

A Cross - cultural Analysis for Finnish Companies Entering Colombia.

Case Company: Finca Las Ventanas.

Abstract

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Abstract <p>The purpose of this thesis was to find out the main differences between the Finnish and Colombian business market and national culture and provide information for Finnish companies interested on expanding their business processes to Colombia. The thesis focuses on finding out how different cultural and environmental factors influence the internationalization process of Finnish companies doing business in Colombia.</p> <p>The thesis uses qualitative research method and data was collected through an interview with the representative of the case company Finca Las Ventanas. The purpose of the interview was to get an insight of the current business environment and national culture of Colombia and what challenges and possibilities are there and what should be taken into consideration when conducting a business in Colombia.</p> <p>A single case company Finca Las Ventanas was interviewed to provide and insight on the effects of national culture and business environment of Colombia and their differences compared to Finnish business environment and national culture. The main theory of the thesis consisted of two main themes, where the national culture of Colombia and Finland were studied through the theory of Geert Hofstede's research on national culture and the business environment of Colombia was studied through the PESTLE model. Finnish business environment was not addressed through the PESTLE model.</p> <p>The main findings of the study were that there are similarities with the Colombian and Finnish business markets and certain legal and security questions need to be addressed properly when entering the Colombian markets. In conclusion we can state that each company is an individual of their own kind and business environments are not strictly tied to a particular culture and nation. Colombia is a great investment point for companies and provides new possibilities for foreign companies interested on investing to Colombia.</p> <p>Based on the research future studies should be placed in relation to smaller companies that function in Colombia.</p>		
Keywords Internationalization, Business culture, National culture, Colombia, PESTLE, Hofstede's five dimensions.		

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Appendix 1. Interview Questions

1 Introduction

Globalization has allowed countries to increase and expand their organizations all over the globe. Globalization has brought nations together to increase the availability of different products and services that were not available to them if produced nationally. Trading of different commodities and services past the country's borders have opened many possibilities for companies to widen and spread their businesses to regions that are yet unknown for them. Entering a new and unknown market culture can be challenging and present oneself to be even intimidating. The process of adjusting to a different culture and adapting one's own business culture can be challenging for companies planning on pursuing the global markets. When entering a foreign market, the cultural challenges and political and legal differences should be addressed. (Kachru 2009, 111.) The thesis can be used to introduce information for emerging businesses that are interested on taking their globalization process on the next level. Assessing the environment that surrounds the business provides an insight into the possible challenges and the changes that a company might face when entering a new un-known market, in order to create a required understanding and possible solutions for adaptation. (Walsh 2005, 113-112.)

The objective of the thesis focuses on an emerging market of Colombia, which has proven to constantly develop and improve their marketability as a potential investment point. Despite the country's notorious history, it has presented itself as a very stable and interesting market to enter. In the past 20 years Colombia has transformed themselves to emerge as a flourishing democracy. Colombia heavily relies on oil and coal production and is one of the biggest exporters of coffee. Colombia's economic growth has slowed down since 2017, due to the falling world market prices and infrastructural issues. (CIA 2022a.)

1.1 Objective and delimitations of the Thesis

The main objective of the thesis is to compare the main differences between Colombia and Finland and their national culture. It is detrimental for Finnish companies to understand and distinguish the different ways of doing business in Colombia and the different market environment. Businesses and organizations are not passive in nature and are influenced by their environments, businesses take advantage of their surrounding environments. (Wetherly & Otter 2011.)

A part of the objective is to gather information for Finnish companies who are interested on extending their business to Colombia. It is important to distinguish certain cultural, legal and environmental differences between Finland and Colombia, when entering a foreign market. The thesis will introduce the Colombian business market and to distinguish the possible

challenges, when a Finnish company enters the markets by familiarizing the Colombian business environment by a careful analysis of the related aspects, with the emphasis on distinguishing the main characteristics. A comparison on Finnish and Colombian national culture is presented to create an insightful comparison between the two.

The delimitations of the thesis are clearly stated so that the main focal point is to distinguish between the two countries national cultures and their main characteristics. The target is to distinguish the main characteristic of the national cultures of both countries, since as a concept the term business environment of a country can cover more than what is necessary on behalf of the study. Part of the objective is to concentrate on country specific aspects that might oppose challenges when internationalising a company's processes. Thus, the thesis does not merely concentrate on a company specific information that targets a one international market, but rather acts to provide general information to any company interested on expanding their business to foreign markets. Finnish business environment is not covered since the main focal point is on the Colombian business market.

The empirical part of the thesis focuses on one Case company, that operates mainly on agricultural industry and exportation areas of the country, which can oppose some limitations on the reliability of the study. By stating this some caution is to be used when reflecting the findings of the thesis as all in one presentation of the Colombian business environment and culture.

1.2 Research question

The objective of the thesis is to answer the one main research question. The thesis aims to provide needed information and analysis to create a well-constructed conclusion. In addition to the main question, one sub questions should be taken into consideration:

- How does culture and business environment affect the internationalization of a Finnish company entering Colombia?

One sub – question is also presented:

- What should be taken into consideration when entering the Colombian business market?

1.3 Theoretical Framework of the Thesis

The theoretical framework of the thesis focuses on comparing the Finnish and Colombian national cultures and their differences and similarities. The theoretical framework focuses

on the cultural differences of the countries and how they might affect a business entering them. The focal point however is on Colombia and its business environment and culture. The theoretical framework of the thesis focuses on providing a clear structure to support the empirical findings. The theoretical framework of the thesis focuses on answering the questions of the thesis. To support the theoretical framework multiple sources of information is used, such as journals, literature, and online databases.

To analyse the national culture and business environment of Colombia two different methods on analysing are being used. First Hofstede's cultural dimensions are used to evaluate the cultural differences between Finland and Colombia and then PESTLE analysis is used to evaluate the business environment of Colombia. PESTLE analysis provides a more fundamental analysis on the following topics: Political, Economic, Social, Technological, Legal and Environmental aspects. (del Marmol 2016.) The information for the PESTLE analysis is gathered from reliable up to date sources where current information about Colombian business environment can be found, such as gov.uk, gov.co and other relative and international sources of recent information about Colombia. Sources such as CIA, WTO, and other reliable sources of information is used to provide information on the different sectors of the PESTLE analysis. The fundamental theory on PESTLE analysis is gathered using del Marmol (2016) PESTLE Analysis book on understanding and planning for your business environment. The national culture of Finland and Colombia is investigated through relative material concerning Geert Hofstede's model. Relevant literature by Geert Hofstede is used for the frame of the theory itself and relevant information is gathered from Hofstede Insights web pages to provide a cross – comparison between Finland and Colombia.

1.4 Structure of the thesis

In the first chapter the author is going to introduce the topic and the general introduction of the research. In the next chapter the author is going to introduce the research question and sub question of the study. The theoretical part of the thesis consists of two main interest points, where Globalization and the importance of it is introduced. Two main theories are used to analyse the Colombian and Finnish business culture and business environment. First the business culture of Colombia is introduced using Geert Hofstede's five-dimension model, with relative comparison to the Finnish business culture, however the main focal point is on the Colombian business culture. Each dimension is introduced in its own sub-heading. Delimitations of Hofstede's model is also taken into consideration to some extent. Colombian micro business environment is analysed using the PESTLE model, where each

of the aspects in the model is introduced under their own non numbered heading. Delimitations of PESTLE model is also taken into consideration. A short background of Colombia is given before introducing the main theories.

The empirical part of the study is introduced by presenting the structure of the research which follows the data collection method and the interview structure. Case Company Finca Las Ventanas is introduced lastly.



Figure 1. Structure of the Thesis.

