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## **Subtle Differences with Visible Consequences –**

a Study of Cross-cultural Communication between  
Swedes and Canadians in Swedish-related  
Organizations in the Toronto Area

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## ABSTRACT

Advisor for this paper has been Professor Ian Jarvie at Lund University, Sweden and York University, Canada.

*The aim of this study was primarily to locate, describe and explain the impact of cultural differences on communication between Swedes and Canadians in Swedish-related companies in the Toronto area in Canada. In this we included communication between co-workers within the company, between the Swedish-related company and the Swedish mother company and between the Swedish-related company and other, outside, Canadian parties. Our aim was also to give advice on how to deal with the potential consequences of cultural differences for communication.*

*In order to reach our objectives we used two different sets of questionnaires and conducted 16 in-depth interviews, eight with Canadians and eight with Swedes, all working for Swedish-related companies. We identified six major areas in which we found culture to have an impact on communication; language, relationship between manager and subordinate, teamwork, decision-making, negotiation and commitment. We analyzed the differences that we had found by using primarily Hofstede's theory of the cultural dimensions and Hall's theory on high and low context cultures.*

*We found that the impact of cultural differences on communication between Swedes and Canadians is relatively small. Nevertheless, cultural differences sometimes lead to negative consequences in regard to communication. In order to prevent and minimize the negative consequences on communication, awareness of the cultural differences is a necessary starting-point. In the report, we also include more specific suggestions for approaching the cultural differences from a Swedish perspective.*

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*-Malin Berg & Susanna Magnusson*  
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## **1. INTRODUCTION**

During the Fall of 2001, in our third semester at the College of Communication, Lund University, we first met Lars Henriksson of the Swedish Canadian Chamber of Commerce - Canadian Swedish Business Association (SCCC-CSBA) in Toronto. A mutual interest in communication across cultural borders paved the way for a collaboration. We decided to go to Toronto to write our Master's thesis. Our aim was to find a research area, which would combine the interests of the SCCC-CSBA with our approach to culture and communication.

One area that quickly caught our attention was the extent and relevance of cultural differences when Swedish companies approach Canadian culture. Is the impact of culture of importance when Swedes and Canadians do business together? What happens when Swedish companies start subsidiaries in Canada and Swedes and Canadians work side by side? We started looking for studies and research done on the subject of cultural encounters between Swedes and Canadians, and found nothing.

During the course of our study, we have become more and more certain that cultural differences are important in the business world. We also think that the importance of cultural differences frequently is underestimated when it comes to Canadians and Swedes.

Being aware of the cultural differences between Swedes and Canadians, and the impact these differences have on communication, is evidently not necessary to start a company in Canada or start to deal with Canadians. Most Swedish businesspersons we have talked to knew very little about Canadian culture before they came to Canada; nevertheless most of them have been successful. However, the message has been clear; a Swede who goes to Canada should not expect things to be done the way they are in Sweden. There are cultural differences that have a great impact on business and working life. We are certain that being prepared for these differences does save a person time and effort. We hope that this report can serve as one form of preparation.

Larger part of this report has been written by the two authors in close collaboration. However, under the results and analyses section, the primary responsibility was divided. Susanna Magnusson had the overall responsibility for the section on the relationship between subordinate and manager and the section on teamwork. Malin Berg had the overall responsibility for the sections on language, decision-making, commitment, and negotiation.

## **2. OBJECTIVES**

In this paper, our objective is to try to find the answer to the following question:

What impact do cultural differences have on communication between Swedes and Canadians in Swedish-related companies in the Toronto area?

In this we include:

- communication between co-workers within the company
- communication between the Swedish-related company and the Swedish mother company
- communication between the Swedish-related company and other, outside, Canadian parties such as business partners, customers, suppliers etc.

Our aim is to locate, describe and explain this impact and its consequences based mainly on the subjective experiences of our interviewees. Our aim is also to give advice on how to deal with the potential consequences. Our study and the consequential advice given in this paper

are mainly targeted at Swedes doing business in Canada. Canadians can also benefit from reading our results, but the advice given is from a Swedish perspective.

### **3. DEFINITIONS**

#### **3.1 Communication**

Communication has been defined in several ways by many different people. It is a great challenge to find a universal definition of communication. We have chosen the following definition: "Communication is the perception of verbal and non-verbal behaviors and the assignment of meaning to them" (Beamer and Varner 2001: 22). Whether these behaviors are intentional or not, or even conscious or unconscious, does not impact the fact that communication has taken place, as long as the behavior is observed by the receiving person and assigned a meaning. "When a receiver of signals perceives those signals, decides to pay attention to them as meaningful, categorizes them according to categories in his or her mind, and finally assigns meaning to them, communication has occurred" (ibid.).

#### **3.2 Culture**

*"Culture is to a human collectivity what personality is to an individual"* (Hofstede 2001: 10)

Culture is a very fuzzy concept. There are many definitions of culture, but to date no consensus has emerged on one definition. Culture can be seen as including everything that is human-made, or as a system of shared meanings. It can be seen as an internal model of reality or as an implicit theory of 'the game being played'. Culture also has been equated with communication (Gudykunst, 1997).

Since we will be using the theories of Geert Hofstede extensively to analyze our interviews, we present his definition of culture. Hofstede (1997) defined culture as the "software of the mind" (p 4) – "the collective programming of the mind which distinguishes the members of one group or category of people from another" (p 5). Hofstede claims that culture is learned and not inherited. It is determined by one's social environment and not from one's genes. He distinguishes culture from human nature on the one side and from an individual's personality on the other, although he concludes: "exactly where the borders lie between human nature and culture, and between culture and personality, is a matter of discussion among social scientists" (ibid.).

#### **3.3 National Culture**

National culture is a system of norms in a society. These norms consist of the value systems - the mental software - shared by major groups in the population. At a more superficial level, culture reveals itself in practices; symbols (e.g. the way we dress), heroes (e.g. the movies we watch) and rituals (e.g. social and religious ceremonies). The system of norms in a certain society have led to the development of institutions that function in particular ways. These institutions include the family, education systems and political systems (Hofstede 2001: 11). The maintenance and reinforcement of institutions makes national cultures stable over time (34). When comparing otherwise similar people, cultural differences between countries are most present in values and less in practices (Hofstede 1997: 181).

#### **3.4 Organizational/Corporate Culture and Business Culture**

'National' culture should be distinguished from 'organizational' culture (also referred to as 'corporate' culture) (Hofstede 1997: 18). A nation is not an organization and the two types of cultures are of a different nature. National culture refers to the deeper, underlying values of a

majority of people in the country, while organizational culture often takes the form of more superficial practices and manifestations of culture. Changing the national culture, the values of adult people, in an intended direction is difficult. On the other hand, collective practices in a company, that depend on organizational characteristics like structures and systems can be influenced in more or less predictable ways. National culture can only in part be related to the culture of an organization, and organizational culture can only in part be related to the national culture (Hofstede 1997: 18).

The reason that we bring up the difference between the two different types of cultures, is that our interviewees sometimes refer to ‘organizational’ culture rather than national culture – not distinguishing between the two. Our conjecture is that people’s underlying values are *not* determined by the ‘organizational’ culture of the organization they work for. Locating and describing the ‘organizational’ culture of the companies that our interviewees work for is not the aim of this study. Nevertheless, it is possible that the culture of their organization has an impact on their practices and behavior. No matter how difficult it might be to separate the different cultures from each other, our aim is to find the way in which ‘national’ culture, rather than ‘organizational’ culture, is reflected in business and working life.

### **3.5 Cross-cultural Communication**

In our study, we equate cross-cultural communication with inter-cultural communication. We define cross-cultural communication as the communication between people from different national cultures.

### **3.6 Canadian Culture**

Defining the culture of any country is a challenging task since cultures are very complex and abstract. Describing Canadian culture is particularly difficult since it is very diverse and difficult to grasp. Canada has a large amount of immigrants, or new Canadians. The country is fairly new and has always been a country of immigrants. In the last thirty years or so, society has become more and more diverse with the arrival of visible minorities from many parts of the world. Also, Canada is a very large country with great variation between regions. The culture of French-speaking Montreal is in many ways different from the culture of Toronto. Vancouver on the West coast differs from the East coast and from the Northern provinces. All of the companies and individuals who have participated in our study are located in the Toronto area of Ontario. Our generalizations are taken, for the most part, from interviews with these companies and individuals.

Toronto is to a high degree influenced by the United States. Some Canadians describe it as more cosmopolitan than the rest of the country. Toronto is also particularly culturally and ethnically diverse. Compared to Sweden, immigrants are relatively well integrated into society in Canada. Almost all companies have a multicultural work force. Integration seems to be a mutual process in Toronto. Those who have lived there longer have a great tolerance toward new Canadians and new Canadians seem to quickly adapt to a Canadian way of life. By this we mean that they adapt to Canadian business life. There is a Canadian business culture, albeit very influenced by the United States, to which people from all ethnic backgrounds more or less adapt. This seems to be a prerequisite for having a well functioning multicultural work force.

It is the ‘Torontonian’ part of Canadian culture described above that we are referring to in this paper when comparing Canadian culture to Swedish culture, which, by comparison, is much more homogeneous.



#### **4. THE RELATIONSHIP BETWEEN CULTURE AND COMMUNICATION**

Culture has been equated with communication. “Culture is communication and communication is culture”, according to Hall (1981: 97). Birdwhistell (1970 from Gudykunst 1997) takes a slightly different position, suggesting that “culture and communication are terms that represent two different viewpoints or methods of representation of patterns and structured interconnectedness. As ‘culture’ the focus is on structure, as ‘communication’ it is on the process.” Regardless of how strong the mutual dependence is, it does seem clear that communication and culture reciprocally influence each other. The culture in which we are brought up influences the way we communicate, and the way we communicate can also change the culture we share over time (Gudykunst 1997).

On a more specific level, the relationship between culture and communication can be explained by a person’s cognitive processes when communicating. Communication is, as defined above, the perception of verbal and nonverbal behaviors and the assignment of meaning to them. The meaning one assigns to verbal and nonverbal behavior is based on one’s accumulated experience and understanding – one’s ‘horizon of expectations’. When people from different cultures communicate, their horizons of expectation are more likely to be significantly different than when people from the same culture communicate. Therefore there is a larger risk that the meanings assigned to verbal and nonverbal behavior will not be the same for the two persons. When one communicates with a person from another culture, one actually communicates with the expectation, or mental projection, one has of that culture. The more one learns about the other culture, the more one can revise and adjust one’s mental projection, and the closer it comes to reality (Beamer and Varner 2001: 24).

Communication is affected by the way people think, or process information. Culture influences how people think. One important part of the ‘thinking process’ (or cognition) is the ability to recognize patterns in information. When processing information, there is a great dependence on patterns that organize information into structures. Such structures are for example relationships of cause and effect (‘if I do this, then this will happen’) or relationships of mutual interdependence (the existence of night implies the existence of day), just to mention two (Beamer and Varner 2001: 28). When people from different cultures meet, it is more likely that the structures will be different than when two people from the same culture communicate.

Even if the culture that we are brought up in has a major impact on how we communicate, it is still important to remember that communication across cultures never can be fully understood only by studying culture. There will always be other factors, such as individual values and personality orientation that mediates the influence of culture on communication (Gudykunst, 1997)

#### **5. HYPOTHESES – WHAT DID WE EXPECT TO FIND BEFORE WE STARTED?**

Our thoughts of what we might find in our study were not very precise, since Canadian society and culture were new for us. Nor did we know much about the impact of national culture on cross-cultural communication.

We did have a notion that there are cultural differences between Swedes and Canadians and that these differences affect the way in which they communicate when working together and doing business together. We also had a preconception that these cultural differences might lead to negative consequences when Swedes and Canadians communicate; that is, one misunderstands the message the other is trying to get across, or even worse, one thinks he/she

understands the message the other is trying to get across, but has actually misunderstood it. Possible consequences of this are frustration, conflicts, inefficiency in the organization etc.

We thought that the cultural differences between Swedes and Canadians were relatively subtle and difficult to detect - for example in comparison with the differences between Sweden and Japan - and as a result of that, often underestimated.

