TAMPERE UNIVERSITY OF APPLIED SCIENCES

BUSINESS SCHOOL

FINAL THESIS REPORT

Going multicultural
Leadership in international organizations in Finland
Case study: UPM-Kymmene's GTS

Ronald Zieger
Zoltán Tóth

Degree Programme in International Business

November 2009

Supervisor: Shaidul Kazi

TAMPERE 2009

Abstract

Multicultural organizations have become increasingly important in the global business world of today. In Finland, which mainly due to its aging population is getting more and more dependent on foreign workforce, such working environments are still a relatively new yet rapidly growing phenomenon. The management of such organizations has been a matter of thorough research in recent years and thus resulted in a considerable amount of literature.

This thesis, deductive in its overall character, tried to cover the most relevant aspects of leadership in international organizations in Finland and also enrich this field of research with some individual research. Through a case study on UPM-Kymmene's Global Transaction Services Center (GTS) this paper analyzed how international management is being carried out in Finland and discussed the general expectations TAMK's second and third years students of the BBA International Business Program have towards leadership and management styles in Finnish intercultural organizations.

For that purpose, Geert Hofstede's Cultural Dimensions model provided the main theoretical backbone, which allowed to integrate Finland's as well as the students' cultural traits into a consistent model. Furthermore, the general character of multinational working environments was analyzed and the specific implications for Finland discussed.

The empirical data from both sample groups, TAMK's students and GTS' managers and team leaders, was gathered through qualitative and quantitative research and subsequently analyzed with the foundations laid out in the theoretical chapter.

0.   Table of contents

1.   Introduction

1.1.   Background

One of the most apparent aspects of the phenomenon of Globalization is that during this era more and more domestic companies are going abroad in order to increase their competitiveness and market share. This has resulted in a rising importance of multinational[1] companies in the global business life of today. These dynamics especially impact the ways how and through which measures these suddenly international companies are administrated. Therefore, they bring new importance to old managerial questions regarding the ideal leadership style. Moreover, new questions have been emerging as well. Those for example concern the different cultural backgrounds of the people involved in such intercultural environments on all job-related levels, something that brought well-respected Dutch researcher Geert Hofstede to the conclusion that "[c]ulture is more often a source of conflict than of synergy. Cultural differences are a nuisance at best and often a disaster."[2]

Indeed, companies that are active in different political, economic, social and technological environments are facing new cultural challenges – challenges that might not only exist between the domestic core of the company and its international subsidiaries but also between the management and the employees in the multinational departments of the organization. Members of a division that come from different countries have their own cultural traits which go way beyond the mere language barrier and which influence their ways of working starting from normal daily work procedures up to high-level decision-making processes and therefore provide a fertile ground for conflicts. Stereotypes are another very common example, because those especially affect behaviours towards different nationalities.

---

[1] In this paper the terms "multinational", "multicultural", "international" and "intercultural" will be treated synonymously.
[2] Hofstede, Geert (n.d.), retrieved June 1, 2009, from: http://www.geert-hofstede.com

Since the success of a company highly depends on the work performance of the employees, especially multinational companies must take these cultural differences into account. As Adler argues, "[m]ulticultural teams have the potential to achieve higher productivity than homogenous teams, but they also risk experiencing greater losses due to faulty process."[3] Successful leadership of a multicultural organization means, therefore, more than just to make it operating profitable in its particular business segment. A further goal that has to be tackled is to solve the conflicts that go hand in hand with the cultural differences of the employees, so that the gaps stemming from different cultural backgrounds are decreased as much as possible.

Multicultural management has been claimed to give a valuable answer to these challenges. In fact, it is getting more popular and accepted among global enterprises. Taking into account that cultural differences can never be and also *should not* be eliminated, the approach of intercultural management rather seeks to embrace these differences and find a balance between them due to the understanding that they help the company to achieve a higher performance by managing them in the best way possible. In this sense, Kreitz understands intercultural management as an approach to handle diversity.[4]

In Finland these tendencies are of notable importance. The small northern country on the European periphery, which is according to some international rankings since the late 1990s one of the most competitive economies in the world,[5] has considerably opened up towards the world during the last two decades. It is safe to estimate that Finland's economical power is to a large degree based on internationalization. In fact, big Finnish companies such as Nokia, Metso or UPM-Kymmene owe their great success of the past years last but not least the process of going international.[6]

---

[3] Adler, Nancy and Gunderson, Allison (2008). *International Dimensions of Organizational Behavior* (5th ed.). Mason: Thomson Higher Education, p. 134.
[4] Cf. Kreitz, A. Patricia (2007). *Best Practices for Managing Organizational Diversity*, retrieved August 3, 2009, from: http://www.slac.stanford.edu/cgi-wrap/getdoc/slac-pub-12499.pdf
[5] Cf. World Economic Forum (n.d.), retrieved on June 5, 2009, from: http://www.weforum.org/en/media/Latest%20Press%20Releases/GCRpressrelease06
[6] In the current times of recession, however, some authors argue that Finland's economic success is likely to decrease rapidly during the next years mainly due to increased competition

UPM-Kymmene, one of the world's leading forest industry groups and the third biggest producer of printing papers, decided to centralize all of its financial transactions concerning Europe and North America in Tampere, Finland. Therefore, the Global Transaction Services centre (GTS) was established in 2006, an organization whose company language is English and which due to its high amount of foreign employees – More than a third of its 120 employees have a non-Finnish background. – has become one of the biggest employers of foreign workers in the whole Tampere region. Therefore, in GTS, also the cultural challenges and opportunities briefly described above have to be paid special attention to in order to provide high-quality services to UPM-Kymmene's internal and external customers. As a matter of fact, GTS is highly interested in attracting well-educated people with a university degree in Finance and Control on the one hand and the necessary "international skills" such as languages on the other. The English Bachelor studies in International Business (IBB), which Tampere University of Applied Sciences (TAMK) has been offering for a couple of years now, has been attracting students from abroad and has become one important source for GTS when it comes to finding future employees.

1.2.   Purpose of the study and research questions

The purpose of this thesis was to put some more light on how international management is being carried out in Finland on the one hand – and on the other it tried to find out the general expectations young international business students from all over the world, who study in Finland, have towards leadership and management styles in intercultural organizations.

The cases examined for this paper, UPM-Kymmene's highly international Global Transaction Services centre and TAMK's BBA students, was assessed to offer sufficient material to allow a subsequent comparison with each other as

---

in the fields of innovation, which will especially affect the big Finnish companies. Cf. Sabel, Charles, Saxenian, AnnaLee (2008). *A Fugitive Success. Finland's Economic Future*, retrieved August 4, 2009, from: http://www2.law.columbia.edu/sabel/Finland%20final%20 report.pdf

well as a concluding evaluation, even though the narrow possibilities of this thesis permitted only a limited insight.

It was not the aim of this thesis to verify or even challenge earlier and of course much more comprehensive studies on cultural differences and intercultural management. Neither was this thesis trying to offer a manual when it comes to leading intercultural organizations. Therefore, this study is mainly deductive in its nature, since the accumulated empirical information allowed only a subsequent comparison to the gathered book knowledge.[7]

This paper should be mainly useful for GTS to get a comprehensive overview on the common leadership styles of the organisation's managers and team leaders and to receive some practical information on the aligned expectations of their possible future employees. As a matter of fact, it was not possible to answer every related question but at least feasible to give some explanations and practical answers regarding cultural patterns and problems in the leadership of multicultural teams.

Apart from the key question mentioned above other points to discuss were:

1. Are there motivation factors among the students existing, which are the same, no matter from which culture the student in question comes from?

2. What kind of leadership do business students, who are planning their careers in an international organization in Finland, would appreciate at their future workplaces in general?

---

[7] Cf. Ghauri, Pervez, Grönhaug, Kjell, and Kristianslund, Ivar (1995). *Research Methods in Business Studies. A practical Guide*, Hertfordshire: Prentice Hall, p. 8.

1.3.   *Research methods*

In order to find an answer to the questions formulated above, systematic, specific and goal-oriented research methods were the basic ingredients for the successful completion of this study.[8] These methods are mainly bound to quantitative measures but comprise qualitative elements as well. Primary data collection methods such as questionnaires and interviews served as the main tools to establish the necessary empirical background.[9]

The first milestone was to gather information from TAMK's second and third year bachelor students of International Business concerning their work attitudes as well as expectations on team leading and management of international organizations. This was achieved through the establishment and conduction of a comprehensive questionnaire. The nature of these questions was mainly of a quantitative kind, meaning that the students were asked to give an evaluation on their level of agreement concerning a certain statement, which was later used for mainly statistical purposes. However, there was also an open question featured in the end of the questionnaire, where the participants were invited to put their opinions and thoughts into own words concerning a certain aspect. This latter aspect was supposed to provide the questionnaire with a more qualitative dimension. In order to receive a reliable result the aim was to receive valid answers of at least 40 participants, which would be almost 50 percent of the overall amount of the altogether 90 students. The questionnaire was made available in electronic form taking advantage of an online survey editor; the students were informed through TAMK's email server. As an incentive, a small token of appreciation was given to one randomly selected participant.

---

[8] Cf. ibid., p. 6 f.
[9] While *quantitative research* is based on a structured questionnaire and seeks to obtain pre-coded data from a large group of respondents, *qualitative research* is mainly directed to a smaller sample group, whose individuals are more closely examined in order to find out how they behave and especially why they behave in a certain way. Cf. WWW user survey (n.d.). *Understanding the difference between Qualitative and Quantitative Research*, retrieved August 7, 2009, from: http://www.directional.com.au/Attachments/Web_Understanding...Q&Q.pdf

The second part of research focused on acquiring data from team leaders and managers from GTS concerning their team leading styles. Interviews were chosen as the most appropriate tool for achieving this task, mainly due to two reasons. Firstly, the amount of possible participants in this survey was quite limited. Secondly, due to their nature they easily allow the collection of quantitative as well as qualitative information. For the latter purpose, a set of predetermined questions had been arranged to which the respondents gave individual comments. The goal was to interview from ten to 15 team leaders and managers from GTS in order to be able to come to a satisfying conclusion.

With these research methods it was assumed to be possible to collect enough material in order to answer the leading question of this study sufficiently.

1.4.　　Structure and limitations

The main body of the thesis was basically divided into three parts. In chapter 2 the theoretical background was built, starting from a general overview on the term culture then going straight to its deeper meanings and ramifications on international organizations. In this sense, it was useful to discuss especially the *Cultural Dimensions* theory of Dutch researcher Geert Hofstede in greater detail, since it has had a substantial impact on this field of studies and offers a great tool how to analyze intercultural working life in Finland. A third theoretical subchapter was dedicated to describe the common leadership types and put a special regard on multicultural working environments.

Chapter three focused on Finland, first of all highlighting some aspects of her economy as well as the general employment situation of foreigners in the small Nordic country. This fast-growing segment of Finland's society and its dynamics were important to analyze due to the simple fact that their existence is a basic ingredient for establishing international organizations. The focus, however, was put on the higher and highly skilled employees (i.e. employees with a degree from a university or a university of applied sciences), because they are first of all more likely to work in a white collar job in an international organization and,

secondly, as discussed in 1.4., TAMK's IBB students were one of the two main targets of research in this thesis. Taking these deliberations as a starting point, 3.2. was utilized to introduce Finland's Cultural Dimensions according to Hofstede and then derive the prevailing Finnish leadership style. A third subchapter was eventually used to discuss multicultural working environments in Finland.

The final part of the thesis' main body, chapter 4, was the empirical part, during which the research methods, already described in 1.4., were applied. The thorough implementation of the two surveys targeted at TAMK's IBB students and GTS' managers and team leaders, together with the theoretical findings, was supposed to allow a meaty and cohesive final analysis in the concluding chapter 5.

However, even though this paper tried to cover the most relevant aspects of leadership in international organizations in Finland and also enrich this field of research with an individual study, certain limitations have to be made as regards contents and depth. Notwithstanding the considerable amount of related literature collected and analyzed before starting the actual writing process, only the work of some of the more important researchers was possible to review during the course of the thesis. For instance, besides Hofstede's *Cultural Dimensions* several other theories could have as well served as appropriate analytic tools in the subsequent chapter 4.1. Some of these, e.g. Edward T. Hall's *High and Low Context Cultures* as well as Fons Trompenaars' *Value Orientations*, were shortly discussed in the theoretical chapter, yet did not impact the empirical analysis. Other important researchers on organizational culture and leadership such as Edgar Schein, Arthur F. Carmazzi or Charles Handy were completely disregarded in order to not overstress the possibilities of this paper. It could be also argued that Robert D. Lewis'[10] book "Finland, cultural Lone Wolf" is somewhat too superficial in its character to aptly deliver the theoretical basics for the leadership types in chapter 2.3. and that the

---

[10] Born in 1930, Richard D. Lewis is a prominent British linguist and cross-cultural communications author, who got knighted in 1997 by Finnish president Matti Ahtisaari for his decade long service for the country.

related work of researchers such as James Mac Gregor Burns, Kurt Lewin, Warren Bennis, and James Goldsmith could have been utilized as well. Nonetheless, with its special link to Finland, Lewis' study seems to fit perfectly well to the demands of this thesis.

