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**Comparison of Leadership and Cultures in Finland and Russia**

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Abstract
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The aim of my thesis was to find out similarities and differences in culture and leadership styles between Russia and Finland and how to avoid misunderstandings connected with cultural collisions. The research questions of this thesis sought to answer what kind of problems managers in tourism sphere in Russia and Finland can face due to culture and different leadership styles, and how to escape possible conflicts.

The thesis consists of empirical and theoretical data. The theoretical data used in the theory part describes research about culture and leadership styles in Finland and Russia. The theoretical data was written according to the main theories created by Richard D. Lewis and GLOBE cross-cultural research program. Some information was taken from Russian articles and Finnish articles written in Russian and English languages.

The results of the study display a variety of cultural similarities and differences between Russian and Finnish people. The interviewees illustrate the modern and open viewpoints of respondents, their willingness to accept new things about cultures and to cooperate despite the possible cultural collisions. The thesis is advantageous for those, who are thinking of working in the international teams with Russian or Finnish workers. Also, it will be helpful in terms of understanding the cultural behaviour and determine the way of communication to reach harmony.

Keywords: Leadership, Culture, Finland, Russia, Intercultural communication
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Appendix 1  Survey of Cultural and Leadership differences between Finland and Russia
1 INTRODUCTION

Russia and Finland have the common border more than 1,300 kilometres long. Due to the rich history, from being of the tsarist empire to becoming the Soviet Union's capitalist confidant, Finland is pretty much aware of Russian business and management style (Utti 2007).

What is more, as Timo Vihavainen, professor of Russian studies at the University of Helsinki states, “The two nations do share certain cultural traits, such as fondness of sauna, dachas (country cottages), and – of course – vodka. This affinity creates a sense of connectedness which has been helpful in finding common ground.” (Utti 2007.)

Internalization has been of great importance to companies nowadays. Internationalization, from an economics point of view, is defined as the process where business gets more involved in the international markets. In the modern world, businesses start to grow domestically but then maintain a long-term plan for how the business will be operating internationally. (Wibbeke 2009, pp. 5 - 6.)

The reasons why today is vital to become international and improve the organization not only for the domestic market, are the multiple possibilities that are available in the foreign market, such as, an increase of the profit, get new customers, become famous on the international market and attract foreign investors (Wibbeke 2009, pp. 190 - 192).

Before starting run the company internationally, the staff should be trained well and be prepared to work and communicate in the multicultural team and speak several languages. Managers must be knowledgeable of cross-cultural communication between team members in order to avoid multicultural misunderstandings between employees. What is more, workers of the company that run businesses internationally should recognise and accept different leadership styles of the managers from all over the world. (Wibbeke, 2009, pp. 190 – 192.)
1.1 Objectives of the thesis

The purpose of the thesis is to introduce how the Russian leadership style differs from the Finnish one. To find this out, the study will answer the following questions:

- What are the similarities between Russian and Finnish leadership styles?
- What are the differences between Finnish and Russian leadership styles?
- What are cultural differences and similarities between two cultures?
- How can cultural collisions be avoided?

The thesis will provide in-depth research on understanding both Finnish and Russian way of work and the ability to manage better the process of communication with the cultural differences and avoid cultural misunderstandings. “We should never denigrate any other culture but rather help people to understand the relationship between their own culture and the dominant culture. When you understand another culture or language, it does not mean that you have to lose your own culture.” (Hall 1998.)

This investigation is planned to help companies that are operating in the Finnish and Russian tourism sector. The thesis will offer some practical and theoretical advice on how to cope better with intercultural and leadership differences in international teams.

1.2 Structure of the research

The research is divided into five chapters: the introduction; theoretical framework; methodology; results; conclusion.

The introduction is going to display to the reader the main questions, goals and difficulties associated with the research. There are two parts included in the research: the theoretical and the practical one. The theoretical part will describe the study and go through the general theory about leadership and culture. It will help the reader to understand the study from the theoretical point of view.
The methodology is concentrated on the qualitative data survey, which was made and sent to the participants. Then the research findings were analysed, and the conclusion was made by combining the theoretical and practical part. What is more, due to the collected data, the suggestions for the future development and recommendations are given based on the findings. In the end, the results of the research are revealed.

2 CULTURE

2.1 Culture Definition

According to Hofstede (2001), Abramson, Moran & Moran (2014) in Wibbeke (2009, pp. 23 - 24) culture remains one of the most misunderstood constructs within organisations. Culture may appear specifically related to ethnicity, nationality, demography, or status. As the classic definition states, culture is ”the collective programming of the mind that distinguishes the members of one social group from another” (Hofstede 2001, p. 4). The term itself is delivered from a Latin root coleOxford Concise Dictionary (2018) which means to prepare and develop. A less easily comprehensive definition was defined by Abramson, Moran & Moran (2014): “Culture is a precisely human means of adjusting to conditions and transmitting this coping ability and knowledge to the following generations. Culture provides people with a knowledge of who they are, of belonging, of how they should behave, and of what they should be doing. Culture influences behaviour, morale, and productivity at work, and combines values and patterns that affect company attitudes and actions.” (Wibbeke 2009, pp. 23 - 24)

According to Hofstede (2005), as almost everyone belongs to many multiple groups and categories of people at the same time, people unavoidably carry specific layers of mental programming within themselves, answering to various levels of culture. For example:
Table 1. Cultural Layers (Modified from Hofstede 2005)

A national level relates to the individuals or a group of people who stay in the country or migrated during their lifetime, then those is the regional/ethnic/religious/linguistic split into the groups of people which nations are composed of culturally different regions. A gender level is classified according to whether a person was born as a girl or as a boy. Generation level separates grandparents from parents and children and a social class level is linked to educational opportunities and with a person’s occupation or profession. Groups of people who are employed at an organisational or corporate level split according to the way their work organisation has socialised them. (Hofstede, Hofstede & Minkov 2010, pp. 17 - 18.)

2.2 Cultural Diversity in Working Place

2.2.1 What is cultural diversity?

With the diverse workforce of organizations, cultural diversity involves differences in gender, age, colour, ethnicity, sexual orientation, religion, disability, education, personality, and skills (Lashley & Lee-Ross 2003, p. 204). Diversity in the world
is a fundamental characteristic of human society, and also a significant requirement for an exciting and changing world as we observe today. (Hu Jintao).

“The Four Layers of Diversity” model produced by Gardenswartz & Rowe (1994) explains precisely the sense of diversity. The “Dimensions of Diversity” wheel provides the complexity of the diversity filters by which all of us process stimuli and information. That, then, drives to the assumption that we perform, which finally drives our behaviours in order to influence others. (Gardenswartz & Rowe 2009, p. 38.)

Unique style and features, which are so-called personality are in the center. The second layer (Internal Dimensions) contains the six aspects of ourselves over which we have limited control. Gender, age, sexual orientation, race, ethnicity and physical capacity impact the way a person performs in an organization, the roles she/he plays in life and her/his expectations. The third layer (External Dimensions) holds the result of life experience and personal preferences. They are religion, education, marital status, work experience and recreational habits. The last layer, which is so-called Organizational Dimensions, combines management status, union affiliation, work position, seniority, divisional department, work content/field and functional level division. This layer is affected by the organization on how they treat their employee and the productivity of the company. (Gardenswartz & Rowe 2009, p. 38.)
3 MULTICULTURAL COMPETENCES

The global manager, respectful to cultural differences, values people’s distinctiveness and effectively interacts with people from different cultures. A global leader does not need his/her cultural attitudes and methods. Hence, by respecting the cultural differences, we will not be recognised as “ethnocentric”, defined in the Oxford Dictionary as: "Evaluating other cultures according to preconceptions originating in the standards and customs of one's own culture.” (Abramson, Moran & Moran 2014, p. 25.)

Throughout cross-cultural experiences, we become more open-minded and patient of cultural “uniqueness”. When this is linked with some human study of the concept of culture, we not only gain new insights for improving our human rela-
tionships, but we become informed of the significance of our original culture. Cultural understanding shows the influence of culture shock and maximize intercultural experiences, as well as encourage professional growth and organizational effectiveness. Cultural sensitivity should teach us that culture and behaviour are correlated to each other and that we should be more tentative, and less absolute, in social collaboration. (Abramson, Moran & Moran 2014, p. 25.)

The first step in managing cultural differences efficiently is developing one’s overall cultural awareness. We must understand the concept of culture, and it features before we can fully benefit from the study of cultural specifics and a foreign language. (Abramson, Moran & Moran 2014, p. 25.)

Further, we should understand the sense of our unique cultural experience on our mindset and behaviour, as those of co-workers and customers with whom we interact in the workforce. This leads to special importance within more various business circumstances, usually the result of increased migration from not so developed to better-developed economies. On March 20, 2009, Herald Tribune, article by Nicholas D. Kristof in Abramson, Moran & Moran (2014, p.25), he wrote:

“That is because there’s sufficient proof that we generally do not want relevant information – but rather the information that verifies our prejudices. We may believe intellectually in the disagreements, but in practice, we choose to place ourselves in the reassuring womb of an echo chamber.” (Abramson, Moran & Moran 2014, p. 25.)