Next an analysis of the data is provided. The research data will be analysed by combining the received interview data and the findings together with the theoretical framework. The interview results and the analysis based on the Hofstede's Five dimensions will be conducted. The Analysis focuses on finding the correlation between the collected data and the theoretical model of Hofstede's five dimensions and relevant PESTLE factors of Colombia. In the final analysis the results are presented and the possible reasons that led to the conclusion of the results. Study focuses on deductive reasoning and qualitative approach. Study is based on theoretical and empirical thinking/ findings.

To conclude the findings of the study a conclusion is constructed by gathering the theoretical information and combining it with the empirical part of the study. Reliability of the research is taken into consideration and possible issues and limitations addressed. Future research ideas are introduced lastly.

2 Theoretical framework

Globalization has opened new doors for companies to challenge themselves in new fields of growth. Under a half a decade ago business research mainly focused on studying the success factors of companies and their growth stories, compared to today where international economics and business is one of the most popular business research areas. (Casson 2013.) Internationalization is a process, where a company moves a part of their production/sales or processes to a new region or a country. According to Hollensen (2012) Global marketing is defined as the company's commitment on moving their business activities across the national boundaries, to find ways to globalize and fulfil their customers' needs globally as a competitive advantage. Hollensen (2012) implies that in order to do that companies must develop a global marketing strategy, by conducting a cross cultural study to distinguish the differences between the business culture and between the markets. Transferring and implementing these learned skills in order to adapt into the new business environment. Another term worth mentioning in Hollensen's (2012) book is the term "*glocalization*" which stands for the company's ability to work and act on a local level to ensure local flexibility while utilizing the benefits of global integration. Analysing the business environment of a country acts as an important framework for the importance of macroeconomic determinates of the competitiveness of possible investment points. Analysing the business environment of a country of investment allows companies to examine the analytical framework of microeconomic factors that influence the competitiveness of a investment location. (Dunning & Gugler 2007.)

Theoretical models used in the research consist of two different main models. Geert Hofstede's Five Cultural dimensions is used to analyse the national culture of Finland and Colombia. The second model used in the research is the PESTLE analysis to compare and analyse the business environment of Colombia. Each theoretical model is introduced in its own chapter.

2.1 Hofstede's five cultural dimensions

The world is filled with different people, groups and nations, who think, feel and act differently. Sometimes these different groups of people face the same challenges in their common surroundings, but act differently based on their economical, political, military status. Understanding these differences between different groups of people can provide solutions that can unify and create ways of mutual ways of working together. (Hofstede et al. 2010, 25.) To understand the effect of cultural differences between Finland and Colombia, five of the Geert Hofstede's dimensions are used as a theoretical model. The five dimensions are;

Power distance (PDI), Individualism versus Collectivism (IDV), Masculinity versus Femininity (MAS), Uncertainty avoidance (UAI) and Long-term orientation versus Short-term orientation (LTO). (Hofstede Insights N.D.)

Hofstede et al. (2010) suggested that much of the habits, thinking and feeling is adapted when an individual is young, since that is when a person is the most susceptible to new information and patterns of thinking. The same can be applicable to companies that have worked for many years in the field of their expertise that have acquired a certain level of expertise in their surrounding environments and thus have adapted their business model to their current business environment. These habits can be hard to change not only in the company's way of functioning, but within the organization environment and the people who work there. People are at the end of the day social beings that thrive to belong into a unified group. Multiple aspects of cultural differences and their adaptation can possess challenges to the international way of thinking, these consist of political-, cultural- differences and value, moral, religion and philosophy differences.

2.1.1 Power Distance (PDI)

Power Distance is defined as the extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally. (Hofstede Insights N.D.)

Power distance is the distance between the more powerful members and the less powerful members of the organization and how the power is distributed between the two. One of the main ways that power distance appears in organizations is that whether the employees feel that they are treated unequally and what their perceptions towards equality are. Organizations hierarchy plays a key role on determining the power distance. (Hofstede et. Al 2010, 58.)

According to Hofstede Insights Colombia scores relatively high on the scale of Power distance. In a high-power distance country, people live under the impression that inequalities between more powerful members and less powerful members is expected and accepted. This aspect of accepting inequality takes place in all the levels of society. Finland on the other hand scores relatively low on this level, which in return shows a characteristic of equal rights and being independent. In a business setting Colombian businesses are more likely to depict more respect towards hierarchy, where the immediate superior can be approachable, but those individuals who are considered to be at a higher level give orders and instructions and are not so easily approachable. Power is a central part of business culture and often those in the lower positions are treated more unequally. (Cultural Atlas 2022a.)

Colombia is a conservative country with a high concept for *machismo*, which basically means a strong sense of masculinity or “masculine pride”, which is portrayed as assertion placed upon anyone else in the family and overall dominance and respect towards the man of the house. (Hurtado & Sinha 2016, 13-14.) Many Colombian women are usually more highly educated than their male counterparts, however are less likely to be hired, and when they are hired are subjected to significantly lower salary and employee benefits. (WTO 2018.)

2.1.2 Individualism versus Collectivism (IDV)

The degree of interdependence a society maintains among its members. (Hofstede insights N.D.)

To completely understand this dimension both concepts should be explained accordingly. Hofstede states that individualism and collectivism is the distance between individuals and their ties between family, colleagues’ friends etc. Individualism and collectivism does not merely determine how individuals behave in their family surroundings, but demonstrates the behaviour in schools, religions, politics and in corporations. (Hofstede 1980.)

In countries that score high in collectivism individuals are more family orientated, sense of belonging and collective thinking play a key role. In high collectivism countries individuals are more likely to be more connected with not only their core family but own a sense of loyalty towards their family and social circle. (Hofstede 1980.)

In high individualism countries people are more drawn to take care of themselves and “mind their own business”. In individualistic countries it is not uncommon to take care of yourself with very little or no help from family or friends. In high individualism countries independence, high career values and a certain level of selfishness is present in corporate environments. In high individualism countries major organizations and corporations are in a higher value, due to the more career orientated culture and way of functioning. (Hofstede 1980.)

Colombia scores very low on the scale of individualism, which refers to the fact that Colombia is a very collectivistic country. Belonging into an in group is considered important and good relationship between the individuals of the group is often thought to be detrimental in corporate surroundings. (Hofstede Insights N.D.) In countries that score low on individualism are more focused on group thinking and decisions are often made interdependently, and the focus is to maintain ingroup success and harmony. In Collectivistic cultures it is common to conform to the groups decision, which might result in some level of discrimination between the in-group and people outside the in-group. (Carpenter 2000.)

2.1.3 Femininity versus Masculinity (MAS)

The fundamental issue here is what motivates people, wanting to be the best (Masculine) or liking what you do (Feminine). (Hofstede insights N.D.)

As a modern concept Hofstede's dimension of masculine and feminine characteristics can be narrow but can be used as an evaluation point on determining the country's assertiveness or modesty. Masculinity as a concept has been generally described as more task orientated, controlling, strong, independent, and less emotional. (Franklin II 2012.) Whereas femininity is generally described as more caring, modest, sympathetic and relationship orientated (Hofstede 1998, 16.) Hofstede argues that high masculine countries are more competition- and success driven and often more collectivistic than individualistic.

Colombia scores high as a masculine country. Masculinity in Colombia is generally viewed as a positive characteristic to have (Wood & McColl 2015). Hofstede states that merely the biological differences of men and women are not the only way to distinguish between the two, but rather the biological constraints of one another determine the "roles" of men and women in the societies, however it is not stated that a man cannot own "feminine characteristics" while physically being a man, It only states that in Hofstede's study masculinity and femininity are calculated based on the common idea of what is considered masculine or feminine. (Hofstede et.al 2010.)

