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Management in Sweden and China A Comparison of Cultures

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A Comparison of Cultures

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Abstract

This research is an empirical study and has the intension to inform the readers about management in Sweden and China. It is well known that the national culture of Sweden differs a lot from the national culture of China. The literature describes that people who belong to the same nation approach things in a similar way. However, are people aware of that their national culture influence their way of thinking and that it affects their work within management? And how do Swedes and Chinese act within management in consequence of their national culture? To find out, an interview was carried out. The participant was asked a number of questions mainly regarding Individualism versus Collectivism, Power Distance and Uncertainty Avoidance. The information gathered from the interview was then discussed and compared with the literature. The result showed that how aware people are of that their national culture influence their way of thinking and that it affects their actions, depend on how much experience they have from working abroad. Furthermore, the result showed also that the cultural differences between Swedes and Chinese are many, but there are some similarities as well. The main factor that influences how Chinese act in management is the hierarchy and a similar factor between Swedes and Chinese is their willingness to make changes.

Key words: management, national cultures, Sweden, China, Individualism, Collectivism, Power Distance and Uncertainty Avoidance.

Chapter 1. Introduction

1.1 Background

In society of today, it has become more and more common for companies to have dealings with other countries. In addition, some companies choose to move parts of their business abroad and for that reason people from different countries have to cooperate in working life. This has sometimes appeared to create problems due to the cultural differences between the countries.

The trade between Sweden and China has during the last couple of years increased and as a consequence the cultural differences between the two countries are a topic of current interest. It is well known that the national culture of Sweden differs a lot from the national culture of China. To be able to run an international business successfully it is important to have knowledge about national culture and how it influence management.

1.2 Research Goals

The aim of this study is to receive knowledge and a wider understanding about the cultural differences between Sweden and China regarding management. Swedes and Chinese seem to approach things differently in working life and this research will enter more deeply into that area. The goal of this study is to find out how Swedes and Chinese act within management in consequence of their national culture. The main factors that influence how Swedes and Chinese act in management will therefore be argued. Differences and similarities regarding management between the two nations will also be discussed.

The main question that will be discussed throughout this research is:

- *How do Swedes and Chinese act within management in consequence of their national culture?*

To be able to answer the main question, the questions presented below will be argued.

- *Are people aware of that their national culture influence their way of thinking?*

- *Are people aware of that their national culture affects their actions?*
- *How does management in Sweden differ from management in China?*
- *Are there any similarities between management in Sweden and management in China?*

1.3 Parameters

The word culture can be defined in a variety of ways and for that reason it is important to clarify that this research considers national cultures. Furthermore, this research will only discuss the national culture of Sweden and the national culture of China. A national culture contains of many different social patterns and the patterns that are relevant to study in this research are those that are related to people working within trade and industry in Sweden and China. Furthermore, social patterns that are connected to management will also be discussed in this research.

1.4 Research Method

This research is an empirical study, which means that the information is based on own data collection and the research approach that will be used is qualitative. By using this research approach, the study's empirical part will be highlighted. The qualitative research method that will be used is to conduct an interview and literature will be searched. Furthermore, the literature will be discussed and compared with the information gathered from the interview.

1.5 Limitations

How the national culture of Sweden and the national culture of China influence on management will be discussed within three areas. These three areas are Individualism versus Collectivism, Power Distance, and Uncertainty Avoidance.

The research time was limited to twenty weeks and for that reason my results will only consist of information gathered from one interview. However, the participant was carefully chosen to be able to receive the most valuable information for this study. The interviewed person had suitable knowledge and experience that were of great importance for this research.

1.6 Dissertation Structure Overview

The literature review chapter will present the essential literature that is of relevance to this study. In addition, it will provide the reader with the fundamental information that underlies

this research. To begin with, the literature review chapter explains how national culture is defined in this research. Different theories regarding national culture will also be introduced. Furthermore, the chapter also gives information about national cultures influence in management. The research methodology chapter starts by explaining the research design that is used in this study. This chapter will also introduce the participant that took part of the interview and the different instrument/tools that were used to gather my results. The research methodology chapter ends up by describing the research procedure. The results and data analysis chapter bring in the information gathered from the interview. Finally, the discussion and conclusion chapter will discuss and compare the information presented in the literature with the information presented in my results. Additionally, the research goals of this study will be discussed and answered.

Chapter 2. Literature Review

2.1 Culture

It is well known that Sweden and China are two countries that differ a lot from each other and above all their cultures. How their cultures look today depend on many factors that have influenced the two countries during a longer period of time. Many people seem to think that the gap between their cultures is large because Sweden and China are located so far from each other. However, the culture of Sweden also differs a lot from the culture of Finland and these two countries are neighbouring countries (Hofstede & Hofstede, 2005). To be able to understand the behaviour of the Swedish people and the Chinese people, it is important to have knowledge of their cultures. Though, the word culture is used in many different contexts and it can be defined in a variety of ways. How culture will be defined in this research will be entered more deeply below.

2.1.1 Definition of Culture

Most individuals have a definition of culture, but it seems to mean different things to different people. To start with, a common factor to most definitions of culture is that the word is used to explain something that a group of people have in common and share together. As Alvesson (2002) points out, culture is a social pattern. Furthermore, a social pattern is created by a group of people during a longer period of time. Usually, members of a group that have spent a lot of time together appear to act in a similar way. However, they are unconscious of their behaviour and do it without thinking (Bjerke, 1998; Mc Dermott & O'Dell, 2001). Moore, Reis Louis, Lundberg and Martin (1985) also agree and claim that culture is something that people take for granted. Moreover, people unconsciously strive to create patterns that show who they are and what they represent. In other words, something that makes them different from everyone else.

According to Hofstede and Hofstede (2005), cultures could be either organizational or national. Furthermore, organizational culture describes the social pattern that exists among the people working within the same organization. However, organizational culture is influenced by national culture and for that reason organizational cultures describe different organizations within the same country. Consequently, national culture describes the social pattern that exists

among the inhabitants of the same country. As mentioned before, culture is shared by a group of people and they can for instance have rituals, symbols, heroes and values in common. Some of these factors are seen as more superficial and it is especially rituals, symbols and heroes. Alvesson (2002) also support this statement and say that organizational cultures vary most often within these factors. On the other hand, values are seen as deeper and are connected to national cultures. Alvesson carry on, "Organizational culture is significant as a way of understanding organizational life in all its richness and variation" (2002, p.2). The culture created and shared by people within an organization influence how they carry out their work. Moreover, to think and act in a similar way is almost necessary to make the work run smoothly. Nowadays, almost every organization is familiar with culture and more and more companies start to understand its importance and that it actually can benefit their business. By also having wider understanding about another organizations culture when entering cooperation, can in fact be an advantage (Kaufmann & Kaufmann, 1996).

When Alvesson (2001) explains organizational culture, it is first and foremost a way of thinking that is shared by people within an organization that he means. On the other hand, he claims that it is a social pattern created by a group of people during a longer period of time. This could in a way also refer to national culture, but then it explains a way of thinking that is shared by people within a country. In addition, the way of thinking influences how people act. Moreover, as pointed out before both Alvesson (1995) and Hofstede and Hofstede (2005) argue that people that belong to the same national culture have values in common, not rituals, symbols or heroes. However, in Sweden the inhabitants celebrate for instance Midsummer Day, which is an appreciated ritual.