3.1 Cultural Intelligence

According to Schmidt and Hunter’s (2000, p. 3), Earley and Ang (2003) and (Ackerman, 1996; Gardner, 1993) in Cultural Intelligence center (2016) cultural intelligence, represented as an individual’s ability to function and operate productively in culturally diverse surroundings, is compatible with Schmidt and Hunter’s (2000, p.3) interpretation of general intelligence as, “the ability to grasp and reason correctly with abstractions (concepts) and solve problems.” Earley and Ang (2003) established on the growing consensus that research of intelligence should go beyond mere cognitive capabilities (Ackerman, 1996; Gardner, 1993), and
theorized the CQ is a multidimensional theory that involves metacognitive, cognitive, motivational and behaviour dimensions. Sternberg combined the endless opinions on intelligence to introduce four complementary ways to conceptualize individual-level intelligence: metacognitive intelligence, cognitive intelligence, motivational intelligence and behavioral intelligence. (Cultural Intelligence Center 2016.)

Metacognitive CQ: belongs to an individual's level of understanding cultural awareness during cross-cultural cooperations. People with power in metacognitive CQ consciously question their cultural views and adapt their cultural knowledge when communicating with those from other cultures. What is more, there are certain important abilities including planning, monitoring and revising mental models of cultural standards for culturally different groups. The leaders with high metacognitive CQ are aware of the cultural preferences during interacting with the team members. (Cultural Intelligence Center 2016.)

Cognitive CQ: connects to an individual's level of cultural awareness or knowledge of the cultural environment. Cultural knowledge covers the perception of oneself as embedded in the cultural circumstances of the environment. Given the broad mixture of cultures in the modern world, cognitive CQ indicates knowledge of cultural universals as well as an understanding of cultural differentiation. (Cultural Intelligence Center 2016.)

Motivational CQ: refers to the capacity to direct attention and energy towards learning about and performing in cross-cultural circumstances. According to Eccles & Wigfield (2002) in Cultural Intelligence Center (2016), the direction and level of energy towards a special task requires two components: an expectation of achieving the task and the value associated with accomplishing the task. This is the crucial part of CQ because it is a source of drive. Leaders with high motivational CQ make more effort to determine the differences in cultural settings and to try to work things out. (Cultural Intelligence Center 2016.)

Behavioural CQ: indicates the ability to exhibit proper verbal and nonverbal reactions when interacting with people from different cultures, Behavioural CQ refers
to the degree to which individual acts appropriately (both verbally and nonverbally) in cross-cultural conditions. Behavioural CQ is an important element of CQ because verbal and nonverbal behaviours are the most well-known characteristics of cooperations. (Cultural Intelligence Center 2016.)

3.2 What are Multicultural Competences?

The competencies required for effective global leadership, whether domestically in a multicultural environment or abroad, are very similar. Aycan (1997) Pedersen (2004, p. 70) determined fundamental global leadership competencies based on different resources as: in-depth business and technical experience, managerial skill, capacity to cope with difficulties and disagreements, willingness and ability to embrace and combine multiple aspects, communication effectiveness, ability in improving and maintaining good interpersonal relationships, desire and commitment to succeed, capacity to stimulate and promote people with potential, ability and willingness to learn from experience, and competence in performing the role of a change agent. A common thought of competencies is crucial to give a foundation for a deeper understanding of the complexity of developing skills that go beyond lists based on individual samples. (Pedersen 2004, p. 70.)

For leaders to be successful in multicultural communications abroad and domestically, they must be globally educated. “To be globally literate means seeing, thinking, acting, and mobilizing in culturally mindful ways. It’s the sum of the attitudes, beliefs, knowledge, skills, and behaviors needed for success in today’s multicultural, global economy” (Rosen & Digh (2001) in Pedersen (2004). To be globally literate leaders must possess the following competencies, according to Rosen & Digh (2001) in Pedersen (2004):

• Personal literacy (understanding and valuing oneself)

• Social literacy (engaging and challenging other people)

• Business literacy (focusing and mobilizing one’s organization)

• Cultural literacy (valuing and leveraging cultural differences)
To be successful, leaders must be knowledgeable of important cultural dimensions and understand how these dimensions can change their working relationship with others from diverse cultures. Focusing mainly on the study linked to multicultural selection, London and Sessa (1999) in Pedersen (2004 p. 69) provide a summary of some publications that have developed skill qualifications, or competencies, for successful managers in a global environment. (Pedersen 2004, p.69)

For example, Adler (2002) in Pedersen (2004, p. 71) indicates the most extraordinary techniques for global managers in order to be successful in operating in international team such as: capacity to employ cultural sensitivity and diplomacy; ability to encourage relationships that build respect for all parties; understanding to communicate clearly, ability to cope with cultural problems synergistically; capacity to negotiate across cultures.

At the same time De Merode (1997) in Pedersen (2004) concentrates on the other important skills for global leaders:

- Motivating cross-cultural teams
- Conducting cross-cultural negotiations
- Recognizing cultural influences on business practices
- Selecting and evaluating staff in different cultural settings
- Managing information across multiple time zones and organization boundaries
- Building relationships among diverse groups
- Focusing on markets, consistently customizing offerings in relation to clients’ needs in local markets across many local markets

According to Birchall, Hee, and Gay’s (1996) in Pedersen (2004, pp. 71 - 73) statement in a study that indicated numerous lists of international competencies that the best advancement approach may be to teach people the basics and help them “learn how to learn.” (Pedersen 2004, pp. 71 - 73)
3.3 Developing Multicultural Competences

The multicultural competencies of awareness, understanding, and skills have been approved by the Association for Counselor Education and Supervision (Sue & Sue, 1999) in Pedersen (2004, p.77) as the most innocent examples of evaluating counselling competencies beyond cultures. (Pedersen 2004, p.77.)

Generating awareness determines recognising accurately what is going on around us and accepting impressions from all the surroundings. Culturally skilful managers are sympathetic about their own culture and cultural heritage, they appreciate how their backgrounds, experiences, values and attitudes change cooperations with others. What is more, it is inherent for them to distinguish the boundaries of competencies and expertise also, to be satisfied with dissimilarities that appear between themselves and others concerning race, ethnicity, culture and beliefs. (Pedersen 2004, p. 77 - 78.)

Knowledge presents the knowledge and proper understanding required to push beyond awareness to active and consistent change in multicultural environments. Due to the specific awareness about one’s culture, cultural heritage, racial culturally experienced leaders examine how individual and professional affects their interpretations of what is acknowledged as normality. They produce approach towards racism and discrimination relying on their personal observations and experiences about it. (Pedersen 2004, p. 77 - 78.)

Skill gives the capacity to form awareness and implement knowledge toward practical improvement in multicultural environments. Culturally experienced managers are looking for educational, developmental, and training experience to acquire their understanding and effectiveness in coping with culturally different people. (Pedersen 2004, p. 78 - 79)

All leaders require competencies connected with multicultural awareness, knowledge, and skills. The multidimensional model for promoting cultural support formed by Sue (2001) in Pedersen (2004, p. 85) goes beyond the various lists of global competencies to present an in-depth structure for the dimensions of multicultural proficiency. (Pedersen 2004, p. 85)
3.4 The Lewis Model

The Lewis model is a practical theoretical method and can be used in multiple business situations. It is rooted from Edward T Hall’s concepts of monochromic and polychronic which refers to the matter of attending one thing at a time vs attending multiple things at the same time (Lewis 2005a). Mr. Lewis also states that these characteristics are typical stereotypes, the model presents a practical framework for understanding and interacting with people from other cultures. It is a practical tool to learn the basics of other cultures. Mr. Lewis has developed the model to a larger concept of linear-actives, multi-actives and reactives.

Figure 2. The Lewis Model (Lewis 2017)

The linear-actives are usually calm, factual, schedule oriented, decisive planners, do one thing at a time and talk half of the time. Great examples of this culture are the Germans, Swedes, Americans and the Northern Europeans in general. (Lewis 2005a, pp. 70 – 71.)

For the multi-active stereotypical is that they are warm, emotional, talkative and impulsive leaders. They also organise responsibilities not by the importance of time but according to the importance of communication. They talk the majority of
the time. Examples of this culture are the Arabs, Africans, Southern Europeans and South Americans. (Lewis 2005a, pp. 70 – 71.)

The reactives are courteous, respectful, outwardly amiable, accommodating, compromising and good listeners. Examples of this culture are the Japanese, Chinese and Asians in general. (Lewis 2005a, pp. 70 – 71.)

Russia is close to the multi-active, this is because Russians are usually warm, emotional, talkative and impulsive (Lewis 2006, p. 104). Finland is close to the linear-actives but is leaning toward the reactive. This is because Finns tend to be good listeners and can usually be careful when meeting people the first time (Lewis 2005b, pp. 86- 87).