## **6. THEORY**

### **6.1 The Emic and the Etic Approach**

There are two basic approaches to the study of culture; one that stresses the unique and specific aspects of every different culture; the emic approach. The emic assumption is that it is impossible to compare different cultures, that every culture is so unique that it cannot be compared to any other culture. The other approach is one that stresses the comparable and general aspects of cultures - the etic approach. The etic assumption is that it *is* possible to compare different cultures on a multitude of aspects; that they do, in fact, have some characteristics in common which make a comparison possible. (Hofstede 2001)

The emic approach, often used in anthropological research, studies behavior from within the system. The criteria tend to focus on internal characteristics, and normally studies are only conducted in one culture at a time. The etic approach studies behavior from a position outside the system, and the criteria are considered universal, with several cultures involved in each comparison (Berry 1980 from Gudykunst 1997).

### **6.2 Hofstede's Multicultural Study**

There are many ways of approaching an understanding of culture. Perhaps the most significant study from an etic approach was conducted by Geert Hofstede, a Dutch interculturalist who did a study in cooperation with IBM. The company conducted an international employee attitude survey program between 1967 and 1973. The two survey rounds produced answers to more than 116,000 questionnaires from 72 countries. The analysis focused on country differences in answers to questions about employee values. The initial analysis was limited to 40 countries, at a later stage data from 10 more countries and three multi-country regions were added. Additional data was collected and through theoretical reasoning and statistical analysis four different dimensions of culture were revealed, dimensions along which dominant value systems in the 50 countries could be ordered. These dimensions affect human thinking, organizations and institutions in predictable ways. According to Hofstede, the dimensions were empirically verifiable and validated, and each country could be positioned on the scale represented by each dimension. Moreover, the dimensions were statistically independent and occurred in all possible combinations (Hofstede 2001).

The dimensions were; *power distance*, *uncertainty avoidance*, *individualism vs collectivism* and *masculinity vs femininity*. Later a fifth dimension, *long-term vs short-term orientation*, was added. These dimensions reflect basic problems that any society has to cope with but for which solutions differ.

#### **6.2.1 Power Distance**

The basic issue that power distance relates to is the different solutions that societies have found to human equality in power, wealth and prestige. *Power distance* is defined as "the extent to which the less powerful members of institutions and organizations within a country

expect and accept that power is distributed unequally” (Hofstede 1997: 28). Hence, power distance is explained from the value systems of the *less* powerful members of the society. Hofstede created a *power distance index* (PDI) for each country (Appendix 1). The questions used for composing the index were related to how frequently subordinates were afraid to express disagreement with their manager, how they perceived their manager’s actual decision-making style and their preference for their manager’s decision-making style (Hofstede 1997: 27).

Of the 50 countries and three regions, the country with the highest power distance score (number 1 out of 53) is Malaysia. Sweden ranks 47 out of 53 on this index. Hence Sweden has one of lowest scores in the study. Canada ranks 39 out of 53. Canada is considered a ‘mildly hierarchical’ country, whereas Sweden is considered a ‘participative’ country (Laroche 2002).

Individuals from high power distance cultures accept power differences as part of society. This is reflected in all areas of society including the family, school, politics and the workplace. Implications for high power distance in the workplace are that superiors and subordinates consider each other as existentially unequal and the hierarchical system is only a natural consequence of this inequality. Organizations centralize power as much as possible. Subordinates are expected to be told what to do. There are a lot of supervisory personnel, structured into tall hierarchies of people reporting to each other. Salary systems show wide gaps between top and bottom in the organization and superiors are entitled to privileges. The ideal boss, in the subordinates’ eyes, is a ‘benevolent autocrat’ or ‘good father’ (Hofstede 1997: 37).

In small power distance countries the general norm is that inequalities among people should be minimized; the hierarchical system is just an inequality of roles established for convenience. Organizations are fairly decentralized, with flat hierarchical pyramids and a limited number of levels and managers. Salary ranges are relatively small, and privileges for higher-ups are basically undesirable and limited to specific functions and tasks. Everybody should use the same amenities. Superiors should be accessible to subordinates, and the ideal boss is a resourceful democrat. Subordinates expect to be consulted before a decision is made that affects their work, but they accept that the boss is the one that finally decides (*ibid.*).

### **6.2.2 Individualism vs Collectivism**

The basic issue that the dimension *individualism vs collectivism* deals with is whether the needs and goals of the individual are more important than the needs and goals of the group. The dimension is defined as follows: ”Individualism pertains to societies in which the ties between individuals are loose: everyone is expected to look after himself or herself and the immediate family. Collectivism as its opposite pertains to societies in which people from birth onwards are integrated into strong cohesive in-groups, which throughout people’s lifetime continue to protect them in exchange for unquestioning loyalty” (Hofstede 1997: 51).

Work-values associated with individualism include the importance of personal time, freedom and personal challenge. They all stress the employee’s independence from the organization. Work-values associated with collectivism were training, physical conditions and use of skills. They all refer to things the organization does for the employee, and in that way stress the employee’s dependence on the organization (Hofstede 1997: 52).

Hofstede created an *Individualism Index* (IDV) for the 50 countries and three regions (Appendix 2). At the top of the index with the highest degree of individualism is the US.

Canada is not far behind and ranks 4-5 out of 53. Sweden ranks 10-11 out of 53. Both Canada and Sweden are considered individualistic, but Sweden has a lower degree of individualism than Canada (Hofstede 1997: 53).

Implications of high individualism in the work place are that the relationship between employer and employee is a contract that is supposed to be based on mutual advantage. Hiring and promotion decisions are supposed to be based on skills and rules only. Management is a management of individuals and tasks prevail over relationships. Individuals are not supposed to be dependent on the work group.

One implication of collectivism in the work place is that the relationship of employer - employee is perceived in moral terms, more like a family link. Hiring and promotion decisions take the employee's non-work aspects more into account. Here, management is management of groups, and relationships prevail over tasks. Loyalty to the group and the organization is essential, and maintenance of harmony is a key virtue (Hofstede 1997: 67).

### **6.2.3 Masculinity vs Femininity**

The basic issue that this dimension refers to is the distribution of emotional roles between the genders. It opposes 'tough' masculine societies to 'tender' feminine societies. The definition is as follows: "Masculinity stands for a society in which social gender roles are clearly distinct: men are supposed to be assertive, tough and focused on material success, women are supposed to be more modest, tender and concerned with the quality of life. Femininity stands for a society in which social gender roles overlap: both men and women are supposed to be modest, tender and concerned with the quality of life" (Hofstede 1997: 82).

This is the dimension where Hofstede found the biggest difference between Sweden and Canada. Hofstede created a *Masculinity Index* (MAS), with values for 50 countries and three regions (Appendix 3). At the bottom of the index (53 out of 53) with the lowest degree of masculinity is Sweden; hence Sweden is the most 'feminine' country in the study. Canada ranks 24 out of 53 and is considered a 'moderately masculine' country (Hofstede 1997: 84f).

Implications of femininity in the workplace are that people are supposed to be modest, and to stress equality, solidarity and quality of work life. Managers use intuition and strive for consensus. Resolution of conflicts is reached by compromise and negotiation. Indicators of masculinity in the workplace stress performance and competition among colleagues.

Managers are supposed to be decisive and assertive and resolution of conflicts is reached by "fighting them out" (Hofstede 1997: 96).

### **6.2.4 Uncertainty Avoidance**

The basic issue that the dimension *uncertainty avoidance* addresses is the degree to which a society tries to control the uncontrollable. Uncertainty avoidance is the extent to which a culture programs its members to feel either comfortable or uncomfortable in unstructured situations, situations that are novel, unknown, surprising, out of the ordinary. The definition is "the degree to which the members of a culture feel threatened by uncertain or unknown situations" (Hofstede 1997: 113). This feeling is, among other things, expressed through nervous stress and in a need for predictability, frequently manifested in a need for written and unwritten laws.

Hofstede created an *uncertainty avoidance* index (UAI) (Appendix 4). The higher the score, the more uncertainty avoidance and need for written and unwritten laws. At the top of the

index of the 50 countries and three regions, with the highest degree of UAI is Greece. Canada ranks 41-42 out of the 50 countries and three regions. Sweden is considered to be one of the least uncertainty avoiding cultures, and ranks 49-50. Hence, there is a moderate difference between the two countries (ibid.).

Hofstede (1997: 116) points out that ‘uncertainty’ should not be confused with ‘fear’ or ‘risk’. Fear and risk are both focused on something specific. Uncertainty is a diffuse feeling that has no probability attached to it. It is a situation where anything can happen, but we have no idea what. Uncertainty avoidance leads to a reduction of ambiguity. People in such cultures look for a structure in their organization, institutions and relationships that makes events clearly interpretable and predictable.

The implications of uncertainty avoidance in the workplace are that there are many formal and informal rules controlling the rights and duties of employers and employees. There are also many rules and regulations controlling the work process, although power distance plays a role as well in this case. There is an emotional need for these rules, even if the rules may be dysfunctional and not work in reality. (Hofstede 1997: 121)

In countries with weak UAI, rules are only established in cases of necessity. Members of such cultures are comfortable in ambiguous situations; deviant and innovative ideas and behaviors are tolerated. Managers might answer ‘I don’t know’ to their subordinates’ questions (Hofstede 1997: 125).

### **6.2.5 Long-term vs Short-term Orientation**

In Hofstede’s latest work (2001), a fifth dimension, long-term vs short-term orientation emerges. It concentrates mainly on the differences between Eastern and Western thinking. In our interviews we did not find any differences that could be explained by this dimension, which is why we choose not to explain it in-depth in this section.

### **6.3 Trompenaars’ Seven Dimensions**

Another Dutch interculturalist, Alfons Trompenaars, developed seven cultural dimensions from his database of 30,000 questionnaires from 55 countries (Trompenaars, 1998). As in Hofstede’s study, the dimensions represent the range of solutions that different cultures have chosen to solve universal problems. Of the seven dimensions, five deal with relationships with people: universalism vs particularism, individualism vs communitarianism, neutrality vs emotionalism, specificity vs diffuseness and achievement vs ascription. The other two dimensions deal with attitudes to time and attitudes to the environment. Trompenaars’ and Hofstede’s dimensions naturally overlap in parts (in particular the dimension ‘individualism vs communitarianism’ is very close to Hofstede’s dimension ‘individualism vs collectivism’). Even if our analysis is based mainly on Hofstede’s dimensions, we have also been influenced by those in Trompenaars’ work.

### **6.4 Hall’s Theory of Context**

Edward T Hall, is one of the key researchers on culture (Beamer and Varner 2001: 3). His research distinguishes among cultures on the basis of the role of context in communication. He distinguishes between high-context and low-context cultures. To convey a large part, or even all of the message’s meaning, high-context cultures rely on the context, either the actual physical environment of communication or an internalized social context, or both. In such cultures, the messages themselves can be indirect, and very difficult to understand for a person from a culture in which context plays a smaller part in the interpretation of the

message. High-context cultures use the context to communicate the message. In low-context cultures, messages are explicit, direct, and to a higher degree encoded in words. Members of low-context cultures put their thoughts into words. (21)

Studies have shown that Canada is more high-context than the Scandinavian countries (Appendix 5) (Laroche 2002). The replies from our interviews also clearly showed this difference.

## **7. PROCEDURE**

Our aim in this study is to locate, describe and explain the impact of cultural differences on communication between Swedes and Canadians in Swedish-related companies. In order to do this, we have chosen a qualitative research procedure. We have conducted in-depth interviews with Swedes and Canadians with extensive experience in this field. However, our study also includes quantitative elements, used in preparation for the interviews.

### **7.1 Initial Questionnaire**

With the assistance of the Swedish Canadian Chamber of Commerce – Canadian Swedish Business Association (SCCC-CSBA) and the Swedish Trade Council in Toronto, we selected 28 companies to contact in the initial stage of our study. Geographic location, number of Swedes employed and type of management were, among others, factors we took into account in this first selection.

Next, we designed a questionnaire, consisting of five questions (Appendix 6). The questions concerned the respondents' experiences of working with Swedes/Canadians in a multicultural environment. We asked about perceived differences between Swedes and Canadians in a few different aspects. We had a discussion about whether it was wise to define specific areas to include in the questionnaire, thinking that this might influence the respondents too much and perhaps cause us to miss interesting information in other areas. We realized, however, that we probably would get very little information from the respondents if we did not ask specific questions. Our conjecture was that the 'average' businessperson does not think about cross-cultural issues on a conscious level most of the time.