Within a country there are loads of social patterns. To begin with, there are different social groups, which all create their own social pattern. Furthermore, within a social group people have for instance different political views, religious faiths, works and gender (Bjerke, 1998). However, all the people within a country who have the same political view also create a social pattern. Bjerke (1998) claims, if a research is going to be carried out about national culture, it is only suitable to study one social pattern at a time. Furthermore, the more delimited a research is, the more reliable result will be enabled to receive. The social pattern that is relevant to study in this research is the people working within trade and industry in Sweden and China. Moreover, to specify the social pattern even more, this research will discuss management.

2.2 Geert Hofstede's Cultural Dimensions

Professor Geert Hofstede has made an extensive investigation about how national culture affects people's behaviour in the workplace (Hofstede & Hofstede, 2005). This investigation is based on data from a questionnaire that employees at IBM in 50 countries carried out. Furthermore, both Sweden and China are included. On the basis of his own research, Geert Hofstede developed a model which is made up of five cultural dimensions:

- *Power Distance Index*
- *Individualism*
- *Masculinity*
- *Uncertainty Avoidance Index*
- *Long-Term Orientation*

For every dimension a score has been calculated. Furthermore, this score explains a country's level of cultural difference and can be used when comparing nations. Geert Hofstede's model assumes that a country only consists of one national culture. According to Geert Hofstede, the main difference between national cultures is the level of values. The meanings of the five cultural dimensions are described more deeply below.

2.2.1 Power Distance Index

This dimension describes how people in different countries handle power and inequality (Hofstede & Hofstede, 2005). Moreover, inequality is to some extent a part of every society, but the Power Distance Index explains that some societies are more unequal than others. The Power Distance Index is defined from below and not from above, in other words it is the employees' points of view that have been considered in this survey, not the directors.

People that come from a country that has a low score are less dependent on their directors than people that come from a country that has a high score. Furthermore, in countries that have a low score employees are not afraid to express their own opinions for their directors and both parties prefer to have a mutual and equal relationship. In countries that have a high score directors do not encourage or accept their employees' power of initiative.

2.2.2 Individualism

Collectivism is the opposite of individualism (Hofstede & Hofstede, 2005). Furthermore, the dimension of Individualism contains this scale and explains to which extent a person is integrated into a group of people. A country that has a low score is a collectivism society and a country that has a high score is an individualism society. All over the world, most societies are collectivism. Persons that belong to a collectivism society distinguish between people who are a part of their own group and people who are not. Usually, the most important group is the family and they value the relationships with the different family members very high. In addition, they choose to spend time with a group of people that only contains of a few close friends.

Moreover, in an individualism country the individual's need is more important than the group's. In these countries people learn from young age that they should strive for independence and that it is important to be able to take care of themselves. However, people that belong to an individualism society are not selfish. They still care for the weak and they want to help their fellow beings. The inhabitants of an individualism country try to live for the moment.

According to Hofstede and Hofstede (2005), in working life, people that belong to an individualism society give priority to:

- *Leisure time*
- *Freedom*
- *Challenge*

In working life, people that belong to a collectivism society prioritize:

- *Practice*
- *Physical conditions*
- *The use of skills*

2.2.3 Masculinity

Gender roles are a natural part of every society, but they vary depending on the country (Hofstede & Hofstede, 2005). Furthermore, the dimension of Masculinity describes the

gender role masculinity and its opposite femininity. In a country with a high Masculinity score, the gender roles are clearer than in a country with a low score. Men show generally a more hard-boiled attitude than women and they care more about success. Women are generally more sensible and care about having a good daily life. Furthermore, in a country with a low Masculinity score, equality is sought to attain and both men and women have more or less the same role. In other words, both gender are generally more sensible and care about having a good daily life.

According to Hofstede and Hofstede (2005), in working life, people from masculine countries normally strive to reach high stated objectives and their incomes are of great importance. However, people from feminine countries find it important to establish a good relationship to their directors and it is valuable that the collaboration between the co-workers work well.

2.2.4 Uncertainty Avoidance Index

In society of today, people all over the world have to deal with insecurity, because no one knows what the next day will bring (Hofstede & Hofstede, 2005). Insecurity can create an anxiety feeling and every society has developed a way to deal with the situation. New technology, laws and religion help people in every country to handle their insecurity. Moreover, different societies use these factors in different ways.

People that come from a country that has a low Uncertainty Avoidance score feel less insecure when dealing with an unknown situation than people that come from a country that has a high score. Furthermore, at a workplace in a country with a high Uncertainty Avoidance score the employees easily feel stressed and they want clear rules that must be followed.

2.2.5 Long-Term Orientation

This dimension includes both Long-Term Orientation and Short-Term Orientation (Hofstede & Hofstede, 2005). People that come from a country that has a high Long-Term Orientation score value things that can bring future rewards, for instance economy and endurance. However, people that come from a country that has a low Long-Term Orientation score, in other words a Short-Term orientated country, value things related to the past and current events. This can for example be to appreciate traditions and that it is important to fulfil social obligations.

In working life, people that are Long-Term Orientated believe it is important to be able to adapt to all kinds of occasions. On the other hand, people that are Short-Term Orientated think it is essential with stability and self-confident.

2.3 The Cultural Differences between Sweden and China

By using Geert Hofstede's model and comparing the scores for Sweden with the scores for China, cultural differences between the two countries can be observed. As mentioned earlier, the model is based on data from a questionnaire that employees at IBM in 50 countries carried out. The data was collected between 1967 and 1973 (Itim International, 2003). Furthermore, every dimension consists of a score and it is important to be aware of that both the lower and upper limit varies within every dimension.

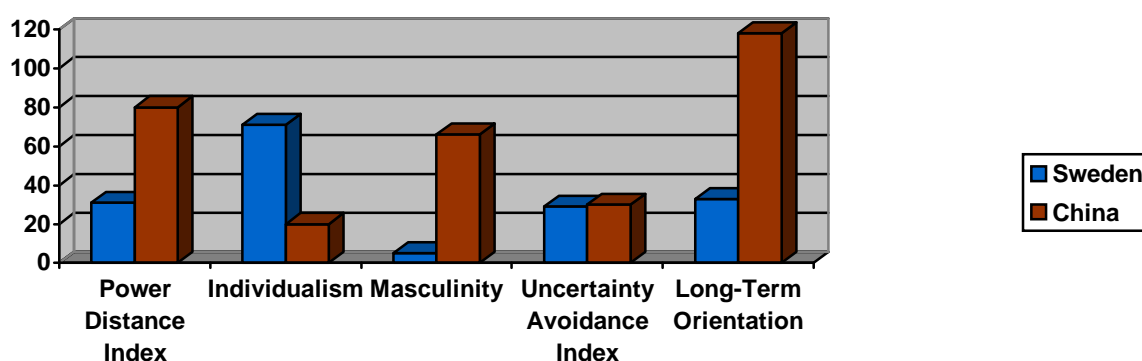


Table 1. Comparison Sweden and China based on Geert Hofstede's cultural dimensions (Hofstede & Hofstede, 2005).