4 LEADERSHIP

4.1 Definition of leadership

Leaders can be born, elected, or trained and groomed; they can seize power or have leadership thrust upon them. Leadership can be autocratic or democratic; collective or individual; merit-based or ascribed, and desired or imposed. (Lewis 2006, p. 104.) It is very typical to have similar company leaders as in the national setups. Finnish leaders are quite democratic leaders compared to Arab managers who are good Muslims and the Chinese managers usually have government or party affiliations. Leaders cannot be transferred from culture to culture. If the style of the leader is successful in one country, it does not mean that in another country the situation is going to be the same. (Lewis 2006, p. 104.)

Cross-cultural issues have become more valuable with globalization changes. There are a lot of multicultural teams nowadays, which can both be an opportunity and a weakness, in the meaning of communication and culture. (Lewis 2006, p. 105)

In companies that decided to operate globally, team performance becomes weak due to cross-cultural cooperation problems Matveev & Nelson (2004) in Congden et al. (2009, p. 75.). Due to their diverse opinions, managers learn how to react
and perform in different ways to the similar problems, which appears when working with people of different nationalities Schneider & DeMeyer (1991) in Congden et al. (2009, p. 75.). Cross-cultural communication competence is a critical part of a manager’s learning ability how to address new performance challenges. (Congden et al. 2009, p. 75.)


Interpersonal skills dimension is the process when an employee understands differences in interactional and communicative approaches of people from different cultures provide flexibility in solving situations with misunderstandings and feels comfortable while communicating with foreigners. The team effectiveness dimension consists of the ability of team member to accept norms and roles of other members of an international team, and desire to follow common aims. The cultural uncertainty dimension shows the capacity of the worker to demonstrate the tolerance to the situations connected with intercultural diversity, to be patient of uncertainty, ambiguity and to act flexibly in unknown situations in multicultural teams. Ultimately, cultural empathy includes the ability to accept the world from another’s cultural perspective. Cultural empathic leaders value different managing styles and admit that things can be done in different styles. (Congden et al. 2009, p. 75.)
Interpersonal Skills | Team Effectiveness | Cultural Uncertainty | Cultural Empathy
---|---|---|---
- Ability to acknowledge differences in communication and interaction styles
- Ability to deal with misunderstandings
- Awareness of your own cultural conditioning
- Basic knowledge about the country, culture, and the language of team members
- Comfort when communicating with foreign nationals
- Ability to understand and define team goals, roles, and norms
- Ability to give and receive constructive feedback
- Ability to discuss and solve problems
- Ability to deal with conflict situations Ability to display respect for other team members
- Participatory leadership style and ability to work cooperatively with others
- Ability to deal with cultural uncertainty
- Tolerance of ambiguity and uncertainty due to cultural differences
- Openness to cultural differences
- Willingness to accept change and risk
- Ability to exercise flexibility
- Ability to display patience
- Ability to see and understand the world from others’ cultural perspectives
- Exhibiting a spirit of inquiry about other cultures, values, beliefs, and communication patterns
- Ability to appreciate dissimilar working styles
- Ability to accept different ways of doing things
- Non-judgmental stance toward the ways things are done in other cultures

Table 2. The Cross-cultural Communication Competence Model (Journal of Comparative International Management, 2009).

4.2 Global Leadership and Organisational Behavior Effectiveness (GLOBE)

A significant number of leaders from more than 60 countries were examined in GLOBE research. The issues are connected with cultural values and some management qualities. The method is based on the model of Hofstede but does not
copy it. Earlier research, such as the Hofstede’s study, had recognised five dimensions of cultural difference. The GLOBE research used nine of them:

- Performance Orientation
- Assertiveness
- Future Orientation
- Humane Orientation
- Institutional Collectivism
- In-group Collectivism
- Gender Egalitarianism
- Power Distance
- Uncertainty Avoidance

The following definitions are taken directly from House et al. 2004.

Performance Orientation is the degree when human society inspires and rewards setting challenging purposes, innovation, and performance development.

Assertiveness is the extent to which workers in companies or societies are confident, strict, powerful, and aggressive in human relationships.

Future Orientation is the extent when individuals in society or employees in the company focus on future and try to affect the future by current actions, investments or development.

Human Orientation is the degree to which individuals in organizations or societies support and reward individuals for being honest, responsible, friendly, generous, caring, and kind to others.

Institutional Collectivism is the degree to which institutions support and reward group performance and the collective distribution of resources.

In-group Collectivism displays satisfaction, loyalty, and cohesiveness toward their company.
Gender Egalitarianism is the clear division of roles between men and women in society. The more gender egalitarianism a society, the less it relies on biology to define women’s and men’s social functions.

Power Distance is the way to which members of an organization or society require and accept that power should be distributed equally.

Uncertainty Avoidance is described as the degree to which members of the company or society try to avoid changes by reliance on social standards, rituals or bureaucratic practices.

5 Finnish Leadership and Business Culture

“Given the increased globalisation of industrial organisations and increased interdependencies among nations, the need for better understanding of cultural influences on leadership and organizational practices has never been greater.” (Project GLOBE).

Together with Singapore and the United States, Finland is leading in global competitiveness and, along with Norway, is in first place for sustainability progress. Finland is a world leader in literacy, mathematics, and science. Despite the small population, Finland is second in percentage of GDP spent on R&D and fourth in the filing of successful patents. (Lewis 2005, pp 86 - 87.)

5.1 Finnish leadership

Finns have management style that describes their nationality the most, for example, understanding of cultural separateness, distrust of deviousness and verbosity, also national passion with performance can be led only by Finns.

Some social classifications can identify Finnish leadership, as:

**Linear-actives** – the calm, factual, decisive planners (German, Swedes Americans, Northern Europeans in general)

**Multi-actives** – warm, emotional, loquacious, impulsive leaders (Arabs, Africans, South Americans, Southern Europeans)
**Reactives** - courteous, outwardly amiable, accommodating, compromising, good listeners (Japanese, Chinese, and most Asians)

Finns, with their accurate planning and result orientation, fall clearly into the linear – active section but on closer analysis are seen to be somehow hybrid since they have a feature of reactive tendencies. What is more, among others, Finnish leadership style defines use of silence, humbleness, good listening without interruptions, long pauses between speech turns and concealment of feeling. (Lewis 2005, pp. 89 - 90)

Traits as honesty, directness, reliability, pragmatism, rationality, decisiveness, result orientation, respect for others, secularism, the trust of perception and task orientation demonstrate Finnish linear-active mode and their similarity with Germans, Swedes, Norwegians, Canadians and Americans. Features of Finnish managers as modesty, shyness, humility, introversion, use of silence, good listening, distrust of verbosity and concept of service are describe also Asian leaders. For multi-active culture type that are also presented in Finnish culture and provide the advantages to leadership style are such characteristics are: medium-term planning, combining individualism and teamwork, and alternating optimism and pessimism (Lewis 2005, p. 95.)

![Figure 5. Cultural Types (Lewis 2005, p.89)](image-url)
5.2 Finnish leadership and Culture by GLOBE

Comparing Finland with other GLOBE countries, Finland rates highly on Uncertainty Avoidance, Future Orientation and Institutional Collectivism. That means that future planning is a significant trait, but working in teams is relevant too. The Institutional Collectivism in GLOBE study is different from Hofstede’s study (1980) where Finland got quite high on individuality, which is opposite to the GLOBE study. (House, Brodbeck, & Chhokar 2008, pp. 89 - 90.)

The most important development is possible to note in today’s society in Performance Orientation and Power Distance. Finnish managers recognized that in the future challenges innovation will be more productive than nowadays and as a result the competition will be harder. Finns expected to see a flat societal model and want to be involved in the decision with hardly any Power Distance. Primary problems and issues should be discussed, planned, decided on, and performed together. (House at al. 2008, p. 90.)

According to Lewis (1993) in House et al. (2008) also discovered that the Finns lead by motivating and setting an example to subordinates. In order to commit Finnish managers, the following factors are important:

- Tasks which correspond to the managers’ own abilities.
- Participation in decision making.
- Loyalty between foremen and top management.

In the House et al. (2008), investigation leaders classified the most critical traits for “effective leadership”: goal orientation, mastering of a complicated entity, being motivating, visionary, charismatic, diligent, experienced, able to make decisions, have capacity to cooperate and communicate, ability of controlling and delegating (House et al. 2008, p. 90).

In a small study, Simon et al., (1996) in House et al.(2008, p.91) made an interview with 20 Finnish managers with international experience. They recognized three characteristics for Finnish companies:

- Clear and simple ways of doing business
- Fast decision-making process
• Fairness and responsibility in business.

According to Simon et al. (1996) in House et al. (2008, p. 91) Finnish leaders are also characterized by such traits as integrity, energy, reliability, straightforwardness, and corporate culture of openness and respect for individuals. In addition to honesty, qualities such as stamina, professionalism, reliability, a high level of education, and perfectionism define the Finns too. Finnish leaders encourage the cooperation, teamwork, and participation in decision making process. They underline the development of skills, creativity, and networks of collaborative relationships between various organizational levels. (House et al. 2008, p. 91.)