Colombia ranks high on the scale of masculinity, where masculine features are appreciated. In corporate settings Gender roles, assertive behaviour, material success and success are appreciated and held on a high value. Finland however scores very high on femininity and is considered a highly feminine country. In high feminine countries both masculine and feminine characteristics are valued in a way where both women and men are expected to behave modestly, to appear tender and be cautious with the quality of life. (Hofstede 2010.)

In Colombia masculinity is commonly linked to the collectivistic culture, where the competition in corporate setting is directed towards the outside group rather than the ingroup of who are considered to be part of ones in-group or member of your in-group. Masculine societies are very orientated on success and Colombians are considered status – orientated. (Hofstede Insights N.D.)

2.1.4 Uncertainty avoidance (UAI)

The extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these is reflected in the score on Uncertainty Avoidance. (Hofstede Insights N.D.)

Uncertainty avoidance dimension describes the country's response to the unknown future. Should the future be controlled or accepted as it is? Different cultures act differently when faced with anxiety triggering events. (Hofstede et.al 2010.) Individuals in high uncertainty avoidance countries are more likely to prefer predictability in almost everything. Rules and clarity is respected and time management plays a key role in corporate settings. In a corporate setting managers like to concentrate on operational aspects, rather than in low uncertainty avoidance cultures the concentration is in strategic thinking. In high uncertainty avoidance countries experts and specialists of sort are valued and credibility in organizations is created through expected detailed knowledge rather than in low uncertainty avoidant cultures problem – solving and general skills are considered to be enough in many situations. (Hopkins 2009, 40-41.)

It is common that in high uncertainty avoidance countries personal data handling and privacy concerns are considered to be higher, individuals' willingness to provide personal information is lower in high uncertainty countries. (Grosso & Castaldo 2019.) Extensive rules, social conservatism, respect towards religion and decision of powerholders is valued. In Colombia the role of in – group and their opinion play a big role in the decision making, in other words rules are generally followed, but are highly affected by the in-group's opinion. (Hofstede Insight N.D.)

While Colombia scores very high on the uncertainty avoidance, Finland also scores relatively high on the uncertainty avoidance scale. In Finland it is also common to exhibit the mentality if of time is money and working hard is admired. Limitations to banking, insurance and production of food and competition between these have been limited. Many organizations have been privatized and monetized. Following rules is simple and isn't affected by in-group opinion, since Finland scores high in individualism and with uncertainty avoidance. (Chhokar et.al 2007.)

2.1.5 Long-term orientation versus Short-term orientation (LTO)

How every society has to maintain some links with its own past while dealing with the challenges of the present and future. (Hofstede Insights N.D.)

Long – Term orientation versus short – term orientation whether the culture or society expect a pragmatic view on the cultures future or possess a more history orientated way of thinking. Long – term orientation focuses on future and the respected values of it. It portrays a picture of a belief of more prosperous and successful future. It depicts a more interest towards what the future is going to be like and prepares for what is to come. Short – term orientation focuses more on the past and values the present more than the future. Cultures

with short – term orientation are more likely to focus on values, traditions and achieving quick success, for example saving for the future is not a common trait in short – term orientated countries. (Hofstede et.al 2010.)

Colombia has a relatively low score and its considered normative, which in common words means short – term orientated (Hofstede Insights N.D). Short – term cultures usually seek for immediate gratification of demands and needs, money and time is valued and major organizations are expected to perform well in a short periods of time. Governments and their respected authors can be changed every electoral cycle because the focus is on short – term success in the elections. (Raadschelders et.al 2015, 143-145.) Finland is also considered normative and values traditions and are more focused on achieving fast results. (Hofstede Insight N.D.)

2.1.6 Conclusion and limitations of Hofstede´s theory

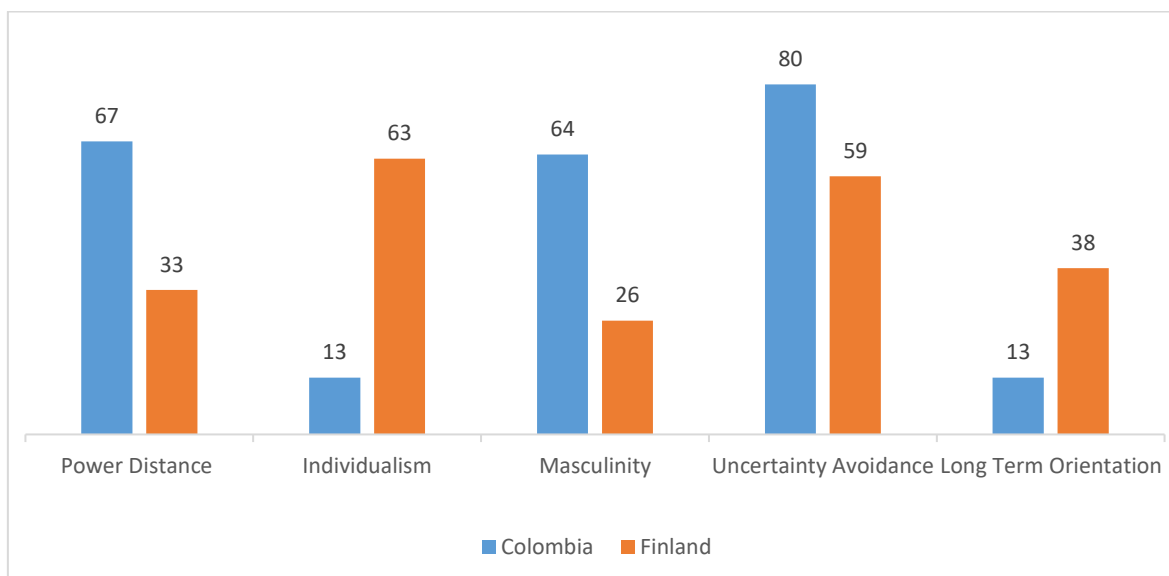


Figure 2. Country Comparison (Hofstede Insight N.D)

As seen in Figure 2, Colombia and Finland share a quite different levels of cultural dimension. In Power distance Colombia scores high on the power distance, where in corporate settings power is contributed unevenly, authority is respected and hierarchy is appreciated. Finland scores low in Power Distance, where in corporate setting power is contributed more evenly between individuals, such as managers, leaders and employees. Control is disliked and levels of hierarchy are not as visible. (Hopkins 2009, 38-39.) Colombia has a relatively high score on Power Distance and that combined with high scores of collectivism means that group loyalty and harmony are valued and thus conflicts are easily avoided in group projects. Cultures that have high uncertainty avoidance often have higher Power distance

and are more likely to be collective. (Boddy 2008.) Finland on the other hand scores high in individualism and low on Power distance, which is considered typical for individualistic countries (Noble 2015, 401).

Researchers such as D'Iribarne (2001) have argued that societies do not merely distinguish themselves with the universal characteristics of their actions, but rather through the meaning they give to their actions. Elvira & Devila (2007) explained that D'Iribarne's statement about the limitations and lack of understanding of national culture should be studied more in relation to the actual "meaning" of the concept. Culture as a concept can be described as the unified way of acting and thinking of a certain group of individuals, the function of a culture is to define the rules and manners for a certain environment or a group of people, this can be either a nation, family, organization etc. It is a group of individuals unique way of doing things. Culture is deeply rooted in a person throughout their lifespan and learned unconsciously, throughout traditions, language, ethics and many more. (Robbins et.al 2018.)