Of course, the restrictions described above confined the number of initial perspectives and also forced limitations upon the analysis of the empirical findings in chapter 4, which was mainly restrained by the limited amount of samples, all stemming from TAMK, respectively GTS. Therefore, this thesis should be perceived as the analysis of a merely deductive case study, which will hopefully offer a better understanding of intercultural working environments in Finland.

1.5.   Reliability and validity of the study

The thesis was conducted according to the international standards of scientific research and therefore holds true in terms of reliability as well as validity. The appendix contains all sources drawn information from and the complete survey material to both sample groups TAMK's students and GTS' managers.

2.   Intercultural research

2.1.   Overview

Due to the world gradually growing together and all the processes, which can be put under the nowadays very ubiquitous term *Globalization*, intercultural research and the question how multicultural organizations function have become increasingly important during the last decades. The main reason for this interest is for instance well expressed in Samuel P. Huntington's influential study "The Clash of Civilizations?", in which the recently deceased US American political scientist pursues the thesis that the conflicts of our age are primarily caused by cultural differences.[11] This prominent example alone emphasizes the importance *culture* is endowed with in the globalizing world.

Therefore, asking plain and simple at first, what is culture? The term stems from the Latin word *colere* ("to cultivate") and is according to the widely accepted definition offered by the two anthropologists Daniel Bates and Fred Plog "a system of shared beliefs, values, customs, behaviors, and artifacts that the members of a society use to cope with their world and with one another, and that are transmitted from generation to generation through learning."[12]

What can be deduced for an (international) organization from this general definition is that culture works there as an abstract entity, to which its members are all connected due to certain commonly agreed patterns, rules, and regulations. In other words, the people involved in an organization are surely convinced that they all take part in a more or less clearly defined organizational culture. For example, it can be assumed that in a company, which regards "strong customer orientation" as a leading value, the employees are sharing this

---

[11] Cf. Huntington, Samuel P. (1993). *The Clash of Civilizations?* In Foreign Affairs, vol. 72, no. 3, pp. 22-49.
[12] Bates, Daniel and Plog, Fred (1991). *Human Adaptive Strategies*. New York: McGraw-Hill, p. 7.

value, too.[13] Of course, each individual will adjust to this culture to a different extent. However, culture indicates a certain direction as regards both values as well as behaviors. In this sense, the famous anthropologist Edward T. Hall understands culture as a force that works in the subconscious of people as both an operator and a control mechanism that becomes especially apparent once the individual encounters another culture, a phenomenon described as *culture shock*.[14]

Apart from these understandings of culture as a more subliminal matter, it can moreover be argued that culture is not genetic but can be acquired or learned, which entails that it is a distinct entity of the personality of an individual. As regards an (international) organization this would mean that the members assume the given values and learn 'how to behave'. Therefore, culture influences the values and assumptions of people in a certain society in a very fundamental way and provides them furthermore with an instrument how to interpret and measure other cultures.[15]

Culture itself is not homogenous in nature but consists of different levels, some of which are visible and some not. Dutch researcher Geert Hofstede, who described culture as the "collective programming of the mind", introduced the very descriptive *Onion concept* (see illustration 2.2.1.), with which he wanted to illustrate that, like the layers of an onion, the different cultural levels surround from the outside the core culture of an individual. While these *symbols*, *heroes,* and *rituals* are visible for the outsider and can be therefore subsumed under the term *practices*, the core represents the *values*, which are the strongest and at the same time most hidden aspects of culture.[16]

---

[13] In this sense it can be argued that if the single member does not adhere to these values, it will have to leave the organization rather sooner than later.
[14] Cf. Institute for the Study of Human Knowledge (n.d.), retrieved June 11, 2009, http://www.ishkbooks.com/hall.pdf
[15] Cf. Spencer-Oatey, Helen (2000). *Culturally speaking. Managing rapport through talk across Cultures*, London: Continuum, p. 4.
[16] Cf. Hofstede, Geert and Hofstede, Gert-Jan (2005). *Cultures and Organizations. Software of the Mind*, New York: McGraw-Hill, p. 7.
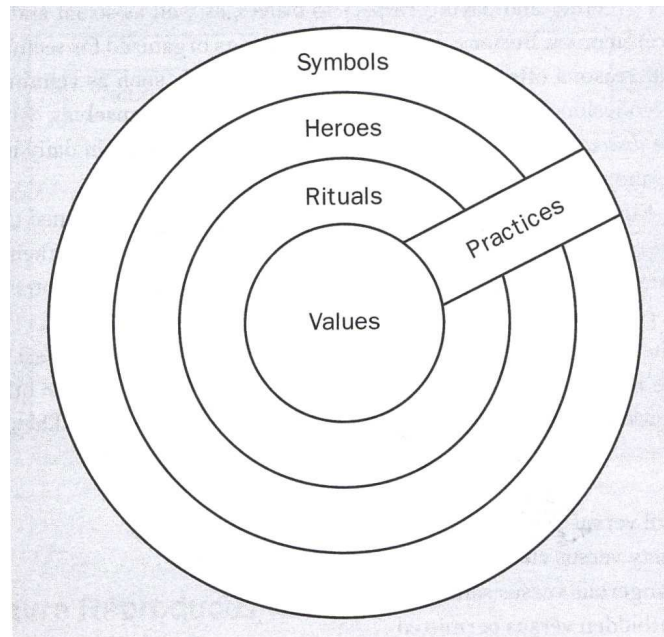
Illustration 2.2.1. – Hofstede's Onion concept [17]

Mainly due to practical reasons, the culture of people was in the past mainly discussed in the broader and more abstract context of nations, even though such research can only present tendencies and not predict the behavior of the individual belonging to a certain nation. Above mentioned Edward T. Hall who completed some pioneer work from this perspective identified two dimensions of culture already in the 1950s – high-context and low-context cultures. Hall's concept concentrates on the way how information is being transmitted and how communication within the specific culture works in general. Whereas in high context cultures most information is already programmed in the receiver and the setting, so that only little information has to be transferred in order to communicate successfully, it is the opposite in low-context cultures. [18]

For example, a business man from a low-context culture such as Germany might find it very difficult to negotiate with another business man from a high-context culture such as Japan. If both parties are not aware of the contextual differences, it will be very difficult for them to find a common ground for proper negotiation.

---

[17] Cf. ibid.
[18] Cf. Hall, Edward T. (1976). *Beyond Culture.* Garden City, New York: Anchor Press, p. 101.

2.2. *Hofstede's Cultural Dimensions*

Even though Hall's concept is still widely accepted mainly due to its striking simplicity, it has been argued, that it lacks of a certain precision as well as the possibility to apply it on a more universal scale. Therefore, Geert Hofstede, while working as a psychologist at multinational giant IBM, took the challenge and conducted a survey during the 1960s and 1970s, which is "perhaps the most comprehensive study of how values in the workplace are influenced by culture."[19]

During his research Hofstede gathered and analyzed through questionnaires and interviews the data of about 100,000 employees coming from 74 different countries. As a conclusion he designed a model to distinguish the different types of culture. This model originally consisted of four dimensions to differentiate cultures according to indices, to which Hofstede in the early 1980s added a fifth one. These dimensions have been described by Hofstede in detail numerous times, most recently in "Cultures and Organizations", a cooperation with his son Gert Jan, and are: *power distance*, *individualism*, *masculinity*, *uncertainty avoidance* and, added later on, *long-term orientation.*[20]

Power distance
Originally deriving its name from Dutch psychologist Mauk Mulder, Hofstede used this term to define "the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally."[21] These levels of inequality include factors such as intellectual and physical capabilities and their connection to wealth, status and influence. On country level, for instance, Swedes, who are used to their social welfare system "Folkhemmet" as well as to meeting influential politicians in the

---

[19] WWW user survey (n.d.). *Geert Hofstede Analysis*, retrieved May 15, 2009, from: http://www.cyborlink.com/besite/hofstede.htm
[20] Cf. Hofstede, Geert and Hofstede, Gert-Jan (2005).
[21] Ibid., p. 46.

supermarket, usually have a different way of handling equality than French, who are far more at ease when it comes to accepting bigger social differences.[22]

The professional environment is of course bound to these mentalities as well. Here, the degree of power distance signifies for instance, whether employees regard their superior as a benevolent autocrat (high degree) or rather as individuals, whom they are existentially equal with (low degree). In large-power-distance countries such as France, companies are normally highly centralized, and their hierarchical systems are tall. Companies in small-power-distance countries such as Sweden are rather decentralized and usually hold flat hierarchies.[23]

Individualism

With this dimension Hofstede tried to differentiate between the individualist and the collectivist extreme. While in individualist societies the ties between individuals are loose and everyone is expected to take care of herself or himself, collectivism refers to a society model, in which its members are, from birth to death, strongly integrated into very cohesive groups, that offer them protection in exchange for loyalty. In other words, this dimension explains the degree of which individual achievement and interpersonal relationships are reinforced. Countries like China and South Korea are highly collectivistic in their nature, whereas the USA serves as the prime example for a society in which individualism is being fostered to a high degree. [24]

As regards the workplace, the degree of individualism indicates how much the employees are acting according to their own interests. In a highly individualistic society work should be therefore organized in such a way, that the interests of employer and employee coincide largely, whereas in a highly collectivistic society the employee is not treated as an individual but rather as an easy-to-replace working unit that is likely to follow the interests of his or her in-group. Because of these schemes, Hofstede concludes, that "in the collectivist society

---

[22] Cf. ibid., p. 39 ff.
[23] Cf. ibid., p. 55 ff.
[24] Cf. ibid., p. 76.

the personal relationship prevails over the task and should be established first; whereas in the individualistic society the task is supposed to prevail over any other personal relationships."[25]

Masculinity

The Masculinity dimension describes the degree to which distinctions between gender roles are prevailing: In a *masculine society* "men are supposed to be assertive, tough, and focused on material success whereas women are supposed to be more modest, tender, and concerned with the quality of life."[26] In a *feminine society*, on the other hand, these roles are not gender-related. Here, there exists almost no discrimination between the sexes, and women are in every aspect treated equally to men.

Masculinity in the professional environment explains, for instance, how problems are solved – rather by compromise and negation (female) or strict order and confrontation (masculine) – and results are being valued. At masculine workplaces, results are stressed very much and employees rewarded on the basis of their individual performance, while in feminine environments equality is common sense.[27] In feminine cultures the work ethos is *work in order to live*, whereas in masculine cultures it is *live in order to work*. In a masculine culture the boss seeks a friend for work, not work for a friend. The goal of a masculine culture is a performance society, whereas the goal of a feminine culture is welfare society.[28]

Uncertainty avoidance

Hofstede designed this fourth dimension to find an explanation for "the extent to which the members of a culture feel threatened by ambiguous or unknown situations."[29] Stress and the craving for predictability stemming from

---

[25] Ibid., p. 103.
[26] Ibid., p. 120.
[27] Cf. ibid., p. 141 ff.
[28] Raunio, Mika and Sotarauta, Markku (2005). *Highly Skilled Labor Force in the Global Field of Choices: Case Finland*, retrieved August 10, 2009, from: http://www.uta.fi/~atmaso/ verkkokirjasto/Raunio%20&%20Sotarauta_Highly%20Skilled%20Finland.pdf
[29] Hofstede, Geert and Hofstede, Gert-Jan (2005), p. 167.

unstructured situations express the need for certainty, e.g. in the form of written and unwritten rules, laws, and regulations, which members of societies with a low uncertainty avoidance index are more likely to bear than members of a society with a higher index. Therefore, it can be argued that countries with a high degree of Individualism are having a high degree of Uncertainty Avoidance as well – and vice versa.

Workplaces with a high degree of Uncertainty Avoidance are characterized by precise rules and regulations, which provide each member with exact information about his or her tasks, role, and status. At workplaces with a low degree of uncertainty avoidance such measures are rather avoided in order to not interfere with the needs of the individual.

Long-term orientation

With this fifth dimension, which he added some years later to his canon, Hofstede took into account as to which degree a society does or does not value traditional thinking. Societies with a high degree of long-term orientation, he concluded, are more "oriented toward future rewards – in particular, perseverance and thrift."[30] In contrast, short-term oriented societies are more concerned about the present and the past, meaning that they respect traditions highly and are concerned about fulfilling social demands. Good examples for long-term oriented countries would be the "Five Dragons" Japan, Hong Kong, Taiwan, South Korea, and Singapore, whose economic success during the last decades is mainly based on their easy adoption of Western economic values.[31]

In the professional environment, employees with a high level of long-term orientation think that future rewards are based on their hard work of today, whereas employees with a rather short-term orientation try to take the maximum out of their present job situation.[32]

---

[30] Ibid., p. 210.
[31] Cf. ibid.
[32] Cf. ibid., p. 217 ff.