Lewis (1996) in House et al. (2008, p.91) determined Finns with many positive attributes such as high standards of cleanliness, honesty, stamina, quality, reliability, hygiene, safety, and education (House et al. 2008, p. 91).

On four GLOBE leadership dimensions, Finns got very high scores in absolute and relative terms: Integrity, Inspirational, Collaborative Team Oriented and Visionary (House et al. 2008, p. 91).

**Integrity.** The Finns believe that an outstanding leader should be honest, sincere, just and trustworthy. A good manager means what he or she says. Honesty seems to be a mark of a good leader in multiple cultures. Tollgerdt – Andersson (1996) in House el al. (2008, p.93) directed European – extensive research and found out that honesty is a fundamental attribute for leaders in Germany and the UK. (House et al. 2008, p. 93)

**Inspirational.** An outstanding Finnish leader should be inspirational, positive, encouraging, and build confidence. What is more, leader should inspire others and give advice and support, give feedback on successful work and demonstrate confidence in subordinates. An excellent Finnish leader provides energy in the organization and communicates with subordinates in order to achieve objects at an even higher level. (House et al. 2008, p. 94.)

**Collaborative Team Oriented.** Excellent Finnish managers have to be able to maintain, integrate and coordinate teams, and communicate with them. Teams are supposed to be responsible for their tasks, therefore a manager is required
to be able to integrate and cooperate. As Lewis (1997) in House et al. (2008, pp. 94 - 95.) stresses, the Finns like the idea of profit centers and accountability. Laine-Sveiby (1987) in House et al. (2008, pp. 94 - 95.) discovered that the Finns prefer spontaneity and value agreement at the society level, but personality at the individual level. According to House et al. (2008, pp. 94 - 95.) found out when having a deal with Finns, one should establish purposes, set objectives, and review to the internal sources of individuals to finish the task within their team and be completely accountable for it. (House et al. 2008, pp. 94 - 95.)

Visionary. Except being inspirational, Finnish leader is required to have foresight, be intellectually stimulating, and plan ahead. The more employees are notified of the vision, the less external supervision is needed. Vision creates creativity, motivation, hence productivity. (House et al. 2008, p. 95.)

To conclude, the excellent and productive performance of good leaders is based on integrity, inspiration, team integration, and vision. An outstanding manager stays at a high humane level, inspires workers, is good at organizing the efforts of various teams and is oriented for the future. Authority can be selected, creating the conditions for confident and creative work. Ken Olsen, the founder and CEO of Digital Equipment Corporation, demonstrates some of the behavioral traits of successful leaders (Savage 1990 in House et al. 2008, p.101): “From our point of view, the companies that will survive are going to move from an environment of management control to one that allows a large number of people, all using their creative ability, their education, and their motivation, to take part”. (House R., Brodbeck F., Chhokar J., 2008, p. 101.)

5.3 Management style

Finnish CEO’S, when requested to examine and combine their style with other Europeans, quickly rule out the French structure as premodern and outmoded. They prefer to place themselves somewhere between the Swedes and the British - more democratic than latter but more autocratic than the earlier. (Lewis 2005, p. 92.)

The similarity between British managers and Finnish leaders appears to be an ability to learn how to control from a position just outside and above the ring of
upper-middle managers, who are allowed to perform daily decisions. Finnish CEO's have the image of being decisive at crisis time and not hesitating to stand shoulder to shoulder with staff to help out during crises, after which they will get out again. (Lewis 2005b, p. 92.)

In Finland talent is sought out and quickly noticed, co-workers are developed and awarded, and funds are immediately supplied for research and development (Lewis 2005b, p. 92).

Figure 6. Finnish Leadership style (Lewis 2005, p. 93)

According to Ekwall & Karlsson (1999) and Mikluha (1998) in Lämsä (2010, p. 144) the Finnish managers show similar management style to Russian style in crisis time, they become harsh critics who eventually take the responsibility and are able to make an important decision alone if needed. A leadership role in Finland is hence necessary, and the decisions of the manager are not questioned. Even if the worker disagreed with the final decision of CEO, they still will continue work despite the differences of opinion. Finnish workers are used to the situation when the leader is reachable when required in order to solve unexpected events and get information. (Lämsä 2010, p. 143.)
Honesty is another specific trait of the Finns in business. The Finns are outspoken and say what they think and expect that others will work similarly. If a Finn says yes, he waits that the same relation will hold true in the opposition. The Finns are not afraid to express negative opinions out loud even if it leads to the misunderstandings. (Ekwall & Karlsson 1999, Mikluha 1998 in Lämsä 2010, pp. 143 - 144.)

6 Russian Leadership and Business Culture

6.1 Russian leadership

The multifaceted kaleidoscope culture of the modern society has changed a lot from the Soviet culture. Business leaders in Russia are motivated by a mixture of the several business theories: bureaucratic, pragmatic, predatory, and socially responsible. (House et al. 2008, p. 808.)

- Bureaucratic theory means of an active leadership but under state-run bureaucratic direction;
- Pragmatic theory is based on highest income on a technocratic foundation;
- Predatory theory means investigation for success through strict suppression of competitors including Mafia associations, increase by any means, cheating on partners, and customers and the state;
- Socially responsible theory is based on connecting business to the development of public interests, the analysis of social problems, and common human values and expectations.

According to Professor Ichak Adizes, historically, Russia has been directed by a long string of dictators, some were very murderous. The effect of this, that Russian managerial performance is based on fear (Adizes 2011.)

Russian companies are quite centralized. Many reasons appear to provide to these features. One seems to be the surrendering to authority. Another is the fear, so employees do not take opportunities and alternatively let the top person in the company make all decisions. The third aspect could be the many years of central planning during the Soviet Union experiencing disempowered managers from producing decisions. (Adizes 2011.)
Majority of top Russian managers are driving the style of “Imperial culture”, where the “one and only” leader has all the power and responsibility to deal with all obstacles. Open discussions appear to be uncomfortable and indicate the disability to cope with the problems by themselves. (Adizes 2011.)

Figure 7. Russian Leadership style (Lewis 2005b, p.92)

6.2 Russian leadership and Culture by GLOBE

The most essential across-country features for Russian leaders are Visionary, Administrative Competency, Integrity, Team Integration, Collaborative and Diplomatic. It means for the leader being Decisive, Performance Oriented, and Inspirational for his subordinates. These conclusions represent the image of an administratively responsible manager, intelligent in making serious decisions and motivating his or her followers to meet objectives. (House et al. 2008, p. 822.)

Culture and leadership in today's Russia are based on three parts: first, traditionally and historically developed cultural traits of Russia; second, the influence of a totalitarian heritage of the 20th century; and third, the significant revolution in cul-
ture and leadership in the 1990s transitional time. All factors were seen as relevant for the understanding of the GLOBE findings and for examining and comparing the Russian image with other cultures. (House et al. 2008, p. 829)

GLOBE investigation represented Russia with a very low score in Uncertainty Avoidance, Future Orientation, Performance Orientation, and Humane Orientation, but quite high on Power Distance. While Institutional and In-group Collectivism, Egalitarianism, and Assertiveness dimensions demonstrated some agreement between the “As Is” and “Should Be” scores, dimensions such as Power Distance, Performance Orientation, Future Orientation, Uncertainty Avoidance, and Humane Orientation – connected with the current economic and social transformation – demonstrate the remarkable gap between the “As Is” and “Should Be” scores. (House et al. 2008, p. 829.)

The image of a good business manager in Russia consists of administrative competence and the ability of serious decision making. He or she can encourage a subordinate to meet performance goals, work in teams, and integrate efforts. Nevertheless, there is no severe caring about human motivation and modesty in personal achievements. (House R et al. 2008, p. 829)

Media create the Russian leadership profile as performance oriented, energetic, being able to control the situation, facilitating change in the organization, and surviving in a transitional society (House et al. 2008, p. 829).