In designing the questionnaire, we included one question about differences regarding politeness and showing friendliness. This is an important, and very visible, part of any culture. This question was followed by questions about decision-making and team achievement versus individual achievement. These were areas in which we were expecting to find differences between Swedes and Canadians. One reason for this is that we had the impression that Swedish organizations generally are much less hierarchical than Canadian organizations, and that team achievement is encouraged more strongly among Swedes. In question number four, we asked if differences in any of these areas had ever been a source of frustration. We also included one general question about what had surprised the respondents the most about working with Swedes and Canadians respectively.

The questionnaire had two purposes. One was to select the companies to include in the next stage of our study and the other was to see if we were on the right track selecting areas of interest when it came to Swedes and Canadians in the business world. We sent the questionnaire to the contact persons on our list, which were usually the President or CEOs of companies. In eight cases the contact person was a Swede and in 20 cases s/he was a Canadian. Lars Henriksson of SCCC-CSBA sent a preparatory letter to all our respondents a couple of days in advance. The purpose of this was to increase our chances of getting replies.

A couple of days later we sent out our questionnaire with an introductory letter telling the respondents about ourselves and our study.

From 28 selected respondents we received ten replies. We recorded all replies and categorized them according to nationality to try to find any differences. The questionnaire was successful in the sense that it helped us select six companies to study further. Our aim was to find six companies from which we would interview two or three people (both Swedes and Canadians). The questionnaire gave us an idea of who seemed interested in a study of our kind and who had something to say about these issues. Apart from the replies to the questionnaire, geographic location was a factor in selecting the six companies. We were not able to travel far from Toronto to visit the companies and we wanted the in-depth interview to be carried out at the company face-to-face with the interviewee.

The questionnaire was less successful in helping us determine the areas to focus on in the interviews. The answers were very diverse and sometimes not very informative. The only area where we could actually see some kind of pattern of differences between Canadians and Swedes addressed team versus individual achievement. A majority of the Swedes as well as the Canadians replied that team achievement was more significant to Swedes than it was to Canadians.

## **7.2 The Second Questionnaire**

The solution to the problem of which areas to focus on came about through a conversation with a French researcher, Mr. Lionel Laroche, working as a cross-cultural communications consultant to companies in Canada, USA, Latin America and Europe. He had designed a questionnaire, based on the theories of Hofstede and Trompenaars, which would suit our purposes perfectly with some alterations. We decided on a collaboration.

The questions on this questionnaire were more detailed and designed to find hidden differences that were not obvious to the respondent (Appendix 7). To be able to use the questionnaire we would have to have a Swedish control group. This would mean an extra 'stage' in our study, but the great benefits would be that we would be able to focus on the differences between the interviewee and the control groups in the interviews. This would make the interviews more to the point and more focused.

We used a slightly shortened version of the questionnaire as a preliminary study for our in-depth interviews. The only area in which we found a significant difference between our Swedish and our Canadian control group was *planning risk tolerance* (Appendix 8). However, we found significant differences on several of the individual questions (Appendix 9). These questions and the area of planning risk tolerance served as background material when planning our interviews

## **7.3 Interviews**

One of our concerns at this stage was to actually get a hold of the selected respondents. They were all very busy business people and left phone calls to the voice mail service. Another concern was to convince them to take the time to participate in our study and to do the interview. We discussed several strategies. Among other things, we discussed exactly how to use the questionnaire in connection with the interview. We decided to send out the questionnaire before the interviews and ask the respondents to fill it out and return it at least a few days before our meeting because it would make the interview more brief and more to the

point. However, if they felt they did not have the time, we would do the interview anyway, filling out some answers during the interview and afterwards.

Each interview took about 45 minutes. However, some were longer and led to discussions about cross-cultural issues. The subject seemed to be something that interested most of the interviewees very much. The interviews were recorded and then transcribed. After the first couple of interviews the researchers went through them together to assess how they had gone and what we had found. This was done in order to learn effectively from each interviewing situation and to improve the ones that followed.

We asked questions concerning perceived cultural differences between Swedes and Canadians and we brought up the specific areas in which we had found differences between our Canadian and our Swedish control groups (Appendix 9 & 10). As we conducted the interviews, however, we did not find a pattern in the area of planning risk tolerance. This could be due to the fact that there were only two questions on the questionnaire (our version) on which the results of this dimension were based. Both these questions were of a fairly personal nature and the answers could have several other explanations.

An example to illustrate this: Question number 11 asked the respondent to put an *X* along a graded continuum from 1 to 10, 1 being *I plan my vacations well in advance* and ten being *I like spur-of-the-moment vacations*, the Canadian control group averaged 3.8 and the Swedish control group averaged 5.7. This would mean that Swedes are more tolerant of risk or uncertainty in this respect. However, several of our interviewees attributed these results to the fact that Swedes in general have significantly longer vacation than Canadians do and that Canadian employers expect their employees to treat work as a priority and have to take vacation whenever time allows. We do not consider these explanations to be related to risk tolerance. Due to above mentioned circumstances, we excluded planning risk tolerance from the areas we asked specifically about in our interviews, the ones where we had found great differences, even if the answers from the questionnaire at first indicated otherwise. In order to make the answers as specific and reliable as possible, we encouraged our interviewees to tell us about real-life situations in which they had experienced the impact of cultural differences between Swedes and Canadians.

We interviewed a total of sixteen people (Appendix 11), dividing the interviews between us. One interview with a key individual was conducted by the two of us together. Most of the people we interviewed had extensive experience of working with people of the other nationality. Some Swedes had spent thirty years in Canada. These individuals had valuable experience of cross-cultural issues outside of their current work place.

After reading and re-reading all interviews several times, several areas emerged that seemed to be of greater importance than others. Some of these areas were ones we had expected to be important (for instance teamwork and language). Others were new (for instance commitment). These six areas served as categories, that we analyzed by applying Hofstede's theory of the four dimensions and Hall's theory of context. The following six areas were selected: language; teamwork; relationship between subordinate and manager; decision-making; negotiation; and commitment.

We have presented the results using these categories as a basis for presenting the information gathered from our interviews. Quotations are used to stress certain points and to give the reader a sense of the attitudes of the interviewees by reading the precise words used by these



people. Each section is followed by an analysis of that same section. All this is done with the purpose of making our work easy to follow and to understand.

## **8. THEORIES APPLIED ON RESULTS**

As mentioned above, we applied Hofstede's theory of the four dimensions and Hall's theory of context on our results. Shuter (in Asante and Gudykunst 1989: 395) points out that Hofstede's research does not explicitly examine the role of cross-cultural communication. His four dimensions of national culture are psychological dimensions, and are therefore distanced from issues of language, nonverbal behavior and other communicative factors. While the dimensions influence communication, Hofstede's research did not examine how these dimensions affect message development, media selection and message reception. According to Shuter, there does not today exist any study on the order of Hofstede's analysis that examines the effect on communication. Thus there is a gap in the literature on how national culture affects communication across societies and between national cultures. Nevertheless, Shuter concludes, Hofstede's research does demonstrate how management style and personnel communication are a *reflection of national cultural values*, even if it does not go into details regarding cognitive aspects of communication, like message development, media selection and message reception. (ibid.)

There are a few important issues to point out when applying Hofstede's and Hall's theories to our results. These theories are, naturally, only one way of looking at the world, and we could have chosen three other theories on culture. The works by these three researchers are very frequently cited and keep appearing in the works we have studied on cross-cultural research. Hofstede's work does not stand uncriticized, but his dimensions are frequently used as a basis for other research. Also, the questionnaire designed by Laroche was based mainly on Hofstede's theory. This was another contributing reason for using Hofstede in our analysis.

It is also important to acknowledge that we do not claim to explain all human behavior and reactions as a consequence of national culture. One cannot completely understand communication between individuals just by studying their culture, as we stated above. It is very difficult to draw sharp dividing lines between an individual's personality and collective culture. Also, it is very hard to distinguish exceptional individuals from their cultural system (Hofstede, 1984).

It is also important to remember that Hofstede's indexes shows scores for the whole country. That is a weakness that needs to be mentioned. Canada is a country with large regional differences, and the cultural differences between the West coast and the East coast, may be considerable. In our case, studying the Greater Toronto area, it most probably means that the culture within that area is more 'Americanized' than other regions, like Quebec for example. This would increase the differences between Canada and Sweden in every dimension apart from uncertainty avoidance. By comparison, the US scores higher than Canada on power distance, individuality and masculinity, but slightly lower on uncertainty avoidance.

Finally, one has to keep in mind that the full range of one dimension is to be found within every culture. Hence, even if a national culture is considered to be individualistic, there will always be individuals with a collectivistic way of thinking, even if they are more scarce.

When applying Hofstede's dimensions on our results, the research of Laroche has been helpful, in particular in regards to the areas of teamwork and the relationship between manager and subordinate.

## 9. RESULTS AND ANALYSES

The results of the differences we have found in the six different areas will be presented separately below. We will start by accounting for what our Swedish interviewees said, followed by an account of the responses of our Canadian interviewees, concluding with an analysis of these results.

### 9.1 Language

The issue of language is perhaps the most obvious difference between cultures. Language is not merely about the words we choose to express our thoughts, but also about the way we structure and interpret our environment. Language is a helpful tool when communicating with people from different cultures. However, if we use a language without understanding the cultural implications, we will not communicate effectively, and we might even send the wrong message. Several issues concerning language were discussed in our interviews.

Language is used differently depending on the means of communication. There is a difference between spoken language and written language. Over the last decade, a third way of using language has emerged - e-mail, or computer language. None of the interviewees mentioned differences in written English versus spoken. They were not asked specifically about differences in the two. Both types were discussed in the interviews without a clear distinction.

#### 9.1.1 What the Swedes Say

In general, we found that Swedes do not see the difference in language as a great problem; there have been cases of misunderstanding, but nothing major. However, one Swedish manager, who has been working in Canada for a while, says that Swedes often overestimate their own ability when it comes to language. Because they speak and write English relatively well, they do not expect to run into difficulties due to language when dealing with Canadians.

Swedes are very direct in the way they use language. Native English speakers use more phrases to express politeness which are not as common in Swedish. Examples are *please*, *would you*, *could you* etc. This difference is mentioned by two of our interviewees. One Swedish manager says that he has been mistaken for being angry in his e-mails, when simply trying to be direct and to the point.

Swedes tend to use words and expressions that do not exist in the English language. These expressions are part of the "Swenglish" language and are often an English-sounding version of the Swedish word. These words or expressions might mean nothing to a native English speaker. Or, even worse, they might mean something completely different from what the Swede intended. One interviewee claimed that one has to know Swedish to understand much of what Swedes write in English.

There are some words and expressions that are often used in business which could easily be misunderstood. For example, two people told us that ASAP in Canada means *now now*, *right away* and to a Swede it often means *as soon as I get a chance*, *when I have a minute*. One Swedish interviewee told us that the expressions *to take a decision* and *to make a decision* often cause problems. These two expressions have slightly different meanings which Swedes often miss, using them interchangeably. *To take a decision* is the British expression and *to make a decision* is American. In Toronto, both are used. The British expression stresses the decision in itself and the right or authority to take a decision. The American expression stresses the individual components of the decision-making process. The most common

misunderstanding is that Swedes will use *take a decision* in situations with North Americans who use *make a decision*. A Swede might say to a Canadian that 'I will take a decision on that'. This, to many Canadians, means that he will take it from someone else. If s/he means that s/he is the one deciding, it is better to use 'I will make a decision on that' to avoid confusion.

Another language issue, which is brought up in the interviews, is the Swedes' extensive use of humming sounds. Swedes use several different humming words whose meaning is not clear to Canadians. This may cause misunderstandings.

A few Swedes express frustration over not being able to communicate as effectively and precisely as they would like. They feel this way even though they have spent several years in Canada, speaking English. They feel very aware of their limitations and were careful to observe the other person's facial expressions when communicating to see if the intended meaning had been communicated. This is an interesting observation given that one of these interviewees also says that most Swedes overestimate their abilities when it comes to language. The explanation to this could be that Swedes tend to overestimate their abilities during the first phase of living in an English-speaking environment. He says that, over time, the more one learns, the more aware one becomes of one's own limitations and the more frustrated one gets over them.

