Cross cultural cooperation

-a field study about India and Sweden

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Thanks!

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Please do not hesitate to contact us if you have any questions!

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Abstract

A successful cooperation between different cultures in a global organisation depends on a good understanding about the norms and the values in the other culture. To have a good understanding about other cultures makes it easier to build good international relationships between countries without misunderstandings and misperceptions.

In this master thesis we investigate the cultural differences between Swedes and Indians that can be found in Swedish subsidiaries in India and if these cultural differences affect the cooperation between Indians and Swedes. The five cultural aspects that are in focus in this study are the following;

1. *Identity* – concerns if members of a business culture see themselves as individuals or as a collective (see figure 3, p.30).
2. *Time* – concerns how business cultures value time (see figure 4, p.32).
3. *Ambiguity* – concerns how business cultures react to the uncertainties and ambiguities in the daily work (see figure 5, p.34).
4. *Integrative strategy* – concerns if business cultures are conflict orientated or not, emphasise competitive behaviour or not, and how they value their free time (see figure 6, p.37).
5. *Power and hierarchy* – concerns how business cultures divide power and what they recognise as status (see figure 7, p.40).

The empirical result was gathered during a two month field study in India where we interviewed both Swedish and Indian managers and engineers about their experience in cross cultural cooperation.

The investigation revealed that there are differences in the cultures and that they affect the cooperation between Indians and Swedes in the subsidiaries. The biggest difference in *identity* was the informal classification in Indian business societies. The Swedish managers sometimes had problems with recognising the differences in ranks and the informal hierarchy among the Indians which could lead to Indian employees feeling bypassed and overlooked. (See 7.1.3 Conclusion of Identity, p.60)

When it comes to differences concerning *time* the Indians were more optimistic about time and did not have the same respect as the Swedes regarding being on time and keeping deadlines. This could lead to problem in the cooperation because Swedes believed that time and money was wasted when deadlines were not kept. (See 7.2.3 Conclusion of Time, p.64)

In the aspect of *ambiguity* Swedes valued safety more than taking risks when doing business. The Indians on the other hand valued risk taking more than safety. This led to problems in the cooperation because the Indians saw the Swedish way of always analysing risks before doing business as costly. Too much concern about safety led to non-competitive prices and loss of markets. (See 7.3.3 Conclusion of Ambiguity, p.68)

In the analysis of *integrative strategy* we found that the Indian business society was regarding the manager as someone above the regular employee. This view led to problems in the communication between the Swedish managers and the Indian employees because the employees did not dare to criticise the manager's decisions. The Swedish manager expected the employees to correct him when he was wrong and got disappointed when they did not. (See 7.4.4 Conclusion of Integrative strategy, p. 72)

In the cultural aspect *power and hierarchy* we concluded that the manager in India was seen as someone with a lot of authority and as a father figure for the employees. This was not the case in Sweden where the manager was more seen as a companion. The different management styles led to confusion among the employees when the Swedish manager demanded them to be more independent and the Indian manager expected them to be more dependent on his authority. (See 7.5.4 Conclusion of Power and Hierarchy, p. 75)

The result of this study gives a knowledge and understanding about cultural differences between Indians and Swedes and can be used as guidelines when cooperating across the Indian and Swedish culture.

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Appendix

1. Introduction

Societies and companies around the world are becoming more global and integrated. Integration is a result of reduced costs of transport, lower trade barriers, and faster communication of ideas, rising of capital flows, and intensifying pressure for migration. Globalisation means that the worlds is becoming one connected economy in which companies do business and compete anywhere, with anyone regardless of national boundaries. This puts demand and pressure on companies all over the world to compete on the global arena.

The presence of a global economy has forced individuals and groups with diverse historical backgrounds, different languages, norms and culture to interact and communicate with each other in order to conduct business. For expatriates interpersonal relations can sometimes be restrained through miscommunication, misperception, and misevaluation by both parties in the interaction. Because even if international organisations are becoming more similar in terms of their structure and technology, the existing work related practices and employees preferences continue to be culturally bounded to the nations (Isaac, 2003).

India is the world's largest democracy and has a rapidly growing market with lots of potential. India has seen a growth of its middle classes over the last few years with a talented generation of highly educated young workers that are earning higher incomes than previous generations. This has lead to a huge increase in domestic consumption and in combination with the boom in the pharmaceutical industry and government spending on infrastructure the market is growing. For these reasons India has become a very interesting country for the rest of the world and the foreign investments are growing rapidly (Mehra, 2004). Many Swedish companies are seeing India as a very interesting market and during the last decades many Swedish investments have been made in the country.

When a Swedish company is established in India two very different cultures meet and it is a challenging task for both the Indian and the Swedes to cooperate across the cultures. For successful interactions between the cultures it is important to have a good understanding about the norms and values in the other culture.

To be aware of cultural differences between countries is not only important when conducting international business but it is also important in all interactions between countries. To have a good cultural understanding makes it easier to build good international relationships between countries without misunderstandings and misperceptions.

1.1 Problem background

When people from two different cultures are cooperating within a company, they do not know each other, they are uncertain about the other parts intention, and about the meaning of the words that are spoken. They might not understand the others behaviour and could even be offended by it. They do not know the other cultures norms and values, what is valued high or low, or what values that will

affect the other parts thinking and acting. Conducting business with people from another culture will never be as easy as doing business at home.

Unsuccessful cross cultural cooperation might strain the communication between the cultures and give rise to personal suspicions between expatriates and the native population. The limitation of communication can pervade every aspect of life for expatriates, producing unhappiness in their current surroundings and hindering adjustment to the host country and its culture. As a result, expatriates can become inefficient or unproductive in the workplace, resulting in a declining career progress, psychological stress, and damage to the reputation of the expatriates and their employers. This can lead to that the expatriates who are sent overseas return home prematurely because of poor performance or their inability to adjust to the foreign environment (Montagliani et al, 1998).

When working in another country it is important to have a good knowledge about the culture you are working within to be able to build up sustainable and good relationships. The knowledge about different cultures can explain how to behave in a business situation and why people from other countries' act in a certain way. This knowledge can be crucial and can be the determining factor if a cross cultural cooperation is going to fail or be a success. In this study we are highlighting five different cross cultural aspects that we think are of major importance when cooperating across cultures. These are Identity, Time, Ambiguity, Integrative strategy and finally Power and Hierarchy.

1.2   Statement of the problem

What cultural differences can be found in Swedish subsidiaries in India where Indians and Swedes are cooperating, and how do these cultural differences affect the cooperation between Indians and Swedes?

1.3   Purpose of the study

The aim of the study is to investigate cultural differences in five chosen areas that might affect cross cultural cooperation between Indians and Swedes in Swedish international companies with subsidiaries in India. We are further going to investigate if the different cultural aspects will affect the cooperation between the two cultures. The knowledge of the cultural differences and how they affect the cooperation will provide a better understanding about doing business in India.

1.4   Delimitation of the study

To delimit this study we have chosen to investigate three Swedish companies with subsidiaries in the city Bangalore in India. From the companies we selected ten interviewees with experiences from cooperation with Swedes respectively Indians. The interviewees that were selected for the study were managers or engineers with experiences of working in a cross cultural environment with Swedes and Indians. We have also delimited the study to only look at certain cultural aspects that we consider being important when cooperation take place

between cultures. These aspects are Identity, Time, Ambiguity, Integrative strategy and finally Power and Hierarchy.

1.5 Frames of reference

This work has been possible to carry out since we received a scholarship for field studies from the Swedish International Development Cooperation Agency (Sida), which is a government agency that reports to the Ministry for Foreign Affairs. The scholarship aims to provide students at bachelor or master level with the opportunity to carry out minor field studies in developing countries. Our decision to look into cultural differences is due to our special interest in international business and how different cultures might affect cooperation in a company. The reason why we chose India was because India is a country with a market that is up and coming. The foreign direct investments are escalating and the external trade activities are very strong. India is a country that we think will have a great influence on the rest of the world in the future and it is therefore important to have knowledge about the cultural differences.

Another reason for choosing India was because one of the writers has herself spent a lot of time in India. As the owner of a small business which imports furniture and textiles from India she has gained personal experience of the cultural differences whilst conducting business and negotiating with the Indians and wanted to further investigate these differences.

The final reason why we chose India is that there is a hardly any research done about India in the field of cross-cultural cooperation. We have found a lot of research about other Asian countries like China and Japan, but almost nothing about India. Our aim with this study is therefore to cover some of the areas concerning cross cultural cooperation in India.

2. Methodology

For this master thesis to be as reliable as possible it is very important for us to be as clear as possible in the methodology about how the research was conducted and how the data was collected. We further believe it is very important to state a clear purpose of the study and the basic premises and clearly define the arguments behind our choices of selection. We will firstly introduce our research strategy, and then we will explain our method of selection and the procedure of the study. We will finally conclude the methodology section with a discussion about the validity of the study.

2.1 Research strategy

A good research can not be achieved just by following all rules and instructions about what is right or wrong. A researcher in social science has to face a number of different choices and alternatives in different situations, and must make decisions about what strategic choices to make. Each choice that is made consists of a number of assumptions about the world that is going to be explored. Each choice will also result in a number of advantages and disadvantages. The returns you will gain if you go in one direction, you might loose if you choose another direction. There is no *right way* to go, but some strategies are better than others when it comes to tackle certain research issues (Denscombe, 2000).

This thesis was based on a qualitative research methodology since the concepts of cultural differences in Swedish subsidiaries in India had to be interpreted in its context to be understood. This qualitative research is based on detailed descriptions of events and human behaviour and a small-scale field study in a holistic perspective. The field study was carried out during a two month project in India where we were close to the Indian culture and able to observe and be part of the daily life. That made it possible for us to get a deeper understanding about the Indian culture and we could thoroughly observe the differences between the Indian and the Swedish cultures. This gives the master thesis a truly hermeneutic approach.

What the people we interviewed did or how they acted gave a specific meaning to the study that we had to understand and interpret. During the field study we were close to the Indian culture and we met the interviewees face to face and therefore used a two-way communication. As we were involved in the research, our background, frames of reference, values and identity consequently affected the characteristics of the collected data and how we interpreted it. As researchers we were aware that the subjects of the research might behave in a way they thought were expected during the interviews and behave differently when we were not present.

2.2 Case study

The research strategy we chose for the purpose of this paper was a case study because we were only looking at a few specific research subjects that were studied in a real life situation. As the aim of this thesis was to investigate the cultural differences in the cooperation between Indians and Swedes in three Swedish subsidiaries in India it was appropriate with a case study. To concentrate the research to few specific cases in a real life setting instead of looking at many cases at once, we got a deeper knowledge about the cultural differences. That would not have been possible if we had used a survey with larger amount of research subjects. The aim with the case study was to illuminate the general by looking at the specific and therefore we could investigate the subject in detail and discover things on a deeper level, which is not possible in a survey study (Denscombe, 2000).

Table 1. Case study versus survey

Case study	Survey
Depth	Width
Specific	General
Relationship/process	Results
Holistic	Isolated factors
A multitude of sources	One research method

Source: Denscombe, 2000, *Forskningshandboken – för småskaliga forskningsprojekt inom samhällsvetenskapen.*

One of the strengths that we had when conducting this case study was that we were able to use a number of different sources and data and a number of different research methods in the study. This research paper therefore combines observations with collected documents and literature, and semi-structured interviews with structured questionnaires.

2.3 Method of selection

The method we used for selecting the people for the interviews was a non-probability selection called occasional selection. The frame for making the selection for this study was engineers and managers with experiences working in a cross cultural environment with Swedes and Indians. The Indians should therefore have been working in Sweden in a Swedish environment and the Swedes should have been working in India in an Indian environment.

The companies were chosen based upon geographical location and the size of the company. Since we were going to be based at the Indian Institute of Management in Kozhikode (IIMK) in the state of Kerala in the south part of India we decided that it was convenient to visit companies that were located in the area. The selected city was Bangalore in the state of Karnataka where a lot of multinational companies are based. (See appendix 3. Map over India)

When we had selected the city the next step was to select Swedish subsidiaries based in Bangalore. We contacted Swedish Trade in New Delhi and they sent us a

list of all the Swedish subsidiaries based in Bangalore. From that list we selected the three largest companies, *Volvo India Private Limited* and *ABB Limited*, and *SKF*. By choosing the largest companies we had the best prospects to meet many engineers and managers with the experience that we were looking for. After contacting the Swedish subsidiaries based in Bangalore, only Volvo India Private Limited and ABB Limited met the particular requirements that we were looking for. We did however get in contact with a manager and an engineer at SKF Sverige AB in Gothenburg with the experiences that we were looking for.

2.4 Procedure

In the process of analysing the cultural differences in Swedish subsidiaries in India we firstly identified behaviour in the Swedish and Indian culture that seemed incongruous. Then we collected data that was going be the base for our development of the propositions which concerned the cultural differences in Swedish subsidiaries in India. The last stage in the procedure consisted of developing and testing these propositions.

2.4.1 Identifying behaviour

The first step that we accomplished was to identify behaviours in the Swedish and Indian culture that seemed incongruous and had to be explained. The incongruous behaviour is defined as behaviours that does not conform to and is not consistent with the expectations of rational behaviour. When for an example a person comes to a new culture she observes and questions the behaviour in that culture that she perceives as incongruous compared to her own culture. For a person who is going to work in a cross-culture environment the following behaviours might be seen as different and incongruous (Mead, 1998).

- o *How they communicate with superiors and subordinates*
- o *How the individuals communicate across departmental boundaries*
- o *How conflicts arise and how they are resolved*
- o *How much importance is given to starting work promptly and arriving on time for appointments*

To be able to find out about the different behaviours in Sweden and India with regards to these issues we had to collect data about the two cultures.

2.4.2 Data collection

The second step we took was to collect data about the incongruous behaviours which became the base for the development of the propositions concerning cultural differences in Swedish subsidiaries in India. We were using data from methods of observation, methods of questioning and studies of documents.

2.4.2.1 Primary data

In the methods of observations you can directly observe the social activities that take place. The researcher is in direct contact with the object that is going to be observed, but in such a way that the visual contact is minimised. This method is recommended when the researcher will be observing a small group whose culture is different from that of the researchers own culture. The advantages of using

observations is that it gives the researcher a direct view of the context, and the researcher can herself decide what facts she will catalogue and how she is going to classify them. The researcher is moreover not dependent on the participants' capability concerning understanding and remembering. The disadvantages are that the researcher can not collect information from the past and can only cover a limited area of interest. The researcher can, without intention, also influence the social situation that she is studying. In order to conduct a valuable study about cultural differences it was of major importance for us as researchers to understand the culture in India. As we were based in India for two months we had the ability to observe the people and the culture. This knowledge is acting as a complement to the theoretical knowledge about India and its culture that we have received trough literature studies.

For the methods of questioning we used both interviews and questionnaires and in our interviews we used both a tape recorder and a list of question. According to Ekholm et al (2002) the interview situation is a communication process where the interviewer and the interviewee are affecting each other. We tried to reduce negative affects by being aware of the specific situation that an interview might cause.

In order to get a good picture about the cultural differences in Swedish subsidiaries in India we conducted ten interviews. Two interviews were made in Sweden at *SKFs* headquarter in Gothenburg. The rest of the interviews were made in India at *Volvo India Private Limited* and *ABB Limited*, both located in Bangalore. The interviewees were Swedes with experience of working at Swedish subsidiaries in India and Indians with experience from working in Sweden. When conducting the interviews we were talking to people individually at their workplace and we leaned toward a more semi-structured type of interview. We had formulated questions in advance that covered the main areas of interest, but the interviewees were also free to talk about topics in the area of cross culture that they found to be of a certain interest. By using semi-structured interviews new ideas could be explored about the topic but we also made sure that we had covered the key parts of our study. (See Appendix 1. Interview questions)

As a complement for the interviews we handed out a questionnaire to the interviewees at the end of the interview. The questionnaire had prepared answers and the main purpose of the questionnaire was to ensure the answers from the interviews. (See Appendix 2. Questionnaire)

We taped and printed out all the interviews to be sure that we used quotation s in a correct way and we also contacted informants if anything was unclear or if we needed complementary information. The informants therefore had the possibility to correct data that was misleading or incorrect.

2.4.2.2 Secondary data

In the theoretical framework in this study secondary data was collected through literature about international business and management, articles and previous studies about cross culture, Internet, information from the Indian and Swedish embassy, annual reports from SKF, Volvo and ABB and finally information from Swedish trade, Svenskt Näringsliv and the International Monetary Fund.

2.4.3 Developing, testing and correcting the propositions

The base for developing the propositions consisted of data that included books, articles and previous studies that dealt with Swedish and Indian culture and cross cultural cooperation. To be able to test these propositions we conducted interviews, observations and handed out a questionnaire. The last stage was to analyse the propositions. The process of analysing the propositions helped us to develop a real and deep understanding of the cultural differences.

2.5 Validity and reliability

It is problematic to determine a specific culture to a specific nation. A national culture have a lot of subcultures, hence people from the same national culture might differ even if they belong to different subcultures. The problem is therefore to define a general *Indian culture* and *Swedish culture* that can be suitable to use when looking for differences in the cultures that might affect cooperation within the organisation. In India the problem to define a general Indian culture is extensive because the country have a population of over 1 billion people and consist of 28 states that are all different from one another and can be seen as separate countries. Moreover there are 18 different languages and more than 1600 local languages, and many different religions are living side by side. But even if there are a lot of subcultures in India we think a deeper general culture exists which differs from the Swedish culture.

In this study we conducted ten different interviews with both Indian and Swedish employees to obtain a broad and valid picture about the informants understanding and experiences about cultural differences in cooperation within a Swedish subsidiary in India. By making several interviews it made it possible for us to not just rely on one single source and we were able to compare frequent themes and themes that were dissimilar. In that way we were able to draw more valid conclusions.

The theories and the research within cross cultural studies that is the framework for this master thesis are based on studies of professionals who belong to a skilled workforce with an academic background. The theories therefore do not represent all people in the Swedish and Indian society. In this field study the people that took part of the interviews were managers and engineers with an academic background and their behaviour and experience therefore influenced this study. The cross cultural theories were therefore applicable for this study and we believe that the results therefore are therefore representative for this group of people. This study can provide an understanding concerning cultural differences that might be found in a Swedish subsidiary in India.

We have been trying to use the cross cultural research carefully because an over-reliance on generalising pictures is a big risk and barrier when conducting cultural studies. We were therefore aware of the danger of generalising people and have tried to conduct the interviews with an open mind to avoid over-reliance on the knowledge and research of cross-culture.

3. Theoretical framework

When working in an international organisation in a foreign country you are forced to work and cooperate with people with totally different values and views of life. It may be difficult to cooperate if you do not understand your business partners' behaviour or objectives. Knowing the culture you are working within is a determining factor for success in international business. When looking at Sweden and India, they are two very different countries with very diverse cultural backgrounds. In order to gain greater knowledge about these cultures we are firstly going to give the reader a theoretical review of cross cultural research, and then we will define culture and how culture influences cooperation within an international company.

Inayatullah and Blaney (2004) provide a good example in their book *International Relations and the problems of difference* of the problems of understanding and cooperate in other cultures and the difficulty to completely understand an unfamiliar culture.

> *We have all been programmed to respond to human differences between us with fear and loathing and to handle that difference in one of three ways: ignore it, and if that is not possible, copy it if we think it is dominant, or destroy it if we think it is subordinate. But we have no patterns for relating across differences as equals.*
> Andre Lorde, *Age, Race, Class, Sex*

3.1 Theoretical perspectives and review of cross-culture research

Cross cultural business is a field of great interest in this age of global economy. Some of the earlier studies of culture in relation to international business operations date back to the work of Talcott Parsons in 1951 and Florence Rockwood Kluckhohn & Fred L. Strodtbeck in 1961. The next period of research and publications in the field of comparative analysis of culture was marked by the work of Geert Hofstede in 1980 and Fons Trompenaars in 1993. We consider these authors as very important as they have encouraged and motivated a lot of research in the field of cross-cultural business and they are often referred to in this field of research. To get a better understanding about the subject and to give the reader a background for the research field we will shortly introduce these five researchers and their work.