By just having a quick look above at table 1, it is easy to see that there are cultural differences between Sweden and China. The difference within every dimension is large, except within the dimension of Uncertainty Avoidance Index where Sweden and China have similar scores.

2.3.1 Power Distance Index

The lowest score within the dimension of Power Distance Index is 11 and it belongs to Austria. The highest score within this dimension is 104 and it is Malaysia's score. The Power Distance score for Sweden is 31, while China has a score of 80. Consequently, the cultural difference between the two countries is noticeable. Furthermore, Sweden's score is one of the lowest and China's score is one of the highest.

2.3.2 Individualism

On the dimension of Individualism, Sweden has got a score of 71 and China has got a score of 20. The lower limit within this dimension is 6 and belongs to Guatemala. Moreover, the upper limit is 91 and is United States of America's score. This implies that Sweden is an individualism society and that China is a collectivism society.

2.3.3 Masculinity

The lowest score within the dimension of Masculinity is 5 and it belongs to Sweden. The highest score is 95 and it belongs to Japan. Therefore, Sweden is the most feminine country of the 50 countries that took part of Geert Hofstede's investigation. On the other hand, China has got a score of 66, which means that China can be taken as a masculine country. It is noteworthy to point out that there are many countries that took part of Geert Hofstede's investigation that are more masculine than China, for instance Austria and Italy.

2.3.4 Uncertainty Avoidance Index

The lowest score within the dimension of Uncertainty Avoidance Index is 8 and it is Singapore's score. The highest score within this dimension is 112 and it is Greece's score. Furthermore, the Uncertainty Avoidance score for Sweden is 29. In addition, China has got a score of 30. In other words, within this dimension the cultural difference between Sweden and China is not large. In any case, it is low scores, which means that people from both countries feel kind of secure when dealing with an unknown situation.

2.3.5 Long-Term Orientation

On the dimension of Long-Term Orientation, Sweden has got a score of 33 and China has got a score of 118. The lower limit within this dimension is 0 and belongs to Pakistan. The upper limit is 118 and it is China's score. There is no other country that has got a score of 118. Therefore, China has the highest Long-Term Orientation score of all the participated countries. Clearly, the difference between Sweden and China within this dimension is large. As a result, Swedes are Short-Term Orientated while Chinese are Long-Term Orientated.

2.4 Björn Bjerke's Cultural Dimensions

Björn Bjerke is another person that has made an investigation about how national culture affect's people's behaviour in the workplace (Bjerke, 1998). His study involves fourteen

dimensions, which is based on five different cultures. Furthermore, two of the cultures that he has compared are China and Scandinavia. The other cultures that he has compared in the study are America, Arabia and Japan (Bjerke, 1998). The fourteen dimensions are as follow:

- *Power Distance: short or long*
- *Uncertainty Avoidance: low or high*
- *Social Orientation: individual or group*
- *Time Orientation: short or long*
- *Attitude to change: stability or change*
- *Attitude to trust: non-trust or trust*
- *Purpose: materialistic or idealistic*
- *Attitude to environment: exploitive or adaptive*
- *Measure of success: self-development or a position in the society*
- *Relationships: informal or formal*
- *Problem-solution: traditional or scientific*
- *Exercise of power: democratic or autocratic*
- *Communication: low-context or high-context*
- *Demanded proficiencies: system based or person based*

Bjerke (1998) agrees with how Hofstede and Hofstede (2005) define the concept Power Distance and the concept Uncertainty Avoidance. Furthermore, Hofstede and Hofstede (2005) claim that the combination of Power Distance and Uncertainty Avoidance has a large impact on companies' structure, so depending on the rank of the dimensions in combination to each other, will have different outcomes on companies' structure. Bjerke (1998) also support this statement. Consequently, these two dimensions are interesting to enter more deeply into. The company structure affects the employees and will as well influence management.

Another dimension that is interesting to enter more deeply into when comparing Sweden and China is Individualism versus Collectivism. Bjerke (1998) agrees with how Hofstede and Hofstede (2005) define the concept Individualism and the concept Collectivism. However, Bjerke (1998) calls this dimension Social Orientation. As said before, the dimension describes to which extent a person is integrated into a group of people. This will also influence working life and management.

2.5 National Cultures Influence on Management

As stated before, national culture explains a way of thinking that is shared by the inhabitants of a country. In addition, the way of thinking influences how people act. People from the same country share the same values. From now on, this research will concentrate on three areas: Individualism versus Collectivism, Power Distance, and Uncertainty Avoidance. How the national culture of Sweden and the national culture of China influence on management within these three areas, will be discussed below.

2.5.1 Individualism versus Collectivism Influence on Management

Sweden is an individualism society, which among other things means that the inhabitants care for the weak and are not selfish that some people seem to think. Furthermore, individualism is more about self-realization than selfishness (Johansson Robinowitz & Wener Carr, 2001; Worm, 1997). The inhabitants of Sweden distinguish between working life and private life. Additionally, they find it important to be able to take care of themselves and create a well functioning everyday life. Swedes care a lot about their working conditions and they also find their spare time very valuable. This refer to that it is an individualism country and that the population try to live for the moment. In addition, according to Schramm-Nielsen, Lawrence, and Sivesind (2004), Swedish people strive to reach self- fulfilment. People that belong to an individualism society strive to act independent, which is also the case at the workplace.

That Swedes care for the weak has not only to do with individualism, but also femininity. According to Hofstede and Hofstede (2005), Sweden is one of the most feminine countries in the world and equality for women is sought to attain. In addition, as late as in the nineties a big debate on women's right to be clergymen was going on (Nationalencyklopedin, 2007). The sought to attain equality also involves that people do not like either hierarchy or authority (Worm, 1997). Furthermore, hierarchy is seen as something necessary to make an organization work, but there are still attempts to decrease this system.

China is a collectivism society and the Chinese people distinguish between people who are a part of their own group and people who are not (Ammi, 2007; Trompenaars & Hampden-Turner, 1997; Walker, Walker & Schmitz, 2003). The society of China is based on hierarchy and this refers to the philosophy of Confucius, which is a common faith among inhabitants of a collectivism society (Zinzius, 2004). According to Confucianism, rites and ceremonies are

of great importance (Alon, 2003; Nationalencyklopedin, 2007). By carrying out the rites and having the right belief, will contribute to social harmony which is the most central accomplishment within Confucianism. Furthermore, Chinese learn from young age the meaning of hierarchy, for the reason that the relationships with the different family members are hierarchically based. Additionally, the Chinese people find their families important and they value the relationships with the different family members very high. The Five Cardinal Relationships demonstrate this hierarchy and consist of emperor and subject, father and son, husband and wife, older brother and younger brother, and friend and friend (Tang & Ward, 2003). Moreover, this hierarchy exists not only within the family, but also at the workplace in the shape of a top-down structure. Subordinates have to show respect for managers that are in the top of the hierarchy.

Business meetings in China are usually very long for the reason that the chairman has to invite all managers (Tang & Ward, 2003). The whole meeting consists of speeches held by the different participants. The manager working on the lowest level begins with his/her speech followed by the managers in order of rank. This is a big difference in comparison to Sweden where the business meetings usually takes the form of a discussion.