Several of the Swedish interviewees are positively surprised by the way they have been treated in business as new Canadians. They experience that they have been taken just as seriously as a native Canadian even though they have an accent. This sounds like a given, but they are surprised by this and do not think they would be treated as well if they were new Swedes in Sweden. They find that in Canada, not being a native speaker is not a handicap. Their own explanation for this is that there are many more immigrants in general in Canada and especially many more immigrants in high positions. In Canada, having an accent is considered normal and it is not viewed as a disadvantage. One Swede has the impression Canadians are much more tolerant in this way than Americans, for example.

### **9.1.2 What the Canadians Say**

One Canadian says that Swedes often misunderstand situations or what is being said in meetings. His experience is that Swedes act as if they understand everything and they do not ask questions, but then afterwards, when discussing the situation, it turns out they sometimes have misunderstood completely. He says it seems like they miss the relevant signals, which communicate the actual message, even if they understand the words that are being used. Another Canadian manager tells the story of when he was in a business meeting with a Swedish colleague. The other party was Canadian and they were discussing making a deal. When they were walking out of the room together the Swede said: 'Well, I guess we don't have a chance there' and the Canadian manager was shocked because the other party had just said he would sign the contract, perhaps not in so many words, but to him, the message was clear.

However, Canadians also find the difficulties due to language to be minor. They are used to being especially observant, and often repeat their message and confirm to make sure that what they are saying is clear and that their message has been received correctly. Many of the Canadian interviewees stress that Canadians always have the habit of clarifying anything that might be misunderstood (due to their multicultural society), and that most Swedes speak excellent English.

### 9.1.3 Analysis

There seem to be two major categories in which to place the interviewees when it comes to the language issue. One category denies there having been significant difficulties due to differences in language. Most have come across some minor misunderstandings when working with the other nationality, but they have never thought of language as a problem. Of all interviewees, seven Swedes and Canadians belong in this category.

They attribute the absence of problems to Swedes speaking English so well, business people often having an international background and employees being used to asking again if something is not clear and confirming that the intended message has been passed on. The absence of perceived problems is probably due in part to the fact that Canadians are so used to people having an accent or not speaking English fluently. Toronto is such a multicultural city in which many, and often most people do not have English as a native language. To them, it is not out of the ordinary to work with people who speak other languages. They are very positive about working with Swedes because they speak better English than most non-native speakers. People are more aware that there might be misunderstandings and are therefore more observant.

The other category, which also consists of both Canadians and Swedes, sees things differently. They have experienced several occasions on which Swedes and Canadians think they have understood each other, but later found out that this was not the case. They all blame this on the fact that Swedes do speak relatively good English and communication flows easily without many obstacles. Therefore neither party is prepared for misunderstandings and therefore is not observant enough. When two people speak the same language, it is easy to overlook the cultural differences and the values that determine how each person uses the language.

It is an interesting observation that both categories use the same argument to support their opinion - that Swedes speak English very well.

#### 9.1.3.1 Not Understanding or Misunderstanding?

When communication does not work the way it is intended, there are many possible explanations. Two of these are that the receiving party has not understood, or that the receiving party has misunderstood. The difference between the two is crucial to define. When a person does not understand the intended message, s/he is aware that s/he has not understood. The person is then able to ask again or at least recognize the fact that the intended message has not been received. On the other hand, when a message is misunderstood, the receiving party is under the impression that the message has been transmitted correctly. S/he is unaware that his/her interpretation does not match the intended message. The latter case is more likely to cause serious problems than the former. If these misunderstandings do not come up and are not corrected, they can lead to negative consequences in the business relationship.

#### 9.1.3.2 Language and Thought

The reason language can cause such great misunderstandings is its enormous effect on our way of thinking. As mentioned above, language is not just a superficial difference between cultures that determines if we say *please*, *s'il vous plaît* or *por favor*. Language is much more than vocabulary and grammar. Studies have shown that language to a great extent determines our culture and shapes our thinking, beliefs and attitudes (Chen and Starosta 1998: 70-71).

“Each time we select words, form sentences, and send a message, either oral or written, we also make cultural choices” (Beamer and Varner 2001: 32).

Benjamin Lee Whorf’s research in the mid 1950s showed that people’s cultural background can be recognized quite easily by the language they use. He said that language is not just a medium for expression of our thoughts, feelings and opinions. “...Man’s very perception of the world about him is programmed by the language he speaks, just as a computer is programmed” (Hall 1966: 2). He says that we register and structure external reality in terms of this program. Since different languages often program the same parts of external reality quite differently, “...no belief or philosophical system should be considered apart from language” (ibid.).

Whorf also said that we are never totally aware of our own culture, and cannot completely control our language or the way we express ourselves. This can be a major reason why communication problems often occur in a multicultural environment. (Chen and Starosta 1998: 71)

When communicating in a language other than one’s native language, the impact language has on thought can lead to confusion. “... People’s value systems ... play a substantial role in the way they use not only their first language(s) but also subsequently acquired ones” (Clyne 1994: 1). Even more important, since every culture has its own unique vocabulary and grammar, “...no cultural reality can ever be fully explained by members of one culture to those of another” (Chen and Starosta 1998: 71).

### **9.1.3.3 Context**

One reason Swedes have a more direct way of expressing themselves can be found in the fact that Sweden is a lower *context* culture than Canada (Laroche 2002). This means that Swedes in general express their intentions more explicitly and do not place as much emphasis on surrounding circumstances. This makes them less inclined to use expressions of politeness for the mere reason of ‘decorating’ their language. Their attitude is that if they explicitly say what they mean, people will have an easier time understanding the intended message.

### **9.1.3.4 Information Problems or Communication Problems?**

We have detected two types of problems due to language: information problems and communication problems. The difference between the two can be found in the way they are best solved.

In cases where the usage of words or expressions is not clear or varies between different cultures (e.g. *ASAP*, *make/take a decision* etc.) the problem is one of information. These cases can therefore be solved by means of information. Standardizing the meanings of these words and expressions within the organization is a relatively uncomplicated solution that will work well in most cases. Also simple things like how dates are written in Canada (6/3/02 means June 3rd, 2002 in Canada while the same date would be written 02-06-03 in Sweden) and what units of measurement are used, in engineering for example, needs to be worked out from the beginning and made clear to both parties. In these cases, Swedes may need to adapt to the Canadian way even if the workplace happens to be predominantly Swedish. This will facilitate contact with people and companies outside the organization, and will also prepare Swedes for bringing in more Canadians as the business grows (and as Swedes go back to Sweden).

In cases where the issue is not the literal meaning of a frequently used word or expression, but rather the difference in the values we relate to the words we use, the problem is one of communication. The key in these cases is awareness. Awareness of one's own language and related cultural values, awareness of the other party's culture and language, and above all, awareness of the differences between the two is indispensable. When recognizing the limitations of one language compared to another we are on the right track toward mutual understanding.

## **9.2 Decision-making**

Decision-making is obviously a very important part of doing business and working together in an organization. To be able to communicate with people from other cultures in a decision-making context, we need to understand the beliefs, attitudes and values involved. Beamer and Varner point out that "...the rules governing decision making differ and are culturally based" (Beamer and Varner 2001: 230). This can serve as an explanation of why we sometimes think the other party is acting irrationally or why communication fails in this respect. Understanding the rules governing decision-making is crucial in order to avoid undue frustration and misunderstandings. In our interviews, several different aspects of decision-making were discussed. We found differences between the two countries in the way decisions are made and in whom they are made by.

### **9.2.1 What the Swedes say**

Several Swedes point out that decision-making power is concentrated at a higher level of the organization in Canada. Managers make most decisions and decision-making power is very restricted for subordinates. The Canadian manager is expected to make decisions that normally would be made by a subordinate at a lower level of the organization in Sweden.

One Swede gives an example where the down side of this difference becomes very clear. He was at his bank in Canada with an errand concerning his account. He went to talk to his personal banker, but that person could not help him because all he was allowed to do was follow the guidelines in the form in front of him. When filling out the form, if one box is not applicable to the specific client, they cannot process the form and therefore cannot make a decision. They have no authority to do anything that is not completely covered by their guidelines, which is to say they have very little authority. This Swede finds it very difficult to do business when dealing with persons who cannot make decisions in the absence of this sort of structure. In contrast, he mentions that he has called his banker in Sweden, who hardly knows who he is, and had that person transfer money to his account in Canada. "If I tried to do the same thing in Canada, they would think that I'm crazy!"

Several Swedes also say that decisions made in a Canadian company are less likely to be questioned later. This is because the decisions are made by a manager and subordinates are less inclined to question the decisions made by their managers than they are in Sweden. In Canada, what the manager says, goes. One Swedish manager says that he, as a boss, is expected to say: 'this is it, I've heard everyone, but this is my decision'. Another Swedish manager thinks this makes it easier for him as a manager, "...because my employees will accept that I make a decision on my own more than they would in Sweden."

Swedish decision-making is more commonly perceived as more consensus<sup>1</sup> oriented. One Swedish manager says that Swedes place emphasis on *how* the decision is made, they care

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<sup>1</sup> Consensus – collective opinion: a judgement arrived at by most of those concerned. *Webster's Third New International Dictionary*.

about the process. “If B is the end result, you still care about how you get from A to B.” Building consensus is considered the best way to make a decision. In Canada, he says, it is more result oriented. Emphasis is placed on what the result will be, how this result is achieved is of minor importance. The Canadian manager would say: ‘I have decided that this is the way we are going to do it, you just make sure we have the result we want.’ This also shows the exclusive authority of a manager to make decisions and that s/he does not expect his/her decisions to be questioned.

Another Swedish manager says he can understand if Canadians think Swedes are difficult when it comes to decision-making. He says that decisions are usually made quicker in Canada. Swedes tend to analyze more before making a decision. This often makes Canadians very frustrated. Decisions that could be made quickly in their opinion and which sometimes are very urgent and crucial are put on hold. He attributes this to Swedes analyzing more and looking for consensus. He has also experienced that Swedes tend to procrastinate when they have difficult decisions to make. He finds them less willing to face uncomfortable or compromising situations.

Other Swedes have experienced frustration when dealing with other companies and institutions in Canada. They find it difficult knowing who is the right person to talk to in order to get a decision from them. When they do find out who makes the decisions in an organization, it is very difficult to get through to that person. One Swede says that if you call a Swedish company and reach the switchboard, that person will definitely connect the call to the person requested, and that person will probably answer. If s/he is not available, the person at the switchboard will be able to give you some information. In Canada, the person at the switchboard will most likely not be able to give you any information, and unless s/he is specifically instructed to let a phone call through, s/he will not let it through.

### **9.2.2 What the Canadians say**

Decision-making is also mentioned by the Canadians to be one of the areas in which differences between Swedes and Canadians are most obvious. Most Canadians find Swedes to be more community oriented when it comes to decision-making. This is sometimes mentioned as a strength (for example that goals are commonly set), but in most cases it is mentioned as a source of frustration. Several Canadians do not think that Swedish organizations lend themselves to quick decision-making.

One Canadian gives the example of participating in a development group that meets in Stockholm a couple of times every year. People from all over the world come to participate. When the group comes together, they brainstorm, make a few decisions and then everybody goes back to their countries. At the next meeting, nothing has changed; no decisions have been made by the head office. In Canada, according to this Canadian employee, there would be fewer meetings. They would start off by gathering all the information and opinions, but then someone or a few people would be in charge and make the decisions. He thinks the Canadian way is better: “We are more efficient. We have controlled democracy, we involve people in decision-making, but someone is responsible.”

One complaint from our Canadian interviewees about the way Swedes make decisions that it is slow and inefficient. One Canadian mentions situations where he has been in meetings in Sweden where there are 15 people trying to make a decision. “It goes on forever, everybody saying their little thing. There is probably a point where teamwork is finished, and it is time to

make the decisions.” Another Canadian says he finds Swedes frustrating because they always want to build a consensus before deciding on something.

One Canadian, when discussing why Swedes find it so difficult to get a decision from a Canadian organization, replies, clearly surprised: “What they don’t understand is that the people they contact or the people that they talk to are nobodies. They always talk to the wrong person!” However, another Canadian recognizes the problem Swedes face when dealing with a Canadian organization. He says it takes much longer for decisions to be made in Canada, because there is always a higher level that has to approve everything.