3.1.1 Parsons

Talcott Parsons (1951) argues that the crucial feature of societies, as of biological organisms, is homeostasis, and that their parts can be understood only in terms of the whole. The way that Parsons (1951) organized his analysis of activities within social systems was through role-definitions. The role-definitions include categorization of modes of orientation in personality systems, the value patterns of culture, and the normative requirements in social systems.

The role-definitions are constructed as polar opposites that give the range of possible decisions and modes of orientation for a social actor. These are ideal

types of social actions and the actions of a particular individual may be a combination of the two, between the opposites. For Parsons these provided an ideal conceptual scheme that allowed analysis of various systems. We will shortly describe these roll-definitions below.

Affectivity versus affective neutrality refers to the amount of emotion or affect that is appropriate or expected in a given form of interaction. Affective neutrality may refer to self discipline and the deferment of gratification, whereas affectivity may be associated with expressing emotions.

Self-orientation versus collectively-orientation emphasizes the extent of self interest as opposed to collective or shared interest associated with any action. For example are individual success is often emphasized in modern societies which assumes that there is egoism or self-interest in individual economic action.

Universalism versus particularism refers to whether one should react on the basis of a general norm or reacting on the basis of someone's particular relation to you. A particular relation is a relationship with a specific individual, like the relationship between parent and child or relationship between friends. In contrast, a bureaucracy is characterized by universal forms of relationships, where everyone is to be treated neutrally and not better than others.

An achievement versus ascription refers to qualities of individuals, and is often inborn qualities such as sex, ethnicity, race, age, family status, or characteristics of the household of origin. Achievement refers to performance, and emphasizes individual achievement. For example, we might say that someone has achieved a prestigious position even though their ascribed status was that of poverty and disadvantage.

Specificity versus diffuseness deals with the range of obligations involved in a society. These refer to the nature of social links and how extensive or how narrow the obligations in any interaction are. Specificity is for example the contact with an administration where one meets someone for a particular reason, and this contact involves obligations from both parts. Friendships and parent-child relationships are examples of more diffuse forms of contact and this kind of contact is not concentrated on contract and obligation.

3.1.2 Kluckhohn & Strodtbeck

Kluckhohn and Strodtbeck (1961) are influenced by Parsons' classification of the relationships that an individual within a society maintains with the environment, and they developed one of the first systematic discussions of national culture and national value orientations and how these aspects influence the organisational systems.

The five problems as they saw as crucial and common to all people in a community gave rise to the value-orientated system. The five problems were stated as questions and we will shortly describe them.

1. Human nature orientation: *What is the character of innate human nature?*
   To this question the alternative answers is that the human being can either be born *evil*, but can learn to be good, or the human can be a *mix between good and evil*. In this case the human has both good and bad traits, but can learn to be either better or worse. Finally the human can be born *good* and will remain so.

2. Man-nature orientation: *What is the relation of man to nature?*
   To this question you find a three-point range of variations, the first one is *subjugation-to-nature*, the second one is *harmony-with-nature* and the last one is *mastery-over-nature*. In harmony with the nature there is no real separation between man and nature, one is basically an extension of the other. In mastery over nature the human relation to nature is that the natural forces should be defeated and mastered by the humans.

3. Time orientation: *What is the temporal focus of human life?*
   The answer to this question is that all humans divide life into three different time spectrums of *past, present and future*. Every society has to deal with all of the three dilemmas concerning past, present and future, but the difference is the preferable order of the alternatives. For instance, some cultures pay little attention to what has happened in the past and they regard the future as unpredictable. Hoping and planning for the future is therefore not part of these kinds of cultures. Whereas other cultures are highlighting the future and they are hoping and planning to be bigger and better.

4. Activity orientation: *What is the modality of human activity?*
   The respond to this question is that the human either are *being, being-in-becoming or finally doing*. In the doing culture there is a demand for activities that result in accomplishments that are measurable. A different requirement is found in the being and the being-in-becoming culture, here the emphasis is rather on what the human is, rather than what she can accomplish.

5. Relational orientation: *What is the modality of man's relationship to other men?*
   The final question that Kluckhohn and Strodtbeck (1961) are putting forward concerns human's relations to other humans and contains three aspects, *the lineal, the collateral and the individualistic*. In the collateral culture there is an emphasis on consensus within the extended group of equals. In the individualistic culture the importance is the individual or individual families within the group, and decisions are made independently from others. In the lineal culture the emphasis lays on hierarchical principles and defers to higher authority or authorities within the group.

3.1.3 Hofstede

The Dutch scientist Geert Hofstede has been one of the most popular, and yet the most criticised, researcher in the field of cross-cultural management. He aimed at

developing *a commonly acceptable, well-defined, and empirically based terminology to describe cultures* and, with his data systematically collected across fifty countries, he achieved unmatchable simplicity and assertiveness of findings. Hofstede investigated the attitudes held by 116,000 employees in branches and affiliates of IBM, in 50 countries, and introduced his first cultural model in the early 1980s, based on differences in values and beliefs regarding work goals (Hofstede, 2001).

Hofstede's theoretical reasoning is linked with Kluckhohn and Strodtbeck's work and starts from the same assumption: that a nation's culture, as a collective mental programming, derives from the answers of fundamental problems related to human nature and human existence that societies, over the course of their historical evolution, have found. The four dimensions of national culture proposed by Hofstede (2001) are following:

1. *Power distance*
   This dimension indicates the extent to which a society expects and accepts inequalities between its people, and an unequal distribution of power and responsibility within its institutions and organisations. Countries with a high score of power distance have broad differences between individuals in terms of power, status and wealth and have institutions characterised by formal hierarchies and value a high degree of inequality as normal.

2. *Uncertainty avoidance*
   This dimension relates to the extent to which countries and their institutions establish formal rules and fixed patterns of operation as a means of enhancing security and of avoiding ambiguity and doubt. Countries with high uncertainty avoidance are recognised by a strong preference for structured over unstructured situations.

3. *Individualism versus Collectivism*
   This dimension scribes to the degree people in a society prefer to act as individuals or as a members of a group. In individualistic societies relations between individual are lose and they have a high sense of independence and self-responsibility and value the freedom to make their own decisions.

4. *Masculinity versus Femininity*
   The characteristics of a masculine society are that they value assertiveness and materialism and promote competition, meritocracy, decisiveness and strong leadership. The feminine dominated societies favour cooperation, good working relationships, security and avoiding conflicts.

Later the author also introduced a fifth dimension, which is described as the maintenance of long-term orientation vs. short-term orientation.

3.1.4 Trompenaars

Fons Trompennars has a more pragmatic view of culture that draws upon the work by Parsons, Kluckhohn and Strodtbeck, and defines the concept of culture as

the way people solve problems, particularly in connection with relationships, time and the external environment (Trompenaars, 1996). He suggests the following scales on which individual responses to problems are interpreted:

Table 2. 7 Dimensional model of national culture

1. Universalism versus Particularism;	If we consider rules or relationship more important.
2. Individualism versus Collectivism;	If we act mostly as individual or as groups.
3. Specific versus Diffuse;	To what extent we are involved with the lives of other people.
4. Neutral versus Affective;	If we are free to express our emotions or if we are restrained.
5. Achievement versus Ascription;	If we achieve status through accomplishment or if it is a part of our situation in life, like gender, age or social class.
6. Sequential versus Synchronic;	If we prefer to do tasks in a sequence or several tasks at once.
7. Internal versus External Control;	If we think we can control the environment or if the environment control us.

Source: Trompenaars, F. (1996) *Riding the waves of culture: Understanding Cultural Diversity in Business*

Trompenaars seven dimensional model builds upon traditional anthropological approaches to understanding culture, which argues that culture comes into existence because all humans must solve basic problems of survival. Trompenaars (1996) mean that all cultures develop ways to confront these basic problems, but the solutions are not the same, which is why cultures differ significantly.

3.2   The meaning of culture

Culture has a reputation for being a rather vague and blurred concept, and it can be hard to define what culture really is. Many authors have tried to define culture in many different ways. Attempts to identify and define culture have been made within many different scientific schools such as anthropology, psychology, sociology as well as researchers within organisational behaviour and business administration (Sjögren et al, 1992). But you can also say that the definition of culture depend upon culture. Different people define culture in different ways depending on their own cultural background and it also has a very different meaning for different cultures (Forss, 1987).

We are now going to present a few different definitions of culture that we find appropriate to this study. The first one is from the Swedish writer Selma Lagerlöf who defines culture as the following (Ghauri et al, 2003);

what remains when that which has been learned is entirely forgotten

This definition has the important merit of identifying two basic elements of cultural dynamics; it is learned and it is forgotten. Consequently people are not aware about the cultures existence as a learned behaviour. For example, if one during childhood has been told that modest and self-effacing behaviour is suitable when addressing other people, especially at first contact – which is the case in most Asian cultures – one forgets about this and is easily shocked by assertive, apparently boastful behaviour which may appear in other cultures. Although largely forgotten, culture pervades our daily individual and collective actions. Individuals find, in their cultural group, pre-set and agreed-upon solutions which indicate to them how to properly articulate their behaviour and actions with members of the same cultural group (Ghauri et al, 2003).

After having assessed the nature of culture as learned and forgotten we need to provide some additional definitions of culture. Hans Gullestrup (2002) considers the study of culture too complex to be studied only from the viewpoint of one specific scientific school, or to be based on one specific paradigm. Gullestrups definition of culture is:

> *Culture is the philosophy of life, the values, norms and rules, and actual behaviour – as well as the material and immaterial products from these – which are taken over by man from the past generations, and which man wants to bring forward to the next generation – eventually in a different form – and which in one way or another separate individuals belonging to the culture from individuals belonging to other cultures.*

According to this definition Gullestrup considers the basic philosophy of life and the values as the core culture of any culture.

The final definition of culture that is going to be put forward which is probably the most common one is by Hofstede (2001):

> *The collective mental programming of the mind which distinguishes one group or category of people from another.*

According to Hofstedes definition of culture all people are programmed through a process which helps people become attached to their society. It tells us who we are and to what groups we belong. Culture provides mechanisms for continuations of the group, for example culture determines how children are educated and tells us whom to marry and when. Culture provides most areas of our life, determining for example, how we should dress and what we should eat. The full aspects of the specific culture can only be understood by the people that are members of it. To understand the deeper meaning of culture you must therefore go beyond simple observations and view the world through the eyes of the members of a particular culture (Cullen, 2002).

According to Pervez N. Ghauri (2003) we should not go too far in considering the individual as simply programmed by culture. He indicates the limits of the cultural programming which a society can impose upon an individual and states;

> *No matter how carefully the individual has been trained or how successful his conditioning has been, he remains a distinct organism with his own needs and with capacities for independent thought, feeling and action. Moreover he retains a considerable degree of individuality.*

From the four different definitions above we have define culture as a system of values and social norms, rules and guidelines that are shared among a society or a group of people. People are not born with a culture, but it is something they learn through a socialisation process as the culture is shared, communicated and transmitted by the members of the culture.

3.2.1 National culture

The international businessman needs to be aware of three levels of culture that may influence international operations. These are national culture, business culture and organisational culture. National culture can be defined as the dominant culture within the political boundaries of the nation-state, business culture is defined as the norms, values and beliefs that pertain all aspects of doing business in a culture and organisational culture is the norms, values and beliefs concerning the organisation that are shared by the members of the organisation (Cullen, 2002).

As mentioned earlier, culture is essentially about people and the way in which they behave as a result of their background and group affiliation. It is not about individual behaviour but about shared systems of meaning within and across ascribed and acquired social groups. Even if there may be a lot of subcultures within a country, there are several good reasons to focus on the national culture when conducting international business studies. The national culture is a more generic framework that can provide an understanding of the main aspects of culture that may have an impact on business in different societies. The values, norms and beliefs in a country are historical products that are shaped by a number of factors such as language, education, religion, politics, economics, the law, social organisations, attitudes and moral values (See Figure 1.)

Figure 1. National culture
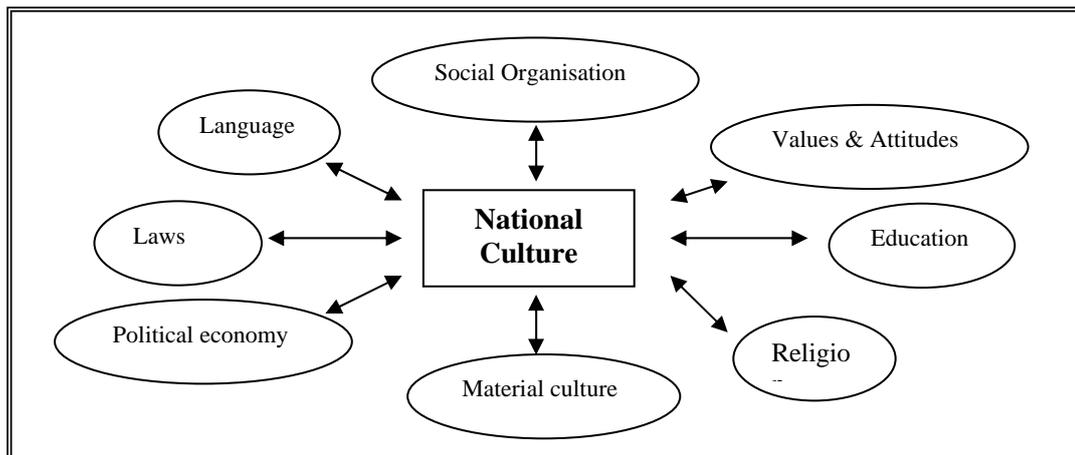
Source: Mercado S. et al. 2001, *European Business*

National culture is a centrally organising principle of employees' understanding of work, their approach to it and the way in which they expect to be treated. National culture implies that one way of acting or one set of outcomes is preferable to another. When for example management practice is inconsistent with these deeply held values, employees are likely to feel dissatisfied, distracted, uncomfortable and uncommitted (Newman et al; 1996). From a reality that has a diverse content in the cultures in India and Sweden we will have to isolate certain distinct similarities in the Swedish and Indian national cultures.

3.2.2 Assumptions and perceptions

To understand the typical outcomes of cross cultural cooperation one needs to understand the role of assumptions and perceptions and how they influence our feelings and actions. According to Lane (2003) an assumption is an unquestioned, taken for granted belief about the world and how it works. Assumptions allow us to function and perform effectively every day, without thinking about how we are doing what we are doing. Assumptions also help to create our world view.

Assumptions influence our perceptions, which are our interpretations of events and behaviours or the meaning the event or behaviour have for us. The expression *we see what we want to see and hear what we want to hear* is a reflection of how our assumptions affect one's perceptions (Lane, 2003).

No two national groups *see* the world in exactly the same way. According to Adler (1991) perceptions are the process by which each individual selects, organises, and evaluate stimuli from the external environment to provide meaningful experiences. Perceptual patterns are neither innate nor absolute. They are selective, learned, culturally determined, consistent, and inaccurate.

The tendency to make perceptions similar to assumptions is often a source of misunderstanding between people in the same cultural environment. It becomes an even bigger problem when it is moved on to an international context where there is a lack of shared assumptions. The definitions of how one should behave and, therefore the explanations of why a person is behaving in a particular way,

often differ from one culture to another. In this situation, people get into difficulty by making inaccurate assumptions about a person or situation in a different culture (Lane, 2003).

3.2.3 Stereotyping

Stereotyping is a form of classification that categorises experience and create ethnic and national groups in which people behave in a similar way. Stereotypes describe the behavioural norms for members of a particular group and are not a method of describing individual behaviour. Stereotypes in a negative perspective can be the result of hate, racism, and fantasy. But it is possible to look at them in another way and to regard them as statements created by ordinary people, which serves a legitimate purpose in their understanding and organisation of the world Chapman (2002). Depending on how stereotyping is used it can be both helpful and damaging. When it is used in a correct way it can help people to understand a situation in a culturally new surrounding. Adler (1991) points out five important perspectives when stereotyping might be a helpful tool.

Consciously held. A stereotype should always be used for describing a group norm rather than a specific person.

Descriptive. A stereotype should describe how people from a certain culture are behaving and should not be used to determine if the people are good or bad.

Accurate. A stereotype should always be correct in its description of the norms that the people have in the culture.

The first best guess. Stereotypes are helpful if the first best guess about a group is used prior to having direct information about a specific person or persons involved.

Modified. Revaluation of the stereotypes in further observations within a culture should lead to adjustments.

Research shows that managers are more effective in international business if they modify their stereotypes to suit the people involved, whereas managers do not modify their stereotypes have a reduced amount of internationally effectiveness (Adler, 1991).

In India there are no fewer than 13 major linguistic groups with populations in excess of 10 million people, each speaking equally unintelligible languages. And it must be assumed that this level of linguistic heterogeneity brings with it an equal level of cultural variability as well (Ferraro, 1990). This makes it hard to speak about *the culture of India*, but even if it is difficult to make any generalisations about the Indian culture you might find some value patterns that could be universal. But it is not possible to predict the exact value of any particular resident in India or Sweden.

Our hope for this study is that we will stereotype effectively. With that we mean that we always will bear in mind to not confusing the stereotyping with the description of individuals.

3.2.4 Cross culture cooperation

Most definitions about cooperation focus on the process where individuals, groups and organisations come together, interact and form psychological relationships for shared profit or benefit. Meads (1976) definition of cooperation *as the act of working together to one end* is one of the definitions that focus on this process and is the definition of cooperation that is used in this study.

Smith et al (1995) observe two types of cooperative relationships that might occur. The first one is the formal cooperation and the second one the informal cooperation. The informal cooperation includes adaptable arrangements in which behavioural norms rather than contractual obligations decide the contributions of parties. The formal cooperation is in contrast characterised by obligations and formal structures of control like hierarchies and definitions that are forcing members to work together. Smith et al (1995) also observed that cooperation can also vary in how the members, the groups and organisations are linked to one other. It can either be connected vertically or horizontally. In the vertical cooperation you find cooperation between the top and the bottom level within an organisation and in the horizontal cooperation, cooperation exists between members that are engaged in the same task.

That cooperation is essential for the success of organisations has long been well-known by researchers and Adler (1991) considers international and intercultural cooperation to be the key to success for multinational and global companies.

Cross cultural cooperation exists when members from different cultures work together to achieve shared goals. In the perspective of our study cross-cultural cooperation exists between Swedes and Indians if they connect in joint efforts to reach the mutual goals are helpful towards each other and have a good working relationship.

4. Central cultural areas in cross cultural cooperation

A culture has a shared set of common attitudes and codes of conducts and it is important for an expatriate to know that there can be differences in the behaviour and in the groups within the organisation when he/she is going abroad. These differences occur from national and sociocultural variables and they determine the attitudes toward for example work, time, materialism, individualism and change. In this section we have chosen to look into five areas that we think are very important when a company is moving into the area of international business. The five areas are *Identity*, *Time*, *Ambiguity*, *Integrative strategy* and finally *Power and Hierarchy*. We think that these five parts together can give a rather representative picture about the Indian and the Swedish business culture and the problems that might occur when the different cultures cooperate. It is however important to note that researchers ascribe ideal typical qualities to each culture and it is not about individual characteristics (Harvey, 1997).

Figure 2. Model of areas affecting cross cultural cooperation (our own construction)
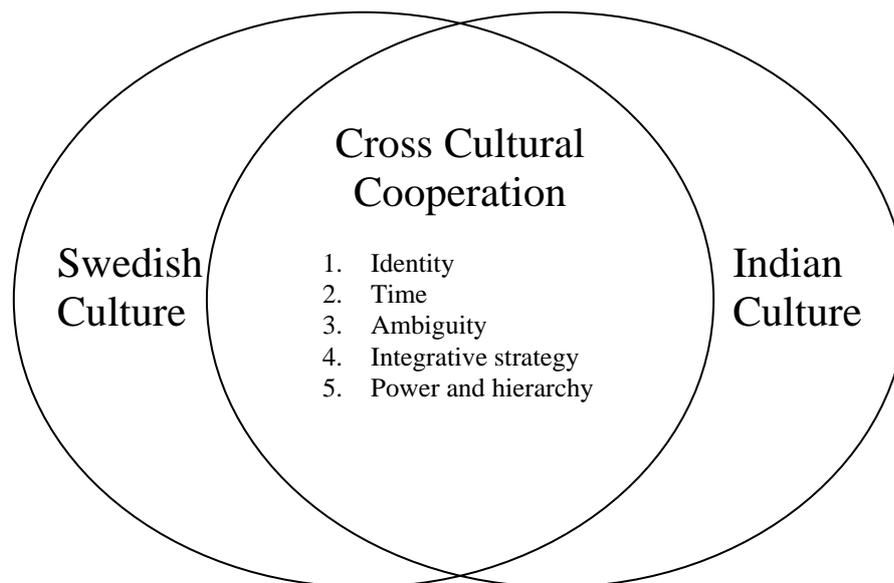
4.1 Identity

Different societies in the world emphasise either more individual or more collective achievements which follows different rationalities. A highly individualistic society indicates that individuality and individual rights are dominant within the society. The individual rationality states that one should do what is best for ones own self interest. People in the individualistic society may tend to form a larger number of looser relationships. A highly collectivistic society on the contrary is characterised by a more collective nature with close ties between individuals. These cultures reinforce extended families and collectives where everyone takes responsibility for fellow members of their group (Hofstede, 2001).