Chinese seem to trust only the people who are a part of their own group and their opinions are essential. For that reason, their choice of workplace must be supported by the family (Worm, 1997). Otherwise, their loyalty to the company can yield. However, if the family owns the business the loyalty is high, because then they all work together towards a common goal, which is to support the family and upcoming generations. According to Hofstede and Hofstede (2005), Chinese have high long-term orientation, which among others means that they value things that can bring future rewards. In this case, it is a secure family environment that also can support upcoming generations. This also refer to that the country is a collectivism society and that Chinese mostly care about people who are a part of their own group.

It is noticeably that the Chinese people value good relationships very high and that trust is important. By just spending time with people that they knows very well, will perhaps not create any big problems. On the other hand, in working life where people have to cooperate with new colleagues frequently, difficulties can occur. For instance, when starting to collaborate with a new company, Chinese find it vital to create a good relationship with the

new people before entering a deal. Although, Swedish people also find trust very important, they approach trust in a different way. Worm (1997) claims, Swedes trust people that they do not know very well and in working life they do not feel that they have to develop a more personal relationship before entering a deal. Furthermore, Swedish people seem to trust other people's judgement to a great extent. That Swedes and Chinese approach trust differently, can generate problems when doing business.

Worm claims (1997), Chinese are less dedicated to their workplace than Swedes. The population of China is first and foremost loyal to their family members and close friends. It is the reason why they do not prioritize loyalty to the company. However, an exception is if the family owns the business. It is also common that companies employ the rest of employees' families, because they are already a part of their own group. In Sweden, companies avoid to employ the rest of employees' families, because it is seen as inappropriate. Besides, the inhabitants of Sweden strive to be independent.

If people communicate direct or indirect refer to if they belong to an Individualism society or a Collectivism society (Worm, 1997). The Scandinavian countries are low context societies, which mean that the inhabitants express information very clear. Information is expressed as straight as possible and most of the time it is easy to understand the message without having extensive background knowledge about the particular subject. On the other hand, China is a high context society, which means that Chinese express some information implicit (Gelfand & Brett, 2004; Hendon, Hendon & Herbig, 1999; Seelye, 1996). To be able to understand the information, sometimes background knowledge is required. In addition, knowledge of the Chinese language could be needed to obtain and understand the context. People moving from a low context culture to a high context culture can find it difficult to understand given information. According to Worm (1997), people from a low context culture must receive the knowledge needed to be able to understand information in a high context culture. Furthermore, this is not easy and the procedure takes very long time.

Chinese find it of great importance not to loose face (Gesteland, 1996; Lewis, 2003). As maintained by Tang and Ward (2003), face awareness has to do with prestige. To win face will contribute to maintain and improve one's prestige. For instance, a Chinese working at a big company and having the right connections will contribute to prestige. The inhabitants of China do not want anyone to see them loose face, which would be considered as a defeat.

People of a collectivism society find it more important not to lose face, than people of an individualism society. That explains why Swedes are not very sensitive to other people losing face and such situation would not make them feel very uncomfortable. In addition, face consciousness influence the degree of communication (Worm, 1997). According to Worm (1997), “by expressing themselves ambiguously, the Chinese attempt to avoid getting into situations where they themselves, or others, risk losing face” (p.94). This can be taken as Chinese find it almost as uncomfortable when someone else loses face, as themselves lose face. Bjerke (1998) claims, face awareness also refers to honour. Many Chinese find it insulting to ask for help and they do not like when people tell them what to do. For the most part, they do not like when someone does it in public.

2.5.2 Power Distance Influence on Management

According to Bjerke (1998), there is a large difference between Scandinavia and China within the dimension of Power Distance. The Power Distance in Scandinavia is short compared to China which has a long Power Distance (Lewis, 2006). Bjerke (1998) claims, in Scandinavia there are no social classes and people want things to be equal. However, according to Nationalencyklopedin (2007), social classes exist within Sweden. Workers in Scandinavia do not find it difficult to expressing their own opinions for their managers and they prefer to have an equal relationship. This also refers to the combination of a low Power Distance score and a low Uncertainty Avoidance score (Hofstede & Hofstede, 2005). For the reason that employees are not afraid to express their own opinions, it is not unusual that conflicts can occur. However, frankness and honesty are appreciated, so as a consequence conflicts are accepted. In China, it is important with order of rank and managers do not encourage or accept their employees' power of initiative. Chinese people care a lot about high-status professions and they strive to reach high stated objectives (Hofstede, 1991). Swedish people find it important to create a good relationship with their managers and it is valuable that the collaboration between the colleagues work well. Additionally, in Swedish workplaces, a conflict is most of the time solved by negotiating and compromising. However, in Chinese workplaces one of the parts has to win, otherwise the conflict is not being solved.

Chinese companies are hierarchic structured, which among other things involve that it is only a few people in the top of the hierarchy that has got the power. In other words, this is called a top-down structure. That the structure of a company is hierarchically based, refers to the

combination of a high Power Distance score and a low Uncertainty Avoidance score (Hofstede & Hofstede, 2005). In China, the amount of a salary can differ a lot depending on if it is a director's or an employee's. In addition, directors have got privileges that the employees do not have and an older director is more respected than a younger director. However, in Sweden the difference between a director's salary and an employee's salary is not that large and it is not accepted for directors to have privileges. This confirms that directors and employees are seen as more equal. Besides, a younger director is generally more respected than an older.

Most Chinese do not want to take responsibility for a decision due to the possible consequences (Worm, 1997). Furthermore, it is common that managers with authority come to a decision, but it is not them taking responsibility for it. The person that takes the responsibility for a decision is the one taking the danger and managers avoid this because they are afraid that it will be used against them. Instead, subordinates are held responsible. This way of handling responsibility, differs a lot from how the same factor is handled in Sweden. To that, it is only the people with appropriate education that are allowed to take responsibility. That most Chinese do not want to take responsibility for a decision, contribute to that the decision making process in China most of the time is very slow (Worm, 1997).

At a Swedish company, when it comes to decision-making, it is most of the time a group of people that together make the decision (Worm, 1997). Every individual contribute with their knowledge and point of views to be able to come to the best common decision. This refers to that Swedes sought to attain equality and that they do not like authority. Besides, according to Jönsson (1995), to come to an agreement is an old tradition in Sweden. This way of handling decision-making enables managers to handover power. By letting many people be involved in the decision-making process contribute to that the procedure will take longer time, because there are many voices to be heard.

As said by Worm (1997), Chinese did not develop management skills at the same time as people in the Western countries did and he claims that it is because they never had the opportunity to develop related skills during the period of planned economy, when the Chinese state owned the companies and controlled the production. Not many managers in China have taken part of a higher education and it is also a reason why their management skills are not as far-reaching as managers' in the Western countries. This depend on, from year 1966 to year

1976 the Culture Revolution in China went on and during this period of time the higher education was abolished (Nationalencyklopedin, 2007). A study that was made 1985 among 134 state owned enterprises in Shenyang, explain that only 6% of the participated managers had higher education (Worm, 1997). The importance of education and management qualifications are now days more common, but it is still not as widespread as in the Western countries.