When concluding that Hofstede's 1980's study has played a detrimental role in the familiarization on the conceptualization of cultural differences. Hofstede's focus lies on the evaluation of differences between nations than between equals. However, studies have shown that it is not ideal to equate nations and cultures. Hofstede argues that individuals in society are wired through the "Collective programming of the mind" that is rather a dogmatic and narrow point of view and might oppose some limitations, when using Hofstede's five cultural dimensions. (Leung & Tjosvold 2016.) It is clear that Hofstede's way of using nation/state national culture as a basis of unit analysis is a rather narrow viewpoint on analyzing and evaluating cultural differences, however it has proven to be a widely used universal tool to understand and shape an understanding of one's business culture. (Jackson 2019.) The time period in which the original IBM study of Hofstede was conducted was made between 1967 and 1973, which is considered to be a hectic period in the human history, due to the fact that World War II was still freshly in everyone's memory, especially in Europe. (Erdman 2018.) Hofstede used a rather small target population, when conducting the cultural studies. Criticism has also risen from the narrowness of the five dimensions where a whole nation's culture is reduced to five dimensions and does not distinguish between cultures in between cultures e.g. sub – cultures such as religion or different ethnic groups. Hofstede does not address the possibility of the cultures ability to change and transform over time.

2.2 PESTLE factors

To analyse Colombia's business environment PESTLE Analysis is used to distinguish macroeconomic factors that have an influence on the development of the business, in this case

functioning in a foreign country. The PESTLE analysis can provide an insight to business managers to be more efficient on its decision making and sustainability. (del Marmol 2016.)

The meaning of the word PESTLE comes from an acronym that describes the different levels of macroeconomic variables that appear in the model. These are the following Political, Economic, Socio – Cultural, Technological, Legal and Environmental. On the thesis the focus in Political sector is on the Colombian Corruption, War, Conflicts, instability, and other relevant topics. Economic sector focuses on Colombian Gross Domestic product (GDP), Purchasing power parity (PPP), taxation and unemployment that are relevant to mention with the economic sector. The Colombian socio – cultural factors discuss the relevant topics of distribution of income, education and religion and other relevant matters concerning the socio – economic sector. The Technological sector of Colombia deals with the recent information and communication technology reforms and future investments on technological reforms. The Colombian Legal aspects are introduced with the relevant information on legislation, taxes, security and regulations. The environmental sector provides information on Colombia's environmental standards, renewable energy and sustainable ways of production.

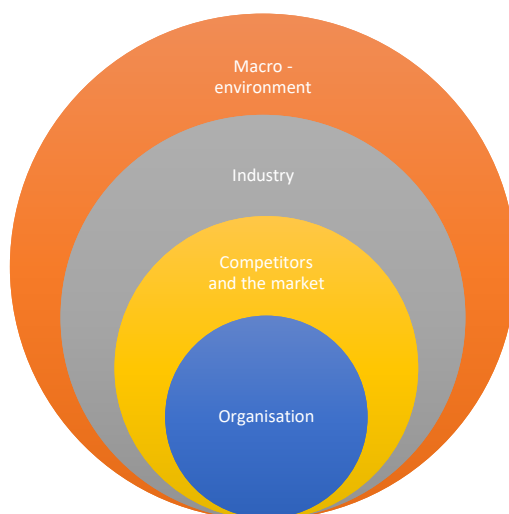


Figure 3. Layers of an organization's environment (del Marmol 2016)

The main goal of distinguishing the macro environment of a business is to distinguish possible challenges that might influence the company's ability to develop in certain surroundings. Macro – environment consists of different environmental factors that have an impact to an organisation's functions. It is not so much of a study of the external environment, but rather a more company specific approach. Even though PESTLE is not meant to predict the

future, it can provide crucial information and can spark possible discussion on possible future threats and opportunities. (del Marmol 2016.)

2.2.1 Background of Colombia

General information Concerning Colombia:

Location	North – West of South America
Area	1,109,500 km ²
Bordering countries	Panama, Brazil, Peru, Venezuela and Ecuador
Capital city	Bogotá
Population	49.1 million
Religion(s)	Catholic, Protestant and atheist.
Government	Unitary presidential republic.
Legislature	Congress

Figure.4 General information concerning Colombia (Dane.gov & World Bank N.D)

Colombia is country located in the South – America and is one of the continents biggest Spanish speaking countries. Colombia is geographically conveniently bordered by Pacific Ocean and the Caribbean Sea. Colombia is an independent federal government that has their own separate legislative and judicial branches (U.S News 2022.) According to International Monetary fund 2022 Colombia is one of the largest economies of Latin America, with its natural sources such as Agriculture, Petroleum, Coal, Gold, and coffee being one of the biggest industries supporting the nations economy. Colombia has suffered one of the biggest recessions of their history due to the Corona Virus Pandemic of 2020 – 2021, however this matter is not addressed further during this study. (International Monetary Fund 2021.)

Colombia is a part of United Nations and the Organization of American states. On April Colombia officially became a part of the Organisation for Economic Co-operation and Development (OECD). OECD works together with its partner governments to provide and establish international standards and aims to create solutions to possible social, economic or environmental challenges. (OECD 2022a-b.)

Political

Colombia is a Unitary presidential republic with president as a head of state and bicameral congress, senate and chamber of representatives. The form of Government in Colombia is a democracy. (state.gov 2020.) Amendments are proposed by the government (CIA 2022b). Colombia claimed its independence from Spain in 1819. Colombia has had previously two political parties Liberals and Conservatives, however, has supported the multiparty system,

where parties are joined at Congress. (state.gov 2020.) A new president will be selected shortly to continue President Ivan Duque Marquez journey to a more equal and sustainable Colombia. The current presidential term ends in August 2022. (World Bank 2021.) The Corruption Perception Index (CPI) of Colombia is high on the scale of 0 – 100, where zero stands for high corruption and 100 stands for no corruption or very little of it. In 2021 Colombia scored 39/100 in corruption, which means that the level of corruption is considered high in the country. According to GCB Latin America Caribbean 2019 Report of corruption Citizens of Latin American countries are unhappy with their current situation concerning corruption. According to the Global Corruption Barometer – Latin America and the Caribbean survey over half of citizens think that corruption is getting worse year by year. The GCB found that more and more people who are accessing the public services i.e., water, electricity, health care and schools have paid a bribe to receive a service. (Transparency International 2019.)

Colombia has been under the conflict for over 40 years, not only with organized crime and drug markets but with the ongoing civil war that started in the 1960s. The group of individuals responsible were called guerrilla groups, which later formed into two groups the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN). (ICTJ 2009.) In 2016 a peace accord between the Revolutionary Armed Forces of Colombia (FARC) and the government put a stop to the decades long conflict. Colombia has been suffering from the violent pressure of the Revolutionary Armed Forces and National Liberation Army (ELN) with little to no help from the government to provide protective measures to its citizens. (Human rights watch 2021.) After the 2016 peace treaty hardly anything has happened, and much is still the same before the peace treaty. Crimes under international law and human rights continue to happen, due to the ongoing armed conflicts. Numerous reports concerning the excessive use of firearms not only by the FARC and ELN, but with the special security forces of the national police have been reported in 2021. (Amnesty International 2021.)

Economic

Colombia is one of the biggest Economies in Latin America. After years of conflict and uncertainty, Colombia has opened up to new innovations, opportunities and growth. Increases in productivity and structural performance acts as a key element on improving economic growth and national production. Since 2000, Colombia has been steadily growing as an emerging market, while proceeding towards a more equal society. (OECD 2019.) Colombia's gross Domestic Product (GDP) totalled at 271 billion dollars in 2020. However, Colombia amongst many countries have suffered the effects of the COVID – 19 pandemic and

thus has suffered a small decline in the growth, however it is estimated that the economic growth is to grow 3.5% in 2022. Colombia is one of the biggest trading countries in Europe and the United States of America. The U.S and Colombia are celebrating the 10th Anniversary of U.S. – Colombia Free Trade Agreement. (ITA 2021a.) According to World Trade Organizations Fifth Trade Policy Review (2018) Colombia has introduced a system to target the inflation, which aim is to stable the rate of inflation and increase and stabilize the growth of GDP. Colombia has a level of Purchasing Power Parity (PPP) at 14.9 USD (World Bank N.D-a).