Hofstede's five *Dimensions* have found many apologists in the socio-scientific circle during the last four decades, among which Fons Trompenaars, another Dutch researcher, is perhaps the most famous. Together with C. Hampden-Turner he developed an own model in the 1990s, which is also based on questionnaires and which has received a lot of positive resonance. Deeply influenced by Hofstede (and to a lesser extent by Hall as well), Trompenaars' concept is sorted into seven extreme pairs of *Value Orientations* and delivers some own conclusions. These pairs are:

(1.)   communitarism versus individualism
(2.)   achievement versus ascription
(3.)   universalism versus particularism
(4.)   neutral versus emotional
(5.)   defuse cultures versus specific cultures
(6.)   human-time relationship
(7.)   human-nature relationship

The first two *Orientations* seem to be close to Hofstede's Individualism (1.), respectively Power Distance (2.), while (3.) has some links to the Long Distance Orientation index. On the other hand, (4.), (5.), (6.) and (7.) seem to be rather behavioral in their overall approach.[33]

Their positive reception and the overall success notwithstanding, Hofstede and his apologists have been under challenge during the last years. Prominent author Nigel J. Holden concludes for example that the "traditional assumption that cross-cultural management is about the management of cultural differences [is] both naïve and out of touch with the modern business activity under a multiplicity of pressures and influences"[34] such as "[the] new economy, with its instantaneous communications, its global reach, the scale and complexities of companies' cross-border involvements, its emphasis on knowledge as firms'

---

[33] Cf. WWW user survey (n.d.), retrieved August 5 2009, from: http://www.chairt.com/tromp.html
[34] Holden, Nigel J. (2002). *Cross-cultural management. A Knowledge Management Perspective*, Harlow: Pearson Education, p. 284.

paramount resource, [and] the (multicultural) team as the new workhorse of international business."[35]

Nonetheless, due to the outstanding amount of the gathered data as well as their striking feasibility, Hofstede's *Dimensions* seem to offer the most appropriate tool for further use.

2.3. *Leadership styles and multicultural teams*

Finally, before finishing the theoretical part of the thesis, it is necessary to discuss the common types of leadership and the general characteristics of multinational teams.

With the introduction of the *Types of Leadership* (see Illustration 2.3.1.), Lewis presents a broad overview on the approaches to management. As illustration 2.3.1. shows, three distinct main types of leadership are described in the leadership triangle, which are *linear-active*, *multi-active*, and *reactive*. Linear-active leaders are characterized as "calm, factual decisive planners"[36] and are typical in countries such as Germany and Northern Europe in general. In contrary, the approach of multi-active leaders is "warm, emotional, loquacious [and] impulsive" and mostly prevailing in Arabian, African, South American and South European countries. The reactive leader, on the other hand, is said to be "courteous, outwardly amiable, accommodating […] compromising"[37], a trait more common in Asian countries.

Starting from this principle differentiation, Lewis describes the main three leadership styles in greater detail – the French, the Swedish, and the British manager. The type of the *French manager* (see illustration 2.3.2.), for instance, represents the more autocratic approach of the primary authority being centered

---

[35] Ibid.
[36] Lewis, Richard D. (2005). *Finland, Cultural Lone Wolf*, Boston: Intercultural Press, p. 89.
[37] Ibid.

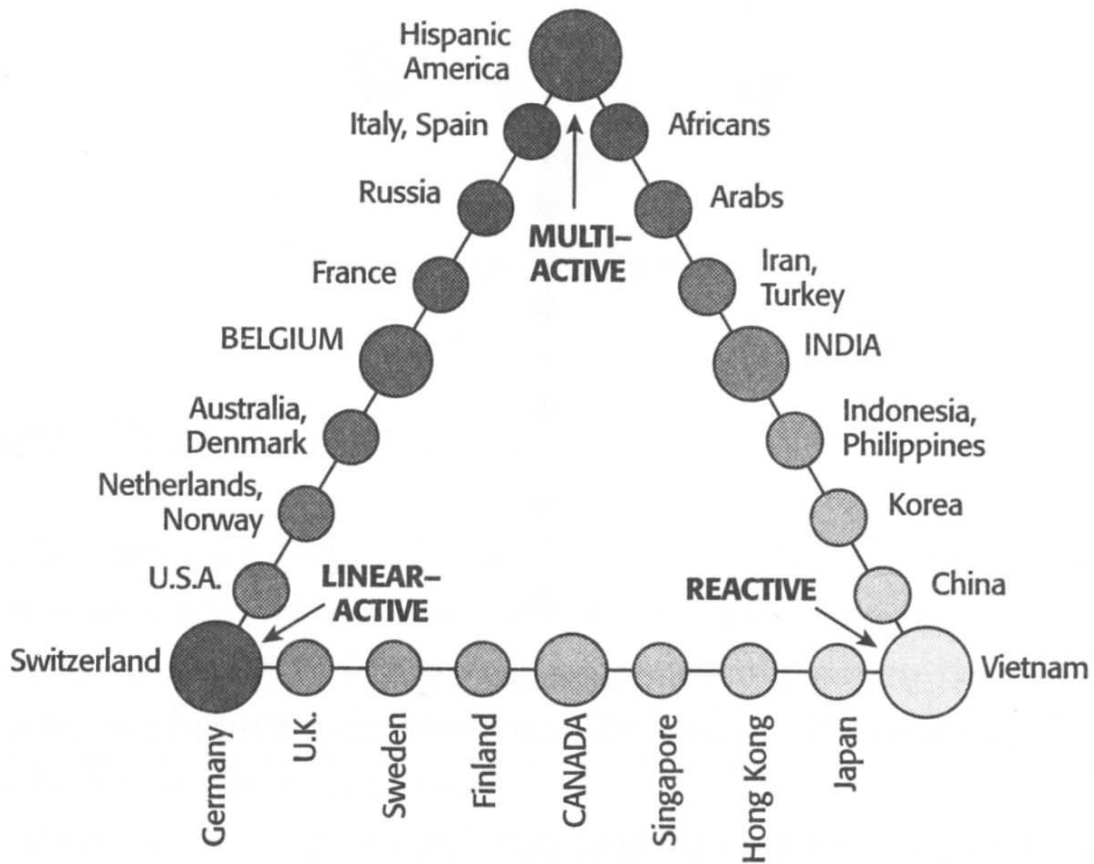around one well-trained and charismatic chief executive, whose orders are basically unrestrained and top-down.[38]


Illustration 2.3.1. – Types of Leadership[39]

Illustration 2.3.2. – The French leader[40]

---

[38] Cf. ibid., p. 90.
[39] Cf. ibid.

In contrary, the Swedish approach to leadership is rather democratic in its overall character as illustration 3.1.3 shows and is mainly characterized by decision-making through ongoing discussions between managers and subordinated employees. As Lewis explains, "Swedish managers wield power by appearing not to be powerful."[41] For obvious reasons, this style does quite often not go too well with fast decision-making.
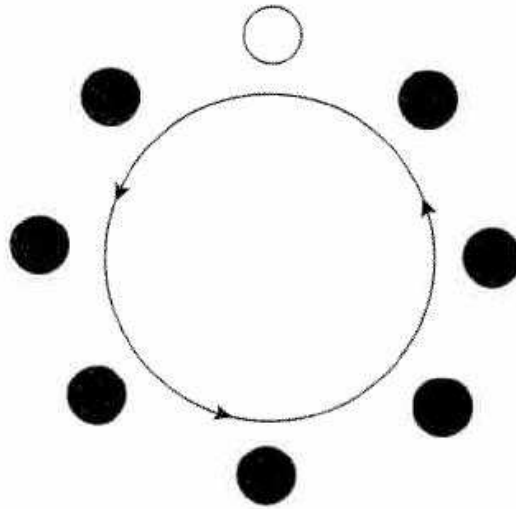
Illustration 2.3.3. – The Swedish leader[42]

The British leadership approach, a third differentiation made by Lewis, is not far away from the Swedish manager model (see illustration 2.3.4.), yet is characterized by the fact that the manager usually stays outside of the discussion circles but is nonetheless close enough to interfere whenever necessary.[43]

Their decisiveness notwithstanding, these three basic approaches to leadership are mainly valid for culturally rather homogenous groups. It can be assumed, however, that multicultural teams require a different management style mainly
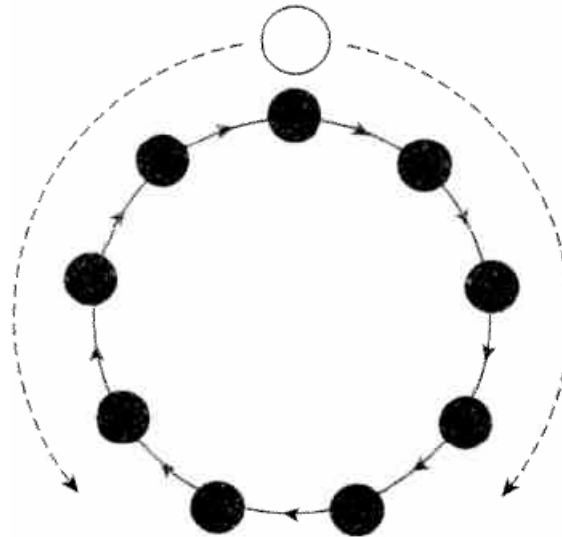
---

[40] Ibid., p.
[41] Ibid., p. 91.
[42] Ibid.
[43] Ibid.

due to the fact that they, as the moniker already suggests, are culturally diverse and therefore function according to different laws.

Illustration 2.3.4. – The British leader[44]

But what are the characteristics of multinational teams? Adler defines them as workgroups consisting of "three or more ethnic back-grounds"[45], which in order "[t]o perform most effectively, [need] to recognize and integrate all represented cultures."[46] Initially, Adler continues, "multicultural teams […] exhibit less cohesion than most homogenous teams"[47] due to fact that the level of similarity within the group is lower. This results in the situation that "[t]ension and stress levels in culturally diverse teams often exceed those in single-culture teams."[48] Furthermore, Adler stresses one important point, which is that the performance of multicultural teams is usually different from comparable culturally homogenous examples – either they are more efficient or they perform less efficient. Seldom, the outcome of their work is similar.[49]

---

[44] Ibid., p. 92.
[45] Adler, Nancy and Gunderson, Allison (2008), p. 133.
[46] Ibid.
[47] Ibid, p. 134.
[48] Ibid., p. 137.
[49] Cf ibid., p. 141.

While at first sight interaction in multinational teams is characterized by a quiet climate of a ritualized politeness and gradually growing friendliness those "often merely reflect the team's superficial defense against weak cohesiveness."[50] Moreover, it can be argued, that this "[r]itual politeness leaves team members frustrated and usually becomes yet another hindrance blocking their realization of high productivity."[51] Eventually these factors might lead to inaccuracies in communication and a certain lack of trust.[52]

Illustration 2.3.5. summarizes the main advantages and disadvantages of multicultural teams compared to homogenous teams.

Advantages	Disadvantages
Diversity permits increased creativity	**Diversity causes a lack of cohesion**
Wider range of perspectives	**Mistrust**
More and better ideas	Lower interpersonal attractiveness
Less groupthink	Inaccurate stereotyping
	More within-culture conversations
Diversity forces enhanced	**Miscommunication**
concentration to understand others'	Slower speech: Nonnative speakers and
Ideas	translation problems
Perspectives	Less accuracy
Meanings	**Stress**
Arguments	More counterproductive behavior
	Less disagreement on content
Increased creativity can lead to	Tension
generating	
Better problem definitions	**Lack of cohesion causes an inability**
More alternatives	**to**
Better solutions	Validate ideas and people
Better decisions	Agree when agreement is needed
	Gain consensus on decisions
Teams can become	Take concerted action
More effective	
More productive	**Teams can become**
	Less efficient
	Less effective
	Less productive

Illustration 2.3.5. – Advantages and disadvantages of multicultural teams[53]

---

[50] Ibid, p. 137.
[51] Ibid.
[52] Cf ibid.
[53] Ibid.

According to Adler, most appropriate appears the realization of multicultural teams when its tasks are directed at creativity and innovation, while such diversity becomes less beneficial when the team is working on rather simple tasks which involve repetitive routine procedures.[54]

---

[54] Cf ibid., p. 153.

3. Finland's economy and working environments

3.1. *Finland's economic dynamics and foreign workforce*

Finland's economy has been through considerable turmoil during the last decades. After a continuous growth since the Second World War, during which the country quickly turned from an agrarian to a prosperous and highly industrialized nation, Finland experienced a severe depression in the 1990s. However, at the doorstep of the new millennium, the Nordic country managed to become one of the world's most competitive and innovative economies. To a vast extent this can be explained by the rousing success of Finland's information and communication technology, which was mainly bolstered by the impressive growth of Nokia.[55] Liikanen assumes that Finland's "Nordic model […] seems to be able to combine a high level of social protection and relatively equal income distribution with economic dynamism."[56]

Today Finland is being ranked among the most stabile countries in the world as regards social, economic, political, and military indicators. Strong social safety nets and high education standards have made the Finnish model famous and desirable in the world. The country has been member of United Nations since 1955, the OECD since 1969, and the European Union – and its monetary union four years later – since 1995.[57]

Nonetheless, Finland's economy is nowadays bound to certain dangers. Many of these are connected to the rapidly aging population, which will cause a critical shortage of workers already in the very near future. Due to the phenomenon known as *Baby boom* in the late 1940s and early 1950s on the one hand and the much smaller birth rates in the 1970s and 1980s on the other,

---

[55] WWW user survey (n.d.) *Finland's Road to Prosperity*, retrieved July 22, 2009, from: http://cordis.europa.eu/finland/showcases11_en.html
[56] Liikanen, Erkki (2008). *Is there a Finnish or Nordic Model? Can the Nordic Model rescue European values?* Retrieved August 7, 2009, from: http://www.bis.org/review/r080218b.pdf
[57] Cf. WWW user survey (n.d.), retrieved August 15, 2009, from: http://www.oecd.org/dataoecd/45/57 /40673434.pdf

the number of retiring people will sharply increase during the next years, while at the same time much less people will be entering the labor market.[58]

Several strategies and options have been discussed to prevent this shortage. One measure, for instance, would be to raise the age of retirement. This suggestion, however, was rejected by the majority of the Finnish population in 2009. Another option is to fill the gaps in the Finnish labor market with foreign workers.