In Sweden power is distributed horizontal, which contributes to that Swedes are informal in their way to behave in working life (Worm, 1997). This also refers to the combination of a low Power Distance score and a low Uncertainty Avoidance score (Hofstede & Hofstede, 2005). Furthermore, it is unusual that Swedes use their titles when talking with and about people in working life. However, it happens that titles are used in writing and then most of the time about people that they do not know. Moreover, the way Swedes dress in working life is also seen as very informal in comparison to the way inhabitants of collectivism countries dress in working life.

Swedish managers must be able to cooperate and communicate well with the employees (Worm, 1997). As well, they need to feel self confident to be able to express their own opinions and consequently stand for theirs opinions. Chinese are formal in their way to behave in working life (Mitchell, 2000). As said by Worm (1997), they do not have anything to benefit from being formal when dealing with Swedish people. Tang and Ward (2003) claim, Chinese people that want to do good business with other individualism countries, cannot act formal. They have to spend more time communicating casual with the co-workers of the individualism country than what they are used to. To develop a friendly atmosphere, will probably be a good idea. Then they will feel more dedicated to cooperate and help you out if needed. In addition, there is no meaning to act bossy.

2.5.3 Uncertainty Avoidance Influence on Management

As verified before, the cultural gap, within Uncertainty Avoidance, between Sweden and China is not large and both societies accept insecurity. The Swedish society and the Chinese society handle insecurity by having laws and rules. However, the two countries handle it differently. Sweden is a democracy and China is not yet a fully democracy, although the country is moving in the right direction. Gunilla Lindberg, The Secretary-General of the

International Olympic Committee claims, the Olympic Games that is going to be arranged in Beijing 2008, will make a contribution to that democracy inside the country will be achieved faster (SVT, 2007). Furthermore, for a country to be able to arrange the Olympic Games, requirements regarding human rights must be achieved. According to Amnesty that is working to protect human rights (2007), China has still a long way to go and oppression within the country still exists. Consequently, the countries' form of government also affects the companies.

Within companies in Sweden and China there are also many unwritten rules that people follow and that have become a natural part of their daily work. The combination of Power Distance and Uncertainty Avoidance involve among other things that it is unusual with written rules within companies (Bjerke, 1998). In the two countries, people can work very hard during a period of time if they have to, although they prefer to have a more normal pace of work. Furthermore, people strive to reach a good balance in working life. A good balance enables them to feel less insecure.

According to Tang and Ward (2003), Chinese do not hesitate to take risks in working life. Even though the cultural difference between Sweden and China is not large within Uncertainty Avoidance, Bjerke (1998) claims, Chinese are more willing to take risks than Swedes. To stay competitive and compete with other companies within the business, Chinese think that risks must be taken. However, as said before Worm (1997) claims that most Chinese do not want to take responsibility for a decision due to the possible consequences, because the person that takes the responsibility for a decision is the one taking the risk. Many Chinese feel that they are responsible for their family and friends and for that reason they presumably have to be answerable. As said by Hofstede (1991), both Sweden and China are two countries where the inhabitants accept risks. For instance, they have no problem with changing employment and workplace. As mentioned before, how people in Sweden deal with insecurity and risks, differ from how people in China deal with the same things. In China, it is common to be superstitious and for instance many Chinese look for certain signs to be able to find out if a business deal is going to turn out profitable. By being superstitious they can handle their anxiety and insecurity (Bjerke, 1998).

In general, Swedish people enjoy learning new things and they believe that knowledge can favour their future (Bjerke, 1998). New knowledge can be the factor needed for a person to be

able to make a change. In addition, to carry through a change can sometimes be a very time consuming process. In working life, Swedes are famous for making compromises and being careful. These are factors that can contribute to that a change can take long time to carry out. However, Swedes are capable of doing changes and feel self-confident making changes. According to Bjerke (1998), Swedish people do also accept when other people decide that a change is going to be carried out. On the other hand, they appreciate when clear information is given. Furthermore, Chinese people also accept changes. The inhabitants of China find traditions and routine important, but they also value new knowledge very high. Chinese believe by working hard, good sides will be achieved.

There are many factors within the three areas Individualism versus Collectivism, Power Distance and Uncertainty Avoidance that would be interesting to enter more deeply into. Above all, it would be interesting to get a clearer picture of how things stand today about management in Sweden and China. In addition, it is not clear from the previous text if people are aware of that their national culture influence their way of thinking and that it affects their work within management. For that reason, it would be exciting to discuss with a person that has a large experience of working with both Swedes and Chinese how they act within management in consequence of their national culture.

Chapter 3. Research Methodology

3.1 Research Design

The research approach that is most appropriate to use in this study is qualitative. “Qualitative data is data in the form of descriptive accounts of observations or data which is classified by type” (Lancaster, 2005, p.66). By using this research approach, the study’s empirical part will be highlighted. Furthermore, qualitative data will be gathered to investigate the research goals of this study, which in a few words are how the national culture of Sweden and the national culture of China influence management. The qualitative research method that will be used is to conduct an interview. Additionally, literature will be searched. By carrying through an interview, valuable information regarding the respondents experience will be received. In addition, the information will reflect as things stand today, which is an important aspect.

The literature will be discussed and compared with the information gathered from the interview.

An interview can be carried out in different ways. Depending on what kind of information the interviewer wants to find out, the structure of the interview is planned differently. The essential information needed from the interview, is the respondent’s personal experience within three specific areas. For that reason, the most suitable interview structure will be fixed questions within the three specific areas. By asking fixed questions, the interviewer makes sure that the information needed for this study will be received. Furthermore, a benefit by doing a face-to-face interview is that it is possible to ask resulting questions (Lancaster, 2005). If the respondent for any reason do not answer a question in the right way, the interviewer can ask resulting questions. In addition, if the respondent gives an interesting answer, the interviewer can ask resulting questions to find out more valuable information.

3.1.1 Critique of the Research Design

For this study, one person has been interviewed. By interviewing only one individual will only receive that person’s point of views. On the other hand, the interviewed person was carefully chosen on the basis of his knowledge and experience. To that, the respondent has the appropriate competence to take part of this study. Furthermore, the interview was carefully prepared and carried out to get hold of the right information.

Instead of asking fixed questions, a semi-structured interview would have been possible to carry out. However, for the reason that the interviewer was not used to carry through interviews, the most appropriate structure was fixed questions. Moreover, it was also important to get hold of the respondent's personal experience within three specific areas. By asking fixed questions followed by some resulting questions, was in this case predicted to give the most valuable information.

3.2 Presentation of Ostindiefararen

Ostindiefararen Göteborg was a ship that sailed goods between Sweden and China during the 18th century (Svenska Ostindiska Companiet, 2007). This is how it all began, the trade between the two countries. Unfortunately, the ship ran aground outside Gothenburg in year 1745 and sank to the bottom. It became the end of the ship's third trip and only parts of the goods were towed. In year 1984, the ship was found and some people had a strong will to try to reconstruct the ship. After years of hard work, the new ship Ostindiefararen Göteborg, was all over again ready to start a two year long trip to China. In year 2005, the ship sailed out from the seaport of Gothenburg, just like it did 260 years ago. Furthermore, Ostindiefararen Göteborg returned successfully in year 2007, after a sailing that has attracted much attention. In our day, the ship has become a symbol for the trade between the two countries (The Swedish Ship Göteborg, 2007). Moreover, it symbolizes the friendship between Sweden and China and it promotes the international business.