Colombia has a high level of entrepreneurship and a relatively high firm density. The country also has a high level of micro firms, which is approximately 92% of existing firms. More and more firms are created each year and medium and large sized companies have a high survival rate after five years of functioning. Despite the level of micro firms, nearly half of all the workers in the bigger cities work in the informal sector, which is the grey sector of the economy, where taxes are not paid, and companies are not registered as formal companies. (OECD 2019.) It is relatively common in emerging markets to have high levels of informal labour and informal companies. High level of informal firms affects the countries sustainable development since informal firms do not contribute to the tax base and are usually low on production and have no opportunity to grow due to the limited access to finances. (IMF 2020.) In 2021 Colombia enacted a law to tax reform, where corporate income tax is decreased from 31% to 30% and other taxes such as Value – added tax (VAT) and invoicing and income tax have been assessed. (Ernst & Young LLP 2021.) High levels of unemployment and informality acts as factor in the number of informal employees and labour informality. Colombia exercises labour law that is governed by labour code. Colombia has various labour unions, which are institutionally divided into confederations. (Chen et al. 2017.)

Colombia is 61st largest exporters in the world. Most common exports are crude petroleum, coal, coffee, gold, and refined petroleum. (OEC 2020.) Unfortunately, Cocaine remains to be one of the most vital export commodities in the political economy. The production and exportation of Coca leaves is highly controlled by the military, police, and paramilitary forces. According to the UN Commission of Latin America in the hight of the financial crises of 2008, drug money that was worth billions of dollars infiltrated the financial system and this drug money was absorbed to the global economy system as well. (Villar & Cottle 2011, 177-178.)

Socio – cultural

The social factors of a country shape the nation as who they are as people. Colombians are described as very nice and welcoming people and are described on having “joie de vivre”,

which stands for enjoyment of life. The Colombian way of living has been strongly affected by the Spanish colonization that lasted nearly 300 years. The country has gained their independence in 1819, however the Spanish colonisation still affects the ethnic and religious makeup of the country. Majority of Colombians are a mixture of Amerindian and European heritage and identify as “mestizos”. “Mulattos”, known as Afro-Colombians and “zambos” that have both Amerindian and African ancestry consist of 10% of the country’s ethnicity. (Cultural Atlas 2022a.) Approximately 99% of Colombians speak Spanish, however plenty individuals speak their own indigenous language that they have learned since birth (Zwisler 2018).

Colombia is one of the only major countries in Latin America where the gap between the poor and the rich has crucially widened in recent years. Colombia is considered to be very hierarchical on the bases of class. Colombians use the estratos system that does not apply to people but housing to be specific. Houses in major cities such as Bogotá have the estratos system to classify the income level of an area or a housing system. Even though the Estratos classification is used for housing, but sometimes used as a proxy to determine ones social class, due to the fact that higher estratos buildings are more commonly owned and inhabited by higher income individuals. (Wallace 2014.) Colombia has one of the highest inequality levels in the world, due to income, racial differences and ownership of land. (Melo 2015.)

Colombia does not have their own official religion. Biggest religions in Colombia are Catholic and protestant. Religion plays a big role in the society. Religion is deeply infused into the culture and is visible in language and mannerism. (Cultural Atlas 2022b.) The internal conflicts of the country have resulted in all the aspects of social and economic development including education. The priority for the Colombian education system is to close the gap between rural and urban areas education levels. The lack of common curriculum and low quality of teaching have opposed problems in education levels and many students struggle to achieve adequate progress in their studies. Geographic and socio - economic factors and differences influence the enrolment levels of undergraduates. Approximately 9% of students from rural and poor areas enrol to tertiary education and approximately 53% from urban and more wealthy areas apply for tertiary education. Many of the public resources in cities are not allocated so that the efficiency of education is reached. (OECD 2016.)

Technological

The information and Communication Technology (ICT) in Colombia is expected to grow in 2022. The COVID - 19 pandemic has opposed some challenges to the growth of ICT in 2019 – 2020, because of the depreciation of peso and depreciation in business investment.

The Colombian ICT industry is small, but numerous local industries consist of software developers that target expansion in the upcoming years. These local ICT companies share strengths in the areas of digital animation, financial tools and applications and mobile apps. Laws such as the ICT Modernization law has been passed to improve the implementation and availability of new technologies. The Colombian Ministry of information Technologies and Communication (MinTIC) focuses on closing the gap between rural areas. Wireless telecommunication network 5G is functional in major cities and basic Internet access to urban areas everywhere is being improved. (International Trade Administration 2021b.)

The Colombian government has concentrated on transforming Colombia to a new prosperous dynamic market, by providing ICT reforms to maximize future IT investment. (privacyshield.gov 2019.)

Legal

All Latin American countries share the same legislative system, the civil law system, however Legislations to this day are somewhat related and cited through the old “pre-Colombian law”, which might date back to the colonisation. The modern government structure of Colombia was very much influenced by the United States constitution, where two main characteristics were copied: The federal system and the presidential system. The Civil code law distinguishes between property and possession, which established the Colombian property registry and public property cadastre. In Colombia national constitution does not provide a guarantee for the right to land as they do on property, which might result in uncertainties with right to property and who has the right to own a property. Security of tenure is very important and does arise issues in ownership. When an individual has a security of tenure, when they are not in the risk and are protected against involuntary removal from their own land. Colombia is a party in most relevant international human rights conventions. (UN – Habitat 2005, 18-20.)

The main focal point of the current government is to keep inflation down and minimize unemployment. Developments on infrastructure, tourism, real estate, and innovations are made to gain international recognition and to modernize the business market. Foreign investments and companies are welcomed with the same treatment as the local companies and investments. Foreign Investment is encouraged by allowing investments to be made in all areas of the economy. All foreign investments are to be registered with the central bank. The Colombian Central Bank monitors all currency flows and exercises regulatory requirement supervision. (state.gov N.D.)The imports and Exports of Colombia are regulated and supervised and placed through formal exchange market. Every company or firm who carries out permanent ongoing business in Colombia is to set up an official registered company.

There are four most common corporate structures in Colombia: Simplified corporation (SAS), Traditional corporation (SA) and Branch of Foreign Company. The Colombian state owns all non – renewable resources such as Oil and Gas. Visas or permits are usually required for workers or long-term visitors of Colombia. Working Visa is usually granted in three-year periods. (Baker McKenzie 2017.)

Colombian Antitrust and Competition Laws are regulated through Superintendence of Industry and Commerce (SIC) that investigates and fines companies that malpractice of Antitrust and Competition Laws. Environmental licenses are required when practicing activities that might affect the environment of Colombia. (Baker McKenzie 2017.) Human rights issues in Colombia have opposed challenges to the national security and the Colombian government has taken steps investigate and prosecute individuals and officials that have committed these human rights violations, however the investigation and prosecution process if these cases are proven to be long and delayed in most cases. (State.gov 2018.)