According to Hofstedes research (2001) about individualism, America was placed in the top as the most individualistic country, Sweden was placed on the 10th place and India on the 21st place when comparing 50 countries and three regions. Similar research made by Trompenaars (1996) found that 45% of the Swedes compared to 26% of the Indian prefer individual decisions. In Trompenaars index of the 7d Cultural Dimensional Model Sweden was ranked as number 45 on the individualism scale and India was ranked as number 16, which shows that the Indian society has a rather collective culture whereas Sweden has a typical individualist society.

In terms of business behaviour, people in individualistic societies tend to be self motivated and their business relationships are based on self interest. They are comfortable working alone, they tend to be task orientated, and they seek personal recognition. In individualistic societies competence refers to the extent to which actors are capable of engaging in activities that cause them to realise their self interest goals. The willingness to work for the interest and preferences of others is determined by the extent to which such actions are in some way instrumental in obtaining personal goals (Chen et al, 1998). Sweden is classified as an individualistic culture and Swedes are seen as independent and the need for independence can express itself in a desire of being alone, to have distance to other people and to avoid being in somebody's debt (Löfgren et al, 1982).

By contrast, businessmen from a more collectivist society, like India, base their business relationships on shared self interest, seek to advance the interest in the group, and seek group rewards (Ferraro, 1994). For the collectivists competence is the ability to pursue strategies that contribute to the realisation of the collective goals, individual goals are aligned with, channelled into, or restrained for the achievement of collective objectives. Individual actions are evaluated in terms of their instrumentality to the fulfilment of the needs and preferences of the collective (Chen et al, 1998).

In individualistic cultures the norm is based on rules that you should treat everybody equally. Favoured treatment of one customer over other is consider bad business practise and unethical. In collectivist societies on the other hand the norm is to find a clear distinction between *our group* and *other groups*. Treating one's friends better than others is natural and ethical, and the normal business practise (Trompenaars, 1996). Individualists typically distinguish their own self from others, either as individuals or as groups. Collectivists typically draw the distinction between those they are personally related to *in-groups* and to those they are not *out-groups*. Individualists form and move with greater ease in and out of multiple, loosely affiliated groups and associations based on individualists particular needs and objectives. Collectivists are more likely to form and stay in few stable, and closely knit groups that satisfy members' multiple needs and objectives. Collectivists have fewer problems with applying different sets of values and norms, depending on whether they are dealing with in-group or out-group relationships. Individualists find it more desirable to treat all individuals with a universal consistency (Chen et al, 1998).

In a collective society a relationship of trust should be established between two parties before doing any business. When the relationship is established the two parties accept the other into their in-group. In the collective society the personal relationship prevails over the task and over the company and should be established first. It is different in the individualistic society where the task and the company are supposed to prevail over any personal relationships (Hofstede, 2001).

Lewis (1997) states that in the Indian society the private sphere does not exist and Indians have strong unifying bonds with their family and relatives. They are also very loyal to the groups they belong to, as for example the place of work, and it is very important to keep up the groups' reputation and honour (Lewis, 1997). In a collective society like India one searches for fulfilment through a good relationship with the leader, and the more collective the society is the greater the commitment between employer and employees becomes. Relationships are often close and long-lasting and the employer gives contentment to employees through security, money, social standing and socio-emotional support and the senior managers in the organisation is often seen as father figures (Trompenaars, 1996). Organisations in collectivist cultures base promotions mostly on seniority and age. In some collectivist cultures, older senior managers, ultimately make important decisions. Such collectivist cultures also tend to rank high in power distance (Cullen, 2001).

According to Daun (1989) Swedes draw a somewhat stringent border between the private and the public sphere. At the place of work people can work together for many years without socialise in their spare time or inviting co-workers home. People in Sweden might be afraid of too close relations with neighbours or work associates because they want to limit their privacy. In contrast Mead (1998) states that neighbours in India are constantly in and out of each others homes and children are brought up within extended families. This way of living fosters people to take other peoples interest into account and not let the ego dominate a relationship.

Phillips-Martinsson (1992) has indicated that the tendency to draw a stringent line between the public and private might limit many Swedish businessmen in their dealings with foreign contacts. She also states that Swedes often keep strictly to negotiations and are quiet and unwilling to talk about themselves as private persons. They rarely open business discussions with small talks about their children or family, their hobbies, and other private everyday subjects. This way of keeping the private part of life outside the working life can be seen as a way of upholding integrity and maintaining a place where you do not have to live up to others expectations.

The underlying cultural variable that structures the life of all Indian people is the caste system. This structure extends into the organisations and takes its form as a strong hierarchy and the obligations and duties that are the ingredients of this kind of hierarchic system are accepted by the Indians (Deresky, 2000). Even if Indians are very collectively minded within their own group they can, according to Lewis (1997), be extremely individualistic when it comes to doing business by

themselves with an outsider. He states that few businessmen are better to negotiate a deal than the single Indian businessman.

Figure 3. Theoretical overview of identity – India and Sweden (our own construction).