Another Canadian gives the down side to decisions being made high up in the hierarchy. He says that those who do not belong to the highest, decision-making level have difficulty getting the big picture of what is going on in the company. Only those directly involved in the decision-making process are provided with relevant information. Not even the senior employees know exactly what the senior management is after. “They are always holding back cards and always holding back information, even from the key employees and their financial officers. It is always really hard if you work in North America to have the full picture of the puzzle when you’re conducting your job.” In organizations where more people at different levels are included in the decision-making process, knowledge of what is going on is more widely spread.

One Canadian also points out the difference between process oriented and result oriented decisions. The latter is much more frequent in Canada. This is probably the reason why he finds that when top Swedish managers make decisions, they are clear what their reasons are and can give valid arguments for their decision. He continues: “In North America sometimes we just make that decision and then if you don’t like it, then too bad. You don’t explain why, it’s none of your business.”

### **9.2.3 Analysis**

Swedes are generally viewed by our interviewees as being more consensus oriented when making decisions. Decisions are often made at a higher level of the organization in Canada than they are in Sweden, where the power to make a certain decision is placed at a lower level of the organization. Consequently, a subordinate in Canada generally has less decision-making power than a subordinate in the equivalent position in a Swedish organization. To explain this difference, the dimensions *individuality*, *power distance* and, to some extent, *masculinity and femininity* can be applied.

#### **9.2.3.1 Individualism vs Collectivism**

A partial explanation for the interviewees’ perception that Swedes are more consensus oriented when it comes to making decisions can be found in the dimension Hofstede calls *individualism*. According to his individuality index, Canada is a more individualistic country than Sweden. They are both in the individualistic range of the scale, but Canada scores slightly higher (number 4 out of 53 compared to Sweden’s number 10 out of 53) (Hofstede 1997: 53).

Both Swedes and Canadians view themselves more as individuals than as members of a group. Since Swedes do this to a somewhat lesser extent than Canadians, this can explain why they are more consensus oriented in decision-making. They find it easier to identify with the group and therefore to work together to come to a decision.



### 9.2.3.2 Power Distance

Another reason why Swedes are more consensus oriented when making decisions can be the difference between the two countries in the dimension Hofstede calls *power distance*. His studies have shown that Sweden is one of the least hierarchical countries. Sweden is number 47 of 53 countries in terms of hierarchy. Canada is considered a moderately hierarchical country and is placed at number 39 out of 53. (Hofstede 1997: 26). The difference is not great, but could help explain the different attitudes toward decision-making.

In countries that score high on the power distance scale, power is concentrated at the top of the organization and that is where all the decisions are made (Hofstede 1997: 35). Subordinates accept the fact that there is a significant psychological distance between them and their managers. The attitude held is that the opinions of those higher up in the hierarchy are more valid because of the fact that they are higher up in the hierarchy.

In a lower power distance country, where this distance is smaller, “subordinates expect to be consulted before a decision is made which affects their work” (36). Also, in lower power distance countries, equality is viewed as an ideal and inequality in the work place is avoided. The emphasis on the equal value of every individual and his/her opinion explains the view that a decision should be made through consensus where no one individual’s opinion dominates.

Both Sweden and Canada are fairly low power distance countries, but the smaller power distance in Sweden partly explains the consensus-building attitude toward decision-making. Certainly, even in Swedish organizations, the manager has the final say and makes the final decisions, but s/he is in general more concerned about what his/her subordinates have to say and s/he does not like making a decision that is not agreed upon by everyone.

Both Swedes and Canadians say that decisions are not only made in different ways in the two countries, they are also made by different people at different levels of the organizations. In Canada, decision-making takes place near or at the top of the organization while in Sweden, people at different levels are freer to make their own decisions. This can be explained by the difference in power distance between the two countries. In Sweden the distance between the employee and his/her manager is smaller than in Canada, therefore the distinction in decision-making power is not as great.

The difference in our attitudes toward hierarchy can also explain why Swedes find it difficult to navigate in a Canadian organization. This is because Swedes do not see the hierarchical structure of the Canadian company the way Canadians see it. We all have a tendency to project the structure that we are used to from our own culture upon events, objects and situations that are new to us. The organization therefore looks very different from the outside to a Swede. This can be a reason why Swedes tend to talk to the ‘wrong’ person in the organization. They become frustrated because they cannot seem to get a decision, when in fact, the person they are talking to does not have the authority to make the kind of decision they are looking for.

### 9.2.3.3 Masculinity vs Femininity

To some extent the difference between the way Swedes and Canadians make decisions can also be explained by the significant difference between the two countries in the dimension Hofstede calls *masculinity versus femininity*. Sweden is one of the most ‘feminine’ countries in the world, number one among the countries included in Hofstede’s study. Canada is

number 24 out of 53 (Hofstede 1997: 84). This means that Swedes are more relationship oriented and concerned to involve everyone in an activity, in this case decision-making. People in a more masculine culture, like Canada, tend to be more assertive and therefore less hesitant to make a decision on their own, without consulting others.

### **9.3 Relationship between Subordinate and Manager**

How we relate to authorities as subordinates and what management style we prefer is a very important issue in the workplace. Culture influences how we relate to, and communicate with, authority and subordinates. Being a good manager and a good subordinate, therefore require different behaviors in different cultures.

#### **9.3.1 What the Swedes Say**

Most of the Swedes point out that the Canadian management style is different from the Swedish management style. More than one Swede uses the expression 'In Canada, the boss is the boss'. A number of Swedes claim that there is a greater distance between the CEO and the subordinates in a company with a Canadian CEO compared to company with a Swedish CEO. One Swede says: "Anyone in a Swedish subsidiary notices that the door to the highest boss is open, you can just walk straight in. You can't do that in any Canadian company."

Several Swedes point out that Canadian employees generally show more respect for their manager than employees normally do in Sweden. What the manager says, goes. The decisions made by a manager do not get questioned by the subordinates in Canada to the same extent as they might be in Sweden. One Swedish manager says that one of the challenges of being a manager in Canada is to make one's employees realize that negative feedback towards the boss is accepted as well as positive feedback.

The explanation given by the Swedish interviewees to the more 'cautious' Canadian attitude is that job security is not as extensive in Canada as in Sweden; it is easier to be fired if you are considered to be a 'difficult' person. The social security net is not as extensive in Canada, which makes people watch their employment carefully.

A couple of Swedish interviewees state that Canadians are not as willing to spontaneously take on responsibilities that are not explicit in the job description. A Swedish manager says: "[As a Canadian employee], you have your duties, and you perform those duties. You are not directly encouraged by the Canadian culture to go beyond your responsibilities. You don't define them yourself."

Another aspect of the relationship between manager and subordinate is that Canadians to a greater extent than Swedes expect to be told more explicitly and more in detail what to do to solve a specific problem. Several Swedish managers have this impression. Canadians are not as willing to take their own initiatives and to think as freely as employees do in Sweden, according to several of the interviewees. This is in some cases a source of frustration. The Swedish managers expect things to be done without explicit instructions and the Canadian subordinates expect to be given specific instructions before acting. One Swedish manager mentions that a 'general' experience he has from working with Canadians is that when he asks his subordinates to get back to him on how to solve a particular problem, they nod and seem to have taken it all in, but then nothing happens. Another former middle manager puts it this way: "The Canadian behavior really requires a lot from the middle manager. You really have to promote people thinking for themselves."

One Swedish manager gives an example of a situation he regards as ‘typical’ in the interaction between a Swedish manager and a Canadian subordinate. “I was in a situation with a Canadian employee, where he came up and asked me what to do to solve a specific problem. I told him that ‘I pay you to figure out what to do’. He was completely speechless. Later he told me that he had gone straight to phone a friend to tell him about his impossible Swedish boss.”

Another example is given to us by the Swedish CEO of a company. At his office, it was necessary to create a routine for how to take care of visitors. Since he knew that his receptionist was the person most capable of doing this – she was usually the one to take care of visitors – he suggested that she make up a routine. He would then look at her suggestion. However, when he told the receptionist to do this, she was very reluctant, and seemed to get both defensive and nervous when he insisted that she should do it without consulting him. He had to be very persistent about her doing it on her own, in the way she thought the best. The receptionist dwelled on the task for a couple of days until she finally burst into his office and started yelling at him. She told him that he was a terrible boss to put her under such pressure. When she was done, she looked at him and said “You are firing me now, aren’t you?” To fire her for speaking her mind had not even crossed his mind. Nor was he aware of what a stressful situation he had put her in.

The advice from our Swedish interviewees to other Swedes, who will find themselves in management positions in Canada, is to learn about North American leadership style. “Do not expect things to be done the way they are in Sweden”, says one Swedish manager in reference to the role of the manager in Canada. All Swedes who expressed an opinion on the matter, say that it is more important, in the beginning of the working relationship, to adjust to the more authoritative Canadian/North American leadership style, rather than trying to change their subordinates’ attitudes in an instant. The advice provided is to be more assertive than a traditional Swedish manager, to be more explicit in showing ‘who is the boss’. If one is not assertive enough as a manager, one runs the risk of not being taken seriously by the subordinates. That is the message from several of our Swedish managers. “The manager should be authoritative until he knows his staff and he knows he can delegate accordingly”, says one Swedish manager.

Another piece of advice given by one of our Swedish interviewees is to explain very explicitly to the subordinates what expectations one has of the working relationship when it comes to delegation, decision-making, etc. If you want your employees to come up with their own solutions to a problem, be very explicit about that, says one Swedish manager. Several Swedish managers state that they believe Canadians actually appreciate the Swedish leadership style that gives them more freedom, once they get used to it.

### **9.3.2 What the Canadians Say**

A few opinions on the differences in the role of the manager are brought up by our Canadian interviewees. One Canadian visiting the Swedish mother company in Stockholm, was amazed: “There I was, in the office on a Saturday morning, and the boss was making coffee. I had never seen anything like it!”

One Canadian interviewee expresses frustration that the employees are not given enough feedback and instructions on how to go about specific tasks. “We’re used to someone telling us what to do. He [the Swedish manager] is used to people solving things on their own. That is where you get the confusion. Slowly we are learning that he is not going to do that for us.” The same person pointed out that when you choose the ‘Swedish’ way of organizing a

company (a less hierarchical structure with fewer levels), there are significant consequences. Since there are fewer levels, there are also fewer managers, with a wider span of control. These managers need very good communication skills to meet the needs of the employees.

Several Canadians point out that Canadian managers generally are more assertive and aggressive than Swedish managers. One Canadian had the impression that in Sweden, the person considered best suited for the job as president is the person whom everybody gets along with. "In Canada", he said, "who ever is bringing in the money is the president!"

### **9.3.3 Analysis**

What our interviewees say, in summary, is that there is a greater formal respect and distance between manager and employee in Canada, and that the manager is expected to make decisions that normally would have been made at a lower level in Sweden. Also, there seems to be a greater need for instructing one's employees in Canada, and encouraging them to think freely and find their own solutions to problems. In Canada, the boss is expected to act like a boss in the literal sense. This is something that our interviewees, in particular our Swedish interviewees, perceive as differing from the situation in Sweden.

#### **9.3.3.1 Power Distance**

Hofstede's dimension of *power distance* is useful in understanding people's behavior in role relationships, particularly those involving different degrees of power (Gudykunst 1997). The dimension power distance is very closely connected to how subordinates relate to their managers. The questions that composed the dimension are related to how often subordinates are afraid to express disagreement with their managers, how they perceive their managers' decision-making style and, further, their preference for their managers' decision-making style (Hofstede 1997: 27).

According to Hofstede's study, Sweden is one of the countries in the study with the least power distance. Sweden is number 47 out of 53. Canada shows a larger power distance score, being positioned at 39 out of 53. The closer to the top, the greater power distance. The greater power distance, the more inequality is expected and accepted within a national culture. The difference in power distance between Sweden and Canada may not be enormous, and power distance in Canadian culture might be considered very low to a person from a high power distance culture, like Mexico or India. But nevertheless, small differences can be highly important. From the perspective of our Swedish and Canadian interviewees, therefore, there seems to be a perception of a difference in power distance between the two countries, even if the difference in scores is not dramatic. A Swede who goes on an expatriate assignment to Canada should be aware of the greater power distance in Canada, particularly if s/he is in a management position.