Nowadays the Russian economic situation is becoming more and more predictable, the GLOBE conclusions provide optimism. Russian managers have a high level of competitiveness at social and corporate levels, they are capable to produce decisions and understand responsibility, the ability to respond and act in an uncertain environment immediately, also decisiveness is quite notable and common trait among managers from Russia. Cultural transformation linked to Future Orientation and strong individualism also seems as important factor (House et al. 2008, p. 829.)
6.3 Management style

Main characteristics of Russian management style are strict authoritarianism, individual decision-making process when just one head manager is responsible for solving the problems, the prevalence of management methods based on power and subordination of employee to the superior. (Alekseev, Panteleyev, Golodayev, Savina, Kryzhevskaya & Vasina 2016, pp.180 - 181)

Nevertheless, the generation of young entrepreneurs is more oriented on Western business style and business development and prefers to follow management principles of Western countries. They are well educated, able to speak fluent English, more punctual and oriented on solving the problems connected with business more diplomatic than their predecessors, also they try to use individual approach in order to build the business. New generation of entrepreneurs is more tolerant and willing to interact with foreign partners. (Alekseev et al. 2016, pp.180 - 181)

Russian management style is built on strict hierarchy and Russians prefer to work in a team. Leaders are more likely to communicate with people of the same rank or position. It is not common to hold meetings with them informal in conversations are going to be considered as equal as they talk to the people of the same position. Good relationships and personal interests are playing an important role for a better business communication, since it is allowing to attract additional resources. The CEO of the company plays an important role in the leading process of the company and gives detailed instructions to the employees how to cope with the problems. Body language is not common in use during negotiations. Official meetings are organized in order to confirm the decision which has been made before and providing following clear instructions. Less informal meetings are normally held behind the closed doors where the managers can provide their opinion about the issue. (Alekseev et al. 2016, pp.180 - 181)

The negotiation process in Russia is considered like the process “win-lose”, but not like the process “win-win”, compromises are seen like a weakness. When it comes to the agreement between the parties, Russian managers will insist on signing the contracts. (Alekseev et al. 2016, p. 181)
Russian management is based on intuition, personal contacts which can help improve the business, an amount of useful information and the political influence. In Russian companies decision-making process is fully dependent on the managers, usually the manager is the only one who provides and discusses new ideas with a small amount of people who are close to him, other employees of the company do not participate in discussions. (Alekseev et al. 2016, p. 182)

7 RESEARCH

7.1 Research methodology

In the field of research there are two main types: quantitative research and qualitative research. A research method is a way to make and implement research and the research methodology is the science and philosophy behind all academic research. (DeFranzo 2011.)

Qualitative research is used to get an understanding of underlying opinions, ideas, and motivations. It presents insights into the problem or helps to improve ideas or hypotheses for potential quantitative research. Qualitative data collection methods range from using unstructured or semi-structured techniques. Some standard methods involve group discussions, individual interviews, and participation. The size of the sample is small, and respondents are chosen to fulfil a given quota. (DeFranzo 2011.)

Quantitative Research is used to analyze the problem by producing numerical quantify attitudes, opinions, behaviours and generalize results from a more extensive sample group. Quantitative data collection methods consist of various forms of surveys – online, paper, mobile and kiosk surveys, face-to-face interviews, telephone interviews, website interceptors, and systematic observations. (DeFranzo 2011.)

In this survey, the qualitative research method was used. The aim was to get opinions about the providing statements that were created on the theories that were presented in the theoretical part of the study. The theory data was based on the GLOBE books "Culture, Leadership and Organizations", Lewis books
"When Cultures Collide" and "Finland, Culture Lone Wolf", and finally the Hofstede's 6D dimensions.

Respondents are given a series of statements and asked how much they agree or disagree, satisfied or dissatisfied with the statements by using a sliding scale. Also there are four open questions in the end of the questionnaire, so the respondents can freely provide their opinions.

7.2 Data collection methods

The study was handled by using a questionnaire. The questionnaire was created in the English language in Google Forms, and the link was sent to 70 respondents by email or using social media, like Facebook, Vkontakte, Telegram and WhatsApp. From 70 respondents 36 responded, out of 36 respondents 18 were Finns, and 18 were Russian.

The questionnaire consisted of 27 statements, related to the theoretical part of the thesis. It began with general questions about background information, and then there were the statements related to nine GLOBE dimensions, three statements were written for each dimension to understand and get relevant information about cultural differences. What is more, four open-ended questions were asked in order to help the results become more accurate and precise.

8 RESULTS AND ANALYSIS

8.1 Overview of collected data

In the research of the Finnish respondents 40% were men and 60% women, when it comes to Russian nationality 45% were men and 55% women.
Figure 8. Gender

Figure 8 shows that the most significant amount of respondents were people from 26 to 35 years old. The percentage of respondents from Finland were 60% and 45% from Russia, the second largest group was young people from 18 to 25 years old, where numbers of respondents were quite similar, for both nationalities 30% - 35%. Five per cent of respondents were Finns at the age between 35 – 55 years old, and 10% of people were Russians in the same age group.

Figure 9 . Age

As we can see from Figure 9, 40% of respondents from Finland have work experience from 4 to 6 years, 20% have work experience between 7-10 years, more than 1 to 3 years had 30% of respondents, and only 5% had been working up to 11 years. The most significant number of people from Russia who answered the questionnaire were employees with experience from 1 to 3 years, then 30% of people with work experience between 4-6 years, 20% have worked 7 to 10 years, and the smallest category of respondents was 5% with working experience from 11 to 15 years.
Figure 10. Work experience

8.2 Results

8.2.1 Performance Orientation

The first statement is related to the dimension of Performance Orientation. The results of this statement are described in the figure. Respondents of both nationalities (100%) strongly agree or agree that high work efficiency should be provided with extra benefits like higher salary or performance bonuses.

Figure 11. “Workers should be rewarded for an excellent performance.”

The second statement is related to the dimension of Performance Orientation. Majority of Finns strongly agree (70%) or agree (25%) that managers provide to their employees’ training programs for improving professional skills and get the new knowledge. With Russian workers results are quite similar. Those, who answered strongly agree were 60% or agree 30%. From results it becomes clear that both countries are oriented on goal-achievement and ready to train and stimulate their workers for better results.
Figure 12. “The employees in your company are stimulated to make efforts for continuous development of performance.”

The third statement is related to the dimension of Performance Orientation. The answers to this question show that in Russia reward system depends more on beneficial connections and position of the worker in the company, than in Finland. Forty five per cent of Russians answered “strongly agree” and 15% answered “agree”, the respondents from this country who strongly disagreed (10%) or disagreed (20%) seem to be not as many as in Finland, where results demonstrate different points of view of employees, workers who strongly disagreed (35%), agreed and strongly agreed was in total 10%. After analyzing the responses it is obvious that in Finland workers are more motivated in completing tasks than in Russia since the rewarding system in Finland is mainly based on effective performance.

Figure 13. “Major rewards in your organization are based not only on performance effectiveness, but also on the factors such as seniority or political connections”.
8.2.2 Assertiveness

The forth statement is related to the dimension of Assertiveness. The common percentage of employees both from Finland and Russia agreed that in their companies workers perform as assertive people; in Russia the total number of people who agreed with the statement is 75%, while in Finland the figure is little smaller 55%. The complete number of Finnish workers who disagreed or strongly disagreed with the statement is 25%, while in Russia it is 20%. To examine the results, we can see that in Russian organizations employees behave more confidently than in Finnish companies.

Figure 14. “The people in your organization are more assertive than unassertive.”

The fifth statement is related to the dimension of Assertiveness. Sixty per cent of respondents from Finland strongly agreed and 30% agreed that in Finland workers are sensitive and soft towards other employees, always supportive and ready to help. In Russia, the number of respondents who agreed (25%) or strongly agreed (45%) smaller than in Finland, therefore in Russia people are not always willing to help and sometimes can behave tenderly toward others.
Figure 15. “The workers in your company are generally more tender than tough.”

The sixth statement is related to the dimension of Assertiveness. The figure 16 gives an understanding that there is a big cultural difference between Russian and Finnish nationalities about this statement. The majority of Finnish workers strongly disagreed (55%) and disagreed (40%) that people at their workplace behave aggressively, while Russians workers showed not so strong disagreements (65%) with this statement. Thirty per cent of Russians were confused about the answer and 5% said that they agree with aggressive behavior.

Figure 16. “The employees in your organizations are behaving aggressively”.

8.2.3 Future Orientation

The seventh statement is related to the dimension of Future Orientation. Fifty per cent of Finnish employees answered “agree” and 40% marked “strongly agree” as an answer to the statement. Only 5% disagreed and 5% not sure about the answer. At the same time, in Russia, fewer workers agreed (30%) with the statement and at the same time the number of respondents who strongly agreed was 40%, but the number of workers with answer “undecided” was 20% and disagreed 10%. To sum up the results, Finnish employees are more future-oriented than Russian workers, but the difference of 20% is not so significant.
The leaders in your company place more emphasis on the future plans than on current situation.

The eight statement is related to the dimension of Future Orientation. Twenty five per cent of Finnish employees replied “strongly agree” and 60% of employees just agreed with the expression, then 10% answered “undecided”, and the rest of respondents 5% marked “disagree” as the answer. In Russia results are quite similar, 65% of employees agreed with the statement, 20% strongly agreed, 5% answered "undecided", and 10% replied “disagree”. From the results, it is understandable that managers in Finland and in Russia put a lot of effort to solve the current problems in organizations.

The managers in your company are concentrated more on solving current problems than on trying to predict and avoid the future misunderstandings.
The ninth statement is related to the dimension of Future Orientation. From the figure 19, it is obvious that for Finnish and Russian companies it is an essential factor to set the goals at least for one year, 100% of respondent from each nationality marked “strongly agree” or “agree” as an answer to the dimension.