3.3 Participant

The person interviewed in this study was recommended by the chief executive officer at Svenska Ostindiska Companiet AB. The participant was the project manager for all the stops the ship made in China. The different stops were Guangzhou, Shanghai and Hong Kong. This means that the person has a large experience of working with Chinese people. Furthermore, the participant had before the project with Ostindiefararen worked abroad for many years and is used to get in contact with various national cultures. During a longer period of time he worked in France. He has also experience from working with projects in Asia, mainly Singapore and Indonesia. In Europe, the participant has worked in Belgium and Holland. Nevertheless, during his earlier carrier in Sweden the participant worked at an organization that had cooperation with an organization in Finland. During this period he experienced cultural differences between the two neighbouring countries.

As is notable, the participant has a personal interest in cultural theories and he has given talks about culture in business.

3.4 Instrument / Tools

To prepare for the interview, a document with fixed questions was established, see appendix 1. Furthermore, the document consists of fixed questions within three specific areas. All the questions were based on information from the literature review chapter of this study. Moreover, the document was also reviewed by the supervisor to receive feedback. During the interview, a tape recorder was used. This is a large help while the interview is going on and it makes sure that all the information offered will be obtained (Gill & Johnson, 2002).

3.5 Research Procedure

The knowledge and skills received from the education in International Project Management at Chalmers University of Technology, Gothenburg and Northumbria University, Newcastle upon Tyne, have established the foundation of this study. To be able to answer the research goals of this study successfully, a careful literature research has been carried out. The literatures that consist of books have been gathered from different libraries in the cities: Gothenburg, Landskrona and Newcastle upon Tyne. Furthermore, parts of the literature consist of articles and have been collected from different databases that are linked to the universities homepages. The databases used were for instance Chans, Libris, Gunda, Nationalencyklopedin and Nora. Articles from newspapers have also been used. Moreover, information from different homepages on internet has been used to complement the mentioned literature.

To arrange the interview, people were contacted by phone and email. The interview lasted almost one hour and took place at the participant's workplace. To be able to receive the most valuable information from the interview, the preparation work is important (Howe & Lewis, 1993). The interviewer has to be well prepared to be capable of establishing a calm environment, so the respondent feels comfortable to share information. The respondent was before the interview started informed about the purpose of the research and the person also agreed to be audio taped. Furthermore, the interview was held in Swedish which is both the interviewer's and the respondent's first language. The information gathered from the interview was later on translated into English. According to Howe and Lewis (1993), it is

important to consider if the information given during an interview is reliable. Sometimes the respondent is sure that he/she gives the right information, but it is possible that the person has received the wrong information from the beginning or that he/she remembers it wrong.

Chapter 4. Results and Data Analysis

4.1 Interview Results

The purpose of the interview was to receive valuable information regarding the participant's experience. Accordingly, is the participant aware of that his national culture influence his way of thinking and that it affects his work within management? And how do Swedes and Chinese act within management in consequence of their national culture? To find out, the participant was asked a number of questions mainly regarding the three specific areas that were selected to be investigated further in this study. As said before, these areas are Individualism versus Collectivism, Power Distance and Uncertainty Avoidance. The results from the interview will be presented below within the three specific areas to as easily as possible be able to see the connection to the literature.

4.1.1 Background Results

Have you considered if you think in a certain way when carrying out your work because you are from Sweden?

The participant believes that his national culture influence his way of thinking and that it affects his work.

Where you aware of the cultural differences between Sweden and China before the project with Ostindiefararen started?

For the reason that he has many years' experience of working abroad, he was aware of the cultural differences.

Did you do anything in your work to prepare yourselves for the Chinese culture?

The participant did not do anything in his work to prepare himself for the Chinese culture before the project began.

According to the participant, both the Swedes and the Chinese had from the start a very positive attitude towards the project. However, already during the preparation work the

Swedes noticed cultural differences between the two countries. For instance, China is a nation where the inhabitants find it very important to make a profit.

The purpose with the project Ostindiefararen was not to make money and the Swedes just wanted to cover one's expenses. Furthermore, the Chinese were aware of that. For that reason, the Swedes did not expect any problems to occur concerning money, but it did. The participant found it very unnecessary and the Swedes were not prepared for the money issue. The participant claims, the Chinese created problems that never should have existed.

Where the Chinese used to do business with people from western countries?

The Chinese peoples' experience of working with people from western countries varied depending on which level they were working on in the hierarchy. People working on a higher level were usually very experienced of working with people from western countries. On the other hand, people working on a lower level were not very experienced and some did not have any experience of it at all.

How did the occasions look when you were doing extra good in your cooperation with the Chinese?

When the Swedes and the Chinese had been working together for a while and got to know each other better, they also started to cooperate better. As said by the respondent, the relationship started as professional but developed into friendship.

How did the occasions look when there arise problems in your cooperation with the Chinese?

Most of the problems occur because the people working on a lower level were expecting bribes. At every time, the Swedes refused to give them money and after a while they learned that they were not going to receive any. However, the Swedes thought the whole process was very time consuming.

4.1.2 Individualism versus Collectivism Results

Where the Chinese people clear in theirs desires? And where it easy to understand the content of the information?

According to the participant, the Chinese were clear in theirs desires. Furthermore, if there at any time were problem to understand the content of the information, it depended on lack of knowledge of languages, nothing else.

How did you communicate with the Chinese people?

To be able to communicate, they used interpreters. Most Chinese working on a high-level can speak English, but it is unusual that they use their English skills when doing business.

Do you believe it influenced the work how you communicated?

By using interpreters made the whole process slower and it made the work harder to carry out. However, some of the interpreters spoke both Swedish and Chinese. As said by the participant, that was a big help and it facilitated the process. For that reason, they all received the right translation. Furthermore, the interpreters also had knowledge about the countries' cultures, which also contributed to that the communication run smother.

On the other hand, the participant believes that communication is not only about verbal language but also about body language. He thinks that it is possible to receive information from observing how people act. For instance, it is possible to see if people are telling the truth.

Do you believe that there is a difference between Swedes and Chinese regarding their view on duty and loyalty?

Both Swedes and Chinese are very dutifully, but in different ways. As said by the respondent, Chinese are dutifully because they have to, not because they want to. Chinese do not carry through a task because they have taken it upon themselves. Instead, they do it because someone working on a higher level has told them to do it. However, Swedes are dutifully because they want to and as the respondent claims, they would feel ashamed if they were not able to carry out a task that they have taken upon themselves.

To be able to achieve good results regarding the work, where it important to develop personal relationships with the Chinese? Compared to doing business with Swedes?

Chinese are suspicious when they meet new people in working life. They do not take for granted that people are honest. The respondent claims that Swedish people are generally very honest. However, the Chinese had a hard time to understand that and it took a long time for them to realize that.