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                        ┌─────────────┐
                        │  Identity   │
                        └──────┬──────┘
                  ┌────────────┴────────────┐
            ┌──────────┐              ┌──────────┐
            │  India   │              │  Sweden  │
            └─────┬────┘              └─────┬────┘
        ┌─────────────┐              ┌───────────────┐
        │ Collectivism│              │ Individualism │
        └──────┬──────┘              └───────┬───────┘
```

Close ties between individuals	Lose relationships
Seek group recognition	Seek personal recognition
Like to work in groups	Like to work alone
Inequality among individuals	Equality among individuals
Authority based on age and seniority	Authority based on skills
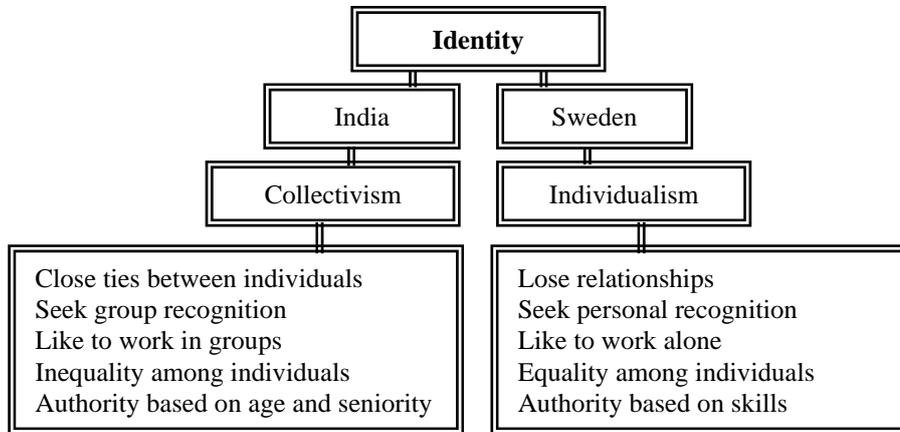
Proposition 1.
We presuppose that India has a more collectivist business society whereas Sweden has a more individualist business society, and that these differences will affect the cooperation between the two cultures within the company.

4.2   Time

Misunderstanding concerning time when doing business abroad is an issue that has drawn a great deal of attention and given rise to a lot of anecdotes. Even if people around the world think almost universally in categories of past, present and future, they do not value them equally. The Christian concept of heaven and hell implies that it is one's present thoughts and actions that are believed to determine one's place in the future. These thoughts are much in use in the daily life when Swedes are planning and working in the present time in order to make the future a better place to live in (Ferraro, 1994).

Religion is also playing a major part in the way cultures view time as either linear or cyclical. A culture that view *time as money* stress the linearity of time and they view time as a line with a point at the centre that is the present. Every part of the line can be sliced into segments and each segment contains a certain value of money (See table 3.). The linear way of looking at time can be traced to Christianity which preaches that humans do not live twice and therefore they have to make the most out of their only life. On the contrary Hinduism believes that the soul is born again after the death of the body and therefore they do not have just one chance in living their life. The belief in reincarnation leads to a cyclical way of viewing life and this belief make them more patient compared to Christian cultures that just give the soul one worldly chance (Ghauri et al, 2003).

The idea about time is strongly affected by the culture and how we think of time is linked to how we plan, the strategies we are doing and the cooperation within an

organisation. When it comes to doing business the time for a meeting can be either approximate or precise, or the deadline for completing a task can either be extremely important or simply a guideline (Trompenaars, 1996).

In Sweden there is a monochromic time culture and time is seen as something fixed in nature, just another part of our environment, and is treated like a tangible asset. Time is seen as a limited resource and much like money this culture speaks of spending time, saving time, earning time, and wasting time. The American idiom "time is money" is often heard in the Swedish culture. To be sure to use the time wisely scheduling and setting deadlines are very common in Sweden. Promptness and punctuality is also highly valued in Sweden and it is seen impolite to be late for a prearranged business meeting (Ferraro, 1994; Forss, 1987; Ghauri et al, 2003). In monochromic societies both the start of the meeting and the end of the meeting is planned, and people from this kind of society will politely stop discussions to keep to the schedule (Ghauri et al, 2003). Monochromic people are found in individualistic cultures and they are generally concentrating on one thing at a time and are comfortable with short-term relationships. They view relationships more as a helpful tool and it is not entered into for its own sake but in order to improve the income for all involved and increase the profit for the organisation (Trompenaars, 1996; Deresky, 2000).

Table 3. Linear and cyclical time aspects
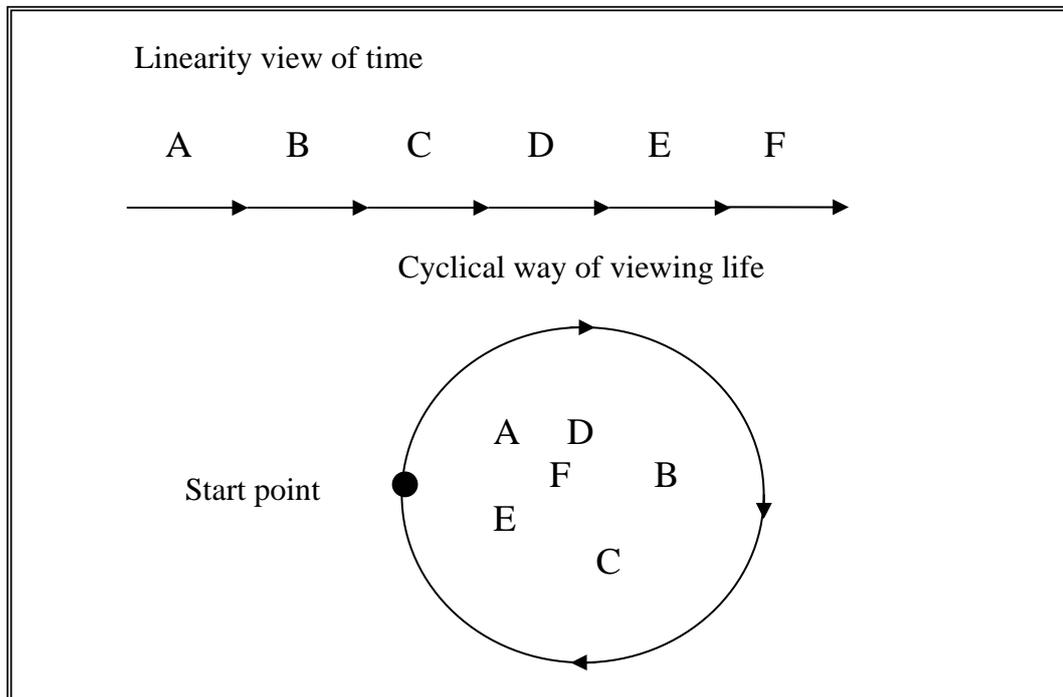
Source: Revision of Ghauri's et al theory (2003)

In Sweden and other north-western European countries people consider moving from A to B in a straight line with minimal effort and maximum effect to be very efficient. In this culture you do not see the efficiency in shared actions and cross-connections. In this sequentially way of watching the world every step is well prepared and people work out a time-schedule for the completion for every action (Trompenaars, 1996).

In India time has a different meaning compared to Sweden. The Polychromic time culture that India belongs to are viewing time as completions of transactions, and the involvement of people is more important than a rigid emphasize on time. They seldom experience time as wasted and do not regard time as a tangible asset (Ghauri et al, 2003). In this culture one is continuing what one is doing until one has finished it, rather than end it because the time schedule says so (Ferraro, 1994). Polychromic people tolerate many things occurring simultaneously and emphasise the involvement of people. Even if there is a final goal it can take a variety of actions to reach it and there is emphasis on the activities that are running parallel (Trompenaars, 1996).

The polychromic culture emphasizes the priority of relations over material systems and an important conversation with a friend is more essential than being on time for a prearranged business meeting. Your schedule is never an excuse for passing a friend by, and its important to give time to someone one has a particular relation to (Deresky, 2000; Trompenaars, 1996).

Figure 4. Theoretical overview of time – India and Sweden (our own construction).
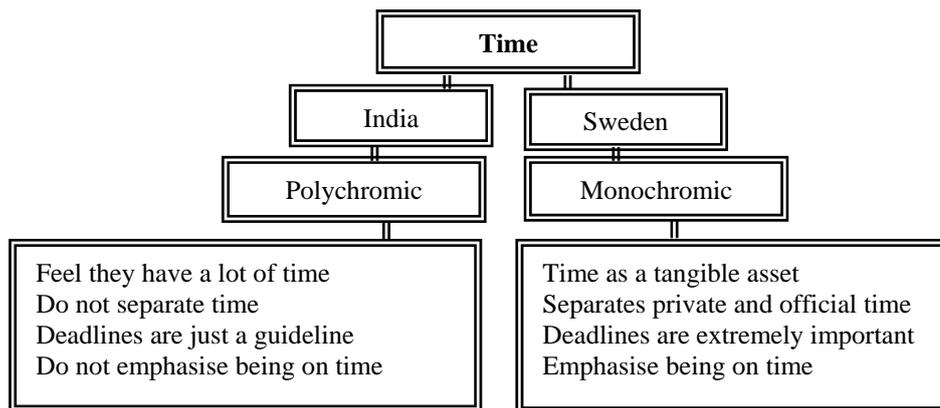
Proposition 2.
We presuppose that India has a polychromic business society whereas Sweden has a monochromic business society, and that these differences in viewing time will affect the cooperation between the two cultures within the company.

4.3 Ambiguity

The Veda-books are the oldest religious texts in India and they have inspired the Indian philosophy that is mainly concentrated upon the unknown and uncertain. Indian philosophers have developed a predilection for abstract thoughts instead of clear and distinct explanations and allegorical tales and mysterious metaphors permeate the Indian philosophy. Forss (1987) means that this philosophy has improved the Indians way of handling ambiguity.

Uncertainty avoidance assesses the way in which societies react to the uncertainties and ambiguities inherent in daily life. Societies with a low level of

uncertainty avoidance are encouraged to accept and handle uncertainty without much discomfort. People in these societies tend to accept each day as it comes, they are flexible, take unknown risks such as changing employers' and show a relatively greater tolerance for opinions and behaviour different from their own. This reflects a society that is less rule orientated, more readily accepts change and is more open to new ideas.

Societies with high uncertainty avoidance feel threatened by ambiguity and uncertainty. Consequently, such societies emphasise a strong need to control the environment, events, and situations and they create a rule orientated society that institutes laws, rules, regulations, and controls in order to reduce the amount of uncertainty. These societies are also characterised by a higher level of anxiety and aggressiveness that creates a stronger inner urge to work hard. The risks that are taken in these societies are well known risk as for example crossing the street even if there is a red light (Hofstedes, 2001; Ghauri et al, 2003; Mercado et al, 2001; Dersky, 2000).

To reduce the internal uncertainty that are caused by the unpredictable behaviour by the members and stakeholders the organisation creates rules and regulations. The stronger tendency the culture has to avoid uncertainty the greater the need is for rules. The rules can also be said to protect against uncertainty that members in the organisation might feel when making own independent judgements and decisions. In high uncertainty avoidance culture members feel that they need and that they depend on the rules and regulations that exist in the organisations. Other ways of coping with uncertainty and to avoid ambiguity is to use expertise and rituals (Hofstedes, 2001, Mercado et al, 2001).

How competencies are defined is valued differently in high and low uncertainty avoidance societies. In a high uncertainty avoidance society the competencies are clearly defined and they believe in specialists and expertise. This is not the case in a low uncertainty avoidance society where they believe more in common sense and are generalists. In the low uncertainty avoidance society the manager can have a rather low average age for a high position but this is not the case in a high uncertainty avoidance society where the high positions in the companies are occupied by the elder people. In high uncertainty avoidance society the manager is also part of the daily processes at work and has a hierarchical control role. This is not the case in the low uncertainty avoidance societies where the manager is only part of the strategy but not so much in the daily process (Hofstede, 2001; Mead, 1998).

In India success to generate tangible assets and creative thinking are highly valued and the business in Indian is marked by a strong eagerness to find solutions to problems and there is a positive attitude to experimentation. The fate is always an active element in life and this trust in fate makes it easier for the Indians to take risks. This idea of life has made them become very successful businessmen throughout the world (Lewis, 1997). Deresky (2000) is however having a quite opposite view about risk taking in India. She argues that the centralised decision making and the employees' loyalty to the organisation are making rules very important. Because of that situation employees are not willing to take risks and

they avoid putting them self in situations that are uncertain. As India is a society with a relatively high uncertainty avoidance the employees prefer to have clear rules and regulations and that the manager issues clear instructions. The employees own projects are often strongly controlled (Mead, 1998).

In business Swedes entrust the rational above the mysterious. They use the newest and the most efficient technology and are entrepreneurial and innovative just like the Indians. Employees in Swedes are very autonomous and arrange things among themselves and managers are often optimistic about the employees' ambition and leadership capacities. In Sweden managers can have a low average age in high level jobs and the career as a generalist manager is preferred over specialist manager. The manager can break formal rules and bypasses hierarchical structures if necessary (Mead, 1998, Hofestede, 2001).

From these theories we draw the conclusion that India has slightly *higher* uncertainty avoidance than Sweden that has *lower* uncertainty avoidance. However, India is still classified as quite a low uncertainty avoidance society.

Figure 5. Theoretical overview of ambiguity – India and Sweden (our own construction).

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                        ┌─────────────────┐
                        │   Ambiguity     │
                        └─────────────────┘
                ┌───────────────┐   ┌───────────────┐
                │     India     │   │    Sweden     │
                └───────────────┘   └───────────────┘
                ┌───────────────┐   ┌───────────────┐
                │   Higher UA   │   │   Lower UA    │
                └───────────────┘   └───────────────┘
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Higher UA	Lower UA
Take well known risks Top managers involved in operations Rules protect against uncertainty Highly formalised conceptions of management	Take unknown risks Top managers involved in strategy Less rule oriented Tolerance for ambiguity in structures and procedures
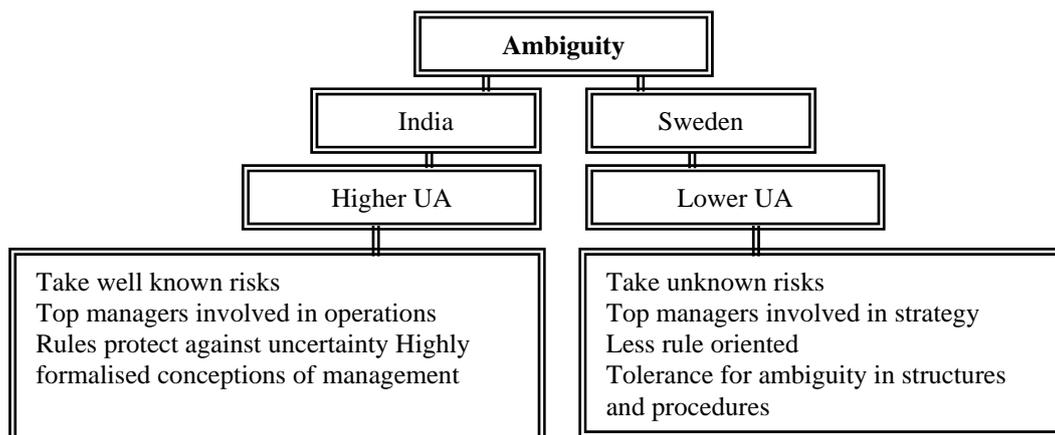
Proposition 3
India has higher uncertainty avoidance in their business society than Sweden and we think the difference in how they deal with uncertainty will affect the cooperation between Indians and Swedes in the companies.

4.4   Integrative strategy

Hofstedes (2001) forth dimension is called masculinity with its opposite pole of femininity. The feminine universal way is to attach more importance to social goals such as relationships, helping others and the physical environment, while the masculine society often attach more importance to ego goals such as careers and money. When translating these values to societies one finds that feminine societies are strong on caring values, good relationships and stress equality and solidarity. Masculine societies stress material success and progress and there is a greater division between the sexes and managers are expected to be influential and confident. Masculine cultures tend to be assertive, competitive and more conflict orientated, whereas feminine dominated societies favour cooperation, good working relationships, security and avoiding conflicts.

Conflicts arise when a dispute spins out of control, when argument fails to reach a successful outcome or when one side or both sides refuses to accept a settlement. It can also for example occur when information is insufficient, communication within the organisation breaks down, the employees are incapable to communicate important information, or there are disagreements among the employees on how the information should be understood. Every country has its own institutional context for conflict resolution. In organisations that hold different views regarding tolerance toward conflicts it might be disagreements over the accepted level of direct conflict with people. The level of tolerance toward a conflict in one culture might not be the accepted level in another culture (Mead, 1998).

In Sweden the consequence of avoiding conflicts leads to that people stay away from emotional themes in conversations and they also avoid themes in which opinions divide. This avoidance takes place at work or private social circles where an open discrepancy in opinions will create an uncomfortable situation (Daun, 1989).

Many Swedes thinks that a conflict does not lead anywhere because the parts have such different views of a problem. Ulf Hannerz is cited in Dauns book *Swedish mentality* (1989) about his way of considering how Swedes handle conflicts, he declares that:

> *A fairly typical response is "It doesn't matter whether or not we discuss this, because we have such different views." That is the very reason something should be worth discussing; after all, a discussion is not a choir of voices. The expression "I think so in any case – and you can think what you want, and that's that" is pertinent here; [the expression implies that] if people cannot agree, they can at least keep quiet.*

Swedes have learned neither to criticise nor to say conflicting points of view in public. Other cultures have more strong feelings and can verbally criticise a suggestion that has been made on a business meeting. In Sweden this rarely happens and if a Swede get criticised during a business meeting she often sees it as an attack on her personality. When it comes to Swedish management there is also a tendency to avoid confrontations and open conflicts. Managers are more determined to achieve good relations with their employees and will therefore

avoid taking actions against under-performing or other behaviours that are disturbing the production (Daun, 1989). The preferences for compromise and to avoid conflicts are regarding to Hofstede (2001) a more feminine behaviour. Concerning conflict resolution Sweden can be seen as a country that has a feminine business culture.

In countries that have a more masculine culture like India conflicts are resolved more openly and there is a preference for a *good fight* (Hofstede, 2001). The Indian culture is also more open to show feelings as happiness, disappointment and sorrow in public (Lewis, 1997). In Sweden the cultural norm states that it is shameful to expose private behaviour in public and one should always keep ones face and never loose control over the situation one is involved in (Daun, 1989).

In a more masculine business culture the manager is assertive, decisive and aggressive. In a masculine culture these qualities carry a positive connotation and are not characterised as something negative. The manager in a more feminine culture is less visible, intuitive rather than decisive and comfortable to seek consensus (Hofstede, 2001). The manager in feminine cultures also put more emphasis on the quality of work life and the well being of workers rather than maximisation on profit and the achieving of goals. The achievements of the goals are through encouragement rather than by obligation (Mercado et al, 2001).

Hofstede (2001) has observed that societies that belong to a masculine culture and societies that belong to a feminine society have different views in how they value the meaning of work in their lives. In the masculine cultures they put emphasis on *live in order to work*, whereas they in the feminine cultures put more emphasise on *work in order to live*. In a masculine business society the employees therefore stressed pay, security and job content while the feminine business society stressed relationships and physical conditions. The concerns for relationships and life quality in feminine cultures and for material rewards and competition in the masculine cultures are carried over from the family and school to the work environment.

In a masculine culture the manager is often regarded as a hero and someone with a lot of authority. In India the management is often autocratic and based on formal authority and charisma and it is the manager who makes all decisions. The norm is to always check with the boss (Deresky, 2000). A hero in a more feminine culture is defined as something more ordinary and can be observed in this statement by a Danish sociologist; *we don't admire big stars or heroes very much…The man in the streets is our hero* (Mead, 1998). This reflects that the feminine cultures in Scandinavia have a lesser tendency to consider the manager as a hero and perceives the manager more as an employee like any other (Hofstede, 2001).

In Hofstedes (2001) research Sweden is placed as the most feminine country of 50 countries and three regions. India is a more masculine country and is placed on a shared 20/21 place with Argentina.

Figure 6. Theoretical overview of integrative strategy – India and Sweden (our own construction).
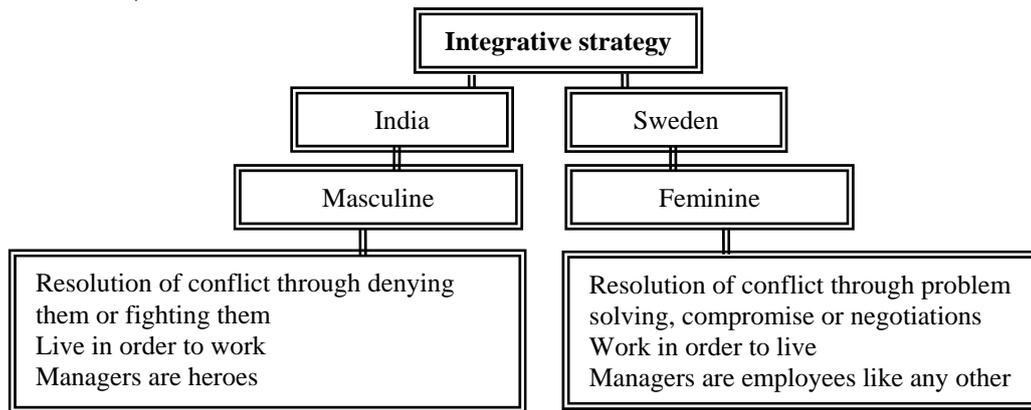
Proposition 4.
We presuppose that the India is a more masculine business society, whereas Sweden is a more feminine business society. These cultural differences will affect the cooperation between the two cultures within the companies.

4.5   Power and Hierarchy

Cultures differ in their view on how power should be divided and what is recognised as status. A society's solution to inequality is by Hofstede (2001) called power distance. Inequality can occur in areas such as prestige, wealth and power and different societies put different weights on the consistency of the status among these areas. In organisations power distance focus on norms that tell superiors how much they can determine the behaviour of their subordinates and the values and beliefs that determine the distance between superiors and subordinates. According to Adler (1991) power distance measures the extent to which less powerful members of an organisation are willing to accept a more unequal distribution of power and to what extent employees accept that their boss has more power than they have. It is also stated by Agarwal et al (1999) that power distance refers to the degree to which an individual prefers his or her supervisor to dictate what needs to be done and how.

According to Hofstede (2001) people possess unequal physical and intellectual capabilities, which some societies allow to grow into inequalities in power and wealth. High power distance societies are more likely to follow a system that divide people in different castes depending on their social class. In modern India the old caste system has formally been abolished, but it continues to affect the daily life of the Indians very deeply. In the Indian society upward mobility for citizens is hard and companies are still run very paternalistically with personal relationships playing a critical role in the management of a business organisation (Neelankavil et al, 2000). Societies characterised by a low power distance, such as Sweden, de-emphasise such inequalities and strive toward maintaining a relative equality in the distribution of power, status, and wealth in the society. In Sweden equality and opportunity for everyone is stressed (Daun, 1989).

According to Hofstedes (2001) power distance index Indian is ranked as a high power distance country at the 10/11[th] place together with West Africa and Sweden is ranked as a very low power distance country on place 47/48 together with Norway when comparing 50 countries and three regions. This shows a distinctive difference between the two cultures power distance.

Organisations in countries high on power distance use management systems and processes that reflect a strong hierarchy. Higher power distance will therefore lead to a more centralised control and decision-making structure in a company and the key decision-making has to be concluded from top authority (Ghauri et al, 2003). There is a difference in how high and low power distance cultures delegating authority in an organisation. High power distance societies will talk about delegating power whereas low power distance societies on the other hand will talk about delegating responsibility. Because of the hierarchical management style the Indian employees expect the manager to do all the decisions, and will find it very odd when authority is delegated (Deresky, 2000). According to Hofstede (2001) Swedish organisations have a flat structure with flexible lines between managers and subordinates and it is common that authority is delegated. In societies that have a high power distance the manager is highly respected and is always considered to be right. The manager is often consulted just because he is the boss and not only because he has the specific knowledge. In these societies it is inappropriate for the manager to do the job of a subordinate because he will then lose prestige and respect. In low power distance cultures the respect relationship is independent on rank and subordinates opinions are respected. The manager is consulted because of his/her expertise and not because of his/hers authority. Another difference in authority can be seen in power distance. In high power distance societies the employees do their work in a particular way just because the manager wants it that way. In low power distance societies the employees do their work because they believe that it is the best way to do it (Adler, 1991).

Because of this hierarchical structure in India subordinates never disagree with their manager and it can be illustrated in this example taken from Adler (1991);

> *"When asked if his department could complete a project by a given date, a particular Indian employee said "Yes" even when he knows he could not complete the project, because he believes that his* [western] *supervisor wanted "yes" for an answer. When the date arrived and he had not finished the project, his* [western] *supervisor showed dismay. The Indian's desire to be polite – to say what he thought the supervisor wanted to hear – seemed more important than an accurate assessment of the completion date. Unfortunately, the supervisor considered accurate information more important than politeness. Cross-cultural miscommunication interrupted the smooth functioning of work."*

There is no management style that fits all cultures and a good manager in Sweden will not automatically be a good manager in other cultures, and an effective Indian management practise will not automatically be effective for example in Sweden. It is important to be aware that managerial attitudes, values and behaviours differ across national cultures. There is no best way to manage a

business and differences in national cultures call for differences in management practice (Newman et al, 1996). To understand differences in values and value dimensions has profound impact on effective cross cultural management (Neelankavil et al, 2000).

The basic motivational assumption in high power distance cultures is that people dislike work and try to avoid it. Managers therefore believe they have to adopt a Theory X leadership style, which means that they have to be authoritarian to force workers to perform and that they have to supervise the subordinates closely (Cullen, 2001). According to Agarwal (1999) subordinates in high power distance cultures have a preference for a more *hands on* leadership and are more likely to experience greater discomfort if managers do not provide more controlling leadership behaviour. The managers' role is therefore to generate rules and procedures, whereas the subordinates' role is to carry them out.

In high power distance countries such as India, superiors and subordinates consider bypassing to be insubordinate. In low power distance countries such as Sweden, employees are expected to take own initiatives to get their work done and can if necessary brake formal rules and bypass hierarchical structures. In cultures with high power distance they also have a higher tolerance for unjust events and unfair treatment because of the acceptance of higher differences in roles. They might even have a greater tolerance for being insulted as long the remarks come from a person with higher status and belong to the same in-group (Ghauri et al, 2003).

The original source of power in India is family and friends and there are strong bonds between the members in the in-group. Because of strong connection to the in-group discriminations are quite common both at the lowest and highest level of society. Unavoidably this discrimination makes power based on expertise less valued compared to knowing the right family and it is complicated for non family members to advance into upper management (Deresky, 2000). In Sweden managers can have a high position even if he is of low age. Titles, status, and formality command less importance in low power distance countries (Adler, 1991, Mead, 1998).

The importance of the family in India is reflected in the Indian business structure where they value respect for age and authority very high (Gesteland, 2002). In countries like India the concern for hierarchy and inequality in organisations are rooted in early socialisation in the family and school. Children are expected to be obedient to parents and elders. In school the teacher takes over the role of dominance and you have to show great respect and not challenge the teacher's authority. Later the manager in the organisation takes on the role as a father figure and has to be respected and obeyed (Cullen, 2001).

Figure 7. Theoretical overview of power & hierarchy – India and Sweden (our own construction).

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                    ┌─────────────────────┐
                    │  Power & Hierarchy  │
                    └─────────────────────┘
          ┌──────────────┐        ┌──────────────┐
          │    India     │        │    Sweden    │
          └──────────────┘        └──────────────┘
       ┌────────────────────┐  ┌────────────────────┐
       │ High Power Distance│  │ Low Power Distance │
       └────────────────────┘  └────────────────────┘
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High Power Distance	Low Power Distance