The concept of power distance has an impact on cross-cultural subordinate – manager relationship. In countries with very little power distance, like Sweden, the cultural norm is that inequalities between different levels of power should be minimized. The ideal boss is a resourceful democrat who consults his subordinates and gives a lot of freedom to the subordinates to solve a task the way they consider best. Subordinates expect and are expected to handle responsibilities by themselves, without detailed instructions. The manager delegates responsibilities rather than tasks. Furthermore, employees at a low level of the organization may initiate projects (Laroche 2002). As power distance increases, the hierarchical structure where people know their place and the 'limit' of their role becomes more formalized. With increasing power distance also follows an increasing expectation, and even a demand, that the

manager give directions and tell the subordinates what to do. Subordinates expect their manager to have answers to most of their questions on how to go about a specific task (Laroche 2002). That is because the opinions of persons positioned higher up in the organization are considered to be more valid than the ones of the subordinates. This is the situation that many Swedish managers state they have experienced in Canada.

The example of the receptionist and the Swedish manager illustrates two very important issues when a manager from a low power distance country deals with a subordinate from a culture with higher power distance. The first issue is the great respect the receptionist felt for her manager. When she went to his office to speak her mind, she was actually prepared for her actions leading to her being fired. Coming from a culture with higher power distance than her manager, she expected that a disagreement with her manager would not be tolerated. The manager, coming from a culture with very low power distance, did not even consider letting her go because of a disagreement.

The second issue is that she did not feel free to make her own suggestion without consulting her manager – even if she obviously was competent enough to make a suggestion. To her, the opinions of her manager were more valid than her own, even if the task was within her area of competence. In her mind, her manager actually already knew how he wanted the routine, he was just not willing to tell her. His response generated a high level of stress, since she now felt that her job was to *guess* what kind of solution he had in mind. If she came up with the wrong answer, she expected to suffer humiliation in front of her manager (Laroche 2002).

Cross-cultural issues between manager and subordinate are often translated into a questioning of the competence of others (Laroche 2002). Consequently, Canadians who regularly go to their Swedish manager to get advice may be considered less competent by the Swede. Similarly, a Swedish manager who fails to meet the expectations - for example by continuously telling the Canadian subordinates to find their own solutions to their problems - might not only create confusion and stress among the subordinates but may run the risk of being regarded as incompetent. The Canadian subordinates eventually start to wonder whether their Swedish manager actually has the answers to their questions. If not, how come s/he got promoted to manager? From the Swedish manager's point of view, it is obvious that s/he *could* find out the answer if s/he wanted, but it is not a good use of precious managerial time to get into such detail. S/he trusts the competence of the subordinates.

## **9.4 Teamwork**

Working in teams is normally a challenge even when all persons are from the same culture. The challenge grows significantly when team members are from different cultures. A multi-cultural team, at its best, is very effective and creates new ways of approaching and solving problems. But if cultural differences are not understood and resolved, the result might be frustration and a low level of effectiveness.

### **9.4.1 What the Swedes Say**

According to most of our Swedish interviewees, teamwork in the workplace is more common in Sweden than in Canada. Two Swedes point out that even if teamwork is officially promoted in both countries, the concept of teamwork seems to be more deeply rooted in the Swedish culture. Several Swedes express the opinion that in Canada, one normally does not collaborate within a work group to the same extent as one does in Sweden. People do not support each other in Canada to the extent that they do in Sweden, says one Swede. "There just isn't the same team feeling."

Some of our Swedish interviewees relate the greater predominance of teamwork in Sweden to the fact that Canadian society in general is more individualistic than Swedish society. Several Swedes explain that Canadian society is so much more diverse than Swedish society, which creates a breeding ground for individualism. Furthermore, they think that Swedish society, with heavy income taxes and a high degree of social security does not really promote individual achievement but rather promotes teamwork. One Swede states that Canadians are more hesitant about sharing information, because if everyone else knows what they know, they might be considered redundant and lose their job.

The higher degree of individualism seems to be reflected at many levels in Canadian society. One Swede says: “In Canada, you want to be an individual. You move through life as an individual, not as a team. It is different in Sweden.”

Teamwork in the workplace is sometimes performed in quite different ways in Sweden and in Canada, according to several of our interviewees. Many of them claim that in Canada, individuality still remains the most important thing, even when working in teams. In a Canadian group, according to one Swede, “someone always tries to shine”. Within the team, people divide the tasks very clearly, and people promote their own individual ideas. Two of our interviewees point out that mutual, unprejudiced brainstorming is very rare in Canada. One Swede puts it this way: “If there’s a team, people just wander off and do their own thing”. The individuals within a team in Canada have a stronger urge to show what they have accomplished as individuals, according to yet another Swede. According to the same person, it is different in Sweden, where the achievement of the group is more important than the achievement of the individuals working within that group.

Several Swedes point out that Swedish work groups generally are a lot more homogeneous than an average work group in Canada, and that makes teamwork significantly easier and more predictable in Sweden. One Swedish manager points out the difficulties in creating incentives for teamwork in Canada. According to him, teamwork in Canada works fine as long as one gets a team where everybody pulls the same weight. As soon as one discovers that somebody is pulling more weight than others, that person definitely wants to be rewarded individually. And then the team falls apart to some extent. The same thing does not happen in Sweden, claims this interviewee. This is because Swedish groups generally are a lot more homogeneous, and everybody more or less adapts to the group. A mistake people often make, in Sweden as well as in Canada, according to this interviewee, is that they are too focused on the result and not on the process when putting together a team. A Canadian manager selects the individuals for a team whom s/he thinks is the most competent, and tends to overlook the question whether the persons work well together or not. A Swedish manager does not give a lot of thought to the composition of the team either, according to the same person, but since Swedes to a higher degree adapt to the team, it does not become an issue to the same extent.

One Swede points out the dangers of entering a teamwork situation with the Swedish preconception of teamwork. According to him, one does not generally give as much credit to other people in the team as one might do in Sweden. Swedes might make the mistake of entering a team without promoting themselves to the same extent as a Canadian would. In that sense, Swedes can be a little naïve, carrying a heavy burden in the team but then giving the credit to the other team members or to the project leader. That kind of humility might be well regarded in Sweden, but it will not have the same pay-off in Canada. “It won’t happen the other way round”, he says. One Swede points out that the concept of teamwork is very much a

matter of definitions: “Everybody wants to claim that they are good team players, but are they really? It’s all a matter of who decides what teamwork is.”

#### **9.4.2 What the Canadians Say**

All our Canadian interviewees in some way state that they find Swedish business and working culture more team driven and consensus oriented than what is common in Canada. A Canadian working for a small Swedish subsidiary points out that his current working environment is more team driven than he has experienced anywhere else. Two Canadians mention that teamwork has been slow to come to Canada, and that it is a fairly recent phenomenon, at least in larger corporations. Some of our Canadian interviewees seem to appreciate the more team driven approach. “Cross-fertilization causes more creative things to happen”, says one Canadian. Other Canadians express frustration with the more team driven approach, in particular when it comes to decision-making (see section on decision-making). One Canadian says that the individual performance of members in a team is very important in Canada: “You need to be a strong individual to be able to add value to the team.”

Several Canadians give examples of how they perceive the differences in teamwork between Sweden and Canada. One looks back to the time when there used to be Swedish managers everywhere in his organization, which is not the case today. According to this person, the people who used to work for a Swedish manager generally showed more of a ‘team spirit’. Today, when there are no Swedish managers, there seems to be a more individualistic approach when working within groups, a lower degree of affiliation and less willingness to cross borders. According to this interviewee, it is sometimes hard to make Canadians work together as a team, since they are not willing to share their ideas. The opinion of this interviewee is that as soon as they walk out the door, they stop being team members. “It is hard to get people to brainstorm. People are checking out their brains at the door. People are not trained to brainstorm here. I guess that we have very much been part of a structure where you come in through the door and do what you have been told.”

One Canadian describes a situation at the head office in Stockholm that he perceived to be very different from what he was used to in Canada. There was a presentation being given by an expert. The expert himself was in the computer architecture field and did not have the answers to all the questions he received. Therefore, he referred to other people in the room, people from the sales field or someone from the accounting side of the business. Everybody stepped in, quite willingly. “I saw people thinking on their feet more.” That is not encouraged to the same degree in a large corporation in Canada. According to him, there are fewer borders and more communal information in Swedish than in Canadian corporations. He likes that approach but at the same time states that other Canadians might find it difficult to adjust to the more communal spirit. According to him, it is important for Canadians to be given credit for what they have accomplished as individuals.

#### **9.4.3 Analysis**

What our interviewees say about teamwork, in summary, is that it works quite differently in Canada and Sweden. Teamwork is more common in Swedish corporations; furthermore, teamwork seems to be performed in different ways. In Sweden, the performance of the team is more important than the performance of the individuals within the team. There are fewer borders and more collaboration within the team. The division of tasks and responsibilities is not as clear. Team members are expected to support each other and step in for each other when needed to a higher degree in Sweden than in Canada.

One Swede points out a very important aspect when it comes to teamwork: that there is no clear definition of what a 'good' team player is. Everybody wants to be considered a good team player. There are, however, somewhat different criteria for how one should perform in the two countries to be considered a good team member. Also, Swedish and Canadian team members are likely to have different expectations for how the team will be managed. Just like in the situation of the manager – subordinate relationship, cross-cultural issues very readily are interpreted into issues of competence and 'being a good/bad team player' (Laroche 2002).

The two of Hofstede's dimensions that have received the most attention in organizational literature and are the most likely to influence teamwork are *power distance* and *individualism* (Gibson 2001).

#### **9.4.3.1 Power Distance**

Let us start by looking at how the concept of power distance affects teamwork. Power distance is less in Sweden than in Canada and organizations are generally less hierarchical. That, in itself, is probably a contributor to the fact that teamwork is more common in Sweden than in Canada. The less the power distance, the more decentralization of power, and as a consequence, the greater the amount of teamwork. In less hierarchical countries - or participative countries - like Sweden, employees at a lower level in an organization can initiate projects. Furthermore, the team may include members from different levels in the organization. Teams normally have a certain power to make decisions and they do not necessarily have to have an appointed leader. This is a reflection of the smaller power distance. In mildly hierarchical countries, such as Canada, people may have the possibility to volunteer and select their teams and projects, however, teams are seldom initiated from someone at a low level of the organization. It is important that someone, eventually, is in charge of the team. Power distance influences people's expectations about roles in teams. The more power distance, the more team members want clear information about hierarchical role relationships (Laroche 2002).

What is likely to happen in connection with power distance in situations which mix Swedes and Canadians in a team, is the following: Swedes may not understand why Canadians think it is so important to know who is in charge of the team and the decision-making. Likewise, Canadians may think that Swedes do not show enough respect for management and authority, and that the structure of the team and the roles within the team are not clear enough.

#### **9.4.3.2 Individualism vs Collectivism**

Hofstede's dimension of individualism may also be used to explain the differences in teamwork between Canadians and Swedes. Both Canada and Sweden are considered to be individualistic countries; however, Canada is higher on the scale, being one of the most individualistic countries in the world. When it comes to teamwork, Canada seems to be significantly more individualistic than Sweden.

In very individualistic countries, such as Canada, people are expected to be independent and are not encouraged to rely on others. Group membership is viewed as task-specific (Gibson 2001). Responsibilities should not be shared. In this view, a responsibility that belongs to everyone belongs to nobody – nothing gets done when a responsibility is shared (Laroche 2002). Therefore, one of the most important things when it comes to teamwork is to define the responsibilities within the team; the boundaries within the team are formalized. One is not supposed to interfere with other group members' responsibilities, since that might actually be seen as a way of diminishing the other person's competence. Hence, you are not supposed to



'cover up' for your team mates either (Laroche 2002). The people in the group still stand as individuals, with responsibility for their own achievements, accomplishments and failures. Therefore, the achievement of the individuals within the team is more important than the achievement of the group. The team functions at its best when people concentrate on their own responsibilities. Whether one is considered a 'good' team member or not depends on what one's achievements are in the group and how much value one adds to the group in terms of achievement.

Swedish teams seem to act in a more community oriented way. Group membership is more integrated into a person's working life. The achievement of the team as a unit is more important than the achievement of the individuals within the team. Responsibilities belong to the group more than to the individuals. Therefore, the whole team is to a higher degree responsible for the achievements and the failures within the team. Trying to promote oneself exclusively is not recommended if one want to be considered a 'good team member'. Even if team members have general areas of expertise, the boundaries are not as clearly defined and team members are supposed to support each other. Team members from less individualistic cultures share more information with the other team members than members from a very individualistic culture do (Laroche 2002).