In fact, like in every other Western-European country also in Finland foreign workforce is becoming increasing vital. Nevertheless, the country is somewhat behind in this regard as in the late 1990s less than 2% of the Finnish population had an immigrant background, while at the same time countries like Sweden, The Netherlands, and USA had rates of 10% and more. The figures in illustration 3.1.1. from 1998 prove that Finland is well below the European average when it comes to employing professionals and managers with a foreign background.

	Aus	Belg	Ger	DK	Spa	Fin	Fra	Gre	Ita	Lux	Net	Por	Swe	UK	Total
Managers[1]	5,0	10,1	7,7	2,7	1,5	0,4	4,7	0,9	1,1	44,7	2,5	1,4	2,3	4,2	4,3
Professionals[2]	6,0	5,0	4,0	2,4	1,0	0,6	2,6	0,9	0,7	33,4	2,6	1,7	3,2	4,5	3,1

Illustration 3.1.1. – Share of foreign workers in 1998 [59]

The overall situation is changing, though. Nowadays, Finland can be considered more as an immigration country, since every year workers from all over the world find their places in the Finnish labor market. By November 2008, the *Finnish Directorate of Immigration* had received almost 14,000 applications from foreigners aiming to move to Finland and work there, while in 2007 the

---

[58] According to a representative from the *Confederation of Finnish Industries*, "[t]he peak of the retirement of the baby boomers will occur near the end of the decade. At the same time the young age groups entering the job market are smaller than before." Niikila, Eeva and Nagler, Michael (2007). *Businesses' labour shortage spread*, in: SixDegrees, vol. 5, no. 12, p. 11.
[59] Raunio, Mika (2003), p. 8.

Directorate had received had received only 8,500 applications, which signals an impressive growth rate.[60]

Yet despite the steady increase in foreign workforce and the gradual internationalization of working environments, there is a huge amount of unfilled job vacancies waiting for professionals. In fact, despite this externally stimulated growth in labor force it is projected that the need for labor will exceed the number of those entering the labor market by more than 20.000 people by 2010.[61]

The information industry and other technology-based areas will be the fields where this shortage will be the highest. Based on the facts given by the Finnish ministry of labor projections, engineers will be the most wanted workers in the near future in Finland; also the demand for IT workers will double between 2004 and 2010. This can be explained with the higher business intensity in *Research and Development* as well as the increasing technology exports that can be expected for Finland.[62]

In this sense, it is argued that Finland's overall attractiveness for foreign workers is, compared to other Western countries, not too high due to a low salary level of the highly educated population as well as high taxation levels and difficult pension contribution practices. In other words, there is an unfortunate balance existing "between high taxes, low wages and a tricky language on one hand and a high standard of living and social welfare system on the other."[63]

Illustration 3.2.1. shows some of the results of a study Raunio and Sotarauta conducted in 2005 among 556 highly skilled foreigners and their contentment with their life situation in Finland. Even though the majority of the interviewees seems to be at least satisfied with their economic well-being (as compared to

---

[60] Cf. Hirvonen, Satu (2007). *The number of foreign workers in Finland increasing*, in: Helsinki Times, vol. 1, no. 51, p. 9.
[61] Niikila, Eeva, Nagler, Michael (2007), p. 11.
[62] Cf. Rastas, Taru and Stevens, Candice (2004). Developing highly skilled workers, retrieved on July 10, 2009, from: http://www.oecd.org/dataoecd/2/2/34458180.pdf, p. 23.
[63] Glebova, Ksenia (2007). *Labour pains*, in: SixDegrees, vol. 5, no., p. 8.

their home countries), the high tax rate is barely tolerable or even intolerable for many.
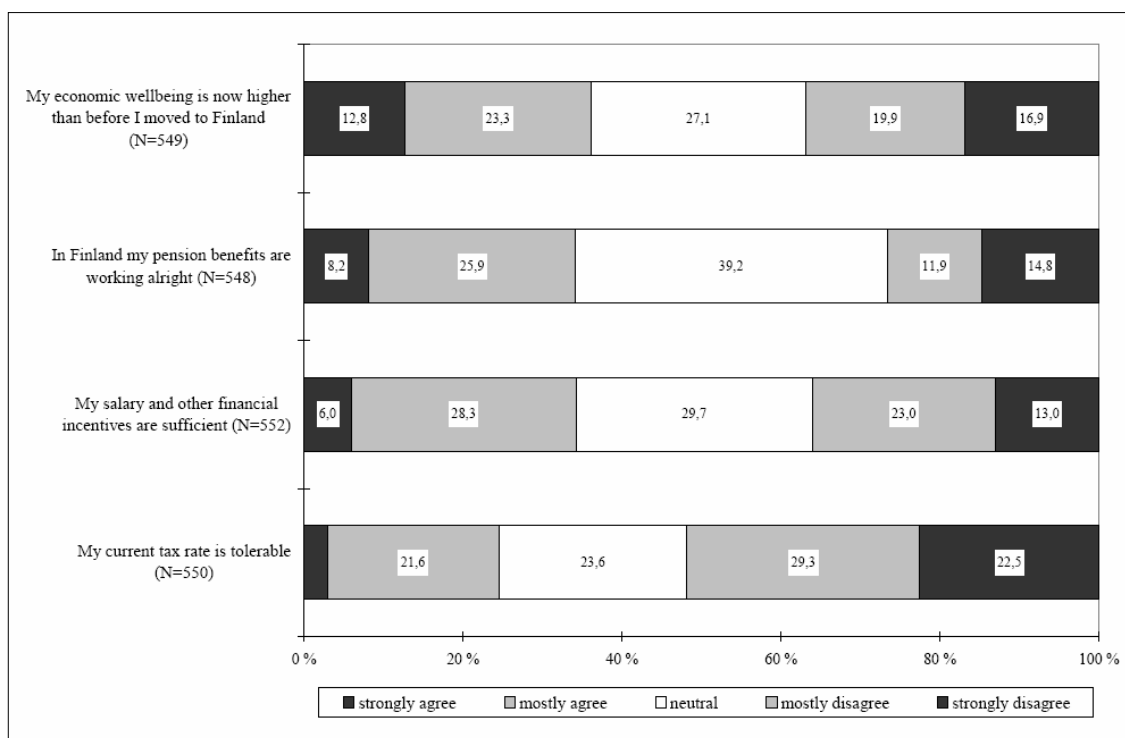

Illustration 3.2.1. – Highly skilled foreigners' satisfaction with Finland's economic environment [64]

According to a recent personnel and training study issued by the *Confederation of Finnish Industries* many foreigners possess inadequate professional skills. Therefore, Finland's interests are increasingly focusing especially on the immigration of foreigners with high skills in critical labor areas such as the above mentioned IT sector. Furthermore, attempts are made to attract foreign professionals, who are filling the vacant jobs with their skills in fields, where the Finnish job seekers have difficulties to compete (such as native speakers in positions which require certain language skills).[65]

The most important measure to improve the skills of the (foreign) workforce as well as to attract promising prospects from all over the world is to offer

---

[64] Raunio, Mika and Sotarauta, Markku (2005), p. 16.
[65] Cf. WWW user survey (n.d.) *Economic survey of Finland 2008: Getting the most out of globalisation*, retrieved on June 9, 2009, from: http://www.oecd.org/document/28/ 0,3343,en_2649_33733_40715804_1_1_1_1,00.html

education. In this sector, Finland has been "increasingly successful".[66] In late 2001, a national strategy for promoting further internationalization of higher education was developed by the ministry of education with the goal of doubling the number of foreign students by the year 2010.[67] Another very common Finnish education concept is continuous training during the professional career (see chapter 3.3.).

However, it can be concluded that a sufficient number of professional workers from abroad and an appropriate mix of needed skills cannot be solely achieved by raising the overall education level.[68] The government is furthermore in charge of undertaking the right steps to give the necessary support to foreigners when it comes to adapting to Finnish working life and provide them with social security.

3.2.   *Finland's Cultural Dimensions*

After having discussed Hofstede's five *Dimensions* in a broader context in chapter 2.2, they will be now used to determine Finland's cultural horizon with a special regard to leadership and working environments. This will offer a suitable starting point for further discussing Finland's growing amount of multicultural working environments in the subsequent chapter 2.3. In addition to the rather rigid structure of Hofstede's theoretical foundations, again Lewis' highly intriguing study on Finland and her culture will be among other sources used as a worthwhile tool to accompany Hofstede's findings.[69]

---

[66] Weaver, Fran (2008). *Finland increasingly attracting foreign workers and students*, retrieved on June 10, 2008, from: http://www.helsinkitimes.fi/htimes/index.php/domestic-news/business/82-finland-increasingly-attracting-foreign-workers-and-students-.html

[67] In 2002, more than 6.000 exchange students studied in Finnish higher education institutions, about 60% of them in universities and 40% in polytechnic institutes. **Cf.** Rastas and Taru, Stevens, Candice (2004), p. 17.

[68] Source: OECD Economic survey of Finland 2008, http://www.oecd.org/document

[69] It is in this sense worth mentioning that the mainly elaborations of two foreigners with different cultural backgrounds – Dutch and British – are used, something that naturally allows a more objective perspective.

Power Distance

Of the 74 examined countries Finland gained score 31 thus reaching position 66, which indicates that Finland is a small-power-distance country.[70] This allows the deduction that there are no bigger social diversities existing in the country, that the middle class is very large and that every member of the society has equal chances to reach the position he or her is striving for, something which was already acknowledged in chapter 3.1.

In Lewis' book these assumptions prove to be true to a large extent. Throughout the whole study, it becomes apparent that Finns are very concerned about the equal treatment of each and every member of the society, e.g., that in Finland the equality of sexes is a "functioning reality"[71] already – not to speak of the fact, that in 1906 Finland was the first country in the world, where women were allowed to vote.

When it comes to leadership, Lewis considers the prevailing Finnish approach as being situated in between the *linear-active* and *reactive* types (see chapter 2.3.). To Lewis the Finnish management style is clearly linear-active with its "step-by-step planning and action orientation"[72], yet also *reactive* due to its "reticence, use of silence, humbleness […] good listening without interruptions."[73] This somewhat hybrid character of Finnish leadership is furthermore underlined by Lewis' definition of the typical Finnish leader, which he sees as a mixture of the British and the Swedish approach – more democratic than the [British leader] but more autocratic than the [Swedish leader]."[74]
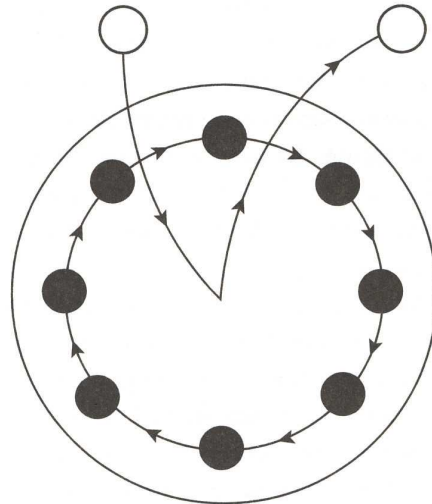
---

[70] The maximum score (104) was achieved by Malaysia, while Austria gained the lowest position with a score of only 11. Cf. . Hofstede, Geert and Hofstede, Gert-Jan (2005), p. 43 f.
[71] Lewis, Richard D. (2005), p. 84.
[72] Ibid.
[73] Ibid., p. 90.
[74] Ibid., p. 92.

Illustration 3.1.1. – The Finnish leader[75]

These approaches to leadership again indicate the existence of a small Power Distance, something that finds further evidence in the decentralized and flat character of hierarchies in the common Finnish company. Usually, the boss of an organization is (in theory) as easily accessible as the subordinated employee, which allows an unhindered information flow in both directions and therefore fosters a transparent, democratic, and trustful atmosphere in the company.[76]

Individualism

As regards this Dimension, Finland reached rank 21 out of 74 examined countries and a score of 63.[77] Being situated in the one-third with the highest Individualism scores, this shows clearly that in Finland's population individual features such as self-fulfillment, self-determination, and independence from others are respected to a large degree.