Environmental

The conflict in Colombia has had many negative impacts to the Colombian nature. For multiple years different criminal gangs were occupying the land and over exploiting natural resources, such as minerals. Due to these illicit actions the environment has suffered largely due to unauthorized crops and deforestation. The peace treaty between FARC, ELN and the government has opened doors for reconstruction of the nature and the forests. The peace provides an opportunity for Colombia to sustainably harvest their vast amounts of precious natural resources. The United Nations Environment has managed numeral missions together with the Colombian government to implement new sustainable ways of development. (UNEP 2022.)

Colombia is one of the world's largest biodiversity, where the Colombian forests are covering half of the whole country. Colombian soil offers minerals, fossil fuels and coal. Colombia has relatively low CO2 emissions, due to the reliance of hydropower. Roads and Agriculture are the biggest sources of CO2. Deforestation has left its mark on the Colombian Amazon Forest, with slash and burn agriculture. Informal recycling and urban CO2 emissions oppose a certain treat. Colombia has established a stronger environmental management system the National Environmental Licensing Authority (ANLA). and the Ministry of Environment and Sustainable Development (MADS). (OECD 2014.)

2.2.2 Conclusion and limitations of PESTLE analysis



Figure 5. PESTLE Macroeconomic variables (del Marmol 2016)

Carrying out a PESTLE Analysis can help business owners to create a structure for advantages and disadvantages for the surrounding business environment that they are intending to enter. This can help to detect possible threats and possibilities for growth and risk assessment. Decision made in the Pestle analysis, should be carried out carefully to create the most useful representation of the outcomes. Analysing the micro-economic variables does help to manage and control possible threats but does not predict the future. Many variables in the PESTLE Analysis are independent and should not be carried out too specifically, thus PESTLE Analysis can be used as a discussion starter and to inspire innovation. (del Marmol 2016.)

To conclude the Colombian PESTLE factors, It can be stated to some level that Colombia is one of the biggest emerging markets with a rising level of production and endless possibilities to become one of the biggest trading countries in the world, which it is already. Colombia offers opportunities for consumers and producers, as well as B2B and B2C markets. In Colombia there is a high demand for ICT, automation technologies, waste economy solutions and for products concerning health and education. Colombia has a high purchasing power, due to the high population level and high demand. (Ulkoministeriö 2022.)

Some levels of threats are visible in Colombia, such as Organized crime, cyber security, bribery and corruption and Human rights disputes, however the Colombian government has taken steps to ensure a more secure future for the country. (gov.uk 2018.)

3 Research Methods

The empirical part of the thesis uses qualitative research methods to meet the research objectives of the thesis. Qualitative research is concerned with the objective assessment of the certain phenomenon. Qualitative research is inductive by nature and creates perceptions from the data presented, rather than trying to gather data to assess preconceived theories and data. The main goal is considered to be more on theory building. (Taylor et.al 2015.)

The research method used in the thesis is a case study. A case study is a research method that is an empirical inquiry that investigates a chosen phenomenon in a real-life context. Case study is usually an inquiry or a study on only one “thing”, the case itself. Case studies are widely used in theory-based research and thus is an optimal method of research for the context of the study. Case studies in business research can be considered to be more exploratory way of doing research, however Case studies are widely used in the field of business research. Case studies are generally more time consuming than many other research methods but allow the researcher to expose themselves on the real problems and ways of thinking. Case study is used when a single case is considered to be enough to achieve the needed information in order to reach the objective. (Dul & Hak 2007.)

There are two different kinds of standard approaches to analyse the data received: Content analysis and thematic analysis. In the thesis a thematic analysis is conducted, in thematic analysis it is not required for all the themes appear in the data collection interview. A theme moves and lives throughout the interview and are best used in interpretative qualitative inquiry. (Gubrium et al.2012, 197-198.) The main themes of the analysis deal with the Business culture and business environment.

3.1 Data Collection method

The Data collection method used in this study is by interviewing a case company Finca Las Ventanas. To determine the nature of the research method there needs to be clear idea what is the nature of the study in question and what needs to be answered. A case study is conducted when an empirical study focuses on studying the possible boundaries between the phenomenon and the context, and when these are not clearly visible. (Gagnon 2010.) The interview method used for the study is a semi – structured interview. In semi structured interview closed - ended and open-ended questions are used. In order to construct a semi – structured interview, the needed information is read and gathered in order to create a perspective and themes that act as the key elements for the research. The main themes are gathered in order to determine the right questions that support the research structure.

(Hirsiärvi & Hurme 2001.) The interview consists of 16 separate questions divided into two different categories/themes: Business environment and National culture. The questions in the interview are based on preselected questions based on two different theoretical models. National culture is studied through the model of Geert Hofstede. The business environment is studied using the PESTLE model.

3.2 Interview

The questions consisted of mainly closed ended questions and few open-ended questions that allow the interviewee to elaborate on few questions to answer more freely. (Roulston 2019)

The purpose of the questions is to get an insight of the current business environment and culture of Colombia and what challenges and possibilities are there and what should be taken into consideration when conducting a business in Colombia. The questions are conducted so that it is relatively easy to answer and takes approximately 30 minutes to answer. The questions are carefully constructed to provide the needed information that can be needed in the study. A brief introduction of Hofstede's cultural dimensions and the PESTLE model is conducted beforehand in conjunction with the purpose of the study and its goals. The interview is to be executed in Finnish by the request of the interviewee.

The interview is to be conducted via recorded phone call. The interview questions are to be sent beforehand to the interviewee, for the interviewee to familiarize themselves with the introductory information and provided information about Hofstede's cultural dimensions and the PESTLE model. The purpose of the questions was to answer whether the five dimensions of Hofstede's analysis and relative PESTLE factors and the possible differences between Finland and Colombia can be distinguished and is there a correlation between the theoretical models and the answers. The interview is conducted between the interviewer and the interviewee and thus no further personal information about the interviewee is published.

3.3 Case Company Finca Las Ventanas

Finca Las Ventanas is a Finnish family-owned coffee plantation in Confines in the Santander Department in northeast Colombia. Finca Las Ventanas grows their own coffee beans, which are handpicked and processed on the site. The farm cultivates Colombia and Castillo varieties, which are picked, washed, and dried in the sun. The owners acquired the land from the outskirts of the small village of Confines in 2019. Finca Las Ventanas wanted to bring the coffee from the farm straight to the coffee drinkers and what other country has

coffee drinkers more than Finland. The first harvest was harvested in 2019 and the very first coffee beans reached the Finnish customers in 2020. (Finca Las Ventanas 2019.)

The area of Santander is an ideal for growing arabica coffee. The company values sustainability and this acts as one of the driving forces of the company's business model. Finca Las Ventanas compensates their carbon footprint by planting Guamo trees that release nitrogen into the ground. Maintaining sustainable ways of production and healthy biodiversity is a key element in the production. Finca Las Ventanas also aims to support the living standards of the local people. Even though Finca Las Ventanas is a relatively new company in the field of coffee farming their company ideology and business model acts as an inspiration to others. (Finca Las Ventanas 2019.)

Our farm serves as a kind of laboratory in the area from which others can learn. By bringing Finnish expertise in environmental issues to the benefit of other local farmers, we will have a greater impact than we could alone. (Finca Las Ventanas 2019.)

4 Analysis of the Data

The interview began with a small introduction to Finca Las Ventanas as a company. As stated earlier Finca Las Ventanas was founded in 2019, when the family owned business acquired land to start growing and harvesting coffee in Colombia. The core business in Colombia is the practise of coffee farming, where the whole process of coffee cultivation is processed on the site, as well as the exportation of the coffee from Colombia to Finland. The founders of Finca Las Ventanas are also responsible from the whole exportation process and logistics of the process. Colombia was chosen as the processing country mainly due to personal reasons. The owner of the company has family from the country and thus it acted as a natural transitioning to choose one of their home countries as an investment location. Also the importance of coffee and why it was chosen is personal to the founder, but the climate and the soil allows a very optimal farming grounds for coffee, which helped with the decision making.