When a team consists of both very individualistic members, such as Canadians, and less individualistic members, such as Swedes, it is not surprising that the issues mentioned by our Swedish interviewees appear. Swedes tend to think that Canadians do not 'participate' in the team in the way they should and that they do not share their information and ideas to the extent they should. Canadians may find Swedes not assertive enough.

## **9.5 Commitment?**

Commitments are made every day in every culture. The ways in which they are made and their reasons for being made may vary between cultures, as well as the signs and signals to communicate that a commitment has been made. This often contributes to misunderstandings when commitments are made between people or companies from different countries. In the business world, knowing who your allies are and having reliable business relationships with others is important in order to operate a business.

### **9.5.1 What the Swedes Say**

Swedes say they often have trouble in Canada knowing whether a deal has been made or not. All our interviewees agree that there is a difference between the two cultures in this respect. In Sweden, a verbal agreement and a written agreement have very similar value. When a Swede says s/he will do something, s/he will do it. The expression 'Let's do business!' means just that to a Swede, but for a Canadian it might just be a polite way of ending a conversation. This goes for social events as well. The North American way of expressing friendliness and being polite has caused many Swedes frustration. In Canada, expressions such as 'We should do lunch' or 'We should go golfing' are ways of ending a conversation on a friendly note, and often means little more than 'See you around'. If a Swede takes this as a seriously intended offer and a commitment to meet later, s/he might become very frustrated that nothing comes out of it and perceive the North American as rude or shallow. From the Canadian's perspective, a Swede who does not use these phrases of politeness and perhaps ends a conversation with a simple 'Good-bye' will most likely be perceived as very abrupt and even unfriendly.

One Swede illustrates how we interpret expressions differently: When calling the office of a Canadian businessperson, one is likely to reach their voice mail. The message says that they will call you back if you leave your name and number. But they very rarely actually return the call. The Swedish interviewee's impression is that other Swedes often take this personally and assume there is a specific reason for the Canadian not returning the call and therefore become very frustrated. According to our interviewee, this does not mean anything and is expected by Canadians. The way to handle it is to pick up the phone and call again. Swedes tend to focus on the exact, literal meaning, says another Swedish manager.

Another example comes from yet another Swede. He says he once encountered representatives from a Swedish company who told him that at a show they met representatives from two other companies who said they wanted to work with them. Then, two months later, the Swedish representatives said: 'It's strange, we have sent them 15 faxes and tried to get hold of them over the phone, and they don't return our calls. We wonder what has happened.' Our Swedish interviewee says he has seen several similar examples. If a North American says 'yes, we should definitely work together' it cannot be translated into the Swedish 'yes, we will definitely work together'. It could mean something, but doesn't necessarily have to mean something."

In Canada, when it comes to business deals, everything has to be written down and signed by both parties to have any real value. In the words of one Swedish manager "... to a Canadian, a yes is not a yes until the final signing is done".

Two Swedish managers mentioned that even when it is clear that a commitment has been made and there is a written contract, Swedes tend to be more loyal to the other party. This goes for employees' loyalty toward the company, the company's loyalty to clients, business partners and distributors etc, as well as the subsidiary's loyalty to the mother company.

### **9.5.2 What the Canadians Say**

Canadians view Swedes as being very open and honest and as people who stick to what they say they will do. However, some Canadians claim that Canadians are (or were) very honest in their business attitude as well, but because they are close to, and also do business with the United States, they have been forced to become more American to succeed. They still feel there is a great difference between themselves and Americans in this respect, however.

Most of our Canadian interviewees mention the fact that Canadians use more expressions of politeness that lack a literal meaning (such as 'We have to get together sometime' or 'We should do business').

Since Swedes are more used to saying what they mean and nothing superfluous, they automatically expect the same from others. This can cause problems. A Canadian employee says that in Canada, one has to clarify everything several times to be absolutely sure one has an arrangement with someone. He says that the Swedes he works with accept getting a commitment once and then they feel confident they have it. In Canada "you do not trust the answer until you have heard it three times" This difference may cause Swedes to feel betrayed when the other party does not follow through with the commitment. To the Canadian, there never was a commitment; it was just something they talked about. One Canadian manager stresses that everything has to be in writing to actually mean something: "I don't care what anybody says to me, I don't count anything as being sold or deal done until I've got

something signed. ... I mean if nobody is willing to put it on paper, then they can't be very serious."

Another Canadian gives the example of when his company had gone to Ottawa to discuss a business deal. They returned with the feeling that the two companies understood each other and that they were going to do business together. After a few months, when they had not heard from the other company, they called them to ask what was going on. The other company said that they were dealing with someone else and that they had no obligation to tell them about it. The Canadian interviewee says that is the North American way and even he, as a Canadian, can interpret these situations erroneously. North Americans can often give the impression that they are seriously considering a business deal, when in fact they are not. "The minute you're out the door, they're on to something else."

A few of our Canadian interviewees have noticed that Swedes have made commitments they should not have made and put themselves in difficult positions because they have taken others at face value and interpreted what they have said literally. According to one Canadian employee, there have been several cases where Swedish companies have signed exclusive business deals with the wrong companies because they did not check up on facts and references but rather took the other party's word for what they could do. They were expecting that if someone says they will do something, then you have a commitment and they will do it. For example, one Scandinavian company signed an exclusive distribution contract with a North American company with three people who said they would cover all of North America! He says that no North American company would ever say they are second best, they all say they are the best. They will tell the Swedish company whatever they want to hear to get the deal; it is up to the Swedish company to check references and talk to others before signing a contract. One Canadian manager says that in North America everyone wants to win "...at all costs, if you have to screw the other guy, you screw the other guy. ... [Swedes] are not out to play games."

Also, the way the contract is written is very different in Sweden and in Canada. In Canada, everything is more specified; all terms and conditions are included. One Canadian manager says: "In Sweden they work with each other and they work things out, so they are not used to writing huge specifications, they just write a couple of pages, this is how we are going to work together ... and it just works out. In North America, if that happens, you are going to get crushed by the contractor, you have to be very, very careful." According to several persons, the Canadians have a more legalistic approach to business. If the other party does not stick to the commitment, they immediately sue. Everything has to be written down in detail in the contract in order to work out who has broken the commitment.

### **9.5.3 Analysis**

It is clear that what Swedes often interpret as a commitment is only meant as conversation by the Canadian. It is crucial, to avoid misunderstandings and frustration, to learn how to read the other person's signals to tell the difference between the two. Other Canadians can more easily decide whether what they have had is a conversation with someone (another Canadian) or a real commitment. The same, of course, goes for a Swede when dealing with another Swede. The signals vary from culture to culture. We can explain and understand these differences by applying the theory of *context*, as well as the dimension of *uncertainty avoidance*.

### **9.5.3.1 Context**

Although Sweden and Canada are both low-context cultures, Sweden is a lower context culture than Canada (Laroche 2002). Because of this, Swedes pay less attention and place less emphasis on those factors surrounding the message. They tend to focus on what is said, and its literal meaning. They do not see the necessity of using expressions that only express politeness and little else to the same extent that Canadians do. Because they have this view they very easily misinterpret what Canadians see as only conversation, necessary to establish a friendly business relationship, and take it at face value, thinking they have a commitment. A Swede has little understanding of why a Canadian would say things if s/he does not mean them literally. Their very low-context culture has taught them to use explicit verbal messages to carry out important information and not use contextual clues as much.

### **9.5.3.2 Uncertainty Avoidance**

Hofstede's dimension of uncertainty avoidance can also play a role in explaining the different attitudes toward commitment. According to his study, Canada scores higher on the uncertainty avoidance scale, meaning that they are less tolerant to risk than Swedes. Both countries are fairly risk tolerant but there is a difference, Sweden places 49 out of 53 and Canada places 41 (Hofstede 1997: 113). This may partly explain why Swedes tend to sign contracts with people and companies without checking references first. They are more likely to trust the other party since they hold the attitude that other people have positive intentions unless proven otherwise (see section on negotiation).

This also explains, in part, why Canadians use more specific contracts. Since Swedes have a higher tolerance of the unpredictable, they are willing to make deals with others without specifying every single term and condition. However, this is only part of the explanation. Other factors, such as the fact that North Americans have a more legalistic approach to society and business are important. Signing an unspecified contract in Canada is a much greater risk than signing the same contract in Sweden. This is because of the difference in attitude toward commitment mentioned above.

## **9.6 Negotiation**

In negotiations, which are based on communication, it is crucial that the two parties understand the meaning of what the other is saying, not just the literal meaning, but also the intended meaning. A negotiation situation can be a very critical stage in terms of the future of the companies involved. If there is a misunderstanding, it is likely that one party (or both) find themselves with a contract that does not correspond to what they were after, or what they were under the impression they were getting. Differences between the way Swedes and Canadians communicate in negotiation situations were noted in our interviews.

### **9.6.1 What the Swedes Say**

The general impression from the interviewees is that Swedes have a more *what you see is what you get* approach, while in Canada, some things are not what they first seem to be. Most of our interviewees agreed that the Swedish way of communicating in general is more direct and to the point than the Canadian way. Also, several of our interviewees found Swedes to be too trusting and too honest. These differences are clear in the way Swedes and Canadians negotiate.

Swedes often tend to give their best offer up front when trying to make a deal with a Canadian. The Canadian is expecting a negotiation and therefore does not accept the Swede's offer as his best. One Swedish manager expresses the perspective of a Canadian: "What you

give me first time around, is obviously not your best offer. It isn't by definition, because you are going to negotiate. It is best case scenario for you.”

The example below, where Swedish honesty and literal orientation to what is said shows, (see section on commitment) was given by a Swedish manager. It is clear that these kinds of differences in attitude toward honesty and negotiations can lead to serious problems:

A Swede and a North American were about to sign a deal, and the North American says at the final meeting when they were going through details: ‘So, Sven, are you sure you will have this up and running by the end of April?’ and Sven answers, being completely honest: ‘Yes, I am 99 percent sure’. This was a reassuring answer in his opinion; there could always be something out of his control that could go wrong. The North American did not feel the same way, he almost fell out of his chair, because for him, the given answer would be “Yeah, 110 percent sure!” The answer the Swede gave means, culturally translated, the same thing. For a Swedish engineer, nothing is more than 99 percent sure. It took fifteen minutes and the help of a mediator familiar with both cultures to sort it out.

Many of our interviewees point out a significant difference between the countries in that Swedish companies are very product focused, and Canadian companies are sales focused. This can lead to difficulties in negotiations. According to one Swedish manager, Swedes often come into the negotiation situation very confident about their product which they know is of great quality. He says Swedes often think it is enough to emphasize their own ‘Swedishness’ and that of the product, and that the product will practically sell itself. What they do not know is that in Canada, “... it’s not the product that you buy, it’s who you buy it from”, as another Swedish manager puts it. He says that daily contact with the customer is much more important than the product itself. It is necessary to establish a relationship with the potential customer and to make a name for oneself. If nobody knows who you are, that means you are nobody, and consequently, nobody will buy your product even if it is a great product, according to the same Swedish manager.

The same Swede also says that Swedes are not aggressive enough. They often wait for the other party to suggest that a deal be made. He says they need to go in and get the order themselves and not wait for somebody to tell them what to do in order to seal the deal.

### **9.6.2 What the Canadians Say**

Canadians view Swedes as very open and honest in negotiations. One Canadian employee says he finds Canadians much more assertive in negotiations, and in business in general. Another Canadian agrees: “The Swedes lack aggressiveness.”

One Canadian manager points out that Canadians are more likely to use information they have come across, in more or less legitimate ways, against the other party in negotiations. According to him, they are always looking for an opportunity to exploit in a way Swedes are not. In negotiations between Swedes and North Americans, Swedes often give a little too much information by being completely honest, and get taken advantage of because of it. He says that when dealing with North Americans one always has to think about what their ulterior motive is, and what they are really saying between the lines. “... [Honesty] is not expected in North America and when somebody is honest the last thing you should do is exploit it, but that is the first thing that you do because you grow up thinking that that is what you are supposed to do.”

### **9.6.3 Analysis**

Swedes are generally perceived as being too honest and too trusting in negotiations with Canadians, who are less trusting. This can be explained using the dimension of *uncertainty avoidance* and the theory of *context*.