According to Lewis, these assumptions appear to be correct, as he not only describes the Finns as "Lone Wolfs" but also stresses their need for

---

[75] Ibid., p. 93.
[76] Cf. ibid., p. 98.
[77] The pole position with a score of 91 was reached by the United States, while Guatemala achieved the lowest position and a score of 6. Cf. Hofstede, Geert and Hofstede, Gert-Jan (2005), p. 78 f.

independence as well as their strong determination to stand out in the world when it comes to all kinds of achievements.[78]

In Finland many professional teams usually consist of individuals with their own respective projects. They are not supposed to commit the members completely but rather appear to be a "co-operation forum of independent individuals held together by a common goal."[79]

Masculinity

In this dimension, Finland's score is 26, which equals rank 68 out of 74.[80] Therefore, Finnish culture is apparently very much under the influence of *female* values such as equality, understanding, and constructive conflict-solving as explained in chapter 2.2. In fact, in Finland the point of departure is obviously not the pursuit of individual interests by tripping others up. Despite the modest amount of social interaction caused by the natural calmness of many Finns, the working environments are rather felt to be decent and less competitive than those in many other countries.[81]

This correlates with Finland's low level of Power Distance and the approach to leadership as described previously, seeing that *linear-active* and *reactive* styles are both in many aspects feminine, too. As Lewis points out, Finnish leaders are essentially *team leaders*, even though they might not always situate themselves inside of the team, yet control it from the outside as the 'strong man'. They are decisive leaders if needed, but there is a strong feeling of solidarity to the subordinates in tough times as well.[82]

---

[78] Lewis mentions the outstanding economic competitiveness of the last years as well as the enormous per-capita distribution of Olympic gold medals. Cf. Lewis, Richard D. (2005), p. 32.

[79] Raunio, Mika (2003). *Should I Stay or Should I Go? The images and realities of the foreign professionals in Finnish working and living environments*, retrieved May 20, 2009 from: http://www.uta.fi/laitokset/yhdt/sente/netlibrary/T_6_2003_Should_I_Stay.pdf, p. 15.

[80] Slovakia gained the leading position with a score of 110 and Sweden is on the lowest rank with only 5 achieved points. Cf. Hofstede and Geert, Hofstede, Gert-Jan (2005), p. 120f.

[81] Cf. Raunio Mika and Sotarauta, Markku (2005), p. 9.

[82] Cf. Lewis, Richard D. (2005), p. 92.

Uncertainty Avoidance

Finland's Uncertainty Avoidance index is with rank 48/49 and an achieved score of 59 far below the average compared to the other 73 countries. This means that instead of anxiety, which according to Hofstede is a very prevailing mentality in societies with a high rate of uncertainty avoidance,[83] Finns seem to be rather filled with "courage, toughness, stamina, stubbornness, single-mindedness, and tenacity,"[84] as Lewis summarizes one of the most important Finnish values – *sisu*.

As regards workplaces, the low degree of Uncertainty Avoidance allows the conclusion that Finns are able to work rather independently and by their own ways instead of having the tendency to stick to precise rules and regulations.

Long-term orientation

In this Dimension, Finland gained rank 16 out of altogether 39 examined countries and a score of 41.[85] Finland's middle position does not allow a distinctive conclusion in this regard. Finnish culture seems to feature both long-term (perseverance and thrift) as well as short-term oriented values (respect of traditions and concern about social demands).

3.3.   (Multicultural) working environments in Finland

Even though the intercultural competence of Finnish employers has in general improved a lot in recent years and multicultural workplaces are spreading all over Finland as pointed out in chapter 3.1., it is still mainly the big companies, which offer international working environments. This overall trend has contributed also when it comes to making Finnish companies more attractive in the world.[86]

---

[83] Cf. Geert, Hofstede and Hofstede, Gert-Jan (2005), p. 170 f.
[84] Lewis, Richard D. (2005), p. 59.
[85] In this index, China has the pole position with a score of 118 and Pakistan the lowest rank with 0 points. Cf. Hofstede, Geert and Hofstede, Gert-Jan (2005), p. 210f.
[86] Cf. Raunio, Mika (2003), p. 24.

On the global scale, in many multicultural companies management styles that focus on the individual as an independent entity have been prevailing in recent years. This approach actively supports the utilisation of the creativity and talent of the workforce. For example, multinational companies such as IBM, Nokia, and Microsoft emphasize their appreciation and respect for their employees and regard autonomy and individuality highly. Employees are constantly encouraged to share their expertise and experience by their own measures; much freedom is given to their initiative. The primary task of the team leaders and managers is in this sense to provide the preconditions for a fruitful working atmosphere.[87]

These globally prevailing approaches to management seem to go well with the Finnish mentality, which is, as pointed out in chapter 3.2., according to Hofstede essentially a low Power Distance culture with a high degree of Individualism and a low Masculinity index. The absence of high hierarchies creates a positive working environment as well as openness and trust among the employees. As Raunio and Sotarauta underline in Finland "the significance of the individual [when it comes to] the success of the company is stressed, which offers the workers freedom but also requires autonomy in the performance of their tasks."[88] While in France the superior's position is also heavily respected outside the working place, in Finland the role of superior is only one of all roles in his or her social life (see chapter 3.1.). People are treated equally, no matter in what position they are.

This approach seems to be successful as regards employees' satisfaction. Illustration 3.3.1. shows for example that the majority of highly skilled foreigners working in Finnish companies is satisfied or even very satisfied with their job regarding factors such as stimulating working atmospheres, ease of approaching superiors, and career opportunities.

---

[87] Cf. Raunio, Mika and Sotarauta, Markku (2005), p. 14.
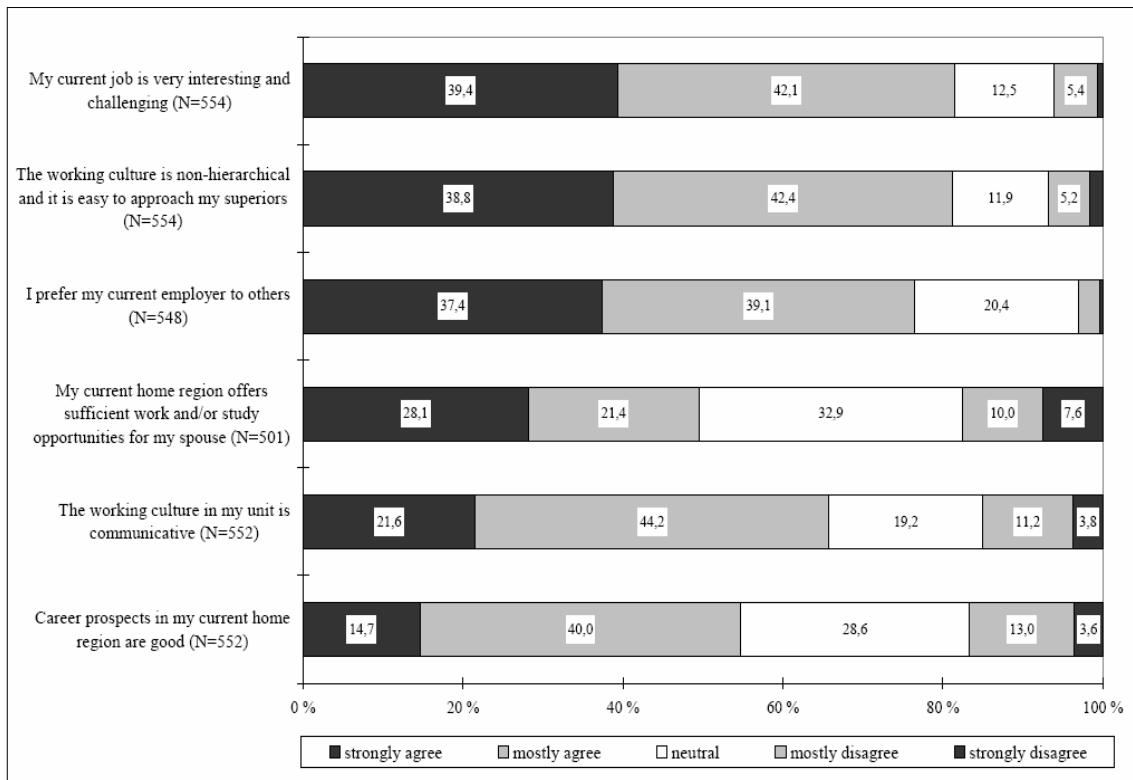[88] Ibid., p. 12.

Illustration 3.3.1. – Highly skilled foreigners' satisfaction with their work environment [89]

Before closing this chapter, it is necessary to pay attention to two aspects which play a role in every modern company and which draw some specific implications for Finnish companies. These are communication and training.

Communication

It is obvious that communication is a vital factor in the professional environment. Poor communication can unfavourably affect the commitment within a work community on all levels and even destroy the organization entirely. It is one of the biggest motivation killers for the individual since it easily creates the feeling of being an outsider or of not being appreciated. In this sense, communication does not refer to language alone. As Raunio put it, from the leader's perspective, necessary is the "ability and willingness to perceive and interpret the worker's actions and moods so that problems can be addressed before they become too great."[90]

---

[89] Raunio, Mika and Sotarauta, Markku (2005), p. 9.
[90] Ibid., p. 9.

This phenomenon is especially important to tackle when different cultural communication and interaction methods come to the fore in a multicultural work environment. Here problem situations can be easily caused by communicating at cross purposes.[91]
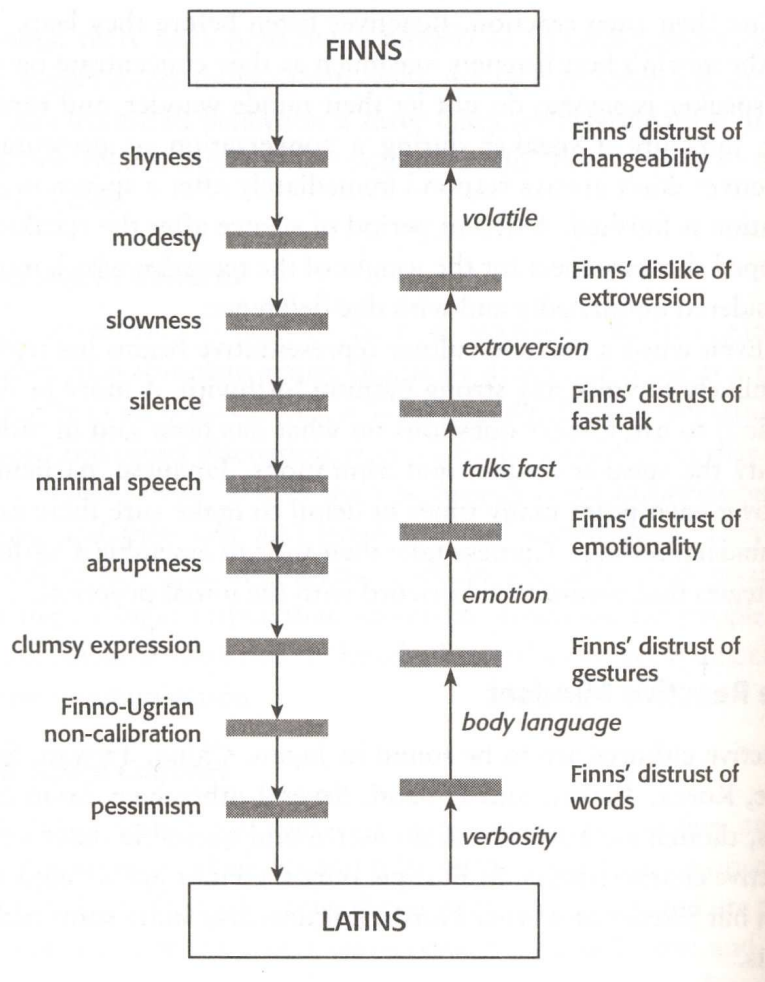
FINNS

shyness		Finns' distrust of changeability
	volatile	
modesty		
		Finns' dislike of extroversion
slowness		
	extroversion	
silence		Finns' distrust of fast talk
	talks fast	
minimal speech		
		Finns' distrust of emotionality
abruptness		
	emotion	
clumsy expression		Finns' distrust of gestures
	body language	
Finno-Ugrian non-calibration		
		Finns' distrust of words
pessimism		
	verbosity	

LATINS

Illustration 3.3.2. – Communication barriers [92]

As demonstrated in chapter 3.1., Hofstede classified Finland's culture as very individualistic and Lewis emphasized the reactivity of the Finnish mindset as regards leadership styles. In a multicultural team this can lead to extensive communication barriers as Illustration 3.3.2. visualizes – e.g. when a Finn is working together with a Spanish colleague and the Finnish shyness hits upon Spanish extroversion.

---

[91] Ibid., p. 19.
[92] Lewis, Richard D. (2005), p. 72.

Even though Finns are certainly aware of the different habits of other cultures in different countries it has been also argued that "Finns need to better understand how their behaviour can be interpreted by others."[93] Helpful in this sense are shared activities outside work that can help to integrate Finns and foreigners into a homogenous team by getting to know each other better, hence increase tolerance and intercultural understanding among team members. Many of the multicultural Finnish companies such as Nokia, UPM-Kymmene and Metso therefore emphasize such activities to a large degree.