Inequalities is fundamentally good High hierarchies & centralised power Manager is right because his is the boss Never disagree with the manager Manager as a father figure & supervisor Respect for seniority & social class	De-emphasise inequalities Flat hierarchies & decentralised power Manager is right because of his knowledge It is ok to disagree with the manager Manager as a companion & facilitator Respect for personal skills & education

Proposition 5.
We presuppose that the Indians have a high power distance, whereas Swedes have a low power distance in the business society, these differences in viewing power will affect the cooperation between the two cultures within the companies.

4.6 Differences in the cross cultural aspects

The differences between the cultures concerning identity, time, ambiguity, integrative strategy and finally power and hierarchy are concluded in the figure below. The figure is based upon the theory and the propositions that we have stated in the previous chapters and gives the reader a visual overview of the differences between the cultures.

Figure 8. Model of cross cultural differences between India and Sweden (our own construction)
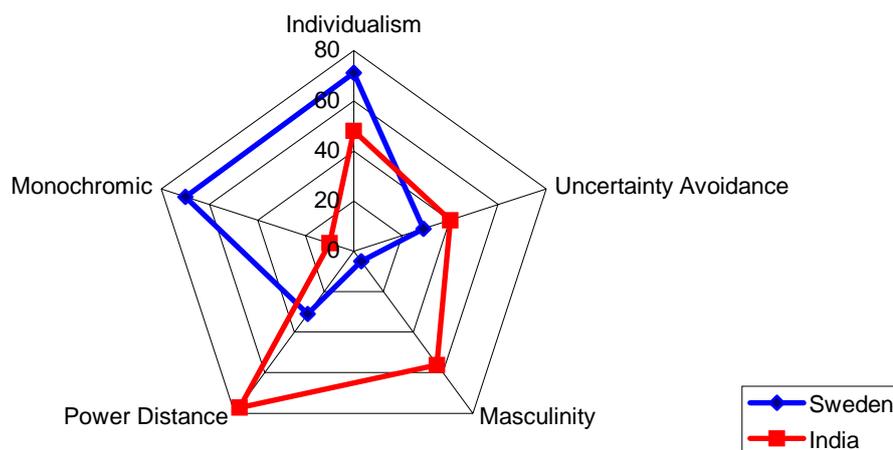
5. Background for empirical study

This section will give the reader an understanding about the Indian religion and an introduction to the Indian and the Swedish economy and market. There will also be a presentation of the three companies that are part of the study.

5.1 The Indian and the Swedish market and culture

This part of the study will firstly look into the Indian religion and its caste system. This will give the reader the knowledge about the specific Indian way of living that is very much influenced by their religion and the caste system. The second part will introduce the reader to how the Indian economy has developed since the Indian liberalisation in 1947 and what it looks today. Finally there will be a presentation about the Swedish industrialisation.

5.1.1 India - Religion and caste

India is a country of contradictions. In India you will find some of the richest people in the world and at the same time you will find a deep poverty. In the same country you find snow-covered mountain chains, desserts with dried up wells and greenery villages with mango trees. In spring time the heat is making formation of cracks in the ground and in the summer time you have the monsoon and the rain is pouring heavily. In India you will also find a very shifting mosaic of religions and cultures. The main religion is Hinduism, but a relatively large group of people are Muslims and there are also Christian and Jewish communities.

Hinduism differs from Christianity and other Western religions in that they do not have a single unified religion and has no founder, single teacher nor prophets. Hindus believe in a universal soul or God called Brahman. Hinduism might be said to consist of thousands of diverse religious groups that have developed in India since 1500 BCE.

The caste system in India has caused a lot of criticism but is an important part of ancient Hindu tradition and dates back to 1200 BCE. Even if caste discrimination has been against the law since 1950 it is still in use. The term caste was first used by Portuguese travellers who came to India in the 16th century. Caste derives from the Spanish and Portuguese word *casta* which means *race*, *breed*, or *lineage*. Many Indians use the term *jati*. There are up to 3,000 castes and 25,000 sub castes in India, each related to a specific occupation. The four main groups of castes are *Brahmins* who works as priests, *Kshatryas* who represent the warriors, *Vaishyas* who represent the traders and finally the *Shudras* who are the workers. Outside of the caste system are the *Untouchables*. Untouchables work with activities that are seen to be unclean such as garbage removal. They are therefore considered polluted and not to be touched (Etienne, 1985).

5.1.2 The Indian economy and market

After the liberalisation 1947 India became an independent nation with a highly controlled planned economy with a yearly growth of only a few percent. In the 1980s there were an acceleration of the growth in sectors of agriculture, industry

and services which increased the economy to 5,6% a year. This economic growth was leading to a significant improvement in living standards. This situation was however not balanced and India got into a big crisis with deficit in the balance of payment in 1991 which pushed the economy into considerable depression (Dyson et al, 2004).

To restore the external and internal confidence in the economy the rupee was devalued, the fiscal deficit was cut and The World Bank and IMF helped India with financing the balance of payment. The Congress party also launched an array of long overdue and wide-ranging economic reforms. These reforms included external sectors liberalisation, deregulation of industry, reforms of taxation and the financial sector and a more commercial approach to the public sector. After these reforms the economy has been growing rapidly with a average 6,1% a year and India have doubled their share from the international trade. Even if the deregulations lead to a growth in foreign direct investments and establishments, the investment can not be compared to for example China and Malaysia. In the five years of 1996-2000 the foreign direct investments was only summed up to US $ 13 billion in India compared to US $ 209 billion to China and US$ 26 to Malaysia (Dyson et al, 2004).

India has moreover a relatively small amount of the total value of the world trade, only 0,8%. But the goal is to achieve a share of 1% before year 2007. IMF regards India to have the potential to increase their external trade with 80% (www.swedishtrade.com).

The service sector is the largest segment of the Indian economy, accounting for about 50 percent of the GDP. India's broad-based and highly diversified manufacturing sector is also beginning to compete successfully in the world market, especially in the auto components industry. This process is likely to increase as India continues to integrate with the world economy. However, the low productivity of agriculture remains a problem. With two thirds of the population living in rural areas, India requires reforms that would allow its farming sector to compete internationally (www.swedishembindia.com).

5.1.3 Industrialisation in Sweden

In the western part of Europe, to which Sweden belongs to, there have been three large changes in the production system during the period from the late eighteenth century to today. The first change was when the decentralised production was replaced by a centralised production under one roof in a factory. The second change appeared in the late nineteenth century. Now there was a shift from a system where the production in the industry was not coordinated in a specific way, to industries that had a more vertical way to manage the production and was organised in groups of companies. This way of organising the industry has been the dominating way during almost the entire twentieth century among all the OECD countries (Pettersson, 2004). During this period in Sweden powerful large companies where established, three examples are ASEA that was founded in 1883, Volvo that launched their first car in 1927 and finally SKF that was established in 1907 (www.abb.com,www.volvo.com, www.skf.com).

Sweden had an economic growth at about 5% during 1950-1960. In the middle of the 1970's the growth of the GNP was declining and was throughout the two following decades just half as much as it was during the middle of the twentieth century. Because of the weak economic growth during this period Sweden was left behind by competing countries. But since the end of the twentieth century the Swedish economy has been increasing a little and is today comparable to the rest of the world's economic growth. Even if the growth in the economy has been quite strong, Sweden has however lost its position as one of the richest countries in the world and the GNP is far behind many of the developed countries in the world (www.svensktnäringsliv.se).

In the late twentieth century the third and last changes became visible. The change that is recognised here is in the organisation of the production within the companies. The vertical integration that was an important ingredient during almost the entire twentieth century has now diapered in many industries. A large part of the final value of the product is delivered by different outside companies. The strategy for the companies in the twenty-first century is to keep the most important assets in house, while other essential components will be bought on the market. One important factor that has affected the development in the late twentieth century is IT-technology. The IT-technology has contributed to lower the transactions cost on the market and low transaction cost is a very important motive behind large companies' disintegration (Pettersson, 2004).

Because companies today do not want to lock themselves up with costly recourses they instead hire specialists for conducting missions. This new way of running an industry will lead to that small business will have a bigger share of the market, as they provide the large companies with services. An example that shows how the new production system is working in reality is that Volvo Car Corporation stands for a smaller and smaller part of the value of the sales price on a Volvo car. Instead it is a large group of subcontractors that in close cooperation with Volvo are responsible for an increasing part of the value (Pettersson, 2004).

Another important factor that has contributed to the change in the late twentieth century is the deregulation of the capital- and currency market within the OECD countries, which in turn have had great impact on the increasing mergers between companies (Pettersson, 2004). For Swedish corporations, mergers have become a very common form of market entry and development. Some of the Swedish companies that have moved their head office from Sweden since they have accomplish a merger with a foreign company are for example Astra-Zenica, Volvo Car Corporation, Parmacia-Upjon, Merita-Nordbanken, Stora Enso, TietoEnator, Aga-Linde och Arla-Md Food.

5.2   Presentation of the companies

In this section we will shortly introduce the reader to the companies that are part of this study.

5.2.1 SKF - India

SKF was founded in 1907 and is supplying products, customer solutions, and services in the business of rolling bearings and seals. The central expertise in SKF is technical support, maintenance services, condition monitoring and training. SKFs products can be found almost everywhere in our daily life for example in cars and fans or in house hold engines, but the products can also be found in power generators in the heavy industries. The organisation is divided into five divisions; Industrial, Automotive, Electrical, Service, and Aero and Steel, and each one of the divisions serve a global market and the particular customer requirements that the segments have. SKF has approximately 80 manufacturing sites spread all over the world. SKF India started its first manufacturing unit in 1965 in Pune and in 1989 they started a manufacturing unit in Bangalore. (www.skf.com)

5.2.2 Volvo Trucks - India

Volvo was founded in 1927 and the first Volvo truck was built in 1928. Volvo has developed to one of the world's leading manufacturers of heavy commercial vehicles and diesel engines and is today the second largest manufacturer of heavy trucks. Volvo is divided into eight business areas; Volvo Trucks, Mack, Renault Trucks, Volvo Buses, Volvo Construction Equipment, Volvo Penta, Volvo Aero and Volvo Financial Services. The organisation has about 72,000 employees and has manufacturing in 25 countries. Volvo in India includes the business area of trucks, buses, construction equipment, Volvo Penta and manufacturing operations besides a countrywide support network. The Volvo Truck manufacturing unit in Bangalore was established in June 15th 1998 and has 500 people employed which four of them are Swedes. (www.volvo.com)

5.2.3 ABB - India

The history of ABB goes back to the late nineteenth century. They employ around 103,000 people and they are a global leader in power and automation technologies and operate in more than 120 countries. ABB's Power Technologies division serves industrial and commercial customers, as well as electric, gas and water utilities, with a broad range of products, services and solutions for power transmission and distribution. ABB's Automation Technologies division offers products, systems and services ranging from complete process automation and optimisation solutions to products like electrical machines, drives and power electronics, low voltage products, instrumentation, controls and robotics. ABB was established in India in the beginning of the twentieth century and has today 8 manufacturing units in India and employs around 3600 people. They opened their first plant in Bangalore 1984 there they have 1000 employees which four of them are Swedes. (www.abb.com)

6.   Empirical results

In this part of the study we will present the result from the interviews. The interviews are anonymous and were carried out during October and November 2005. We interviewed ten people with positions ranging from vice president, managers and engineers and everyone are at least once cited in the empirical results.

6.1   "If ten people are working together there are ten leaders"

All the interviews that we conducted show that the family in India has a strong position within society, and that the family in India is much more keeping together than the Swedish family. The Indian family is not just the nuclear family but also includes grandmothers, grandfathers, aunts and cousins. In India a person is raised in a family in the same way as in Sweden, but the difference is that they do not grow out of the family and become independent after 18. The following reference from one of the Indian interviewees shows this loyalty to the family and the relatives.

> *My father took care of his parents, so I need to take care of my parents.*

Even if the Indians were seen as collectivists in the private life they were considered by the interviewees to be individualists in the working environment. The Indians were generally regarding themselves as just employees who were doing the job for their own self interest. To illustrate the situation this quotation from one of the Swedish interviewees gives a good description about how the two cultures relates to the organisations.

> *I think that the biggest difference, if I take an engineer in Sweden and an engineer in India, if you work in Sweden a person is able to work on his own, able to take responsibility, to look at what is good for my organisation is good for me, what is good for ABB is good for me, what is good for Sweden is good for me. This work environment here;* [in India] *what is good for me is good for me, what is good for me is good for my family. The important thing is to climb the ladder, to make a carrier and more money to pay for the education for the children, and to pay for your parents and your own retirement.*

One of the Indian interviewees stated that one of the reasons to this difference in how to look at and relate to the organisation might be the absence of social security in the Indian society. Besides from working the Indians also need to care for an extended family and be concerned for the family's health and well being. He meant that was not the case in Sweden where they have a well function social security. The Swedes therefore did not need to be concerned about their families to the same extent as the Indians when they were working.

When we asked the question if the interviewees preferred working in a group or alone both the Indians and the Swedes preferred to work in groups. But they meant that the circumstances played a part when deciding if it was best to work in

a group or work alone. Most of the interviewees saw the Indians as more individualistic than the Swedes. The Swedes was considered to be very good at working in teams whereas the Indians were considered to be better at working alone. The following observation is from one of the Swedish interviewees.

> *That's one of the differences between Swedes and Indians, that Indians are more individual than Swedes. Swedes are very good at keeping a team and working together. After a while when you work together you separate the job. 'That person should do that, she's good at that, I will do this' and so on. Indians will have a problem I would say in working together sometimes. If they have a strong leadership then it is no problem but put ten Indians together in a project and if the leader is not strong enough there will be a problem. They will have a problem to cooperate in that sense. Indians are much more better in individuals than in teams, in average.*

Some of the interviewees stated that the Indians worked better alone because of the high competition among the Indians. According to the interviewees the competition starts at young ages and is a central part of the education system. Children always have to do better than the other children if they want to advance. For children from poor backgrounds it is of decisive importance to be the best if they are going to have any chances of getting a higher education. This way of competing is also part of the Indian working culture, there Indians often look for personal recognition and rewards instead of the groups' recognition. The Indian as an individual has to be the best if he wants to advance and climb the ladder. One of the Swedish interviewees stated:

> *We in Sweden like to work together, like to do things together, like to teamwork … Not in India because what you look for is recognition, and it is your personal recognition.*

The Indians was seen as individualists in the work environment because of the high competition that makes them focus more on their personal recognition rather then the groups' interest. One of the Swedish managers declared that it was a well known fact that Indians were more individual than Swedes. In the team work everybody wants to be the leader and people's ego might cause problems in working effectively in a group. In this quotation one of the Indian managers confirm this group behaviour.

> *If ten people* [Indians] *are working together there are ten leaders.*

In the team work the interviewees meant that Swedes generally were more concentrated on one thing and that they often were specialised in one area. If they were asked about something beyond their specialisation they often passed the question on to someone that had more expertise in that area. In India people tend to be involved in many things at once and they do not stay in just one specialised area.

The problem in cooperation between Indians and Swedes that some of the interviewees experienced were that the Swedish manager did not come forward

and check with the employees if they had any problems. The Indian subordinates had to go and ask for them self if they had any problems or if they needed any help. The only check up was made during the meetings. The Swedish managers took for granted that the members of the team were going to complete their tasks individually and that they would ask for help only if they had any problems.

In the Indian office there was a continuous discussion about the team work between the meetings and the following up of the project was therefore not just conducted during the scheduled meetings as in Sweden. In India the manager was often seen as a father figure with a lot of authority and he was on a regular basis going around confirming that everybody was doing their job or checking if the subordinates had any problems. It was also important for the Indian employee to build a close and lasting relationship with the manager.

In the Indian business culture there was an informal hierarchy and everybody was ranked according to their education, age and how long they had been working for the company. One of the Swedish managers stated that it could sometimes be difficult for an outsider to recognise these informal hierarchies and that it could cause problems. He experienced a situation when he was going away on a business trip and he had to put someone else in charge of the business. He chose the employee that he thought would be the best suited for the job, but that was not the right decision. After a couple of minutes after the promotion the phone rang and the following conversation took place.

> '*What have you done? Have you put this guy as the head of engineering? But I'm the next guy, he is not the next guy! I have been here more, and have better education and I'm older!...This is India and you should know it!*'

The Swedish manager did not take these aspects of classification into account and he simply made the decision on the basis that the best skilled person should do the job.

6.2 "If you steal time from me you can never give it back"

The question how the interviewees were going to react if someone was 20 minutes late for a business meeting showed upon how different the views are concerning time between Indians and Swedes. The typical Swedish reactions were the following:

> *It is not acceptable, but it happens all the time in India and it is the normal Indian way.*

> *My Indian colleagues have no respect for being on time for meetings; they are coming at whatever time and they always have the mobile switched on. Concerning time schedules in 1000 years it doesn't matter if you are late one week. We Swedes can be very strict that you should be on time for meetings and that you have to follow the time schedule, but this respect doesn't exist in India, neither from colleagues or subcontractors. But customers are by the contrary very*

> *concerned that you are going to deliver the truck the week you have promised. An Indian can quite consciously be promising that a truck will be delivered in February because the customer demands that, even if he knows that it is impossible.*

The Indian interviewees had a different view of time and they did not value time in the same way as the Swedes. Being on time for meetings was not as important for the Indians as it was for the Swedes. These two quotation s show how Indians valued time and how they observed the way the Swedes valued time.

> *We usually wait for ten or fifteen minutes before we start the meeting if someone is late, then we start the meeting. If the Manager Director is late we will wait for half an hour.*

> *In Sweden everything is well fixed and things are absolutely tight, and people talk and appreciate time. I asked for an appointment with the Swedish Vice President, and he was to meet me in the evening at 6 o'clock, and he told me to be available at 6 o'clock, 5.59 he wasn't there, he was there at dot 6.00.*

These examples illustrates that Swedish people are very particular about being in time and that they value punctuality very high. It is an honour to be in time for a Swede. In India they hold a different view about time and punctuality, and they have a higher time tolerance and the time is not fixed. The Swedish interviewees saw it as very costly for the company to have people waiting for one person for 20 minutes or not keeping to the schedule, the mentality was that you are either in time or you do not turn up at all.

> *When you sit in a meeting with 10 people and you are waiting for one person to come you can not start the meeting, then you have 9 people waiting for 20 minutes. That is quite a lot of time that you are wasting.*

The Swedish view about time was that *time is money*, and that you wasted money if you wasted time. Swedish people were also very concerned about their free time and that their work time should not be interfering with their private time. If Swedish people were forced to work overtime they demanded compensation for that extra time. This way of value time was not present in the Indian business culture. They put in all their energy for the work and they did not value their free time in the same way as Swedes. Indians often worked overtime and both Saturdays and Sundays without compensation and they rarely took long vacations. This quotation from a Swedish manager illustrates a good picture of the situation.

> *Time has no value in India, you don't get paid for time, and time has no value. In Sweden time is everything, it is your spare time, it is your time with the family, it is your time with the children, it is your time working and it is overtime. Overtime doesn't exist here, you work until your boss goes home and then you can leave.*

In India the cost of material is more important than the cost for the time it takes to finish the work. The important thing is that the work will be finished, although it

is not that important that it will be finished in time. This view of time in Indian was seen as time optimism because for the Indians there was always tomorrow. If they have promised somebody that they will finish a task today they always take for granted that the tomorrow is there. The quotation from an Indian manager demonstrates this view of time.

> *We promise something to be finished in the end of the week, and even if it is not there 2 days or 3 days* [after the promised day] *I don't feel anything.*

This quotation shows again that Indian and Swedes have different values about time in the sense that Indians generally feel that there is a lot of time for completing a project and that the dead line is not fundamental to keep. In Sweden the time aspect is different and time is a limited resource and Swedes value time as money. The following statement from one of the Swedish interviewees really clarifies the Swedish mentality when it comes to time.

> *I think our mentality about time is more that it is something that you are stealing and that you never can give it back, and if you steal my jacket you can give me a new jacket, but if you steal time from me you can never give it back, and I could have utilised it on something else.*

The differences in how the Indian business culture and the Swedish business culture view and value time might affect the cooperation between the two cultures within the company. According to some of the interviewees one problem was that it can be hard to follow the time schedules. This might lead to that the company can not deliver the work in time because of internal delays or because the sub contractors have not delivered in time. One of the interviewees said that time and again it happens that the production is growing and the customers request their items to be delivered in time but the company can not keep the agreement because of external and internal delays in the production.

From the interviews we found that a tacit understanding exists in India about time. If the sales manager for example promises a customer that something will be ready in February the customer probably knows that he will not get it in February. But if the sales manger says March the customer gets worried because then he knows that he will probably get it in April. This tacit knowledge can also be seen in this statement from one of the Swedes.

> *In India if someone says that it will be ready in 5 minutes, then I know that it will be ready in half an hour, however if someone says it will be ready in half an hour, then I get worried.*

Another problem that might occur is if Indians do not follow the Swedish tight schedules when cooperating with Swedes. One of the Indian interviewees declared that he had to adapt to the Swedish way of valuing time otherwise the Swedes would complain and that would affect the cooperation negatively in the company. He stated the following.

> *Indians don't value to come on time and Swedes value more to come in time. If I say that I should do certain things on time and if I don't do it I will get a reminder the next day and they will go up to my superior and complain.*

All the interviewees talked about the importance of having an ability to adapt to the cross cultural situation that you are part of when cooperating with Indians or Swedes. People have to understand each other and not be fixed in their own values and cultures. Flexibility towards the new surroundings and flexibility when it comes to others preferences is essential for getting the cooperation working. One of the Swedes had for example observed that the Indians adopted their values about being on time for meetings when they cooperated with Swedes.