#### **9.6.3.1 Context**

The difference between the two countries in terms of context serves as part of the explanation to this perception of Swedes. Since Sweden is a lower context society than Canada (Laroche 2002), Swedes do not place as much emphasis on the context in which the message is transmitted. They tend to be very direct and focus on the intended message. Because of this they may not realize that the Canadian might not be as direct with what s/he really wants. The Swede does not see as much need for specific strategies in negotiation situations and will give his/her perspective up front. Since s/he expects the Canadian to do the same, s/he will be perceived as being too honest and trusting.

#### **9.6.3.2 Uncertainty Avoidance**

The degree of uncertainty avoidance can also be used to explain this difference in negotiation style between the two countries. According to Hofstede, Swedes have a higher tolerance to risk and this shows in their general attitudes and in how they ascribe trust. When Swedes meet a new person, they have a greater tendency than Canadians to assume that the other person has positive intentions until proven otherwise. To a Canadian, a person has to prove they are reliable before they earn the trust Swedes ascribe instantaneously. Canadians are less likely to take the chance of being taken advantage of (this might be a consequence of experience).

This is why Swedes tend to give out too much information in negotiations. They assume the other party has positive intentions and would not use that information against them. From the Canadians' perspective, the right thing to do is to use all the information they can gather to their advantage in the negotiation. This is what they expect from the other party; hence they use a 'defence through attack' strategy to avoid getting taken advantage of.

## **10. GENERAL ADVICE – DEALING WITH CULTURAL DIFFERENCES**

There is no escaping culture. Cultural factors have a great impact on relationships across national borders. Nor is it reasonable to think we can change the fundamental values and attitudes of other people. A starting-point is to realize that to survive in a multicultural environment, the solution is not striving for cultural similarities. We do not have to think, feel and act the same in order to agree on practical issues and have a functioning working relationship.

Every situation is unique. There is no point in trying to create an instruction book that applies to every possible situation where Swedes and Canadians interact. However, we have found some general guidelines that will be helpful in most situations. Awareness and willingness to learn are key elements in dealing with cross-cultural issues.

Awareness of one's own mental programming, mentioned in the section about language, is crucial in order to recognize and appreciate the programming of people from different cultures. Even if it is impossible to completely escape value standards, a certain ability to distance ourselves from our own beliefs is necessary. It is important to realize that one way of programming is not superior to another; they are merely different because we are brought up in different environments. We need to "learn that there are many roads to truth and no culture has a corner on the path or is better equipped than others to search for it" (Hall 1977: 7).

According to Hofstede, awareness is the first of three stages in dealing with cross-cultural issues (1997: 230). The second stage is knowledge. In order to interact efficiently with people from other cultures, we need to obtain knowledge of their culture - their rituals, symbols, heroes etc. Even if two people have very different values, it helps communication to know about the other person's values and where they come from. The third stage in this process is skills. We need to use the knowledge we have of other cultures and apply it to the communication situation. (ibid.)

Willingness to learn is essential to understanding and dealing with other cultures. If we cannot go beyond our own mental programming and distance ourselves from our beliefs, we have little chance of success. In order for our expectations to be as accurate as possible, we need to be prepared. Find out what is realistic to expect in an encounter with a person from the other culture. Also, one needs to be prepared to change those expectations as experience is gained. Rapid feedback from every situation will lead to a correction loop of expectations. Reflect on what happens in a communication situation and learn from that experience. The trick is "learning to accept shortcomings as learning opportunities, rather than terminal failures" (Laroche 2002). Everybody makes mistakes, even if they are well prepared. Cross-cultural competence is achieved in real life situations, and the mistakes that we inevitably make are the best learning opportunities. Interacting with people from different cultural backgrounds is an on-going learning process that is quite demanding for both sides, but if the needed time and effort is invested, the result can be highly rewarding.

## **11. ADVICE – DIMENSION BY DIMENSION**

In a company that includes both Swedes and Canadians, there is the fortunate opportunity to select the best of both cultures and make an even better, more effective organization than each nationality could make on its own. Finding a way to work together where everybody's needs are met and where the cultures blend is certainly the optimal situation. However, this is easier said than done. From our experience, every Swedish subsidiary in Canada becomes more and more Canadian over time. Swedes go back to Sweden and Canadians are brought on board. Because of this, our advice for Swedes is to be prepared to adapt to Canadian business culture more than Canadians will adapt to theirs. Below are our suggestions for Swedes dealing with the differences in Hofstede's four dimensions and in the level of context.

### **11.1 Power Distance**

In Canada, power distance is generally larger than in Sweden. This is manifested in numerous ways in a working environment. A person's position is emphasized to a greater extent in Canadian organizations. This is important for Swedes in Canada to remember. Even if the organization is predominantly Swedish, in order to operate in Canadian society and to function with their Canadian employees, Swedes need to learn how to deal with the differences in power distance.

Swedes need to be more aware of hierarchy and their own position within the organization, as well as the positions of others. Titles are very important. This means, for a Swedish subordinate, to show more respect to his or her manager than s/he is used to in Sweden. A subordinate must also think about what his or her responsibilities are and what they are not. One must be careful not to step into somebody else's territory. This includes decision-making, taking initiatives and knowing one's role in a team.

For a Swedish manager, the greater power distance also means a heightened awareness of one's position. Assertiveness and a certain manifestation of authority are expected by subordinates. One has to be careful to keep the roles distinct at all times. Also, a Swedish manager in Canada will have to give another type of support to his subordinates. S/he needs to be more specific and explicit and give them the guidance and instruction they need to feel comfortable. This situation can certainly be modified over time and subordinates can adapt to another type of management. However, as argued above, these changes must be slowly implemented, always starting by adapting to the Canadians. As a Swedish manager, it is also important to have regular discussions with the subordinates regarding expectations on the working relationship. What do they expect from the manager in terms of feedback and instructions, and what are the manager's expectations in regard to decision-making and delegation?

### **11.2 Individualism vs Collectivism**

In Canada, the team does not play as large a role as it does in Sweden. The individual is emphasized to a greater extent. Dealing with this difference for a Swede in a working environment in Canada means to make an effort to be one's own 'campaign leader' and rely on oneself for accomplishments. It is up to the individual to show or prove his or her abilities; nobody will come looking for them. In a team, members work together but have their own individual achievement in mind. This same attitude is required by a Swede in order to get due credit. The focus should be primarily on one's individual responsibilities; one can assume that other members of the group have the same attitude. When working in teams, it is a good idea to address the cultural issues openly with the other team-members, perhaps in the presence of an outside party with knowledge of both cultures.

### **11.3 Masculinity vs Femininity**

Since Sweden is one of the most feminine countries in the world, Swedes abroad need to learn to deal with more masculine cultures. Business in itself is a very masculine culture and Canada's higher degree of masculinity shows in their assertiveness and result oriented attitude as opposed to the more relationship and process oriented attitude of the Swedes. In order to create functioning working relationships, Swedes must not interpret this on a personal level or be offended by the Canadian's assertiveness. Awareness of the cultural difference should make this easier.

### **11.4 Uncertainty Avoidance**

A Swede is generally less inclined to avoid uncertainty than most Canadians. This means that Canadians will want a greater amount of information and more details before they make a decision or commit to a deal. This is something to which Swedes in Canada have to adapt. It is easier for the culture that is less specific to adapt to the culture that is more specific than vice versa. The fact that the companies we have studied are located in Canada makes this argument somewhat redundant since all contact with outside parties will have to be done the Canadian way. As a Swede, one must accept this and not be frustrated because of the extra time and effort; it will pay off eventually.

### **11.5 Context**

Canada is a higher context oriented society than Sweden is. Canadians tend to pay more attention to surrounding circumstances and other factors that can impact the meaning of the message other than the literal meaning. Swedes are generally more direct and focus, to a greater extent, on the literal meaning for interpretation of a message. Swedes in Canada need to be aware of this in order to interpret the way Canadians use language correctly. There can



be many clues to interpretation to be found in the specific situation where the message is transmitted. 'Let's do business' means different things if it is said on the golf course or in a serious business negotiation in a boardroom. Swedes need to pay attention to the Canadians' signs and signals and learn to interpret them.

Swedes should also make an effort to be open and friendly to people in general, even those they may only meet briefly. They also need to use expressions of politeness such as 'please', 'thank you' and 'excuse me' extensively. This will prevent them from appearing abrupt or rude.

## **12. CRITICAL DISCUSSION**

Both authors of this paper are Swedes - albeit with significant international experience - but very much Swedes. It is impossible to do this kind of research and be completely objective, not letting one's values influence the interpretation of gathered information. We are very much aware that our own 'Swedishness' has had some degree of impact on our study, although we have tried very hard to keep this fact at a high level of consciousness throughout.

Apart from the two questionnaires and other research, we have conducted sixteen in-depth interviews. From the responses of these sixteen we have traced cultural differences between Swedes and Canadians that affect their communication in the business world. Is this an adequate number of interviews on which to base such results? For our purpose, we definitely think so. We are not claiming to reveal the universal truth or to account for all possible scenarios when Swedes and Canadians meet in the business world. We have taken the experiences of sixteen people with extensive experience working in environments that include Swedes and Canadians, and searched for patterns in this information based on concepts from two or three leading theorists of cultural values. We have then made generalizations of differences between Swedes and Canadians based on these patterns. As with generalizations of any kind, they are not universal and do not apply to every Swedish-Canadian company. However, we hold that the results of our study are valuable and definitely give a general but nevertheless accurate picture of the cultural differences and their consequences for communication.

Of our sixteen interviewees, only one was a woman and this might be viewed as a weakness. However, unfortunately, that very much reflects the situation at the level of these companies on which we have focused. The reason for focusing on a high level of the company, talking to CEOs and managers, is that these individuals are more exposed to cross-cultural situations.

Also, we would like to point out the fact that four out of seven Canadian interviewees were subordinates to Swedish managers. This might have had an impact on the level of criticism they were willing to give of Swedes. All interviews were completely confidential, but it is possible they did not trust this completely.

We have chosen to explain the cultural differences in communication between Swedes and Canadians using, for the most part, Geert Hofstede's theory of the four dimensions. This is a theory of psychological differences that has not been applied to communication by Hofstede. For a further discussion of this, see section on Theory above.

In all of Hofstede's dimensions, the differences between Swedes and Canadians are relatively small, with the exception of masculinity vs femininity. This supports the opinion we have found among our interviewees that Swedes and Canadians generally are a good match in

business relationships. Are the dimensional differences large enough to explain actual differences we have found? We think so. In a global perspective differences might seem small. However, the point we are making is that although Sweden and Canada have many similarities, there are 'hidden', but nevertheless significant, cultural differences that can lead to serious consequences if not noticed and addressed.

### **13. CONCLUSION**

Before we embarked on this journey in search of cultural differences and their consequences, our knowledge of Canadian culture and of the business world were very limited. Our hypotheses were based on information we had gathered through literature and through conversations with people with experience, as well as on a good portion of common sense.

We have found that there are cultural differences between Swedes and Canadians and that these differences affect the way in which they communicate in a business environment. However, the nature of their impact on communication is where it gets particularly interesting. One of our hypotheses was that the cultural differences might lead to negative consequences. This has proven to be true. However, the negative consequences are often not significant enough to be perceived as 'problems' in the colloquial sense of the word. What we have found is that dealing with cultural differences takes time and effort away from what should be the primary focus of any company - business. Consequences of cultural differences can keep individuals from achieving their professional objectives, or keep them from achieving them as quickly as they would in a culturally homogeneous environment. It may also keep the organization as a whole from functioning at its most effective.

These are issues that can be dealt with and the negative consequences of cultural differences can be minimized. Awareness of the nature of cultural differences and appropriate attribution of potential difficulties to them is an invaluable asset. If dealt with properly, it is possible to create a balance between the cultures in order to benefit from the advantages in each culture.

We would like to leave you with the following quote from Trompenaars' work: In dealing with cross-cultural issues and solving related problems, people have to "...go beyond the defense of their own model. It is legitimate to have a mental model. We are all creatures of our culture. The problem is to learn to go beyond our own model without being afraid that our long-held certainties will collapse. The need to win over others to our point of view, to prove the inferiority of their way of thinking, reveals our own insecurities and doubts about the strength of our identity. Genuine self-awareness accepts that we follow a particular mental cultural program and that members of other cultures have different programs. We may find out more about ourselves by exploring those differences." (Trompenaars & Hampden-Turner 1998: 201)

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