The business culture of Colombia overall is very nice, people are welcoming and happy to introduce their country to new companies who are interested on starting their business in Colombia. The situation in Colombia in the past years has not been the most inviting country to invest in due to the political disputes and security questions, however they are now more glad to see other countries and businesses investing to their country. Corruption and other country specific disputes are still very much visible and security questions should be addressed beforehand. A local representative is considered very important. To have an insight on what to expect and what to prepare for. Just showing up and not knowing and addressing certain legal/security questions might subject the company to exploitation etc. Having a trustworthy and secure relationship with the people that you work with is detrimental for business management and starting.

The founder of Finca Las Ventanas mainly employs workers from the same area where the farm is located. The owner was ready to cultivate land from the Santander Department and start a farm to provide locally made coffee to Finnish coffee drinkers. Finding a good trustworthy worker with knowledge of the local culture is very important for the business and its functions. Colombia consists of many internationally acclaimed organizations that have expanded their business operations to Colombia. Finca Las Ventanas provides an interesting insight and example of smaller company that has found their way to function in Colombia without the help of already existing strong corporate business environment that might exists in bigger organizations.

4.1 National culture of Colombia and Finca Las Ventanas.

The national culture of Colombia is presented through the Hofstede's Five dimensions model, where concept of individualism and collectivism is discussed in reflection to the business processes in Colombia. Even though the concept of an individualistic or collectivistic country and the dogmatic and narrow mentality of classification of these both, some areas of collectivism can be distinguished in national culture. The classification of collectivism is viewed and valued differently with each individual. Everyone has their own perception of things and this might limit or change the way each individual perceives the world and their own actions. When considering organizations and their functions and how the collectivism is visible there, Finca Las Ventanas organizational functions and culture is a mixture between the collectivistic and individualistic way of functioning. Finca Las Ventanas is not solely a Finnish company nor are they solely a Colombian company, but rather a Finnish-Colombian company. Finca Las Ventanas identity is to function with a hybrid model where best of both cultures is taken into consideration.

4.1.1 Collectivism and Power distance

The Hofstede's model of collectivism and individualism is relatively directional concept and every organization has their own way of constructing their organizations culture to fit their own needs and functions. The perception of collectivism can be multileveled where in Finland we can see systematic collective phenomena where collective way of functioning is expected, but in most cases the culture itself is considered individualistic. Collectivism can be perceived in multiple levels inside the culture, for example in collective cultures the perception of flaunting money and showing off is more socially accepted, where people are expected to express themselves and their wealth by for example buying a nice car. Where as in Finland, where flaunting and excessive showing off is frowned upon, showing off your wealth is nearly unacceptable and considered tasteless or even rude. In Colombia showing your wealth and expressing yourself financially is accepted, however security and safety might oppose some challenges in the matter, where you have choice to own and show off a nice car, but do you want to subject yourself to be a possible target of interest is to be considered.

“Un amigo que” this friend that I know, is usually the friend that knows everything about everything even though they wouldn't know nothing about anything. It is expected to know someone and know someone how knows how to do something. The mentality of collectivism is very strong between the in - group such as friends, family and “Un amigo que”. When hiring new people family ties are taken into consideration and should be addressed. Having

collective ties is important and finding these connections is important, especially if you need a trustworthy and good worker. As an operating environment, Colombia is an easier place to do business than Finland, but in its own way it requires certain types of connections. Collectivism can reflect on decision making and group mentality, where united ways of functioning and thinking are very present with the decision making. In Finnish culture it is accepted to answer "I do not know how to do this", but in Colombia the more common way is to answer "I know someone who knows how to do it". Which might be the result of inserted ideology of "we" thinking and strong in- group dynamics. The opinions and attitudes of the ingroup is considered very important and the ingroup opinion is not questioned easily. Friends and family are trustworthy and usually hired and spoken highly of in job sites and in task hiring situations.

Communication in Colombia is considered more subtle and direct, which very much opposite from straightforward and blunt way of Finnish business communication. Subtle and more indirect communication this is very common and might oppose challenges in corporate settings. Feelings are more present and sometimes careful consideration is needed when addressing things such as feedback and scolding. Feedback is usually given through a third person and never directly. Negative things are not spoken about and challenging to talk about. Often times indirect way of expressing things can cause misunderstandings and miscommunication. Things that are not right are easily left unsaid or said to the third person, where a sense of broken phone effect is created. Sometimes these can oppose conflicts, however it is also a very valuable asset, when you can trust your workers and the "in group". Language barrier is very high, and English is not spoken or understood widely. Spanish is expected and should be known.

4.1.2 Uncertainty Avoidance

Colombia is ranked high on uncertainty avoidance and hierarchy is expected and accepted. It is better to have an opinion than not to say anything at all. Uncertainty is not accepted in a sense of context to what a person or individual knows. Finca Las Ventanas has tried to bring certain ideologies to their own company ideology in order to make uncertainty more acceptable in a sense of corporate setting where learning to do something right is more important than doing something quickly and arbitrarily. Titles are very important. People tend to have fancy sounding titles to show that they are competent in their field of expertise. Status is not questioned, and it shouldn't be questioned. Nothing negative is said towards a person higher in the hierarchy. With catholic workers the religion never interferes with business and with other smaller religion groups it might be more common that religious symbolism is sometimes mixed in the decision making.

4.2 Colombian Business environment and Finca Las Ventanas.

When it comes to the Business environment of Colombia Finca Las Ventanas owner did not have any negative prejudice when entering the new market. Bureaucracy is very slow and sometimes complex. Answers from officials are commonly unbiased in a sense, where promises are made light-heartedly, even though the answer is already known. Uncertainty of things is very present when dealing with permits or the bureaucratic aspects.

4.2.1 Government and bureaucracy

Uncertainty towards the time span and uncertain timespan is common, where the time estimation and deadlines in certain places and with certain people are often longer and more time consuming than expected. A good and trustworthy lawyer is detrimental. The Bureaucracy is very tiresome and takes a lot of patience to deal with. The starting of the business aspect might be easy and done in ten days, however to get your business to fully function in the designed area might be another story. Having some sort of connections with the right type of people might help things to move more faster, other than that things might be more difficult overall and take a bit more time than in Finland.

As a plantation owner Finca Las Ventanas expressed that owning land can be a very bureaucratic process, that requires a good lawyer. With land ownership companies are to be careful so that they do truly own the land and if not, the land needs to be leased accordingly. Safety question is also important. Having knowledge on assets and who actually owns the land in relation to having effective control over the land you own or is the company/individual in charge of someone else's asset. The problem with disputes concerning "mafias" and their control over the assets that have been theirs is a question that needs to be considered. You might have the land in your name but owning and acquiring land in your sole ownership might be challenging. The actual control over the land you own must be considered and therefore a good lawyer is important. In a sense it doesn't necessarily mean that you own a land if you buy it due to the control possibly being somewhere else than in your hands.

The Logistical aspects, such as electricity, roads and operating costs are dependent on what you are doing and how it is done. Finca Las Ventanas has their own solar panels that provide solar power during the daytime. The bureaucracy with electricity and acquiring it is similar with than in Finland. These processes are however similar to any other countries process; however safety is a key question as always in these aspects as well.