Training

Among the Nordic countries, in Finland the rate of employee participation in training is the highest. Job related and vocational trainings are the most common ones. Since the 1990s the number of trainings provided by Finnish companies has been increasing. Finnish law requires that all companies submit annual training plans to joint enterprise committees and negotiate these with employee representatives. An average of about 5% of the companies' payroll is spent on training, with higher expenditures for firms in telecommunications, transport, and financial services.[94]

In Finland, as in other EU countries, the participation rate of staff training depends on the size of the company. In small sized enterprises, 38% of the staff was involved in training in 1999, while in big sized enterprises (more than 500 employees) even 68% of the employees were sent to trainings.[95]

In this sense, intercultural training is a youthful and rapidly growing industry in Finland that can give an answer on how to cope successfully with people with different cultural backgrounds in business life. For foreigners living in Finland such training can be an opportunity to overcome an array of cultural signs, signals, problems, and differences. Trainings of that type typically involve people from outside Finland adapting to life in Finland and also Finns learning

---

[93] Brown, David (2007). *Crossing the cultural divide*, in SixDegrees, vol. 5, no. 9, p. 13.
[94] Cf. Rastas, Taru and Stevens, Candice (2004), p. 12.
[95] Cf. ibid., p. 15.

about life outside Finland. Finally, especially for Finnish managers intercultural trainings appear to be very relevant when it comes to understanding the differences between Finland and the international corporate world better and a suitable opportunity to receive training from table etiquettes to business negotiations.[96]

---

[96] Cf. Brown, David (2007), p. 13.

4.   Analysis of empirical findings

4.1.   *Survey for TAMK's International Business students*

4.1.1.   Character, intent, and arrangement of the survey

The survey among TAMK's second and third year BBA International Business students consisted of three main parts, which, except for one qualitative question at the end of the questionnaire, were quantitative in their nature. While the first was designed to accumulate general information about the sample group such as gender, age, and amount of (international) work experience, the second and the third part were focusing on attitudes concerning professional careers and working in international organizations.

In this sense, the second part of the survey was mainly concerned with motivation, e.g. finding out on the one hand how important salary, career, and professional skill development are for the students and on the other hand how they would like to see their relationship to colleagues and supervisors organized. The students were also asked to give their opinions towards leadership. The third part of the questionnaire was related to the students' expectations on working in an international organization and thus tried to fathom their interest in such kind of work. Special emphasis was being put onto cultural differences among the team members and how they might affect the overall working climate.

The second and the third part of the questionnaire were mainly consisting of question matrices, which allow the participants to utter their degree of agreement/disagreement to the particular question. This allowed a convenient analysis of the gathered data.

Since the permitted student groups for each academic year at TAMK's BBA International Business program consist of even amounts of Finns and foreigners, it is obvious that the sample group was culturally most likely going to be very mixed. Therefore, it seemed to be unfeasible to analyze the students according to Hofstede's Dimensions at first sight. However, it was still intriguing to find out, if there are – at least when it comes to their *professional interests* – common predeterminations as well as preferences existing among these students who are, due to their background, most likely aware of their international imprinting. In this sense Hofstede's concept could indeed provide a good tool to put the findings related to the following questionnaire in a broader context. These common features were then compared with Finland's cultural horizons as discussed in the previous chapter.

The survey was carried out with the help of *Survey Gizmo* (www.surveygizmo.com), an online service, which permits the comfortable construction, edition, and launch of the questionnaire as well as the ensuing analysis. Nonetheless, the gathered data was translated into *Microsoft Excel* format and processed with this application.

After opening it on 20 June, the survey was kept open for over two months until 22 August. TAMK's second and third year students of International Business were informed about its launch twice via emails sent to their TAMK addresses, firstly on 20 June, secondly on 13 August. The primary reason for not closing the survey earlier lied in the fact that it matched with the Finnish summer holidays, which naturally made it more difficult to reach the sample group of altogether approximately 90 students.

Nevertheless, during this period of time 45 valid responses were collected, which can be estimated as a success, since it slightly exceeded the initially desired minimum amount of participants (see chapter 1.3.). With this necessary empirical foundation a meaty successive analysis was possible.

4.1.2.   General questions

The first general question helped to determine the gender of the respondents. As illustration 4.1.2.1. shows, the questionnaire was answered by 26 female and 19 male students.
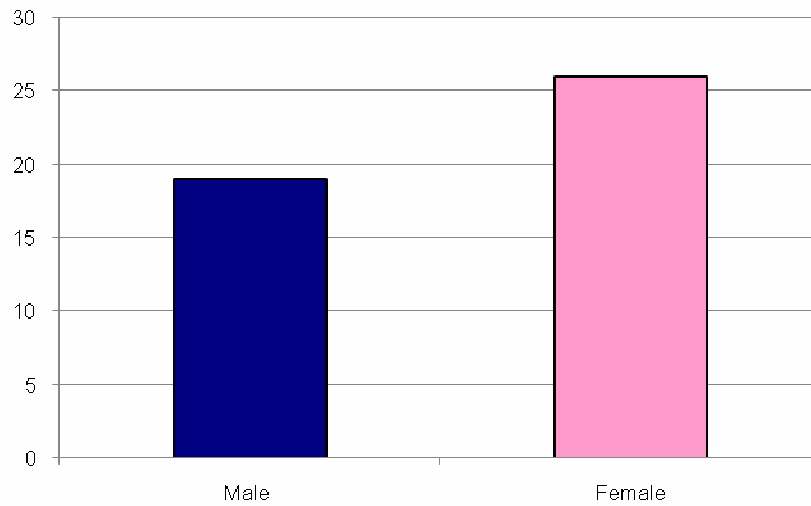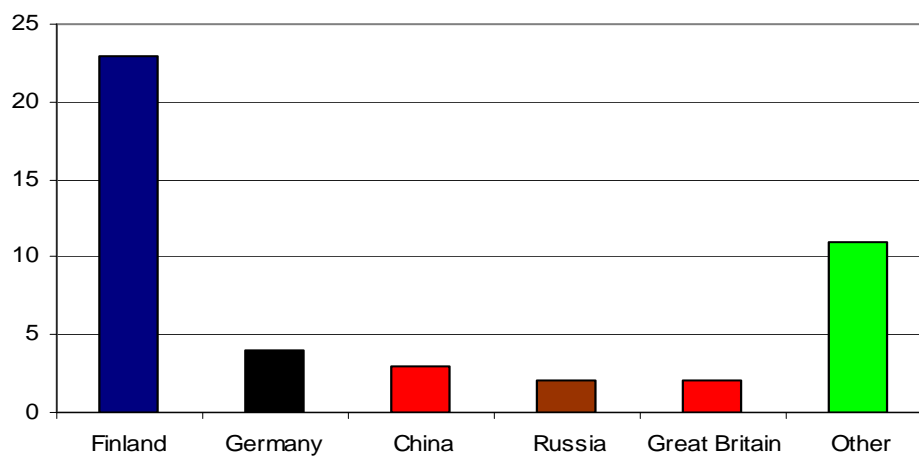

Illustration 4.1.2.1. – Gender distribution

With the successive question the ages of the respondents was analyzed through sorting them into five different groups (see illustration 4.1.2.2.). As expected, most of the students (37 out of 45 respondents) were below thirty years old.
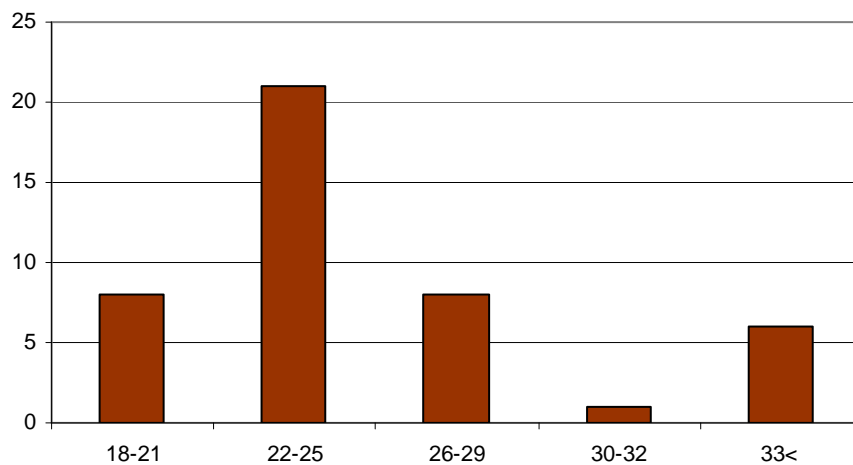
Illustration 4.1.2.2. – Age distribution

Illustration 4.1.2.3. shows that 23 Finns and 22 non-Finns answered the questionnaire. These figures provided a very good cross-section of the International Business students, since for each year even amounts of Finns and foreigners are permitted. The non-Finnish respondents came from altogether 15 different countries of which four were from Germany, three from China and two from both Russia and Great Britain. These figures made sure that the sample group was culturally very mixed. This was a necessary prerequisite for useful further analyses.


Illustration 4.1.2.3. – Nationality distribution

Through the next question the aim was to find out how many respondents had already gathered some professional experience in an area related to their business studies. The answers illustrate that the majority of 35 students (78 percent) had worked already. This proves that it is becoming increasingly common that students gather practical experiences prior or during their studies.
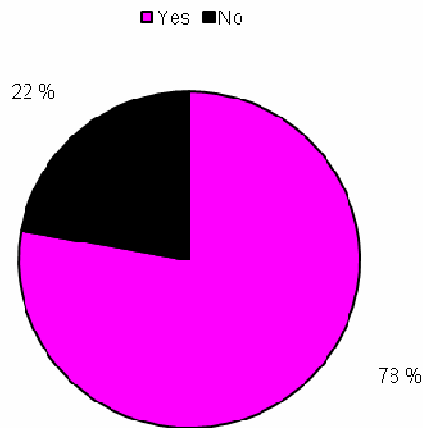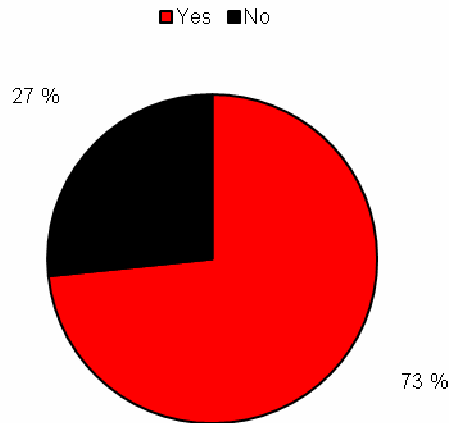
Illustration 4.1.2.4. Work experience

Related to the previous question it was important to find out how many years the members of the sample group have worked altogether. As illustration 4.1.2.5. shows, the majority of 27 out of 45 respondents had two years of work experience or less, which is natural due to the young age of most of them.
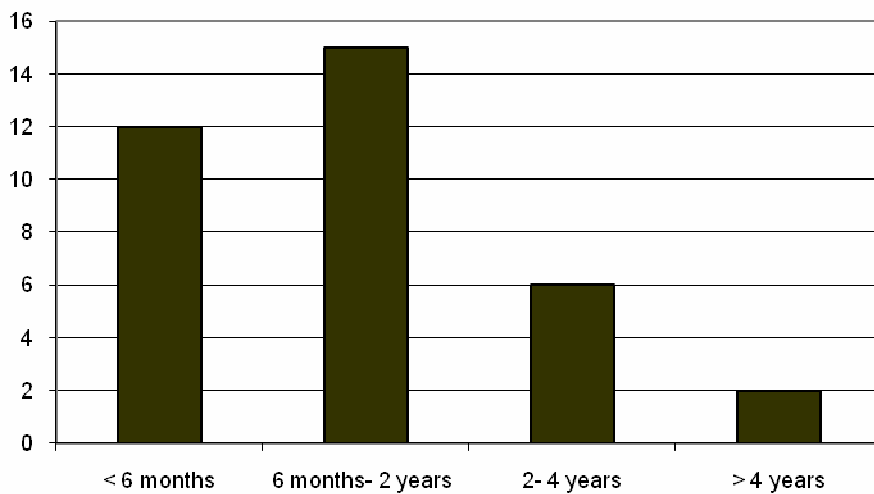

Illustration 4.1.2.5. – Amount of general working experience

From 45 respondents 33 students (equaling approximately 73 percent) had already worked in an international organization as illustration 4.1.2.6. makes clear.

