peru	42
11/12	Philippines	64	39	East Africa	41
11/12	Colombia	64	40	Salvador	40
13/14	South Africa	63	41	South Korea	39
13/14	Equador	63	42	Uruguay	38
15	USA	62	43	Guatemala	37
16	Australia	61	44	Thailand	34
17	New Zealand	58	45	Portugal	31
18/19	Greece	57	46	Chile	28
18/19	Hong Kong	57	47	Finland	26
20/21	Argentina	56	48/49	Yugoslavia	21
20/21	India	56	48/49	Costa Rica	21
22	Belgium	54	50	Denmark	16
23	Arab countries	53	51	Netherlands	14
24	Canada	52	52	Norway	8
25/26	Malaysia	50	53	Sweden	5
25/26	Pakistan	50			
27	Brazil	49			

Power distance index (PDI) values for 50 countries and 3 regions

<i>Score rank</i>	<i>Country or region</i>	<i>PDI score</i>	<i>Score rank</i>	<i>Country or region</i>	<i>PDI score</i>
1	Malaysia	104	27/28	South Korea	60
2/3	Guatemala	95	29/30	Iran	58
2/3	Panama	95	29/30	Taiwan	58
4	Philippines	94	31	Spain	57
5/6	Mexico	81	32	Pakistan	55
5/6	Venezuela	81	33	Japan	54
7	Arab countries	80	34	Italy	50
8/9	Equador	78	35/36	Argentina	49
8/9	Indonesia	78	35/36	South Africa	49
10/11	India	77	37	Jamaica	45
10/11	West Africa	77	38	USA	40
12	Yugoslavia	76	39	Canada	39
13	Singapore	74	40	Netherlands	38
14	Brazil	69	41	Australia	36
15/16	France	68	42/44	Costa Rica	35
15/16	Hong Kong	68	42/44	Germany FR	35
17	Colombia	67	42/44	Great Britain	35
18/19	Salvador	66	45	Switzerland	34
18/19	Turkey	66	46	Finland	33
20	Belgium	65	47/48	Norway	31
21/23	East Africa	64	47/48	Sweden	31
21/23	Peru	64	49	Ireland (Republic of)	28
21/23	Thailand	64	50	New Zealand	22
24/25	Chile	63	51	Denmark	18
24/25	Portugal	63	52	Israel	13
26	Uruguay	61	53	Austria	11
27/28	Greece	60			

Uncertainty avoidance index (UAI) values for 50 countries and 3 regions

<i>Score rank</i>	<i>Country or region</i>	<i>UAI score</i>	<i>Score rank</i>	<i>Country or region</i>	<i>UAI score</i>
1	Greece	112	28	Equador	67
2	Portugal	104	29	Germany FR	65
3	Guatemala	101	30	Thailand	64
4	Uruguay	100	31/32	Iran	59
5/6	Belgium	94	31/32	Finland	59
5/6	Salvador	94	33	Switzerland	58
7	Japan	92	34	West Africa	54
8	Yugoslavia	88	35	Netherlands	53
9	Peru	87	36	East Africa	52
10/15	France	86	37	Australia	51
10/15	Chile	86	38	Norway	50
10/15	Spain	86	39/40	South Africa	49
10/15	Costa Rica	86	39/40	New Zealand	49
10/15	Panama	86	41/42	Indonesia	48
10/15	Argentina	86	41/42	Canada	48
16/17	Turkey	85	43	USA	46
16/17	South Korea	85	44	Philippines	44
18	Mexico	82	45	India	40
19	Israel	81	46	Malaysia	36
20	Colombia	80	47/48	Great Britain	35
21/22	Venezuela	76	47/48	Ireland (Republic of)	35
21/22	Brazil	76	49/50	Hong Kong	29
23	Italy	75	49/50	Sweden	29
24/25	Pakistan	70	51	Denmark	23
24/25	Austria	70	52	Jamaica	13
26	Taiwan	69	53	Singapore	8
27	Arab countries	68			