4.2.2 Legal environment

When hiring workers finding trustworthy workers is relatively easy, if the connections are there. The difference between Colombian and Finnish hiring process is not that different, however there are few things that needs to be taken into consideration. In Finland the hiring process is more different in respect to the labor law and labor communions that determine a high variety of “pseudo” laws that are used to set up rules and regulations concerning profession related questions. In Colombia it is more connected to the actual labor law set by the government and not so much connected to the profession-based legislation. There is a more universal labor laws that are more widely used than union-based laws and regulations. For example, working hours legislation is very strict and monitored in Finland, it is quite opposite in Colombia, where mainly religious holidays are work free days, but regular hours is not so commonly followed and workers are more willing to work over hours and it is more common and accepted than to work the basic working hours provided. Religion is always taken into consideration; however it does not really take part in decision making in the business environment, however it should be addressed accordingly. The workers and business partners that Finca las Ventanas has are mainly protestants and religious habits, holidays and other aspects should be taken into consideration. They are highly linked to their own community and are usually very willing to work together in the projects at hand. Community members are usually represented when searching for new workers. This is however different in different professions and should not be generalized.

4.2.3 Economic factors

In Finca Las Ventanas experience there is a great demand for things that might not be available to them right now. New foreign companies are welcomed to Colombia and Finnish companies should dare to go and invest in Colombia. There are great opportunities and investment sectors available. People unfortunately have assumptions towards Colombia, where people are possibly afraid to consider Colombia as an investment point. There is a real demand for multiple products and as a big country the purchasing power also confirms the endless possibilities to succeed. Colombians are willing to pay for quality and good international products and the demand is there. In some cases the population and the amount of people correlates with the purchasing ability of people and the demand. The potential is very large, because the trends already exist. Finca Las Ventanas encourages companies to look and go, but the reality is the security issue, being aware of the possible treats and how to manage them, also take into consideration the bureaucracy and their effect on the business processes. Take advantage of the local businesses and actors and create and build a trusting environment with workers and other operators, to ensure safe

and secure way of doing business. Being active in the community helps to find trustworthy connections and relationships.

5 Conclusion

The purpose of the study was to acquire information about Colombian business environment and national culture, that provides information for Finnish companies interested on expanding their business processes to Colombia. A Finnish founded company was used as a case company for the research, and thus the research focused on a Finnish company based viewpoint, however the case company used for the research identifies themselves as partly Colombian and partly Finnish with their processes, thus it can not be stated that a solely Finnish company perspective is presented.

Culture influences the way people act, think and behave in their surrounding environment. Culture does not only consist of the natural culture of a country, but is rather a culmination of habits, learned skills and acts as unified method of functioning of a certain group of people. Cultures do not merely appear in nations and as a form of national culture, but in different settings as well, such as different job sites, organizations, friend groups, families and other. Throughout the theoretical part of the thesis and with the acquired knowledge gathered using the relative theories of Geert Hofstede and PESTLE model, emphasise the importance of understanding and accepting the importance of cultural and environmental aspects of a foreign business market acts as an important point of discussion when entering a new market.

The research showed that even though Geert Hofstede's models are considered to be somewhat outdated, they do provide an insightful comparison point between two very different nations and their way of life. It can be said that national culture is much more broader concept than just five dimensions presented in the study, but the results can be used to gain an insight on dimensions that are generally considered to provide an outline to understanding the national culture of a country. The research showed that Finland and Colombia are relatively different in their national culture dimensions. Colombia is a highly collective country that is very in – group orientated in family, friends and as well in corporate settings. Other individuals' family is never questioned or critiqued and in – groups appreciation and opinion is taken into consideration in decision making. In corporate setting authority is not questioned and it is accepted and expected. Colombians are very warm-hearted people, who are not afraid to show their emotions. Colombian business communication is more indirect and subtle compared to the Finnish business communication and in – group opinion is listened.

The research on Colombian business environment showed that Colombia is one of the biggest emerging markets with a rising level of production and endless investment possibilities.

Colombia offers opportunities for consumers and producers, as well as B2B and B2C markets. In Colombia there is a high demand for ICT, automation technologies, waste economy solutions and for products concerning health and education. Colombia has a high purchasing power, due to the high population level and high demand. Some levels of threats are visible in Colombia, such as Organized crime, cyber security, bribery and corruption and Human rights disputes, however the Colombian government has taken steps to ensure a more secure future for the country. When conducting business in Colombia a good lawyer is a must and patience towards the bureaucratic measures and decisions is expected. Colombians' welcome new investors to their country by introducing measures to increase the tardiness and proficiency of governmental bureaucracy.

Finnish companies who are interested on conducting business in Colombia should be prepared to study and investigate the legalities and regulations that might affect the business processes. Gathering good and trustworthy people to guide the process can be considered valuable.

Culture influences not only when conducting business somewhere else than your own culture, but also inside the company itself. It is important to find a certain type of hybrid way to include the already existing company culture and make it work in whole new cultural environment. Addressing the before said can help companies to make this process easier and more easily approachable.

5.1 Reliability of Research

The reliability of the research can be determined in relation to the empirical and theoretical part of the study. The study uses qualitative methods of evaluation, where the empirical part of the study is compared to the theoretical themes of the study. The research method used in the study is a single case company, where a single interview is used for data collection. The data collected was used to find out the case company's personal experiences of the internationalization and adaptation process of the company to the Colombian market.

The case study company presented is considered a smaller family business type of example that can be used as a representing company for smaller businesses that have moved their processes to Colombia. It is important to state that while the data collection results represent a smaller population, the research results can be used by other smaller and bigger companies interested on expanding their business to Colombia. It can be stated that to certain level the research method and data collection measures provided what was intended to be elucidated, and thus can be stated to be valid.

Although the results of the study does not necessarily represent a broader spectrum of internationalization and can not be used to generalize the idea of internationalization, it can nevertheless provide new information and perspectives on the matter. The reliability of the study is dependent on the size of the entering company and their initial starting point for internationalization i.e., with companies that represent a strong internal organizational culture traits were not included in the study and thus are not represented as a variable.

5.2 Future Research

Future studies should be conducted to provide more information of smaller or medium sized companies who have expanded their business in Colombia, to provide a more hands-on examples of the integration process.

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Appendices

Appendix 1 Interview questions

Questions concerning national culture. (Geert Hofstede – Five Dimensions model)

1. Introduction to the company: How long have you operated in Colombia, What type of business do you have and how does it function?
2. Why did you decide to start doing business in Colombia?
3. Colombia is a collectivistic culture and Finland is considered to be more individualistic. (Concepts are shortly explained the differences between collectivistic and individualism). Does this reflect on doing business in Colombia?
4. Communication is more subtle and indirect. Does this require special steps or actions when doing business? Is there a language barrier?
5. How would you describe the business culture of Colombia? Are there disadvantages? Advantages?
6. Hiring local workers, what should be taken into consideration?
7. Colombia is ranked high on Uncertainty avoidance, what are your thoughts on hierarchy and is it accepted as described?
8. In your own words: What are the biggest differences in national cultures of Finland and Colombia?

Questions concerning Business environment.

1. Did you have any expectations when entering Colombian market? What were the main concerns that needed to be taken into consideration?
2. The cost of trading is higher than in most Latin American countries and is said to be more time consuming, have you found this challenging?
3. You have started your business in 2019? According to the World Bank 2020 report reforms have been made to make trading across borders easier and starting a business. Report stated that starting a business in Colombia requires seven procedures and takes an average of 10 days. Was it challenging to start a business or was everything made clear? Did you need outside help?
4. How do you find the Legal environment of Colombia? (Corruption and the role of government in business).

5. Are there any risks on doing business in Colombia? (security and fraud risks, manufacturing risks, etc.)
6. As a plantation owner was it hard to acquire land? What things should be taken into consideration?
7. Logistics costs (Road management, operating costs (availability of electricity), storage/inventory). Opinions about these?
8. What tips do you have for Finnish companies wishing to operate in Colombia?