Illustration 4.1.2.6. – Distribution of international working experience

The following question was directed at those students, who had mentioned previously that they had already gathered some international working experience. These 33 students were now asked to choose the country, in which the international company they have worked for for the longest period of time is situated.
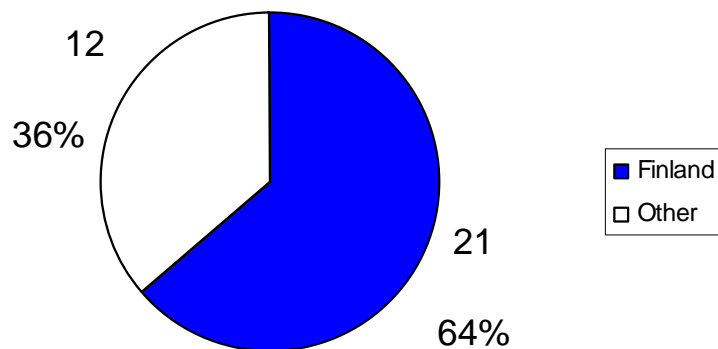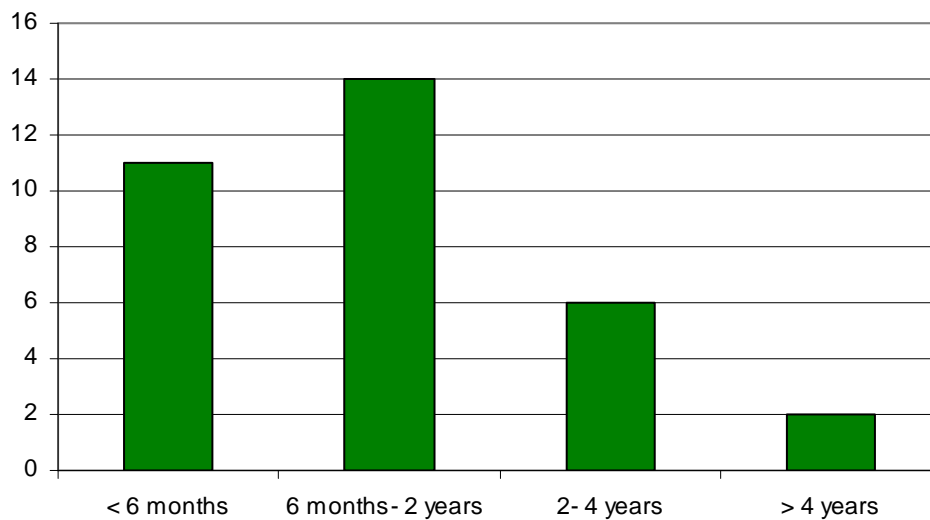

Illustration 4.1.2.7. – Location of international working experience

As can be seen from illustration 4.1.2.7., a majority of 21 out of the 33 students (63 percent) have had their international working experience in Finland, while the remaining twelve students gathered experience in countries such as Italy, Sweden, Japan, Kuwait, Great Britain, Thailand, Norway, South Korea, New

Zealand and Australia. Since this paper is directed at management and leadership in Finnish international organizations, it seemed beneficial that so many students had already worked in an international organization in Finland.

Finally, from the 33 students who had already worked for international companies the duration of the employment was asked. Illustration 4.1.2.8. proves that more than two thirds of the students had worked for less than two years in international organizations.

Illustration 4.1.2.8. – Distribution of duration of international working experience

4.1.3.   Work-related attitudes

4.1.3.1.   General attitudes

In the second part of the survey, the TAMK students were at first asked to rate how important certain work-related factors would be in their future careers. Five factors were selected; those were *salary*, *career development opportunities*, *working environment*, *professional skill development opportunities*, and *relationship to co-workers*. The results are presented below.

Salary is something which, as illustration 4.1.3.1.1. shows, an overwhelming majority of students considered as either "very important" (20 students) or at least "somewhat important" (21 students). Only four students thought that this sensitive question is "not very important".
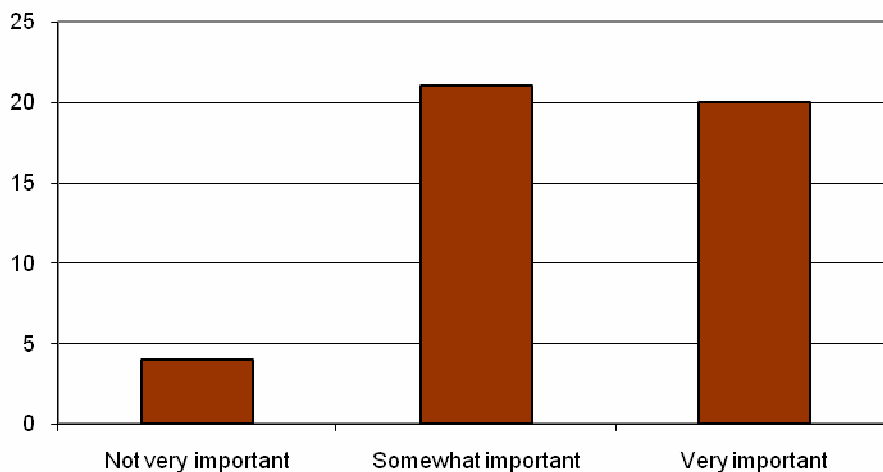

Illustration 4.1.3.1.1. – Importance of salary

Apparently, the availability of career development opportunities is an even more motivating asset for the students, because almost two-thirds assessed those to be "very important" as illustration 4.1.3.1.2. depicts. 13 students were of the opinion that it is at least "somewhat important", while only three did not attach relevance to it. This clearly implied that each organization, no matter if it is

international or not, has to put huge emphasis on the availability of career development opportunities when it comes to attracting and, even more importantly, keeping well-educated young employees.
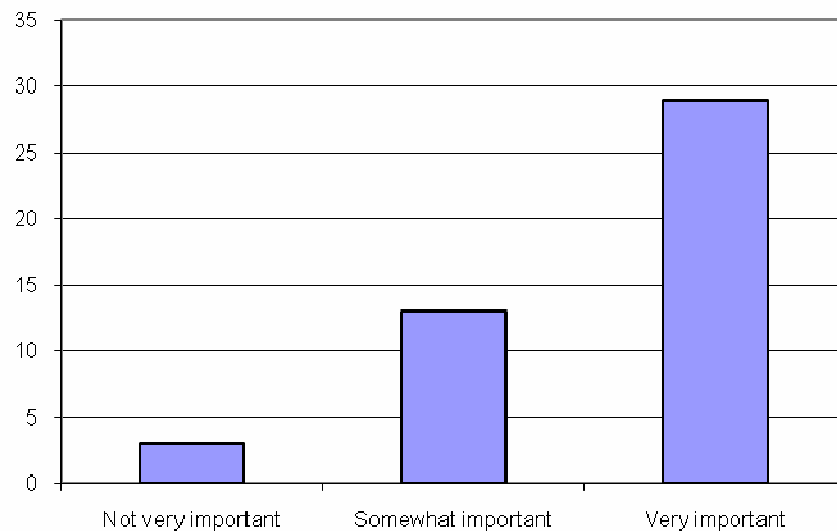
Illustration 4.1.3.1.2. – Importance of career development opportunities

Almost the same accordance among the students was possible to deduct when it comes to their future workplaces being diverse and challenging in their character (see illustration 4.1.3.1.3.). While 22 respondents thought that this is a "very important" factor, 19 considered it at least "somewhat important". Only four out of the 45 students did not find this very important. These answers prove that most students would not like to engage in repetitive work but seek for professional diversity instead, which is understandable since their TAMK IBB degree enables them to work in more challenging work atmospheres.
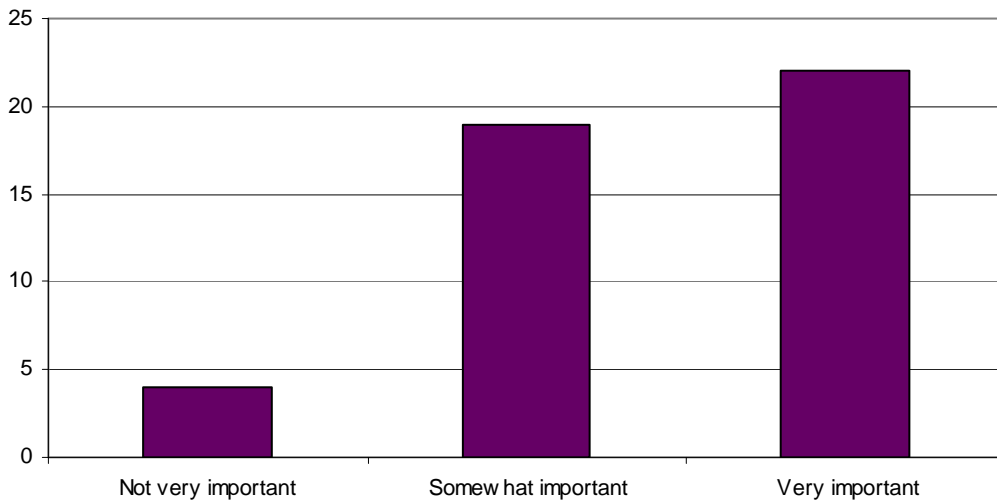
Illustration 4.1.3.1.3. – Importance of diverse and challenging working environments

This aspect was intrinsically connected to the topic of the following question (see illustration 4.1.3.1.4.). Again an overwhelming majority of 28 students considered it as "very important" to have professional skills development opportunities offered by their employers. 13 of them found this point at least "somewhat important", and again only a small minority of four students did not draw any importance to it. Indeed, each employer should constantly pay attention to offer sufficient training for the employees. Otherwise, work performances and the motivational level might drop easily.
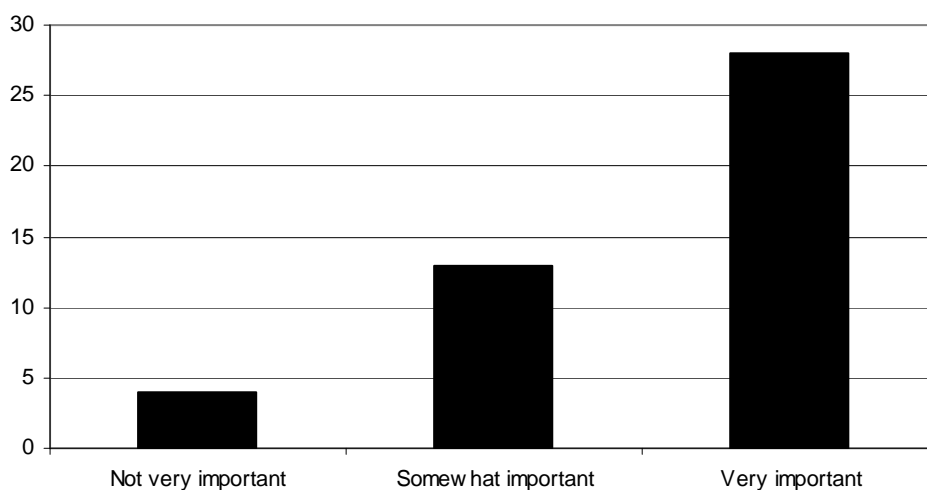
Illustration 4.1.3.1.4. – Importance of professional skill development opportunities

Somewhat surprising was the outcome of the final part of this set of questions, which touched the importance of good relationships to the future co-workers (see illustration 4.1.3.1.5.). The staggering amount of 28 students out of 45 (62.22 percent) considered this as a "very important" feature, while 13 still found it "somewhat important". Only four would apparently not care about their relationships to their colleagues. This proves that employers have to concentrate on the establishment and sustainment of a positive work atmosphere.
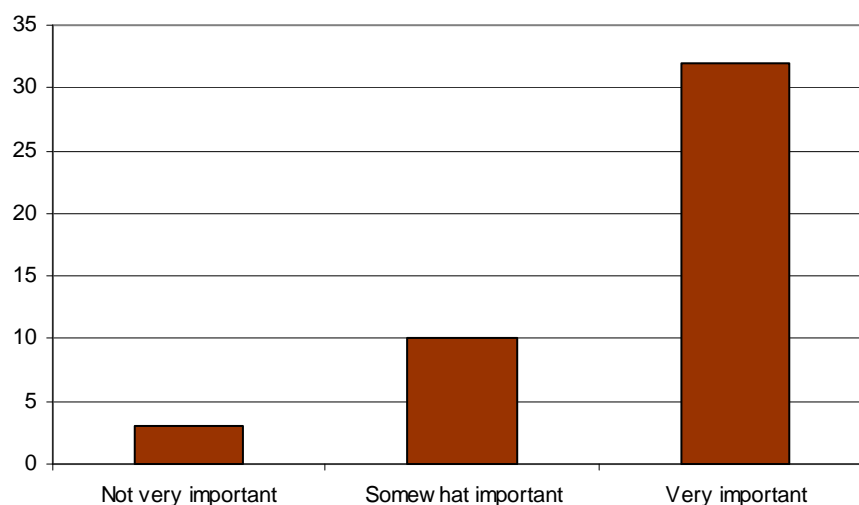
Illustration 4.1.3.1.5. – Importance of good relationship to co-workers

4.1.3.2. Specific attitudes

After these more general questions, the second section of the work-related attitudes part of the questionnaire consisted of more specific and interconnected statements to which the students were supposed to point out their level of agreement.

The first statement was *"I prefer working in a team instead of working on an individual basis and an own area of responsibilities."* and received the following distribution of answers:
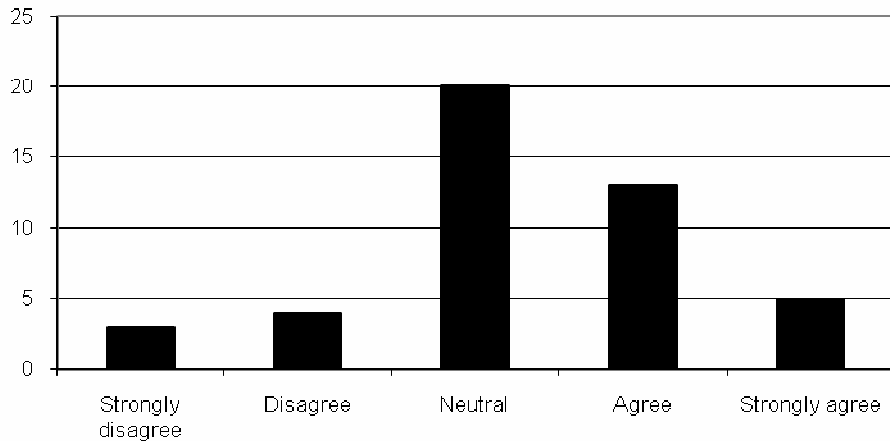
Illustration 4.1.3.2.1. – Team work over individual work?