![Figure 19. “It is essential for the company to have long-term plans at least for one year.”](image)

**8.2.4 Humane Orientation**

The tenth statement is related to the dimension of Humane Orientation. Fifty percent of Finnish employees strongly agreed and 45% agreed that the team building in Finland is based on sensitivity toward other team members, and only 5% of participants answered “undecided”. In Russia the situation is different, only 25% of workers strongly agreed and 25% agreed that employees take care about others at work, 30% responded “disagree” and 10% answered “strongly disagree”, the rest of respondent 10% were not sure about the answer. From the results, we can see that in Finland team members are more sensitive about their coworkers than in Russia, where the percentage of workers who agreed with the statement is not so high.
The eleventh statement is related to the dimension of Humane Orientation. Compared to the previous results about the sensitivity of workers in Finland and Russia, the summary of answers to this statement is not distinctive when it comes to Finland, but in Russia, employees responded more positively than to the statement before. In total, 85% of responders from Russia agreed or strongly agreed that there is supportive and friendly relationship inside the team. In Finland total amount of 90% of responders agreed or strongly agreed with the statement. Both in Finland and in Russia 10% of employees marked “undecided” as an answer to the statement. To sum up the answers, it is clear that Russian and Finnish employees friendlier and supportiveness almost at the same level.

The twelfth statement is related to the dimension of Humane Orientation. Majority of people from Finland strongly agreed (45%) or agreed (35%) that the management style is based on loyalty toward workers. For example for extra or better
performance employees are rewarded with extra payments or other beneficial conditions. While in Russia, the percentage of participants who answered “strongly agree” (35%) or “agree” (35%) was a little bit smaller, what is more, 15% of respondents provide disagreement about the statement. The percentage of people who said that they disagree with the statement that extra or better performance of employees is not always rewarded.

Figure 22. “Company provides loyalty towards workers.”

8.2.5 Institutional Collectivism

The thirteenth statement is related to the dimension of Institutional Collectivism. Institutional collectivism in Finland is more powerful compared to Russian management style, the figure demonstrates it by the percentage of respondents from Finland, who strongly agreed (40%) or agreed (45%) that collectivistic decisions are more valued than the individuals, then only 5% of Finns disagreed and 10% did not decide on the answer. In Russia apparently the same number of people disagreed (30%) and agreed (50%) with the statement, then 20% of respondents answered “undecided”. The result shows, that in Russia managers will not probably support group decision if they think that their own decision is more proper.
Figure 23. “The managers in your organization support group loyalty even if their own objectives suffer.”

The fourteenth statement is related to the dimension of Institutional Collectivism. The figure 24 shows that in Finland, 30% of workers strongly agreed, 50% agreed, 10% answered “undecided”, 5% disagreed and 5% strongly disagreed with the statement above. According to the results, we can see that in Finland companies are willing to invest money in improving corporate culture by team professional training and rewarding system. Compared to Finland, answers in Russia are different, 55% of workers in total, answered “strongly agree” or “agree”, then 25% replied “undecided”, and the rest 20% responded “disagree” or “strongly disagree”. The results demonstrate the lower level of investments of companies into the development of corporate culture and the lower level of interest in the improvement of team spirit inside the teams in Russia.

Figure 24. “An economic system in your company is created to enhance collective interests.”
The fifteenth statement is related to the dimension of Institutional Collectivism. The figure 25 demonstrates that in Finland managers and their subordinates are oriented on team decision-making which means that the manager is open to discuss issues that appear during the work process and is open for critics. In total, 90% of Finnish employees agreed or strongly agreed with the statement and 10% answered “undecided”. In Russia managers are not oriented on the group decision-making process at the same level as in Finland. Usually they prefer to make important decisions alone or with managers or CEO's of the same professional level. In total, 70% of workers in Russia responded that they strongly agreed (35%) or agreed (35%) with the statement, then 20% of respondents were not sure about the answer, and 10% of employees disagreed (5%) or strongly disagreed (5%) with the statement.

Figure 25. “Group cohesion in your organization is more valued than individualism.”

8.2.6 In-group Collectivism

The sixteenth statement is related to the dimension of In-group Collectivism. In Finland, 30% of workers agreed, and 45% strongly agreed that they value how successful the group leader is, as it brings inspiration and makes team spirit stronger, employees strongly believe in the importance of relations between leaders and subordinates since it has a significant influence on achievement of the company goals. Only 10% of Finnish employees disagreed with the statement, and 15% were not sure about the answer. In Russia, 60% of workers overall agreed or strongly agreed with the same point of view as Finnish employees have, 20% replied “undecided”, and the rest 20% had an opposite opinion.
The seventeenth statement is related to the dimension of In-group Collectivism. This statement has a pretty similar meaning as the previous statement concerning the relationship between managers and their subordinates. In Finland, the leader of the team takes pride in the same way as group members take pride in his achievements since he understands the impact of the team spirit and inspiration on the company’s goals. Eighty per cent of workers from Finland agreed or strongly agreed with the statement, 5% disagreed and 15% answered “undecided”. In Russia answers are also quite the same with replies on the previous statement, 60% of employees from Russia agreed or strongly agreed, 15% disagreed or strongly disagreed, the rest 25% replied “undecided”.

Figure 27. “The manager takes pride in the individual achievements of group members in your company.”
The eighteenth statement is related to the dimension of In-group Collectivism. The results illustrate the level of devotion of the workers toward their organizations in two different countries. In Finland, the percentage of workers who feel loyalty toward their company is 85%, then only 5% do not feel the same, and the rest 10% responded “undecided”. In Russia 55% of employees feel loyal toward the organization, then 20% of workers do not feel in this way toward their company, and the rest 20% answered “undecided”.

![Chart showing loyalty levels in Finland and Russia](image)

Figure 28. “The workers of your company feel loyalty towards to the organization.”

### 8.2.7 Gender Egalitarianism

The nineteenth statement is related to the dimension of Gender Egalitarianism. In Finland, the majority of workers disagreed (50%) or strongly disagreed (30%) with gender inequality. Only 5% of employees agreed, and 5% strongly agreed, the rest 10% were not precise about their point of view. In Russia the situation is different compared to Finland, the number of people who were against this position was 10% bigger than those who agreed with this statement. Twenty per cent of employees answered “strongly disagree”, 30% answered “disagree”, then 40% of workers in total agreed (20%) or strongly agreed (20%) with the statement and the rest 10% replied “undecided”. Research illustrates that in Finland the number of men and women at higher positions is equal and does not depend on gender, while in Russia the approach is a little bit different and the number of men at higher positions is a bit bigger than women’s.
“There are more men at the higher positions than women in your company.”

The twentieth statement is related to the dimension of Gender Egalitarianism. The replies of respondents from Finland are the following: 90% answered that they strongly disagree or disagree with the statement, 5% answered “undecided”, and 5% said that they agree. In Finland, crucial decisions are usually made by the group of employees during open discussions, and gender does not play an important role. The replies of respondents from Russia are the following: 50% answered that they strongly disagree or disagree with the fact that men only make important decisions, 35% in total strongly agreed or agreed with this positions, since the majority of managers and CEO’s are men and in Russia usually CEO’s or head managers solve the essential problems. Then the rest of the respondents did not have a precise answer to the statement.

“Important decisions in the company are taken mostly by men than by women.”
The twenty first statement is related to the dimension of Gender Egalitarianism. In Finland, the majority of respondents disagreed (45%) or strongly disagreed (35%) with the statement. It becomes clear that in the country gender does not matter when it comes to work-related issues, an equal number of men and women participate in professional development activities. The smallest number of people (5%) answered “agree”, and 15% replied “undecided”. In Russia, employees have quite the same opinion (70%) with their Finnish co-workers, but the number of people who agreed (10%) with the statement is a bit bigger, the same with the number of respondents who responded “undecided” (20%).

Figure 31. “Men are more encouraged to participate in professional development activities than women.”

8.2.8 Power Distance

The twenty second statement is related to the dimension of Power Distance. Ninety five per cent of both nationalities agreed or strongly agreed that workers should provide their managers with opinions on problems which happen in the company. The same amount of 5% of Russians and Finns answered “undecided” concerning this topic. The results show that employees in Russia and Finland feel that their opinions matter to the managers of their companies.
Figure 32. “Employees should not be afraid to express disagreements with their manager.”

The twenty-third statement is related to the dimension of Power Distance. In Finland, 100% of workers agreed or strongly agreed that there is no distance between managers and their subordinates. They also said that relationships inside the company between team members and the leaders are based on respect and leaders are willing to support the employees in order to make the work more effective. According to the answers of workers in Russia, there is a distance between leaders and their subordinates, 10% strongly agreed, and 20% agreed with the statement, 10% replied “undecided”, 30% disagreed and 30% strongly disagreed with the statement.

Figure 33. “The CEOs of your company try to increase their social distance from the workers of not so high positions.”

The twenty-fourth statement is related to the dimension about Power Distance. Seventy percent of Finnish workers disagreed, and 20% strongly disagreed that employees should accept all decisions concerning work without discussing them.
before. In Finland, a big part of the working process is discussion inside the teams about work-related issues. The rest of the respondent replied “agree” (5%) and “undecided” (5%). At the same time, 60% of employees in Russia disagreed, and 15% answered “strongly disagree”, 20% responded “agree”, and 5% replied “undecided”. The results demonstrate that the percentage of people who disagreed or strongly disagreed in Russia and Finland is not so different, but in Russia, more respondents answered “agree” because of the fear of employees to provide the opinions openly.