> *I think many of my Indian colleagues here recognise that Swedes or foreigner value time* [differently]*. So they adapt when they have foreigners coming here, and then they are far stricter on the meeting times*.

6.3   "Swedes are going the safety way"

When it comes to taking risks we found that the Swedish interviewees emphasised that you should take *safety risks* and that it should be an appropriate combination of both safety and risk taking. They meant that some components always have to be certain and that you should be able to control them. But the Swedes stressed that you also have to take chances sometimes otherwise you can not do business. The Indians also emphasised the importance of safety when doing business, but they accentuated more the importance of taking risks than the Swedes did. The two quotations below are from two of the Indian interviewees and explain their view about the differences in risk taking between the cultures.

> *Taking risks is the most important thing when doing business, if you don't take risks no business can happen. And Swedes take very less risks. The risks the Swedish people take are quite less as comparative. They are more for safety.*

> *I don't think Swedes like to take risks, that is my assessment of Swedish people because their thinking is so systematic. They analyse it and make it so systematic so it no longer becomes a risk. In risk taking sometimes people have a gut feeling, that I don't think they* [the Swedes] *will do. They will analyse the risk and they will make it so clear that it no longer is a risk. That's a difference. We are more "lets see what happens". That Swedish people don't do.*

The way the two cultures experienced risk was very far removed from each other. Swedes thought that the Indians did not perceive themselves as taking that many risks in life. The impression was that the Swedes exaggerated more whereas the Indians smoothed things over and thought that it would sort itself out. One of the interviewees saw a connection between how you value risks and the use of safety belts when going by car. He said that even if a Swede had never been in a car accident he will use the safety belt just to be safe and not putting himself in a risky situation. He meant that Indians did not calculate with risk in the same way

as Swedes and they did not use safety belts in the same extent because they did not see the risk that a car accident would happen. Swedes attitude toward taking risks were that they preferred safety risks as the next statement by a Swedish manger shows.

> *I very seldom take risks, of course you can take chances but that is something else than a risk, and when you do that* [taking chances] *you have to have risk on it. So it is a risk but I always want to do it the safety way.*

One of the Swedes gave another example that exemplifies the way of dealing with risks in the work place in the following way.

> *I don't think the Indians always think of this* [risk taking] *as Swedes do. If they got the chance to save money they would do it. Swedes are going the safety way. If I have a three months project I would do it in three months the safety way, but I could do it in two months the risky way… For Indians I am sure that they have to take the risky way, because they could save the money.*

One of the reasons why the Indians took more risks was that the safety way of doing business could be more costly than the risky way. The following quotation from one of the Indian interviewees refers to the differences between the cultures way of dealing with risks and saving money.

> *Yeah, there will be a difference in that case, a huge difference. In India in an ideal case we will value safety, but they* [the Indians] *are not very good at valuing safety. It is not because of the Indian economical infrastructure or what ever; it is because safety costs a lot. Once in a hundred cases, if something might happen, people may think that it is very unlikely, so they won't spend that much money. So the more safety, the more money you have to spend. But you have some tolerance, OK, so much safety is OK, we can now afford to be safe that much.*

The Swedes thought on the other hand that risk taking might save money but it also could be a very expensive matter if something went wrong. They therefore preferred safety risks because otherwise it could cost the company a lot of money or it could cause an accident. But the Indians on the other hand saw this safety thinking as something very costly and that the Swedes sometimes were not able to produce competitive products. One of the Indian interviewees stated the following.

> *I think we lost very big business few years back. They* [the Swedes] *increased the price so much that it was 2 or 3 times compared to the competitors…They don't take risks and therefore the price gets higher because of all safety thinking and analysing. That also means sometimes that the gut feeling is not there.*

6.4 "What the boss thinks, that is the important thing"

Indians and Swedes valued rules and regulations quite equally but there was a difference in why they followed them. In India the manager was seen to be above the rules and regulations and what he said was more important to follow than the rules. In Sweden on the contrary the rules and regulations was seen to be above the manager and here it was more important to follow the rules than satisfying the manager. These statements from both Swedish and Indian interviewees show upon these differences. The first two quotations are made by Swedes and the last quotation is from one of the Indian interviewees.

> *Yes, yes, yes, there is a difference how we value rules and regulations. People here* [in India] *don't like them, they don't follow them, and they have a substitute and that is the boss. The written rules are not so important, what the boss thinks, what he wants to drag down, that is the important thing. Then you break all the rules because you doing what your boss says. That is the hierarchy. In Sweden I think people look more to the regulations and rules, they don't think so much about what the boss thinks should be done in a given situation.*

> *The difference is not big…. In India if you give an order and say to them; 'Follow this and this', they will do it, formally because I tell them that they should do it. And it is always easier if I have told them; 'Do this…'then they can always come back and say; 'But X said that!' My engineers in Sweden have told me that; 'X, this is a crazy process, I would never do that…' and I say; 'Ok, do it* [your way] *but it should be correct, I should have it that time and it should be according to the quality that we have in the company!' So in some way I can let Swedes do more outside the rules than Indians.*

> *In general… of course Swedes honour the rules a lot, but Indians do not follow rules in general most of the times. But personally I am a little different; I am very particular about rules, regulations and time. But in general what I have seen in India they don't value it* [rules] *so much.*

One problem that one of the Swedish interviewees found when working in a global company in India was that the Indians often takes short cuts and is not following the global company rules that have to be followed. He took the Indian traffic as a metaphor for the Indian mentality when it comes to rules and regulations.

> *Look at the traffic, the traffic is a very good metaphor of everything that happens in India. You see everyone is trying to get first, everyone is trying to take a short cut, risk taking, and everything is in the traffic. And that also happens when you are working in a global company and you have the common rules and the common way of doing things, and sometimes too many short cuts are taken in India. And why these are taken is because of personal gain, money and doing something against the rules to get promotion, because the end result will be possible.*

6.5 "Indians face criticism in a more emotional level"

In the interviews we asked how the interviewees experienced the difference between how Indians and Swedes meets criticism during a business meeting and how they handle confrontations. All the interviewees agreed that Swedes were more indirect when criticising someone and that Indians had a more direct way of criticising. The next statement is made by one of the Indian interviewees.

> *You are not supposed to criticise someone directly in Sweden, nobody likes it, and that is not the way to criticise them. It is told in a very polished way, you can not use harsh words, you can not use something that is unruly. And you can tell me your displeasure in a very polite way, and the polite way is what is important in Sweden. And the message is understood well.*

People in Sweden tended more towards criticising the act and the subject and they tried to avoid criticising someone personally. In India criticism was sometimes more personally directed and sometimes they used harsh words and made the person the subject for the criticism instead of the act. One of the Swedish interviewees put it in these words.

> *Yes it is a big difference, because a confrontation in Sweden is not as direct, in Sweden people tend to concentrate on the subject, on the issue, but here a manager can ask "are you stupid" or "maybe you should go home for today" or "go home, you don't seem to understand what you are suppose to do". So it can be very personal and language can be very rough. And it happens almost every day in an organisation like this.*

In India you were not as afraid of creating conflicts as you were in Sweden and when the Indians criticised someone they did it with more emotions involved and they did not mind to raise their voices and criticise someone in front of others. In Sweden a conflict was solved more quietly and discrete and the Swedes did not want to expose a person for public criticism. These two statements from Indian interviewees show upon the differences.

> *Indians face criticism on a more emotional level, they raise their voice, they make their point, make it loud and clear, sometimes they want to fight more. Their mode is quite high, which I have never seen in Swedes meetings. I think the mood is too cold.*

> *In Sweden the criticism is more indirect, and in India it is more direct. They [Swedes] will commit a point and they will just speak one sentence but it will commit everything, here [in India] we will speak ten sentences. Sometimes a person will feel humiliated.*

One of the Indian interviewees had experienced that if Indians got criticised they became more defensive whereas the Swedes became more offensive and they reacted more frankly to the criticism. The Indians tried to defend themselves and they did not want to admit that they had done anything wrong and therefore they tried to justify the mistake. This view of the cultural differences was also found in one of interviews with one of the Swedes.

> *A Swede can normally take it* [criticism]*, the difference in between is that a Swede can say that 'I have made a mistake, I have done something wrong and I will check it through again, it was my fault' An Indian has very difficult to say; 'It was my fault' It is always something else.. They sometimes have problems to frankly come up and say; 'Sorry I missed that out' They will always find something or blaming something or someone, like 'But he told me so, I have done exactly what he said...' and when you ask that other guy he will say; 'No I have never said anything like that, he must have misunderstood' and then he can say 'Yeah then I misunderstood!'*

According to one of the Swedish interviewees Swedes generally took criticism more personally than the Indians. Swedes felt humiliated if the criticism was directed to them personally instead of being directed to the subject. In India on the other hand people often got criticised personally, but they handled the criticism in a different way and they did not take it as personally as Swedes did. The following statement from one of the Swedes shows upon the differences in how the cultures handling criticism.

> *Swedes take it* [criticism] *more personally. Here* [in India] *it is personal but it does not coming under the skin at all, it is only on the surface...... So when someone shouts at you, you have this protection and you don't take it in, you don't show too much of feelings......And it can be very tough, and for a person from Sweden it can be very unpleasant to be part of.*

In one of the subsidiaries the Swedish vice president held a speech where he nicely and subtly criticised one of the departments of setting their goals to low. It was not meant to be hard criticism but the Indians got very upset over the criticism. This example shows the difficulty to understand each others intention when coming from different cultures. The same difficulty was found when making jokes. Something that Swedes experienced as fun and amusing was seen as totally inappropriate in the Indian culture.

6.6 "In Sweden the manager is more like a facilitator"

We asked the interviewees if they would correct the manager if they knew that the manager was wrong. All the Swedes declared that they would correct the manager and interfere in the discussion. The Indians would also try to correct the manager but in a more indirect way and more carefully as can be seen below in a quotation from one of the Indian interviewees.

> *I would correct him, I do. I will not be able to correct all in that day, but I take time and meet him and tell him that is not correct. I may not say that is not correct, I will say this is what it is.*

Most of the interviewees agreed upon that there were differences between the cultures concerning the relationship with the superior managers. In general the Indians did not disagree with their manager and the manager was always seen to be right. One of the Swedish managers that we interviewed said that it often

happens that the Indian subordinates do not agree with him even if they say they do. After the meeting when the manager no longer is present they sometimes discuss their own disagreeing opinions concerning the subject. Another of the Swedish manager explained the relation between the manager and employees in India in the following way.

> *I think normally very few Indians would comment their manager even if they don't like it* [the opinion]. *I have said to them from the first time, that if I miss something out you have to tell me, we are a team and if I do something wrong it will affect the whole group. If I miss something out, then you will miss something out. I have told them* [the Indians] *the first time when I started here 'It is your damn business, if you don't agree with me, then you should tell my, don't hide it!' Because they do it, they dislike it. If I come in and say; 'Ok, now I would like to have a red colour on this' and that can be totally wrong. But some of them say 'Yeah, fine I will do it' even if they are thinking; 'this is crazy!' But there are guys today that say; But X, is this really what you want, can we discuss it?'*

This quotation illustrates the typical Swedish way of looking at management and it also illustrates how the Swedes perceive the Indians. The following quotation by an Indian shows how he recognizes the typical Swedish manager.

> *In Sweden the manager is more like a facilitator, and makes each one responsible.*

The interviews showed that the decision making in India was more centralised and the hierarchy was also very high compared to Sweden. For that reason there was a big gap between the subordinates and the superiors and it was sometimes hard for the Indians to correct or disagree with the superiors. In India it was also very important to give respect to the superior manager and sometimes it was a career move not to criticise the manager even if you knew he was wrong. One of the Indian interviewees stated the following concerning the subject.

> *In India disagreement of a superior is not very high. Because that is the Indian culture, it's not only the ABB culture, the Indian culture is to always go with the superior. They think that the 'king' is always right, the boss is always correct. But that is not the case with Swedes, if I am not wrong, they can argue and confront and bring it to an acceptable level. They could say; ''I quit, I don't agree with you!'*

The Indian subordinates were in a way protected by the manager in that sense that if he had said yes and something went wrong it was the managers' responsibility not the subordinates. The Indian manager was sometimes seen as a father figure that was taking care of the subordinates and the subordinates should therefore do as they were told. These two quotations, the first from a Swede and the second from an Indian, explain the role of the manager in India and his relation to the subordinates.

> *It differs in India and Sweden. Here* [in India] *the manager is seen as the boss with a lot of authority that can hurt you if he decides; he is*

also seen as a father figure that also takes care of you. In Sweden my impression is that the manager is seen as somebody who is just managing the work. That makes a difference.

Yes very different, the manager for an Indian in the office is just a replacement for his father or his teacher, someone that knows everything best and tells you what to do, and you obey him. And you get a reward when you obey him.

In India this way of obeying the manager often led to that decisions not could be made by subordinates without the manager's approval. The manager was therefore often part of every decision that was made and this quotation from one of the Swedes shows upon this situation.

Swedes expect people to make their own decisions and go on working, whereas Indians feel that they have to go back to their manager, and the manager also wants them to come back to him. But this is to stereotyping and you should be aware that there are examples in between, but in general you can say that the Indian manager is part of every decision whereas this is not the case in Sweden.

One of the Swedes recognised differences in how the cultures relate to the manager and saw that two types of problems might arise from these differences. The first problem concerned that Indian managers wanted to control and wanted to interfere in every decision. The employees that had been working for a less centrally controlled manager did not like working for these managers and the relation between them therefore became tense. The other thing that happened was that it could be frustrating for the other departments when they did not get the decisions in time because the other department's employees always had to wait for the manager's approval. And if the manager for example was out travelling they did not dare to make any decisions themselves. Consequently decisions were not taken in time or the employees took decisions that were later changed by the manager when he came back. These kinds of problems and differences were also experienced by another Swedish manager working in India who described it in the following way.

In Sweden people use their common sense more, and are expected to use their common sense. No matter what level you are working at, you are expected to use your common sense and make your own decisions. In many cases here in India nothing happens because you have to wait for the manager's decision.

Bypassing the manager when making decisions was not as common in India as in Sweden and one example of this was made by one of the Swedish interviewees.

Indians would very seldom do this [bypass the manager]. *Very few times. When I was on vacation in Sweden I received phone calls almost every day. They could say that; 'I have a mail for you, can you read trough the mail, because we have something we need to go through.' So I had to read my e-mails everyday.*

A majority of the Indians that we interviewed agreed that Indians hardly ever bypass the manager and that the Indian manager often demanded to know every step that the employees took and that tension was created if the manager was not consulted when decisions were taken.

6.7   Our own observations

As we were living in India for 2 ½ month and had daily contact with Indians and the Indian culture we gained a deep understanding about the country and its people. We soon realised that time was not valued in the same way in India as it is in Sweden. The students did not have the same respect for being in time as the Swedish students and they were often late for lectures. Once, when we were invited for lunch once we arrived at the exact time just to realise that the hostess was not at home. She was out shopping and did not expect us to come in the exact time and turned up two hours later.

The segregation of people in the Indian society was very noticeable. Every Sunday the personal column in Sunday Times was packed with advertisements for a potential partner to marry. The adverts were categorised in different sections for example castes, communities, religions or professions. An advert could be written in the following way; *High status Kayastha parents looking for equal status charming bride above 165 cm for handsome professional qualified son 183/27Rs 9 lacs per annum, Executive in reputed Dehli based organisation. Send horoscope & photo.* This indicates the typical Indian way of categorising people and the importance of which category you belong to. It also shows the importance of the Indian philosophy where the allegorical tales and mysterious metaphors permeate the society. Horoscopes play a crucial part in deciding to whom a person should be married to.

We experienced it as we were putting ourselves at huge risk every time we were going somewhere by car. The traffic in Indian was horrifying and all rules and safety equipment that we are very strict about in Sweden seemed to be missing. They were always competing to get first and the drivers overtook in curves and they did not mind to overtake even if cars were coming from the other direction. Everything to come first. The hierarchy in India was also very visible in the traffic where expensive and bigger cars had priority over less expensive cars and no consideration was taken.

7.   Analysis and conclusion

The purpose of this study was to investigate cultural differences between Indians and Swedes that can be found in Swedish subsidiaries in India and if the differences might affect the cooperation within the company. In the previous chapters we have introduced the reader to the theories concerning cross cultural cooperation and the results from the empirical study. In this chapter we will analyse the findings on the basis of the theory and the empirical result and investigate if the propositions are accurate or not.

The analysis is based on the interviewees personal experiences from cooperation between Swedes and Indians and the result will therefore be reflected by these individuals. The analysis is also based on our own interpretations and experiences from the field study and will, therefore, influence what conclusions we will draw.

7.1   Analysis of Identity

In proposition 1 we assumed that the Indians belonged to a more collectivist business society and that Swedes belonged to a more individualist business society. In this analysis we will investigate if there are positive or negative supports for the proposition.

We will look into group affiliation, individualist and collectivist cultural behaviour and the differences in how the cultures work in teams.

7.1.1 *Group affiliation*

We found that Indians generally belong to a very collective society where they have a strong group affiliation with the members of their in-groups. They had a very close relationship with their families and they were very closely knit to the groups they belonged to, for example the people from the same regions and social groups. In the interviews the Indians regularly referred to the responsibility to take care of the extended family and the members of their in-group. This behaviour to draw a distinctive line between those you are personally related to and those you are not is typical for collectivists and the behaviour is supported by Trompenaars (1996) and Chen et al (1998).

In the Indian society this clear distinction between in-groups and out-groups can also be clearly viewed in the business society where there was a high hierarchy and where everybody knew exactly what group or rank everybody belonged to. We assume that this behaviour can be referred back to the old Indian caste system which is illegal but still in practice in the Indian society. People are divided into informal groups with different status and rank. Trompenaars (1996) stated that it is ethical business behaviour for collectivist cultures to divide people into different groups and treat people unequally depending on rank. In the Indian company the informal classification is made on the basis of employees' age, what university they have their degree from and their experience within the company. This behaviour of dividing people into groups makes India a typical collective business society.

The Swedish business culture on the other hand stress equality among people and that you should treat everybody the same. Trompenaars (1996) stated that individualist societies consider favoured behaviour over others bad business practice. We found that Swedish managers stressed the importance of choosing an employee on the basis of his or hers personal skills and not on the basis of education, age or position. This behaviour of treating people equally shows that Swedes belong to an individualist society.

One problem concerning this aspect was that it might be difficult for an expatriate from Sweden to recognise the different informal positions and ranks in India. The informal classification in India could for example cause problems when promoting an employee. If an employee with a lower informal rank was chosen before one with a higher informal rank problems could arise. The employee with the higher informal rank felt humiliated and overlooked and it could lead to tensions in the cooperation between the Swedish manager and the Indian employees.

7.1.2 Team work

Ferraro (1994) stated that businessmen from a collectivist society base their business relationships on shared self interest and seek to advance the interest in the group, as well as seeking group rewards. Even if we recognised India as a collective society in general we found that they could be very individualistic in their business lives. The interviewees stressed that Indians in the companies were often driven by self-interests and they strove to be recognised to get a chance to climb the ladder. This is more regarded as individualistic behaviour and is opposite to what Ferraro (1994) states and to our proposition as Indians as collectivists.

We found that the high competition among the Indians was one of the reasons for their individualistic behaviour. Already at young age there is a high competitiveness in school and you have to be the best if you want to get somewhere. This competitive behaviour is also a part of the business culture and you need to work very hard to be recognised. It is very important for the Indian employee to put a lot of effort in to their work to be able to support their extended families and to afford education for their children. Their children's education can be seen as a source of security, because in the future they will take care of their parents.

Chen et al (1998) stated that collectivists preferred to work in groups whereas individualists preferred to work alone. But according to the interviews both Indians and Swedes preferred to work in a group rather than working alone. Swedes were however considered to be better working in a team than Indians who were considered to be better working alone. This could indicate that Indians are rather individualistic and can also be perceived in the statement by Lewis (1997) who argues that one single Indian businessman is considered to be one of the best businessmen in the world. This individualistic behaviour might sometimes inhibit the Indians when they are working together in a group. All the members of the group often want to be the leader and be part of every decision that is made. If they do not have a strong leadership there could be a problem because the self-