The Chinese did not have any desires before the work started to develop personal relationships with the Swedes. However, both the Swedes and the Chinese were curious about each others' national culture and wanted to find out more. According to the participant, personal relationships grow over time. When they all got to know each other better, they also started to cooperate better and it was suddenly easier to carry through the work. In addition, they trusted each other.

4.1.3 Power Distance Results

Chinese companies are more hierarchic structured than Swedish, how did you experience that it affected the work?

As said by the participant, it is the people working in the top of the hierarchy that decide exactly what the employees are going to do. In addition, all employees get their own task that they have to solve. The people working on a higher level do not ask the employees for help. However, the people working in the top of the hierarchy keep all the employees well informed.

The participant believes, many Chinese want to make a career and they are very hard working. They strive to climb higher in the hierarchy. Additionally, by working hard and doing a good job, they believe they can succeed. On the other hand, many Swedes also want to make a career. The participant claims, in Sweden people want to achieve consensus and they do it together as a group. For that reason, it is not that common as in China to strive to make a career.

Who made the decisions, did the directors in China use their employees to come to decisions?

Decisions were only made by people in the top of the hierarchy. When a highly placed person made a decision, everybody was expected to accept the outcome of the decision. Furthermore, so was also the case. All the employees made immediately what the highly placed person ordered. No one working on a lower level was allowed to make a decision.

The respondent believes that the decision making process in China is very time consuming. However, in the end when a decision is made, people act at once. Furthermore, it was also the people in the top of the hierarchy that were held responsible for the decisions.

Regarding decision making, the participant believes that the difference between the two countries is that in China one individual makes the final decision and in Sweden instead a group of people together makes the final decision.

The participant gave an example regarding his experience of hierarchy in China:

During their work in China with the ship Ostindiefararen, the Chinese wanted to show the Swedes that they were hard working and capable of doing a good job. For that reason, the Chinese interfered in everything, even things regarding the ship that the Swedes considered as only their business. In addition, big problems occur when the Chinese stopped people from going on board at the ship. They were afraid that there were too many people on board at the same time. However, the Swedes calculations showed that there was no reason to worry.

According to the participant, the people working on a lower level had not been given the right information from the people working on a higher level. Additionally, the people working on a lower level did not know that they were not allowed to interfere in anything regarding the ship. To solve the problem, the Swedes had to talk to some people working on a higher level, because even if they told the people on the lower level not to interfere, it did not help. As soon as the Chinese people working in the top of the hierarchy had talked to the people on the lower level, the problem was solved. The participant thought the whole process was very time consuming.

Do you believe that there is a difference between how formal Swedes and Chinese are in working life?

The participant did not observe any noticeable difference between Swedes and Chinese.

4.1.4 Uncertainty Avoidance Results

Regarding willingness to take risks, do you believe that there is a difference between Swedes and Chinese?

The participant believes that Chinese are more willing to take risks than Swedes. He thinks that most Chinese find it very important to make money and strive to make a career. For that reason, it is possible that Chinese are willing to take risks in working life. However, the participant also claims that Chinese employees would never do anything on one's own initiative, because they are afraid of the hierarchy. From that point of view, Chinese are not willing to take risks.

Regarding handling changes, do you believe that there is a difference between Swedes and Chinese?

It is only the people working on a higher level that are allowed to make a change. In addition, if a director suggests a change, all employees obey the orders. No one working on a lower level would ever dare to suggest a change.

4.1.5 Comments

As said by the respondent, as a foreigner it is almost impossible to learn how the Chinese culture works. People from both cultures have to accept the differences and learn to cooperate. Furthermore, together they have to create a common way to carry out the work. It is neither possible to follow one nor the other culture.

The participant believes that the young well educated Chinese women will be China's strength in the international business. He claims that they are brave and talented. In China, the business life is very male dominated. In the future, the participant predicts that a conflict can take place, because the Chinese women start to compete with the Chinese men in the world of business.

Chapter 5. Discussion and Conclusion

5.1 Discussion

Overall, the literature describes that people who belong to the same nation approach things in a similar way. It is well known that the national culture of Sweden differs a lot from the national culture of China. However, are people aware of that their national culture influence their way of thinking? And that it will affect their actions? According to my results, the interviewed person is convinced that his national culture influence his way of thinking and that it affects his work within management. Furthermore, it is then interesting to bring up that the participant did not do anything in his work to prepare himself for the Chinese culture before the project began. For the reason that he has many years' experience of working abroad, it is an expected outcome that he is aware of that his national culture influence his way of thinking. On the other hand, only because a person has a large experience of working abroad and has been in contact with many different cultures, it does not mean that the person will have knowledge about the national culture of China. It is also important to point out that only because countries are located close to each other, it does not mean that they have similar national cultures (Hofstede & Hofstede, 2005).

5.1.1 Individualism versus Collectivism Influence on Management

So how do Swedes and Chinese act within management in consequence of their national culture? Regarding trust, the literature maintains that Swedes and Chinese approach trust differently and that it can generate problems when doing business (Worm, 1997). However, my results explain that trust was not an issue when doing business. The literature makes clear, Chinese value good relationships very high and they seem to trust only the people who are a part of their own group. Furthermore, when doing business, Chinese find it important to create a more personal relationship with the new people before entering cooperation. On the other hand, my results state that either the Chinese or the Swedes found it important to get to know each other better before the work started. It is notable though, the participant thought that the Swedes and the Chinese cooperated better when they had been working together for a while and developed a more personal relationship. It is possible that the result of the project had turned out better if they had got to know each other before the project started.

My results describe that both Swedes and Chinese are very dutifully. This was an interesting finding for the reason that the literature maintains that Chinese does not prioritize loyalty to their workplace (Worm, 1997). On the other hand, the literature also clarify that Chinese do not want anyone to see them loose face (Tang & Ward, 2003). The Chinese would consider it as a defeat to loose face. It is possible that the Chinese found it of great importance not to loose face in front of the Swedes. Moreover, the project had also attracted much attention. Perhaps the Chinese wanted to make a good impression and show the Swedes that they were dedicated to do a good job.

As said by the literature, Swedes express information clearer than Chinese, because Chinese express some information implicit (Worm, 1997). My results show that the Swedes did not have any big problems to understand the Chinese. If there at any time were problem to understand the content of the information, it depended on lack of knowledge of languages. However, most of the time interpreters were used. It is important to take into consideration that some of the interpreters spoke both Swedish and Chinese and for that reason also had knowledge about the countries' cultures, which also contributed to that the communication run smother. The participant was also aware of that he could receive information by observing the Chinese body languages.

My results describe that in China all the employees made immediately what the highly placed person ordered. In the literature this refers to the hierarchy and order of rank (Hofstede & Hofstede, 2005). However, the literature also states that many Chinese find it insulting when people tell them what to do. For the most part, they do not like when someone do it in public and this depend on that they do not want anyone to see them loose face (Tang & Ward, 2003).