Figure 34. “Employees should obey their manager without extra questions.”

The twenty fifth statement is related to the dimension of Uncertainty Avoidance. The answers given by Russian and Finnish respondents illustrate a similar attitude toward instructions that are provided with the work-related tasks. Both nationalities have an opinion that not all the tasks are obvious and detailed. They also said that the majority of work tasks are described briefly, and it gives an opportunity to the worker to decide the problem by himself first and if it does not work, to ask for advice from the manager. Sixty five per cent of Finnish employees and 65% of Russian employees agreed or strongly agreed with the statement above. Further 15% of Finnish workers and 20% of Russian workers replied “undecided”, then 15% of Finns and 10% Russians responded “agree”, and the rest 5% of both nationalities answered “strongly agree”.

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Figure 35. "Majority of the tasks are very structured, leading to a few unexpected events".

The twenty sixth statement is related to the dimension of Uncertainty Avoidance. The figure demonstrates how managers of the company appreciate and value the opinions of their subordinates during an unstable period in the development of the organization. In Finland CEO’s take into account the points of view of their workers more than in Russia, the figure below shows it in the questionnaire results. Compared to Russia, 45% of workers in Finland disagreed with the statement, while 30% workers from Russia answered the same, the number of strongly disagreed employees from Russia was 20% and from Finland 15%. Further, 30% of Russians replied “undecided” while in Finland 25% of employees responded the same, and the rest of subordinates from both countries responded “agree” or "strongly agree".

Figure 36. "Managers value and follow the opinions of workers during unstable period of time in the company."
The twenty seventh statement is related to the dimension of Uncertainty Avoidance. According to the results, both Finnish and Russian employees agreed that job tasks and instructions should be clear in order to avoid misunderstandings. It seems that management style in Russia and Finland has the same approach the separation of the tasks and explanations of the instructions. The total amount of Finnish workers who agreed or strongly agreed was 90%, then 5% replied “undecided” and the rest 5% disagreed with the statement, while the total amount of Russian workers who agreed or strongly agreed was the same 90%, then 5% disagreed and 5% strongly disagreed.

Figure 37. “Job instructions should be described in details in order to workers be aware of what they are supposed to do.”

8.3 Results of Open-Ended questions

Open-ended questions were created in order to get free opinions of the respondents concerning the levels of comfort while working in an international team and the level of friendliness and openness toward their co-workers. Also the questions helped to recognize how Russian or Finnish employees see their colleagues and leaders as a person, which traits are the most common between two nationalities and which characteristics are completely different. The open-ended questions were an obligatory part of the questionnaire, so all 36 respondents were answering the questions.
8.3.1 Perception

The first question was about the feelings which the person has working in an international team and what the reasons can be to feel so. Both Finnish and Russian respondents said that working in an international team is interesting and challenging, as this experience provides a lot of benefits.

"(...)It depends on a team. It might bring difficulties due to mentality and background differences, but due to them might lead to a surprisingly good result as well."

Respondent R.A. (Russian)

It also provides the opportunities to improve foreign languages, understand the other cultural behaviour, to get knowledge that helps to avoid cultural collisions and the chance to look at the same situations from different points of view.

"(...)I feel comfortable, because it helps to develop the understanding of how to work with foreigners, also it is a perfect practice of my English and a good opportunity to study Russian language."

Respondent R.S. (Finnish)

8.3.2 Common traits

For the second question respondents were asked to provide five main features that describe their Finnish or Russian colleagues the most. The answers demonstrate that Finnish and Russian nationalities are not so different when it comes to the behaviour at work environment. The research shows that Finnish workers see Russian colleagues as responsible, motivated, active, friendly and smart workers, at the same time Russian employees described their coworkers as very friendly, supportive, sensitive toward other employees, also responsible and respectful workers.

"(...)Finnish workers are calm, supportive, responsible, task oriented, friendly. Russian workers are friendly, determined, motivated, individualistic, easy to negotiate with."

Respondent P.J. (Russian).
“(...)Hardworking, motivated, mostly same value structure, culture differences are not big between Finnish and Russian people.”
Respondent V.S. (Finnish)

“(...)Finnish workers are friendly, professional, never behaving aggressively, supportive, smart. Russian workers are more individualistic than Finns, who are a more collectivistic society, also Russian employees are motivated, self-confident, responsible, punctual.”
Respondent I.N. (Finnish)

Sometimes, some workers are quite sensitive about cultural differences and it is difficult for them to avoid cultural misunderstandings.

“(...)My coworkers are mostly Russian. 1. They are afraid of voicing their opinion out of the fear that their manager (Russian as well) would fire them. 2. They spread gossips about other workers. 3. They are constantly talking about weight-loss and diets in their free time, which makes it unbearable to spend time with them. 4. They neglect some company rules related to data protection and security. 5. The majority do not have a degree in tourism and hospitality.”
Respondent M.J. (Russian)

8.3.3 Leadership style

For the third question about leadership styles, which country worker belongs to, shows that Russians describe the leadership style in Russia as totalitarian, where workers are afraid to express their opinion. In Russia, it is not common that a leader discusses important issues with the other employees, a more common situation is when the leader makes the critical decision alone and takes all responsibility himself.

“(...)In Russia leadership style is result oriented and all the important decisions are taken just by CEOs without discussions with other employees.”
Respondent P.N. (Russian)
“(…)Leadership in Russia is based on hierarchy, it is not common that head managers are accessible for the workers in order to discuss different issues related to work tasks. 
Respondent S.P. (Russian)

“(…)Leadership is to encourage people to do work and make them love work, but in Finland (where I am working) it is work like that, but in Russia where I am from I doubt that.”
Respondent M.G. (Russian)

In Finland the situation is different, leadership style oriented on creating a comfortable and friendly atmosphere inside the team, feedbacks from employees are essential and always are taken into account, leaders are accessible for discussions, and it is easy to approach the manager.

“(…)Leadership style in Finland is based on accessibility of managers when it is needed for workers and ability to provide freely an opinion without being afraid of the disapproval from the manager’s side.”
Respondent H.P. (Finnish)

“(…)In my company there is not high power distance, female and male workers are treated equally, employees are always welcome to discuss problems with managers.”
Respondent I.T. (Finnish)

“(…)Our leadership style is more soft than tender and group discussions are very welcome when it comes to decision making process.”
Respondent H.I. (Finnish)

8.3.4 Description of a leader

The last question illustrates what most notable traits of the leader Finnish and Russian workers can name. Russian workers described the leaders in Russia as self confident, determined, result-oriented, smart, hardworking, decisive, motivated.
"(...)Leader in Russia has such notable traits as respect toward other workers, always ready for challenges, decisive and prefers making important decision alone."
Respondent M.R. (Russian)

"(...)In Russia leader is used to take all responsibility about important issues just by himself."
Respondent M.V. (Russian)

"(...)Leader in Russia can be described as professional, takes important decisions alone, not always ready to discuss issues with workers."
Respondent K.A. (Russian)

Finnish workers described their leaders as helpful, team player, supportive, professional, friendly and collectivistic people.

"(...)Leader in our company always takes and understands responsibility for the decision that he made, he always tries to ask opinions of other managers and take into account the disagreements of employees. Feedbacks in our company are very important."
Respondent R.L. (Finnish)

"(...)In Finland for the workers it's easy to approach and criticize managers. Easy to approach. We take feedback from workers. Managers give orders and criticism mostly straight forward and direct. Honesty is Finnish trait in my opinion."
Respondent H.I. (Finnish)

"(...)In Finland the most notable qualities of leader are: goal- oriented, open for discussion, accesible, supportive and hardworking."
Respondent I.J. (Finnish)
9 SUMMARY AND DISCUSSION

The comparison of Leadership culture is an exciting and useful topic to study in this modern world where we often work in international teams. The author herself is experienced living and working in the multicultural environment in Finland and other European countries. Hence, due to her own interest in studying, living and working in Finland, she decided to investigate how her cultural background and leadership approaches in Finland and Russia will affect her future career opportunities and opportunities of students who have the same objectives.

It can be summarized now that this research has managed to find answers on the questions presented in the beginning of the study:

- What are the similarities between Russian and Finnish leadership styles?
- What are the differences between Finnish and Russian leadership styles?
- What are culture differences and similarities between the two cultures?
- How can culture collisions be avoided?

At the beginning of the theoretical part, the author defined “culture” and “multicultural competencies”, then explained how these aspects were referring to the understanding of differences between the nations and how cultural diversity effect the behavior of people. It is becoming clear how to handle cultural differences, levels of understanding cross-cultural interactions, and the importance of being acknowledged about multicultural competencies and develop them to be a successful leader. Also, the author used the Lewis model to explain that Russia is close to the multi-active behavior, this is because Russians are usually warm, emotional, talkative and impulsive. Finland is close to the linear-actives but is leaning toward the reactive, because Finns tend to be good listeners and can usually be careful when meeting people the first time.