interest and the eagerness to be recognised will prevent the group to work in an efficient and structured manner.

Even if Swedes are considered to be good at working in teams we do not think that they belong to a typical collectivist business society. The work is divided among the group members and everyone will carry out their specific task on their own. The Swedish team members are not so much involved in what other members are doing and everybody is doing what he or she is best at. This supports Chen et al (1998) who stated that people in an individualist society work as a collective team to carry out their own individual goals.

A big difference that we found between Indians and Swedes were that the Swedes were expected to work independently and were able to carry out their work on their own without constantly checking with the manager. They were only asking the manager for help if they had any specific problems, otherwise they were working on their own. This was not the case in India where the employees were expected to always go back to the manager if they had to make a decision, and the manager were continually checking up on them. This was considered to be a problem when the Indians were working with Swedes. Indians were used to that the managers constantly came and checked if they had any problems, but when working with Swedish managers they had to go and ask for themselves if they needed help. In this aspect we assume Swedes to be very individualistic as they were working independently without always having the manager's support. Indians on the contrary were very dependent on their manager's approval and opinion and we therefore view the Indian business culture as quite a collective culture. These different management styles led to confusions. The Indians did not feel that they got the support that they were used to and the Swedish manager felt that the employees did not do what he expected them to do.

7.1.3 Conclusion of Identity

In India they often make clear distinctions between in-groups and out-groups and it exist an informal classification among the Indians in the organisation. They also have a high hierarchy in the office and a big gap between the manager and the employees. The manager is seen as a strong authority and the employees are dependent on his decision and approval, which is typical for a collective society. The Swedish business culture on the contrary stress that you should treat everybody equal and promotion is based upon personal skill instead of age or social status. In Sweden the gap between the manager and the employees are not as big as it is in India and the Swedish manager expects the employees to be independent and take own responsibility, which is characteristic of an individualist society.

Indians can however be very individualistic in the business life because they are driven by self-interest and it is very important for them to get personal recognition and to climb the ladder in the company. The Indians are considered to be better working alone than in a group. This behaviour is typical for an individualistic culture. The Swedes were considered to be very good at working in a team but did it very in a structured way were every member carried out her own specific task.

The two problems that we found in the cooperation between the cultures were firstly the informal classification in India that was sometimes hard for the Swedish managers to understand and recognise. The Indian employees could feel humiliated if overlooked and it could lead to tensions in the cooperation. The second problem that we found in the cooperation was the difference in management. In India the employees were more dependent on the manager's approval and the manager was supervising every step that the employees took. The Swedish managers expected the employees to work more independently. If the manager and the employees did not understand the differences in the management style it could cause confusions and misunderstandings.

We conclude that both Sweden and India can be seen as individualist business cultures, but the Indian business culture is however influenced by the high collective thinking in the Indian society. Our conclusion is therefore that Sweden is an individualist business society and India is a more collectivist business society than Sweden but can be very individualistic in some business situations.

Figure 9. Result of the analysis of identity
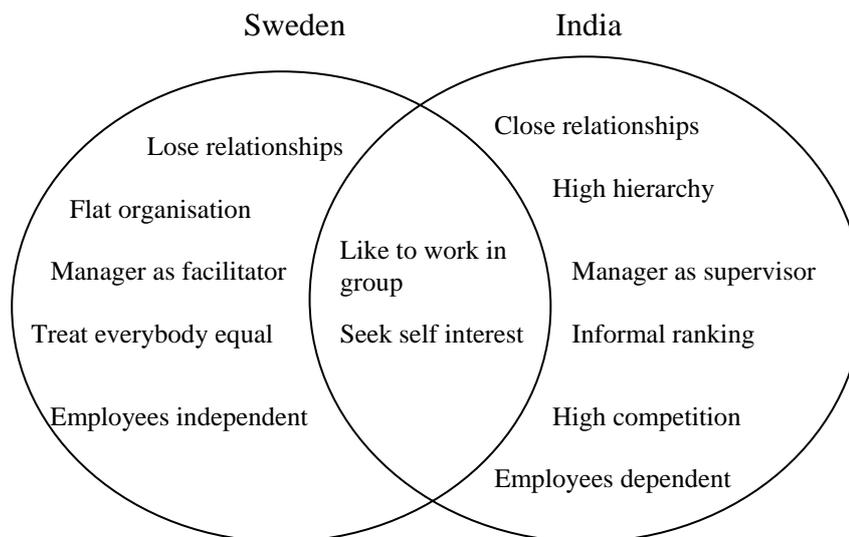
Our conclusion is that proposition 1 is correct, India has a more collectivist business society whereas Sweden has a more individualist business society. These differences will affect the cooperation between the two cultures within the company.

7.2   Analysis of Time

In proposition 2 we assumed that the Indians belonged to a polychromic time culture that viewed time as completions of transactions and rarely experienced time as wasted and did not regard time as a tangible asset. We also assumed that the Swedes belonged to a monochromic time culture that viewed time as something fixed and treated as a tangible asset. We assumed that these differences could lead to problems in the cooperation between the two cultures.

In this chapter we are going to analyse the empirical results about how the Indians and the Swedes experienced and valued time. We will also investigate the expression *Indian standard time* and what consequences this view will have on the cooperation between Indians and Swedes.

7.2.1 The value of time

The Swedes considered it very important to be on time and keeping to the schedules. This can be linked to Ferraro (1994), Forss (1987) and Ghauri (2003) that stated that Swedes value punctuality and promptness very high and regarded being late as very impolite. We observed that Swedes regarded time as a tangible asset and something you should not waste. If someone was late for a business meeting and kept people waiting the Swedes considered he or she to be stealing time from the others. The Swedes perceived the stolen time as something that they could have used for something else and that they could never get it back. We found that Swedes valued time as money and that they saw it as very costly for the company to keep people waiting. This way of regarding time as a tangible asset is typical for a monochromic culture

We did not find that time was regarded this way in the Indian culture. In India time was seen as something they had a lot of and they did not feel like they where wasting time if they had to wait for someone or if they where late for a business meeting. In the Indian business culture it did not matter if the meeting started 20 minutes late and in the same way it did not matter if the meeting kept on going for 20 minutes extra. Ghauri et al (2003) and Ferraro (2003) stated that the polychromic time culture rarely experience time as wasted and they did not regard time as a tangible asset. In the polychromic culture they are continuing what they are doing until they have finished it and they do not end it just because of the time schedule. From this empirical and theoretical material we draw the conclusion that India is a typical polychromic culture since they do not value time as a tangible asset.

Swedes can also be seen as belonging to a linear time culture because they separate time into different segments (See Table 3. Linear and cyclical time aspects). They are very particular about their working hours and their private time. We found proof in the field study that the Swedes divided their time into time at work, time with the family and free time. If they had to work overtime they got compensated for the free time they lost. We saw a difference in the Indian culture. Paid overtime did not exist and they did not separate their private time and their working time in the same way as the Swedes did. One of the interviewees stated that the Indians often work long hours and that they went home when the manager went home.

The Swedes sometimes considered it to be a problem when the Indians were not in time for business meetings and did not keep to the schedules. The Indians on the other hand perceived the Swedes as being too rigid and over-emphasising the importance of being on time. But in general they all adapted to the cultural environment they were exposed to. The Indians were stricter about being on time for meetings when working together with Swedes and Swedes on the other hand were more flexible and less strict about time when working with Indians. We found that they in most cases adapted to the other culture and met each other half way.

7.2.2 "Indian Standard Time"

In the Indian business culture there is a tacit understanding about time that can be hard to perceive if you are not part of the Indian culture. We found that this understanding was sometimes known as *Indian Standard Time* (IST) and can be illustrated in the following way. If an Indian employee for example promised a customer that a product should be ready and delivered on a specific date, both the customer and the employee knew that it would probably not be ready in time. If the Indian employee said it would be finished in one week it was more likely that it was going to take two weeks. This tacit understanding could cause problems in the cooperation between Indians and Swedes. The Swedes presume that the date, on which someone promises to deliver a product or finish a deadline, should be the exact date that was agreed from the start. When time was not respected and deadlines not followed Swedes got offended and felt like valuable time had been stolen from them. The Indians sometimes had problems with understanding the eagerness and the preciseness of the Swedes to follow deadlines and found them to be too rigid. According to Trompenaars (1996) you could see deadlines simply as guidelines as in the Indian business culture or as extremely important as the Swedish business culture perceive it.

We discovered that the Indian business culture can be seen as a typical polychromic culture since they have a flexible view of deadlines and regard them more as guidelines. The Swedes on the contrary regard deadlines as inflexible and that they should always be kept. This particular view about time limits is a characteristic for a monochromic culture.

A problem that the Swedes found in the cooperation with Indians was that if deadlines were not kept the company could not deliver the work in time. Because of external and internal delays in the production the company could not keep the agreement with their customers and that could damage the company. If the Swedes did not calculate with the Indian standard time they were often let down because internal deadlines were not kept and subcontractors did not delivered in time. To be able to satisfy the company's customer they needed to calculate with delays in the time table.

We think this difference in how Swedes and Indians value time when it comes to being on time for business meetings and keeping deadlines can be related to differences in labour costs in India and in Sweden. In India labour is not considered as a very high expense for the company, whereas in Sweden labour

cost is comparatively higher and it is therefore expensive for the company to keep people waiting at business meetings or not keeping the deadlines. We found that the cost for working-time or the time it takes to finish a product in India was not considered as valuable as the cost for the actual material. We also think that religion plays a part in how the cultures experience time. The Hindus believe that the soul is born again after the death and therefore they do not have just one chance in living their life. They therefore do not need to rush through life and if they are late one week it does not matter in a 1000 years. This way of viewing life is very different from the Christians who believe that the soul only has one worldly chance. They therefore need to be as efficient as possible in this life in order to get out as much as possible during their short life time.
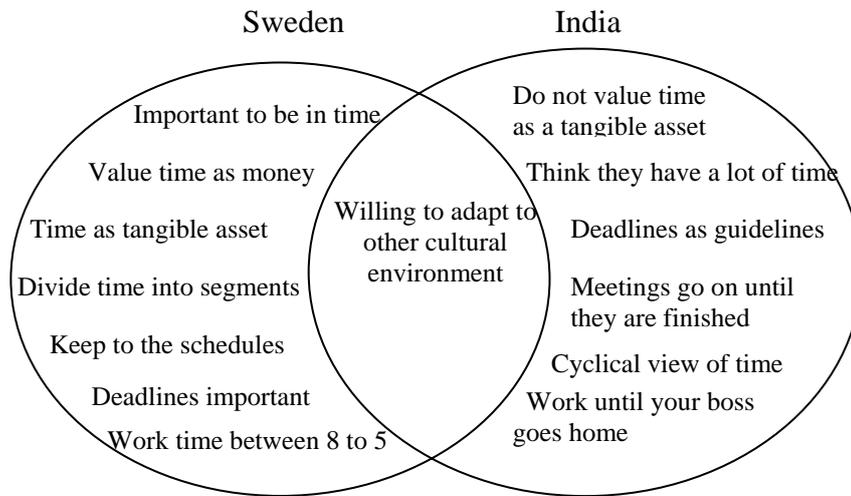
7.2.3 Conclusion of Time

The results of the empirical study supported proposition 2. We found that the Indians and the Swedes held an opposite view regarding time. The Indians were more optimistic about time and they did not have the same respect as the Swedes regarding being in time and keeping deadlines. Time was considered to have no value in the Indian culture and they thought they had a lot of time. This way of not having a rigid emphasise on time is typical for a polychromic culture. We found that the Swedes on the other hand were very particular about time and valued time very high and saw it as very impolite to be late for a meeting. The Swedes valued time as a tangible asset and something you should not waste. This way of regarding time is typical for a monochromic culture.

The Swedes often separates time into segments, such as the working time, family time and free time. They work until the time schedule say that they can go home, and if they work overtime they will be compensated for the time they are losing. In India on the contrary, they work until the manager goes home, and they do not get compensated for working overtime. The Indian business society therefore belongs to a polychromic time culture and the Swedish business society belongs to a monochromic time culture.

We saw some problems that affected the cooperation between the Indians and the Swedes. The Swedes found it to be a problem when the Indians did not keep to the deadlines or did not deliver the work as promised. They also saw a problem when the Indians were late for business meetings. The Swedes saw this way of not keeping to the schedules as costly for the company. The Indians on the other hand experienced problems since they thought Swedes were too rigid and over-emphasised the importance of being on time and keeping deadlines.

Figure 10. Result of the analysis of time

Sweden   India

Important to be in time

Value time as money

Time as tangible asset

Divide time into segments

Keep to the schedules

Deadlines important

Work time between 8 to 5

Willing to adapt to other cultural environment

Do not value time as a tangible asset

Think they have a lot of time

Deadlines as guidelines

Meetings go on until they are finished

Cyclical view of time

Work until your boss goes home

Our conclusion is that proposition 2 is correct, India has a polychromic business society whereas Sweden has a monochromic business society. These differences in viewing time will affect the cooperation between the two cultures within the company.

7.3   Analysis of Ambiguity

In proposition 3 we assumed that the Swedish business society generally has a lower level of uncertainty avoidance than the Indians and that this difference will affect the cooperation.

Avoidance of uncertainty can be either high or low. If a culture has low uncertainty avoidance they have for example fewer rules and there is a preference for tasks with uncertain outcomes and unknown risks are accepted. In a culture with high uncertainty avoidance you find a preference for many rules and for carrying out tasks with sure outcomes and only known risks are taken. In this chapter we will investigate if proposition 3 is correct or if it is false.

7.3.1 Risk taking

In the field study we observed that all the interviewees declared that the Indians were more positive to take risks than the Swedes. They also agreed that Swedes preferred to combine safety with risk taking. The Indians also emphasised the importance of safety when doing business but they accentuated the importance of taking risks more than the Swedes did. According to our empirical study we discovered that the Swedes preferred to calculate the risks before decisions were made. The Swedes can be said to analyse the risk until it no longer becomes a risk. We therefore did not find any support to Hofstede's (2001) theory that Swedes take unknown risks. He meant that cultures with low uncertainty avoidance did take unknown risk. Swedes seemed to value safety and had a tendency for taking well known risk where they were aware of the risks. By taking well known risks it suggests that Swedes tend to have high uncertainty avoidance when doing business.

We think the Indian way of handling risk in the business society illustrates the daily way of living in India where the Indians are constantly exposed to risks. This frequent exposure to risks leads to a tendency of getting less anxious about risks and they do not consider risks as threats. A good example is the traffic in India that is described in the empirical part and that can be seen as very risky and dangerous in the eyes of a foreigner, but the Indians do not consider it risky. We consider the Indians to generally have low uncertainty avoidance because they have a tendency to take more unknown risks. This supports Hofstedes theory (2001) that India can be classified as a society with low uncertainty avoidance.

We did however see the centralised decision making as a limiting factor when it came to risk taking in the Indian business society. Because of all the rules and the fact that the managers' opinions were very important the subordinates were often reluctant to take risks that might upset the manager. The managers' word and opinion were more important than the rules and they would follow the managers wish even if the rules might be broken. This supports Dereskys (2000) study that the centralised decision making system in India makes employees unwilling to take risks and they avoid putting them selves in situations that are uncertain.

But even if these factors sometimes limit the risk taking in India we consider the Indians generally to have a lower uncertainty avoidance concerning risk taking than the Swedes. But we believe that it depends upon your position within the company how risk willing you are in India and the higher position you posses the more willing you are to take risks.

One problem that we found in the cooperation concerning the differences in valuing risk was that the Indians saw the Swedish way of handling risks as very costly and time consuming. To always calculate on every aspects of a business deal to minimise the risks increased the price of the companies products compared to more risk taking competitors. This sometimes led to that the company found themselves in a situation of losing markets and important customers. Swedes on the other hand saw the risky way of doing business as something that could jeopardise the company's reputation and be very costly if something went wrong.

Our conclusion when it comes to how the two cultures manage risk is that India has a business culture that has slightly *lower uncertainty* avoidance when it comes to taking risks compared to Sweden. The Indian business culture is taking risks more easily. Sweden on the other hand does not have a business culture that advocates risk taking and has therefore *higher uncertainty* avoidance when it comes to risk.

7.3.2 *Top managers' involvement in the daily work & working strategy*

In India we noticed that the top managers were involved in every step in the operations and that the subordinates were protected by the manager. Providing that the subordinates had been following the rules and the process the managers took full responsibility if something went wrong in a project. This fatherly view of the managers' assignment was hard for the Swedish expatriate managers to

come to terms with. They were used to supervise projects where every team member were responsible for their task and if the team member had any problems he would come to the manager. They were not used to constantly checking if the subordinates were having problems or always having to be part of every decision that the subordinates made. We found support for this behaviour in Hofstedes book *Culture's Consequences* (2001) that stated that the managers from low uncertainty avoidance cultures like Sweden are more involved in the strategy and not so much in the actual operation when managing projects. Managers from high uncertainty avoidance societies have a preference for being part of the actual process and that corresponds well with how the Indian managers work.

In the Indian business society we found a preference for working in process and having rules to follow when completing tasks. To have rules and a specific method when working gave the subordinates protection, if the subordinates just followed the rules they could never be accused of doing something wrong. The Swedish managers who were used to a less rule orientated society believed that this way of working was too rigid and that the subordinates rarely took genuine responsibility for a decision. This way of having a lot of rules and regulations are common in a high uncertainty avoidance society (Hofstede, 2001). According to Hofstede (2001) and Mercado (2001) rules and working in process often act as a protection against the uncertainties that members in an organisation feel when making their own independent judgements. We categorise India as a high uncertainty avoidance culture because of their concern about reducing the uncertainty in an organisation by creating rules and regulations.

We found a few problems in the cooperation between Indians and Swedes regarding their different views about the managers' involvement in the decision making and their different view concerning rules and regulations. The Swedes argued that the production could get delayed sometimes because the subordinates were not able to make decisions without first enquire with their manager. If the manager was out of town these delays could cost the organisation a lot of money and create dissatisfaction among the customers.

The Indians preference of working in a process could also create some frustration and affect the cooperation. The Swedes sometimes experienced that the Indians did not contact the manager if they discovered a problem or inaccurate information in the beginning of a project. When problems later arose in the project they blamed the process or the regulations to be wrong. The Swedish manager felt that the hierarchical system and a much formalised management structure in India sometimes prevented them from having a plain communication with the subordinates. This support Hofstede (2001) and Mead (1998) who both declare that managers from high uncertainty avoidance society are having a hierarchical control role and are also being part of the daily processes at work. This is not the case in the low uncertainty avoidance societies where the manager is only part of the strategy but not in the daily process and in which there is a tolerance for ambiguity in structures and procedures.

The Swedish managers felt that the daily check ups with the Indian subordinates about their work progress could affect the cooperation. The Swedish managers

were used to subordinates that were working independently and they felt disturbed by the fact that they needed to check on their subordinates to make them do their work and follow the rules.

We assume that the Indian managers' preference to be part of every step that the team members take and the regulated working environment show that India has a business society with fairly *higher uncertainty avoidance* than the Swedes. Sweden on the other hand has a business society with *lower uncertainty avoidance.*

7.3.3 Conclusion of Ambiguity

When it comes to risk taking we found that Indians are more willing to take risks when doing business than Swedes. This behaviour interprets that Indians ought to be lower in uncertainty avoidance when it comes to risk taking than the Swedes. But uncertainty avoidance is not just about how risk willing people from different cultures are, it is also for example about the managers involvement in the performance of the work, if the culture is rule orientated or not and if the culture has a tolerance for ambiguity. When it comes to these other aspects about uncertainty avoidance we found that the Swedish business culture is as a matter of fact is lower in uncertainty avoidance than the Indian business culture. The empirical results therefore supports proposition 3.

In India the managers were more involved in every step that the subordinates took and the manager always checked with the subordinates if they had any problems or if they needed support. In Sweden the manager were more seen as a supervisor of a team there the team members had own responsible for accomplish the assignments independently. The Swedish managers were seldom part of the actual process and rarely checked with the employees if they needed help or if they had accomplished their responsibilities.

In the Indian business culture we also found a preference for working in a process and having rules and regulations to follow when completing assignments. The rules of how to complete tasks protected the subordinates from doing anything wrong and to take own responsibility. If the subordinates just followed the rules and the regulations the manager could never accuse them of doing the work inaccurate. This way of working in a process and to always follow rules and regulations were seen as too rigid by the Swedish manager. They experienced that the rule orientated work process sometimes lead to that subordinates did not take full responsibility for their work and that they blamed the process if something went wrong. Problems in the cooperation could occur when the Indian subordinates did not contact the Swedish managers when they saw problems in the work. When the difficulty became visible for the manager the subordinates blamed the process or the regulations. The Swedish manager felt that these incidents could be linked to the hierarchical system and the management structure in India which prevented the subordinates to have a plain communication with the manager.

We also saw problems concerning ambiguity that affected the cooperation between the Indians and the Swedes. Firstly Indians saw the Swedish way of

always calculating and analysing risks as very costly and time consuming for the company. The Swedes on the other hand thought that the Indian way of doing business was risky and could sometimes hurt the company.

The management style also could affect the cooperation. The Swedes thought that the Indian manager was too much involved in the process and did not let the subordinates take own responsibility. Problem could occur when projects were delayed because the subordinates were not able to take decisions without first enquire their manager. If the manager was out of the office the decision could not be made and it led to dissatisfaction among the customers and the organisation.

Figure 11. Result of the analysis of ambiguity
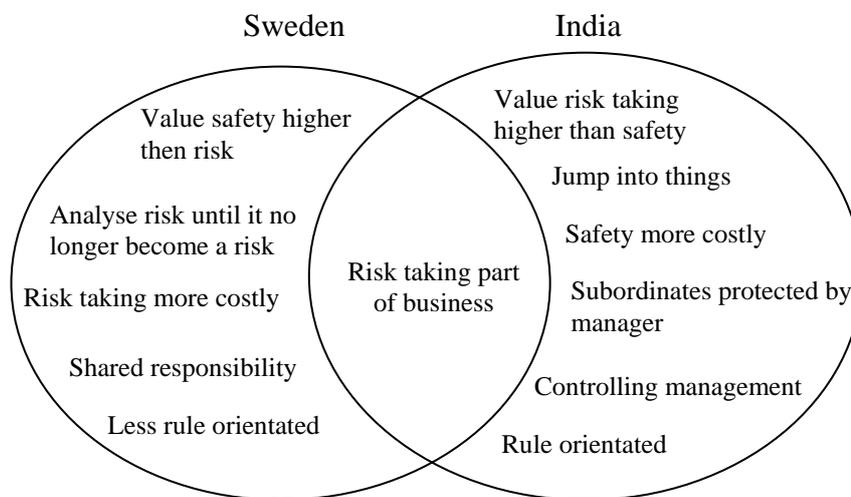
Our conclusion is that proposition 3 is correct, India has higher uncertainty avoidance in their business society than Sweden and the difference in how they handle uncertainty will affect the cooperation between Indians and Swedes in the companies.

7.4 Analysis of Integrative strategy

In proposition 4 we presupposed that the Indians had a more masculine business society whereas Swedes had a more feminine business society. We also presupposed that these differences would affect the cooperation between the two cultures within the company

In this section we will analyse if Sweden and India differ when it comes to resolutions of conflicts. We will also examine if they differ in how they work, do they work in order to live or do they live in order to work? Finally we will shortly look at the managers' role in the organisation.

7.4.1 Problem solving

When analysing the empirical material from the interviews we found that Swedes often tried to avoid conflicts, but if a conflict still arose they tried to sort it out in a