Appendix B- Interview guide

- **How is the organizational structure established?**
- How integrated are the Turkish and Swedish co-workers?
- How and how often do you communicate with the mother company?
- **How do you experience the Turkish culture?**
- **How integrated are you in the Turkish culture?**
- **How do you experience Your Turkish co-worker?**
- **Do you consider the cultural differences as troublesome?**
- **Have you had any communication problems due to the nationality differences?**
- **Have you noticed differences in the body-language due to nationality differences?**
- **Do you adapt your management style to the different nationalities?**
- How much do they participate in the decision making process?
- How much responsibility do they take?
- Have the Swedish workers adapt to the Turkish management style?
- How do they bring up problems with the managers?
- **What do the employees expect from your management? – Are there differences due to nationality differences?**
- **Does your management style emphasize team-work or individual work?**
- What do the employees prefer?
- **How do you solve problems?**
- Compromising, negotiating, hierarchy?
- **How do you provide negative feedback?**
- Adapt to nationality?
- **How do you motivate your employees?**
- Do the employees search for appreciation or higher salary?
- **How do your employees react to unexpected changes (situations and tasks)?**
- Differences regarding the stress durability?
- **How much risks are the employees willing to take in order to achieve career advancement?**
- **Are the rules and norms at the workplace respected? –What are the employees attitudes regarding time, do they respect deadlines and meeting times?**
- **Were you provided a cross-cultural training before you were transferred to Turkey?**
- How was it conducted?
- How long time?
- Was it effective?
- Has the Turkish employees been through a similar training?
- **Do you feel that you performance level in Turkey is as high as in Sweden?**
- How long did it take to reach the desired performing level?
- **Do you believe that your work interfere in your private life?**

Appendix C- Questionnaire

- **What is your nationality?**

- **How is a good manager for you?**

Please rank the alternatives (Nr. 1 is the management skill that you value most).

Authoritarian Cooperation

Emphasise team work Emphasise individual work

- **Do you believe that your work interfere in your private life?**

Yes No

-If yes please specify why:

- **What motivates you to work?**

Please rank the alternatives (Nr. 1 is your main motivator).

Carrier advancement Salary

Team-work Appreciative

Good friends at work Responsibility

Have a private life beside the work

- **How do you react to unexpected changes in your environment or task?**

How much risk would you take in order to achieve carrier advancement? Risk associated with;

- Taking responsibility of a project that you don't have any knowledge and experience of.**

- Taking responsibility of a project where outcomes are undecidable and the environment uncertain.**

Please mark your risk level with a cross on the line.

1	_____	10
Low		High
Risk		Risk

- How would you describe your Turkish/Swedish coworkers? Please give both positive and negative statements.**

- Do you consider the cultural differences as troublesome?**

Appendix D- Findings from the questionnaires

Volvo Cars

The questionnaire distributed in Volvo Cars showed that Turks and Swedes value different factors as motivating to their work performance. Swedes believe that responsibility is the main motivator while Turks value earnings and advancement. There are also differences in risk taking. The questionnaires show that Swedes are willing to take risk at a greater extent than the Turks. The Swedes also believe that their work is interfering in their private life, an opinion that is not shared by the Turks. However, the Swedish and Turkish employees both value team-work as an effective working method. The Swedes describe the Turks as very high educated and hard working but they also mean that they are sensitive, disorganized and have too much respect for authority. The Turks portray their co workers as easy-going and honest. However, they maintain that they do not adapt to the culture.

Tetra Pak

The questionnaire show that Swedes find responsibility as motivating in their work while the Turks believe salary is of prior importance. There are also differences in risk taking where Turks are more careful when taking risks than the Swedes. The results of the works interferes in private life is ambiguous and could not be explained by the national differences. However, the Swedes and the Turks both value team-work and cooperation as stimulating in their work. The Swedes define the Turks as career advancement and salary driven with too much respect for their bosses. The Turks describe their co workers as very honest and democratic, they also maintains that their carefulness sometimes slow down the work process.

IKEA

The results of the questionnaire confirm differences in risk taking, where Swedes are taking risk at a greater extent than the Turks. The co workers, however, agree that team-work and cooperation is the optimal way of working. On the other hand Swedes believe that responsibility is the prior motivator to work while the Turks believe that salary is the top motivator. The results also show that they all agree that their work interfere in their private life due to travelling. The Swedes describe their co workers as hard working and well-educated but maintains that they are too salary oriented. The Turks mean that the Swedes are honest and easy to communicate with and do share necessary information.