The next chapter introduced the definition of “leadership” and Cross-cultural Communication Competence model, which illustrated four dimensions: interpersonal skills, team effectiveness, cultural uncertainty, and cultural empathy.
The model explained how each of these skills helps to communicate with international co-workers. Then, the GLOBE research was determined with nine dimensions, which the thesis is mainly based on.

The analysis of the answers on the questions regarding the dimension of Performance Orientation shows that both nationalities agreed that extra or better work should be rewarded with extra bonuses or higher salary. Also, managers in Finland and Russia stimulate their subordinates for better results and willing to stimulate them to be more goals–oriented and motivated. What is more, in Russia political connections and seniority are more valuable for work promotion than in Finland, while in Finland leaders appreciate personal development of employees more than any other traits and motivate workers to work harder.

Concerning the dimension of Assertiveness, employees from Russia behave more assertive than Finnish workers, but when it comes to supportiveness and friendliness Finnish workers demonstrated a higher performance, meanwhile in Russia respondents explained that in their companies workers are mainly only focused on their own tasks and not always happy to solve others’ problems.

Future Orientation is elaborated quite actively in both countries and has similar significance for team leaders. The managers are focused on long-term goals, try to predict and avoid upcoming misunderstandings. Therefore, long-term plans are an essential part of development for the organizations.

Due to the dimension of Humane Orientation, we can recognize the importance of sensitivity, friendliness, supportiveness between team members inside the team in Finland and Russia. The results clearly illustrate that in Finland the relationship inside the teams plays a vital role in organizations and impact on goals-achievements, that is why the team he leads pays significant attention to the level of interaction between the employees. In Russia, the significance of communicating among team members is not so appreciated and does not influence the result as much as in Finland.

Russia is an individualistic country in terms of dimension Institutional Collectivism, therefore the answers of Russian employees are different from Finnish. The managers in Russia usually are not going to support group loyalty if their own
objectives suffer. It is common to take responsibility for the critical decisions alone or in a small group of CEOs. Also, the economic system mainly supports individual interests of the leaders and the improvement of corporate culture is not a priority for spending money. Group cohesion is not as valued as in Finland since in Finland the managers usually ask to express their subordinates the opinion concerning problems and the companies are more interested in investing money in staff training and development of corporate culture.

Regarding In-group Collectivism in Finland managers and their subordinates take pride in each other is achievements and have mutual loyalty. In Russia, the level of loyalty between leaders and employees is a bit low, the same with the degree to which workers show loyalty toward their organization, in Russia this degree is lower than in Finland.

The dimension of Gender Egalitarianism proves that in Finland there is no special attitude to men or women regarding gender, women have the same chances to become a head manager, participate in professional development activities and a power to make important decisions. In Russia, there is still a gender separation between men and women, the power of making critical decisions is mostly taken by men and men also take a priority of working at the higher positions.

Concerning Power Distance dimension, Russia and Finland have notable differences in relations between managers and employees. Workers of both countries agreed that expressing disagreements with leaders is an essential part of working process and improvement for the company, but there are a bit more employees in Russia who have a fear of expressing their opinions and prefer to follow their manager without extra questions. Therefore, in Russia managers keep the distance from workers of not so high position, while in Finland CEOs are always accessible for their subordinates.

The dimension of Uncertainty Avoidance shows that both leaders and their subordinates in Finland and in Russia think that uncertainty sometimes provides a better decision for solving problems. Therefore, it is better not to give all the time very structured and precise instructions for the tasks, but at the same time, it is obligatory for the employees to be aware of job they are responsible.
Next stage of the study was to describe management approaches of two countries. Finnish management style has some similarities with Russian management style according to Ekwall & Karlsson (1999) and Mikluha (1998) in Lämsä (2010, p. 144) the Finnish managers show similar management style to Russian style in crisis time, they become harsh critics who eventually take the responsibility and are able to make an important decision alone if needed.

According to the research of Adizes (2011), Russian management style is still closely connected to the model, which the Soviet Union used and as the result many employees are afraid to express their opinions toward managers and let top managers make all the decisions. Other main characteristics of Russian management style were taken from the Scientific and Methodical Electronic Journal "Concept" (2016, pp. 180-184), they described management style as strict authoritarianism, individual decision-making process when just one head manager is responsible for solving the problems, the prevalence of management methods is based on power and subordination of employee to the superior.

The author found out that qualitative research method should be used to collect opinions of respondents by creating a questionnaire with three questions for each dimension of GLOBE research and open questions, where respondents provided their feelings about working in international teams.

To sum up the results of the research, the thesis should be able to explain the readers the theoretical and empirical insight into the culture and leadership styles in Finland and Russia. Also, it should provide an understanding of cross-cultural communication and the importance of multicultural behavior. The practical part of the research shows how different behavior and viewpoints in some aspects of management styles are. What is more, becomes clear and understandable that Russia and Finland have more similarities in terms of cultural and leadership styles than differences. As a result of it a similar understanding of behavior and customer treating that helps to avoid critical cultural collisions.
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Hello,

I am the student of Saimaa University of Applied Sciences, and I study at the faculty of Hotel, Restaurant and Tourism Management. I am writing my thesis about differences in culture and leadership management between Finland and Russia. The thesis goals are to find out and understand similarities and differences in leadership and culture between Finland and Russia. The significant part of the thesis is to obtain practical experiences from Russian and Finnish workers in hotel, restaurant and tourism sphere. I would be grateful if you could participate in my study so that I would be able to gain relevant data about the subject.

The questionnaire is constructed according to the theoretical framework of my thesis. The statements represent your opinion and the feeling how much you agree or disagree with the use of sliding scale, where numbers represent different strengths of feelings, in the way of 1 = strongly agree, 2 = agree, 3 = undecided, 4 = disagree, 5 = strongly disagree. Also, there are four open questions, where you can freely provide your opinion on the following themes:

- Working life in international teams
- Cultural differences between Finns and Russians
- Leadership style and the main leadership features of a leader in your country

The questionnaire will take generally from 20 to 30 minutes, and could be done by phone, Skype or email during the weeks 34-36. Questionnaire results will be handled in confidence, and they will be published only in the thesis. The thesis is thought to be completed by the end of December 2018, and after that, you will receive the report to yourself.

Best regards,
Elizaveta Murashkina
Saimaa University of Applied Sciences
Survey of Cultural and Leadership differences between Finland and Russia

I am *

- Woman
- Man
- Other

I am *

- Under 18
- 18-25
- 25-35
- 35-55
- 55+

My nationality is *

- Russian
- Finnish

How long is your work experience?

- Less than 1 year
- 1-3 years
- 3-6 years
- 6-10 years
- 10-15 years
- 15 years and over

Statements:

1. The workers should be rewarded for the excellent performance:

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2. The employees in your company are stimulated to make efforts for continuously development of performance:

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3. A major rewards in your organization are based not only on performance effectiveness, but also on the factors such as seniority or political connections:

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4. The people in your organization are more assertive than unassertive:

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5. The workers in your company are generally more tender than tough:

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6. The employees in your organizations are behaving aggressively:

Strongly Agree Undecided Disagree Strongly
agree

1 2 3 4 5

7. The leaders in your company place more emphasis on the future plans than on current situation:

Strongly Agree Undecided Disagree Strongly
agree

1 2 3 4 5

8. The managers in your company are concentrated more on solving current problems than on trying to predict and avoid the future misunderstandings:

Strongly Agree Undecided Disagree Strongly
agree

1 2 3 4 5

9. It is essential for the company to have long term plans at least for one year:

Strongly Agree Undecided Disagree Strongly
agree

1 2 3 4 5
10. The employees in your company are sensitive about other employees:

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11. The employees in your organization are friendly and supportive:

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12. The company provides loyalty towards workers:

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13. The managers in your organization support group loyalty even if their own objectives suffer:

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14. The economic system in your company is created to enhance collective interests:

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15. The group cohesion in your organization is more valued than individualism:

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16. The manager takes pride in the individual achievements of group members in your company:

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17. The group members in your company take pride in the individual achievements of their group leader:

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18. The workers of your company feel loyalty towards the organization:

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19. There are more men at the higher positions than women in your company:

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20. An important decision in the company are taken mostly by men than by women:

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21. Men are more encouraged to participate in professional development activities than women:

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22. The employees should not being afraid to express disagreements with their manager:

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23. The CEOs of your company try to increase their social distance from the workers of not so high positions:

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24. The employees should obey their manager without extra questions:

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25. Majority of the tasks are very structured, leading to a few unexpected events:

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26. Managers value and follow the opinions of workers during unstable period of time in the company:

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27. Job instructions should be described in detail so the workers are aware of what they are supposed to do:

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Open-ended questions:

1. How do you feel about working in an international team? What are the reasons for this?
2. How would you describe your Finnish/Russian coworkers, name at least 5 main features which underline their nationality the most?
3. Can you describe leadership style in your country?
4. What are the most notable qualities a leader in your country has?