polite way. The general opinion was that Swedes would confront people in an indirect and subtle way and they did not like to use harsh words. India on the contrary did not mind an open conflict. They confronted people more direct and their criticism could sometimes be on a personal level. But even if this criticism was on a personal level the Indians did not take it personal and it did not get under their skin.

The result from the interviews showed that Indians often reacted defensively when they were criticised and they tried to defend themselves until they were proven guilty for the mistake. Swedes on the other hand was seen as more offensive and they would react to criticism in a more straightforward way. We assume that these reactions are connected to the managerial style. In India the manager is expected to be influential, assertive and competitive and the manager emphasises competition and performance. We saw that this could influence the subordinates to respond in a defensive way when criticised and that they would try to hide mistakes in order to look better. In a more feminine culture, such as the Swedish one, the managers are expected to seek agreements and the managers generally emphasise quality of work and solidarity as Mercado et al (2001) stated in the theory chapter. In this kind of environment it is easier to confess mistakes and to react more offensive when criticised. We saw that managers from Sweden emphasised the importance of finding the best compromise instead of letting the best man win.

In the empirical part we found that the Indians sometimes found it hard to understand if the Swedes were disappointed or angry because the Swedes temper were not telling them that something was wrong. An Indian would tell exactly how disappointed he was and use a lot of words and extensive time to demonstrate his disappointment whereas in Sweden they just used a few sentences.

The interviewees did not find any particular problems in the cooperation due to their different ways of resolving conflicts. One problem that we however found concerning cooperation between Indians and Swedes was the difficulty to criticise people from other cultures. When people were from the same culture they knew exactly what the other part implied and how serious the criticism was. When people came from other cultures they sometimes interpreted the meanings of words differently even if they both spoke English. This was sometimes the case in the Swedish subsidiaries in India and it led to confusion and misunderstandings. We therefore think it is utterly important for managers of a team that has different nationalities to be aware of how the members are informed and how they perceive the messages.

7.4.2 Why do we work?

In the Indian society you live in order to work. Without your work you are not able to take care of your extended family and therefore you dedicate your life to work. The employees are accordingly doing their job for their families and their own self-interest. The competition in the Indian society is very high and it starts already at young ages in school. Because of the poverty and the high population in India not everybody can get a degree at the university and only the best get a scholarship that makes it possible. It is therefore very important to be the best if you are going to

have a chance to get a higher education. During our period in India we heard a lot of sad stories about young pupils that took their lives because they became second best in their school and imagined their lives being ruined. This fierce competitiveness is very common in masculine societies according to Hofstede (2001) and is following the Indians during the course of their lives. They put all their energy in to work, hence they live in order to work. In the Indian society paid overtime does not exist and you never take long vacations. One reaction we got about long vacations was that if you go away for a long holiday maybe the manager would find that he does not need you and your desk is cleared when you come back. This statement also implies the uncertainty that the Indian employee lives with.

We experienced that the Swedes worked in order to live and that they were very cautious about their free time and time with their families. The family life was seen as very important and if a Swede was forced to work overtime he demanded compensation. A business culture that is implying that the norm is *to work in order to live* is regarding to Hofstede (2001) a typical feminine behaviour and the other way around *to live in order to work* is a typical masculine behaviour.

In the cooperation we did not find any problems regarding the different aspects of why people are working. A reaction from one of the Swedish managers that we interviewed regarding overtime was that if they were paying overtime the Indians would never go home. This announcement even more shows the importance of work for the Indians.

7.4.3 The managers as a hero or a regular guy

During the interviews we noticed that in the Indian business culture there seemed to be the same respect for the manager as for a hero and the manager was by one of the interviewees referred to as the king.

Because of this respect the Indian employees rarely criticised or disagreed with the manager, because *the king* had the power to interfere in the employees' career if he disliked the employees' behaviours. This way of considering the manager as a king is a typical masculine behaviour according to Hofstede (2001). The opposite way of viewing the manager is that he/she is an employee like any other. This is a more feminine way of considering the management and we observed that the Swedish business culture had this view. We found evidence for that in the interviews where both the Indians and the Swedes regarded the Swedish management as more open for disagreements from the employees. The Swedish manager insisted that the employees should correct him if he was doing anything wrong or if a decision was incorrect. The Swedish manager emphasised teamwork and that everybody in the team was responsible for the result not just the manager.

In the cooperation we have found a problem that might occur because of different views of the management. Because of the respect for the manager in India the employees had difficulties with telling the manager that he was wrong. The Swedish managers that were used to getting objections from the employees found it difficult when none of the employees were correcting his mistakes or confronted him when they did not agree.

7.4.4 Conclusion of Integrative strategy

The collected information from the field study supported our fourth proposition that India is a more masculine business society than Sweden. This conclusion was based on the fact that Indian employees handled conflicts in a more open and direct way between each other. The Indian business society was regarding the manager as someone above the regular employee. This view led to problems in the communication between the managers and the employees because the employees did not dare to criticise the manager's decisions. Finally we found that you live in order to work in the Indian business society and you therefore put all your energy in to work. All these three aspects are according to Hofstede (2001) typical masculine behaviours.

The Swedes on the other hand demonstrated characteristics of a more feminine business society by not handling conflicts openly and by preferring to negotiate if problems or conflicts occurred. The Swedish business society regarded the manager as part of the team and he was not treated differently and the employees were able to confront him if they disagreed with him. In the Swedish business culture we also found a general view that you work in order to live. Your free time was according to that view therefore very important and the Swedes were strict about their own personal time.

The problems that we have found in the cooperation between Indians and Swedes concerning proposition 4 were firstly the different views of the management. The respect for the manager in India led to that the employees found it difficult to tell the manager when he was wrong. The Swedish managers on the other hand found it complicated when none of the employees were correcting him when errors occurred or mistakes were made. Secondly we found problems that might occur because of different ways of understanding meanings of phrases and words even if they all spoke English. It sometimes led to that the parties misunderstood each others intentions and they did not know, for example, how serious criticism was.

Figure 12. Result of the analysis of integrative strategy
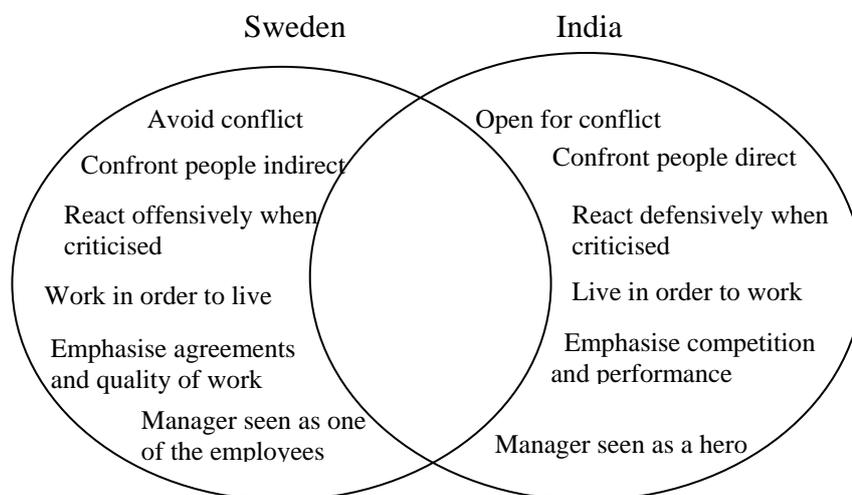
Our conclusion is that proposition 4 is correct, India is a more masculine business society, whereas Sweden is a more feminine business society. These cultural differences affect the cooperation between the two cultures within the companies.

7.5   Analysis of Power and Hierarchy

We assumed in proposition 5 that the Indian culture had a high power distance whereas the Swedish culture had a low power distance. We also presupposed that these differences in power distance would affect the cooperation between the two cultures in the subsidiary.

In this chapter we analyse how the cultures value equality among people and the relation between the manager and the employees. Finally we will analyse the managers' authority in the different cultures.

7.5.1 Inequalities, good or bad?

India is a society where it is acceptable and expected that people are valued differently depending on their age, social status or what family they belong to. This power division can be recognised in the old caste system in the Indian society that is still informally used today. From the empirical material we found that it is considered normal business behaviour in India that power is divided unequally among the members of the organisations. It is also considered normal that the superior manager has a very high authority compared to the subordinates. This can be linked to Dersky (2000) that states that organisations in India are characterised by strong and high hierarchies and a centralised power and decision-making. This view of equality is typical for a culture with a high power distance and we therefore categorise Indian business societies in this aspect as high in power distance.

According to the theory organisations in Sweden are rather flat with a decentralised power and decision-making and equality and opportunity for everyone is stressed (Daun, 1989; Hofstede, 2001). In the interviews we found that Swedes often strove for equality among the members of the business society and that it was considered immoral to treat anyone better than the others. We also found that the Swedish managers make each one of the employees responsible and they expected the employees to make their own decisions. The Swedish manager wanted to be seen as one in the team rather than a *king* that was above everyone else. This view indicates that Sweden is a culture with a low power distance.

7.5.2 Manager as a father figure

In India there is a big power gap between the manager and the subordinates and according to the interviews the manager in India should be treated with great respect and be obeyed. In the empirical material we found that the Indian manager had a lot of authority and was seen as a father figure that was a replacement for the father or the teacher. The manager's role was to take care of the subordinates and reward them when they obeyed him but he also had the power to hurt them if they did not. He was considered to know everything best and he told the

employees what to do and how to do it. We found support for this in the theory by Adler (1991) and Cullen (2001) that said that the manager in a high power distance culture had a lot of authority and was seen as a father figure that always had to be respected. In these aspects we saw a big difference between the Indian and the Swedish manager. In Sweden the manager was seen as a facilitator and someone who was just managing the work. He did not have the kind of authority as the manager in India had and he was considered more as a companion that you could consult with if you had problems. This view on management is typical for low power distance cultures and supports our proposition.

7.5.3 Is the manager always right?

The theory chapter stated that in a high power distance culture the manager was always considered to be right and was expected to make all the decisions. We found in the field study that if the subordinates in India were going to make a decision they always had to consult with the manager first. The reason why the manager was consulted was often because of his high authority and not just because he was holding the right answers. Adler (1991) stated that this relation to the manager was typical for a high power distance society. This corresponds well with some of the interviewees that stated that very few Indians would comment or disagree with their manager because he was always considered to be correct. Because of the managers high position it was very important for the subordinates to follow and obey him. The Indians had a great respect for their manager and to show this respect they often agreed with him even if they knew that he was incorrect.

The Indian employees would very seldom admit that they had made a mistake directly to the manager and they would also very seldom correct the manager. However, if they corrected the manager they always did it in a more subtle way. One of the Swedish managers stated that some of his Indian employees always agreed with him even if they thought that the decisions he had taken or his opinions were crazy. They did not disagree openly with him because they wanted to obey him and make him pleased. This situation can be related to the example we gave in the theory by Adler (1991) where one Indian employee said *yes* to his western manager, just because he thought the manager wanted a *yes*. But the western manager was only expecting to hear the truth and got upset when the employee did not live up to that. This example shows the differences between the Indian and the Swedish culture in how they relate to the manager. We saw that the Swedish managers expected that every member of a team should be responsible for the teamwork and that they should tell the manager when they thought he had made a mistake. The manager's decision could also be wrong and it was important that the subordinates had the courage to tell him that and not hide it. This implies that Sweden is a typical low power distance society.

A problem that we found in the cooperation occurred when the communication between the manager and the subordinates did not work. The problem for the Swedish manager was that if the Indian subordinates did not tell him that he was wrong he took for granted that everything was in order. This way of leaving all the responsibility to the manager could hurt the production. This management style is supported by Hofstede (2001) that argues that Swedish managers often
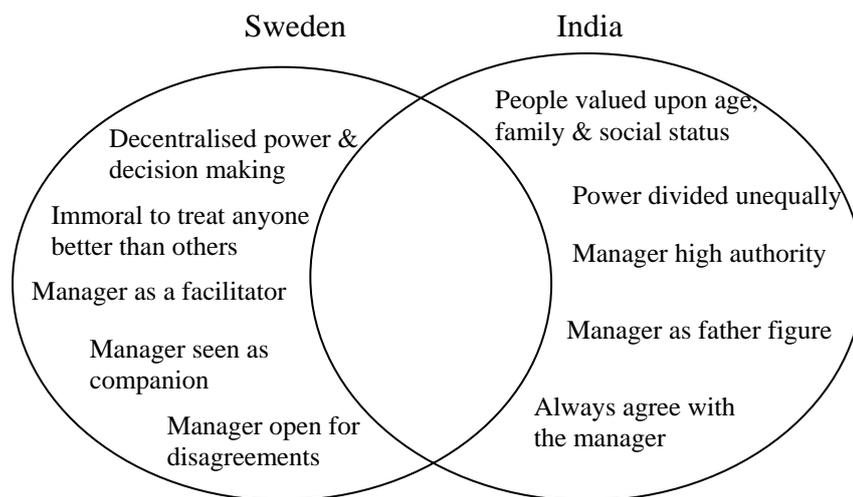
delegate responsibility to the subordinates. The way Indian employees obeyed the manager protected them from being responsible for making a mistake. In the empirical material we found that if the subordinates did something wrong and if they had been following the manager's instructions they could always say, *the boss told me to do so,* and then they would not be held responsible. From this we assume that India is a typical high power distance society.

7.5.4 Conclusion of Power and Hierarchy

The empirical result supported proposition 5. There is a notable difference between the cultures in how they recognise power and status. In India it is acceptable to divide people into different ranks depending on age, social status or what family they belong to. The managers in India possess a lot of authority and are seen as father figures. In Sweden the organisational hierarchy are more flat compared to India and the norm is to treat everybody equal. The managers in Sweden are seen as facilitators and as members of the team and it is common in Sweden that employees confront and disagree with the Swedish managers. This is not the case in India where the employees seldom confront the managers because of their high authority.

The major problem that we found in the cooperation between the cultures when it comes to power distance was the differences in the managers' authority. The Swedish managers expected the employees to use their common sense and make their own independent decisions, whereas the Indian manager always expected the subordinates to consult him before making a decision. This caused confusion in the expectations for both the manager and for the employees.

Figure 13. Result of the analysis of power & hierarchy

Sweden   India

Decentralised power & decision making

Immoral to treat anyone better than others

Manager as a facilitator

Manager seen as companion

Manager open for disagreements

People valued upon age, family & social status

Power divided unequally

Manager high authority

Manager as father figure

Always agree with the manager

Our conclusion is that proposition 5 is correct, Indians have a high power distance, whereas Swedes have a low power distance in the business society. These differences in viewing power affect the cooperation between the two cultures within the companies.

8. Final discussion

During our work with this master thesis we realised that when two people communicate they do not necessary talk about the exact same thing, because they are shaped by their own individual and cultural backgrounds. If they are from the same country it is often easier to understand each other because they share the same national norms, values and believes. However, if they are from different countries it is likely that they talk across purpose and that they do not really understand what the other parts intention are and what they really mean. This situation can cause misunderstanding and confusion that in the worst case leads to failure to communicate. We believe that in international business this understanding about cultural differences is very important for successful cooperation.

8.1 Advice for expatriates

The purpose for the study was to investigate cultural differences that might be found in Swedish subsidiaries in India and if these differences might affect the cooperation between Indians and Swedes. Our aim with this study was to provide a better understanding about doing business in India and the result can hopefully be used by expatriates that are going to cooperate in a cross cultural environment with Indians and Swedes.

If Swedes and Indians are going to cooperate in an international organisation we have found some differences in the cultures that you need to be aware of for a successful cooperation.

- o One problem that can arise in the cooperation is the informal classification that exists in India. If an Indian is not treated according to his rank tension and problems might occur in the cooperation. This way of dividing people into different ranks can be hard for the Swedish managers to understand and cope with.

- o Another problem that expatriates should be aware of is the differences in the management styles between the cultures. The Swedish manager expects the employees to work independently whereas the Indian manager is working more as a supervisor with a lot of authority. If the manager and the employees do not know about the differences in the management styles it can lead to confusions and misunderstandings.

- o Swedes value time very highly and they feel like someone is stealing money from them if people are not keeping to the schedule. The Indians can not understand this rigid view of time and it can therefore cause tension from both parts when Indians do not keep to the inflexible Swedish deadlines.

- o Swedes and Indians can have difficulties to understand each other because of the Swedish way of always calculating and analysing risks whereas the Indians are more likely to take risks and jump into things. The Indians

think it is too costly to always take the safety way while the Swedes think it can be more costly to take the risky way if something goes wrong.

o Because the Indian employees have a great respect for their managers' authority they seldom disagree with his decisions. The Swedish managers on the other hand expect the employees to be part of the decisions. To have knowledge about how and when to correct a manager is important for the expatriate.

When working in another country you will most surely be confronted with the specific culture in that country and it will probably cause confusion and misunderstanding. It is therefore important to have a good knowledge and gain a good understanding of the culture before doing business with the country. We hope that this research will help expatriates that are going to cooperate in a cross cultural environment with Indians and Swedes.

8.2   Further research
Our research have focused on five different areas that concerns cross cultural cooperation between Indians and Swedes. As every culture consists of extended information in all of these five areas it can be hard to fully cover all aspects and therefore valuable information can be neglected. Therefore we give the advice to concentrate on one single area to fully cover all the aspects and get a deeper understanding of the differences. The area that we would like to recommend for further investigation is the difference in hierarchy between India and Sweden. We have chosen this area because it was considered to be a problematic issue for both the Indians and the Swedes. The hierarchical structure permeates the whole organisation in India and it is hard for an expatriate from Sweden to fully understand and handle situations with the employees and the managers.

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Appendix 1

Interview

1. What is your position in the company?

2. How long have you been working in the company?

3. What is your academic background?

4. How long is your working experience with Swedes/ Indians

5. What do you think are the characteristic of Swedes?

6. What do you think are the characteristic of Indian?

7. How do you perceive the cultural differences between Indian and Swedes at the office?

Identity
1a. Do you think it is important to draw a strict line between private and public?
1b. Do you think Swedes and Indian differ when it comes to integrate the private and public in the office?
1c. Have you experienced any problems in cooperation with Indians and Swedes because of different views concerning how the cultures value private and public?

2a. What do you value most, working together in a group or working alone?
2b. Do you think Indian and Swedes have a different value about working together in a group or working alone?
2c. Have you experienced any problems in cooperation with Indians and Swedes because of different views concerning how the cultures value working together in a group or working alone?

Time Aspects
3a. If someone is 20 minutes late for a business meeting, how do you experience that situation?
3b. Do you think Swedes and Indians have a different view about scheduled time?
3c. Have you experienced any problems in cooperation with Indians and Swedes because of different views concerning scheduled time?

4a. Do you consider time as a limited resource or something that you have a lot of?
4b. Do you think Swedes and Indians have a different view about the value of time?
4c. Have you experienced any problems in cooperation with Indians and Swedes because of different views concerning valuing time?

Ambiguity

5a. What do you value most, stability and safety in the work environment or do you value a flexible and more risky work environment?

5b. Do you think Swedes and Indians have a different view concerning how to value stability or flexibility in the work environment?

5c. Have you experienced any problems in cooperation with Indians and Swedes because of different values concerning stability or flexibility in the work environment?

6a. How important do you think it is to follow rules and regulations in all situations in the office?

6b. Do you think Swedes and Indians have a different view concerning how to value rules and regulations?

6c. Have you experienced any problems in cooperation with Indians and Swedes because of different views in valuing rules and regulations?

Integrative strategy

7a. During a business meeting a person gets criticised for his work. Do you think there is a difference in how Swedes and Indian deals with confrontation like this?

7b. Have you experienced any problems in cooperation with Indians and Swedes because of different views concerning how they deal with confrontations?

8a. Do you think it is appropriate to show feelings and emotions in the office?

8b. Do you think Swedes and Indians have a different way of showing feelings and emotions in the office?

8c. Have you experienced any problems in cooperation with Indians and Swedes because of the difference in how they showing feelings and emotions in the office?

Power and Hierarchy

9a. If your superior manager declare something that you know is incorrect, would you agree with him or would you correct him?

9b. Do you think Swedes and Indians have different relationships with their superior managers?

9c. Have you experienced any problems in cooperation with Indians and Swedes because of the differences in how they relate to their superior managers?

10a. Is it acceptable to make a decision without first getting your managers approval, if this mean that you are able to carry out the work more effectively?

10b. Do you think Swedes and Indians have different views in bypassing the manager?

10c. Have you experienced any problems in cooperation with Indians and Swedes regarding acceptance when it comes to bypassing the managers?

Ending

1. Before you started to work with Indians/Swedes how well prepared where you for the cultural differences that might occur?

2. Did you have a stereotyped picture about Indians/Swedes before you started to cooperate with them? Is there a difference in your view of Indians/Swedes today?

3. Is there anything else you would like to add about this subject?

Appendix 2

Cross-cultural cooperation in Swedish subsidiaries in the Indian market

Questionnaire

The purpose of this questionnaire is for a master thesis in International Business at Södertörns University College in Stockholm. The aim of the thesis is to investigate cultural differences among the employees in Swedish international companies with subsidiaries in India, and how the differences in the cultures affect cooperation between Indian and Swedes within the company.

The results from the survey are going to be handling confidentially.

Thank you for your cooperation!

If you have any questions do not hesitate to contact us:
soderlind_eva@hotmail.com
sara01.kidby@student.sh.se

What is your nationality?

What was your nationality at birth (if different)?

Please rate the following questions in the following way:

> 5 = of utmost importance
> 4 = very important
> 3 = of moderate importance
> 2 = of little importance
> 1 = of very little or no importance

I. How important do you think it is to draw a stringent line between public and private in the office?

    1   2   3   4   5

II. What do you value most, working together in a group or working alone?

    1   2   3   4   5

III. How important do you think it is to be on time to a business meeting?

    1   2   3   4   5

IV. To what extent do you value time as a limited resource?

    1   2   3   4   5

V. To what extent do you value stability and a safe work environment?

    1   2   3   4   5

VI.   How important do you think it is to follow rules and regulations in the office?

     1   2   3   4   5

VII.   To what extent do you avoid confrontations at the office?

     1   2   3   4   5

VIII.   To what extent do you think it is appropriate to show feelings and emotions in the office?

     1   2   3   4   5

IX.   If your superior manager declares something that you know is incorrect, how appropriate do you think it is to correct him?

     1   2   3   4   5

X.   How acceptable do you think it is to bypass your manager to get your work done more effectively?

     1   2   3   4   5

Appendix 3