5.1.2 Power Distance Influence on Management

My results show that decisions in China are only made by people in the top of the hierarchy. In addition, this is also what the literature indicates. Worm (1997) explains that it is common that managers with authority come to a decision, but it is not them taking responsibility for it. However, my results claim that it is also the people in the top of the hierarchy that are held responsible for the decisions. According to my results, the difference between Swedes and Chinese regarding decision making is that in China one individual makes the final decision and in Sweden instead a group of people together makes the final decision. At this standpoint

the literature and my results agree. Furthermore, both the literature and my results claim that the decision making process in China is very time consuming. On the other hand, the literature argues that the decision making process is slow because most Chinese do not want to take responsibility for a decision. My results argue that the decision making process is slow because it is only people in the top of the hierarchy that are allowed to make the decisions.

The literature argues that Chinese are formal in their way to behave in working life (Worm, 1997). However, Swedes are informal in their way to behave. According to my results, the participant did not observe any noticeable difference between Swedes and Chinese. In addition, this could actually be an interesting finding. The literature also argues that Chinese do not have anything to benefit from being formal when dealing with Swedish people and that Chinese people that want to do good business with other individualism countries have to adapt to their culture and act less formal. For that reason it is possible that the Chinese valued the cooperation with the Swedes very high and found it of great importance to do one's best.

A common factor that can be found in the literature as well as in my results is that both maintain conversely that there is a large difference between the directors and the employees in China. As Tang and Ward (2003) explain, employees have to show respect for directors that are in the top of the hierarchy. In addition Hofstede and Hofstede (2005) claim, it is important with order of rank and managers do not encourage or accept their employees' power of initiative. As said by the participant, it is the people working in the top of the hierarchy that decide exactly what the employees are going to do. Chinese employees would never do anything on one's own initiative, because it is not supported by the people working on a higher level. Both the literature and my results believe that in Sweden the difference between the directors and the employees are not as large as in China.

5.1.3 Uncertainty Avoidance Influence on Management

That Chinese employees would never do anything on one's own initiative, could also be interesting to discuss from the viewpoint of risk taking. As said before, my results show that Chinese are not willing to take risks because they are afraid of the hierarchy. However, this is not what the literature upholds. According to Tang and Ward (2003), Chinese do not hesitate to take risks in working life, because they want to stay competitive and compete with other companies within the business. At the same time, the literature claims that many Chinese feel

that they are responsible for their family and friends, so they have to be answerable. The last statement refers to the hierarchy and for that reason supports my results. Still, why do Tang and Ward (2003) claim that Chinese are willing to take risks? The participant thinks that most Chinese find it very important to make money. For that reason, it is possible that Chinese are willing to take risks in working life. In addition, many Chinese strive to make a career. Both the literature and my results state that Chinese are more willing to take risks than Swedes.

A view that my results bring up that cannot be found in the literature is that the Chinese employees were expecting bribes. Furthermore, it is notable that the participant mentions that issues regarding bribes created most of the problems in their cooperation with the Chinese. The literature does not mention anything about bribes, but it talks about unwritten rules. Bjerke (1998) claims that within companies in China there are many unwritten rules that people follow and that have become a natural part of their daily work. It is possible that demanding payment for favours is accepted among the employees within companies in China. That issues regarding bribes created most of the problems in their cooperation depend probably on that demanding payment for favours is not accepted within companies in Sweden.

Both the literature and my results show that Chinese accept changes in working life. However, my results maintain that they are afraid of the hierarchy and if a person working on a higher level suggests a change, all employees will obey the orders. As the literature states, Chinese value new knowledge very high and they are hard working. It seems like the Chinese agree with the Swedes regarding that knowledge can favour their future (Bjerke, 1998). For that reason, it is possible that the Chinese employees would carry through a change if the hierarchy would allow it.

5.2 Conclusion

It is clear that people act in a certain way within management in consequence of their national culture. However, how aware people are of that their national culture influence their way of thinking and that it affects their actions, depend probably on how much experience they have from working abroad. This study has shown that the cultural differences between Swedes and Chinese are many. Moreover, some similarities have also been found.

To start with, the main factor that this study has argued influences how Chinese act in management is the hierarchy. The order of rank affects how the Chinese act in working life. Furthermore, the hierarchy is constantly present when the Chinese carry out their daily work. That Chinese are afraid of the hierarchy influences for instance the Chinese people's power of initiative, willingness to take risks and their attitude towards changes. In Sweden, the hierarchy does not exist to the same extent. The difference between directors and employees in Sweden are not as large as in China. Consequently, the hierarchy is almost certainly the factor that creates the largest difference between how Swedes and Chinese act in management. For that reason, it is also the hierarchy that generates the most problems when Swedes and Chinese are doing business.

A similar factor between Swedes and Chinese that are interesting to highlight is their willingness to make changes. Both Swedes and Chinese accept changes in working life, but Chinese employees would never carry through a change themselves, because the hierarchy does not allow it. However, this study indicates that if the hierarchy would not exist to the same extent, the employees would carry through changes.

Even if people are aware of that their national culture affects their actions in working life and that the national culture of Sweden differs a lot from the national culture of China, they do not prepare themselves for entering cooperation. This research has shown that the cooperation would have run smoother if they would have spent time to get to know each other before the cooperation started and developed a more personal relationship. However, it is worth mentioning that it seems like the Chinese valued the cooperation with the Swedes very high and that they tried to act less formal.

Finally, doing business with people from other countries are not easy, but by having knowledge and a wider understanding about each others national cultures, will almost certainly facilitate the work. As said by the participant of the interview, "people from both cultures have to accept the differences and learn to cooperate". "It is neither possible to follow one nor the other culture". Furthermore, "together they have to create a common way to carry out the work". The author agrees.

5.3 Future Research

Topics for future research could be the two areas Masculinity and Long-Term Orientation that were not chosen to be investigated further in this study. Above all it could be interesting to enter more deeply into the area Masculinity versus Femininity for the reason that Sweden is a feminine country and China in a masculine country. To that, the person interviewed in this study predicts that in the future a conflict can take place because the Chinese women start to compete with the Chinese men in the world of business. This could be an interesting view.

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Appendix 1.

Interview Guide

Background

- Before the project with Ostindiefararen, have you worked abroad? Which cultures?
- Have you considered if you think in a certain way when carrying out your work because you are from Sweden?
- Where you aware of the cultural differences between Sweden and China before the project with Ostindiefararen started?
- Did you do anything in your work to prepare yourselves for the Chinese culture?
- Where the Chinese used to do business with people from western countries?
- How did the occasions look when you were doing extra good in your cooperation with the Chinese?
- How did the occasions look when there arise problems in your cooperation with the Chinese?

Individualism versus Collectivism

- Where the Chinese people clear in theirs desires? And where it easy to understand the content of the information?
- How did you communicate with the Chinese people?
- Do you believe it influenced the work how you communicated?
- Do you believe that there is a difference between Swedes and Chinese regarding their view on duty and loyalty?
- To be able to achieve good results regarding the work, where it important to develop personal relationships with the Chinese? Compared to doing business with Swedes?

Power Distance

- Chinese companies are more hierarchic structured than Swedish, how did you experience that it affected the work?
- Who made the decisions, did the directors in China use their employees to come to decisions?
- Do you believe that there is a difference between how formal Swedes and Chinese are in working life?

Uncertainty Avoidance

- Regarding willingness to take risks, do you believe that there is a difference between Swedes and Chinese?
- Regarding handling changes, do you believe that there is a difference between Swedes and Chinese?