The outcome showed that 20 of the 45 respondents were indifferent towards this statement. Those with a more determined opinion tended to be rather affirmative than against working in a team. In this sense it has to be taken into consideration that TAMK's IBB program is especially directed at team work. Many assignments for almost all courses are implemented through team 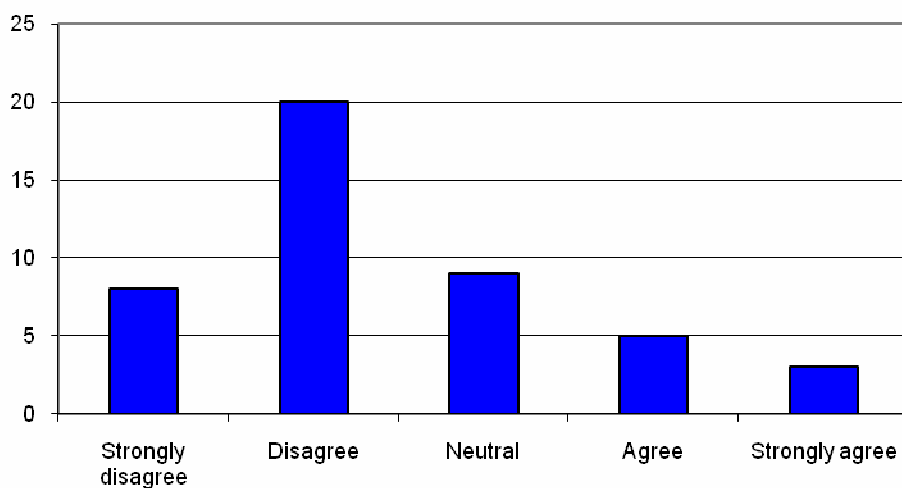work; each member of the team usually receives the same grade. With this policy TAMK is trying to meet the increasing importance of group works in the professional environment, which according to Hofstede's Masculinity Dimension is a clear indicator of a rather female approach.

Illustration 4.1.3.2.2. – Work, life's most important part?

Illustration 4.1.3.2.2. shows the distribution of opinions gathered for this second statement: *"My work is to me the most important part of my life. Naturally, work-related achievements are most satisfying to me."* The result implies that most students "disagreed" (20 responses) and even "strongly disagreed" (eight responses), while only nine students displayed a neutral attitude. Five of them, however, "agreed" and three even "strongly agreed" on this statement. This indicated that most of the students value other activities higher (or at least equally high) than self-fulfillment at work. When applying Hofstede's Masculinity Dimension, this again is a clear tendency to rather female values.
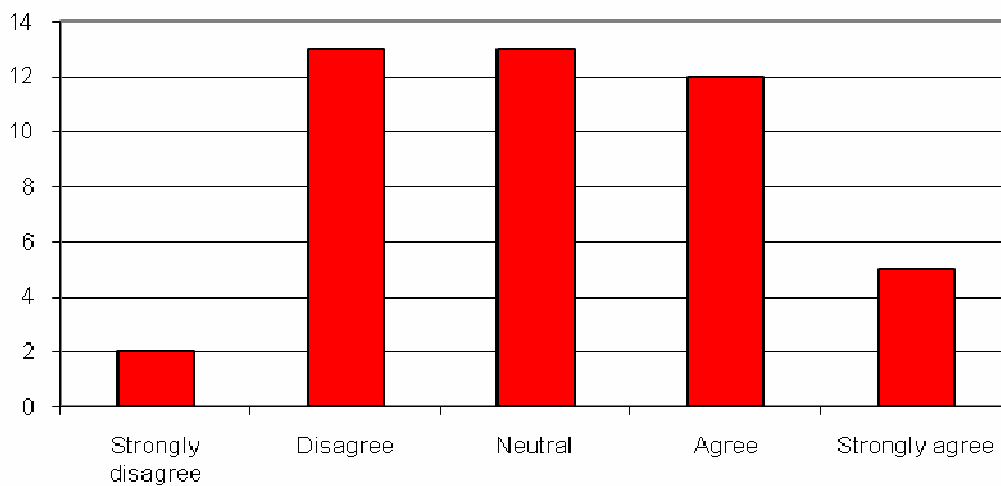
Illustration 4.1.3.2.3. – Safe guidelines over independent work?

The third statement was: *"I prefer getting clear and detailed instructions in order to be safely guided through the different tasks related to my work instead of making decisions about my ways of working mainly on my own."* The distribution of answers is shown in illustration 4.1.3.2.3. and makes clear that almost a third of the 45 students preferred to have a neutral stance on this topic, while 13 "disagreed" and two even "strongly disagreed". Twelve students "agreed" and five "strongly agreed". Overall, this shows that most of the students were rather in favor of a save working environment, yet it also proved that for many it is important to have at least some parts of their work under their own responsibility. In Hofstede's terms, this indicates that the students, who are

affirmative to this statement, are driven by a rather high degree of Uncertainty Avoidance and a low degree of Individualism (and vice versa).

This topic is deeply connected to the next statement, which was: *"In my work I want to have responsibility and power (i.e. influence)."* Most of the students were sure that this is something they have a desire for as 21 "agreed" and seven even "strongly agreed" on the meaning of this sentence (as illustration 4.1.3.2.4. shows), while ten remained "neutral", six "disagreed", and only one "strongly disagreed". This indicates that the majority of TAMK's International Business students is quite career oriented and bear the desire for a challenging job which would also include independent decision making and leading of other people.
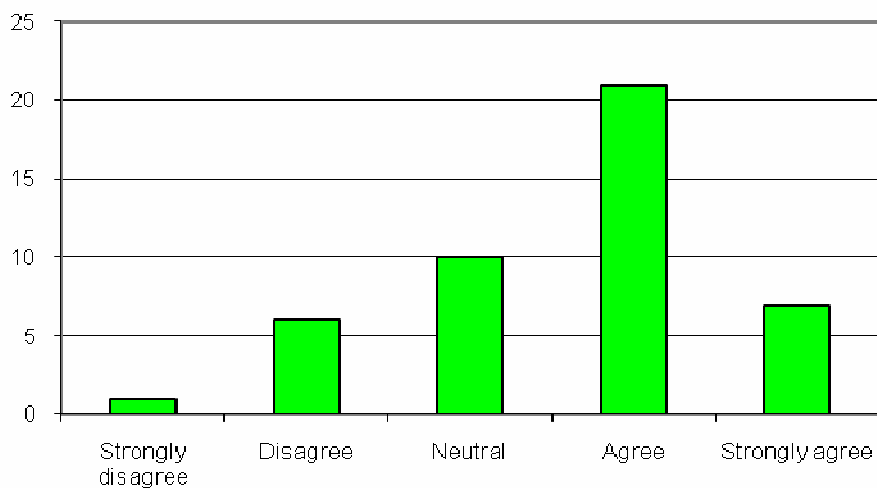
Illustration 4.1.3.2.4. – Responsibility and power at work – desirable?

Another interconnected topic concerned the higher salary higher responsibility is usually connected with. On the statement *"If I had the chance to switch to a work place, where I received more money but at the same time received more responsibilities, I would switch to this new position."* the affirmative response of the students was quite big (see illustration 4.1.3.2.5.), considering that 13 "strongly agreed" and 14 "agreed", while eleven kept an indifferent stance. Only five "disagreed" and two "strongly disagreed". This proved once again the professional ambitions of the students.
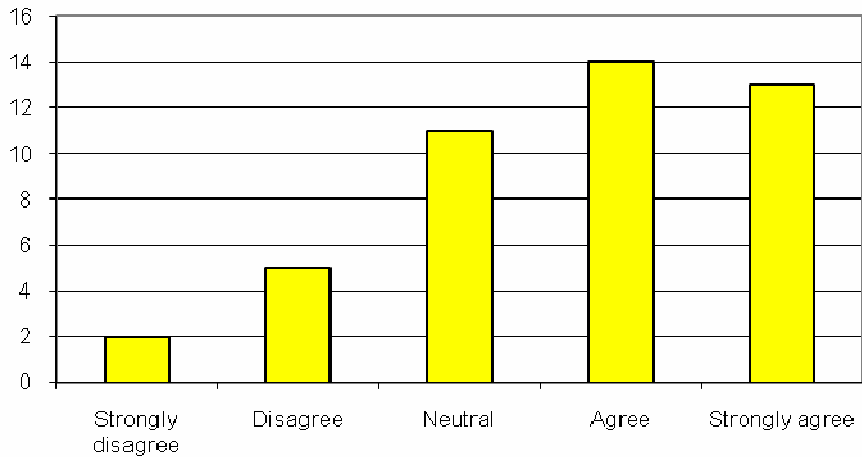
Illustration 4.1.3.2.5. – Higher position and higher salary – desirable?

The following statement *"Success to me means climbing up the hierarchical ladder."* met quite diverse reactions among the students (see illustration 4.1.3.2.6.). While altogether 19 either "agreed" or "strongly agreed", eight remained neutral. 15, on the other hand, "disagreed" and three even "strongly disagreed". This proves that even though the sample group was in general quite career oriented, the students still do not want to measure their success in their lives only with their professional success.[97] According to Hofstede's Masculinity Dimension this shows the almost evenly distributed existence of feminine as well as masculine traits among the students.
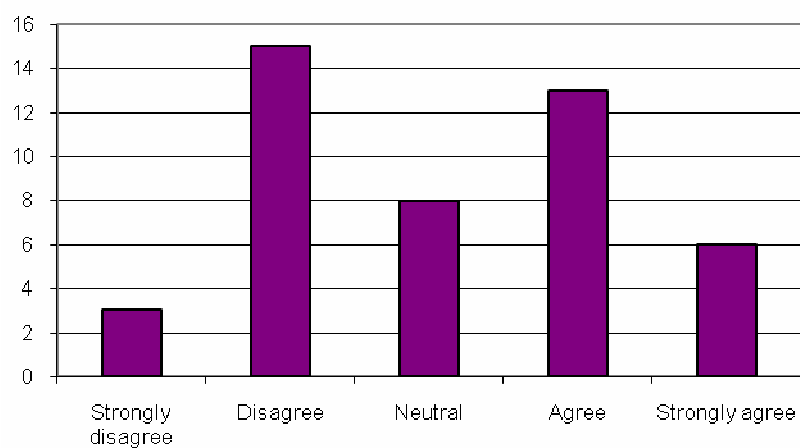
Illustration 4.1.3.2.6. – Success, mainly achieved through a high position?

---

[97] These findings hint at the initially expected existence of other values such as family, leisure time etc. which, as a matter of fact, cannot be discussed in this paper.

An overwhelming amount of 32 of the 45 business students, however, displayed a positive attitude towards the statement *"In order to be successful in my career I am also willing to take risks."* as illustration 4.1.3.2.7. evidences. Only seven students stated that they do not see the acceptance of risks as an option to boost their careers. Of course, it remains to be discussed what the single respondent would consider as a risk. As discussed in chapter 2.2., a member of a culture with a high degree of Uncertainty Avoidance might something consider as risky, which a member of culture with a low degree of Uncertainty Avoidance will perhaps not find risky at all.
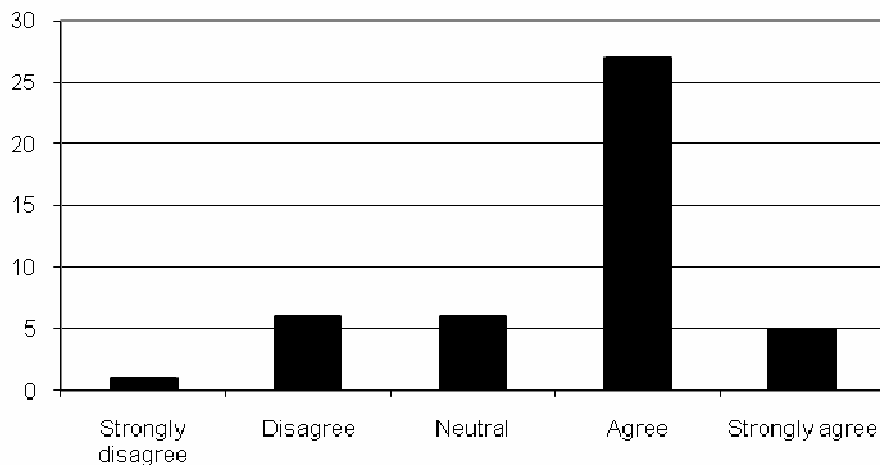
Illustration 4.1.3.2.7. – Taking risks as a means to boost your career?

The following statements were more directed at finding out the attitudes of the sample group towards leadership and team work. In this regard, the sentence *"I regard my supervisor as a practical advisor, who is actively able to support me within my team concerning the daily activities and practicalities."* is being illustrated in 4.1.3.2.8. and was positively answered by approximately 69 percent of the respondents. Nine decided to take a neutral stance and altogether five disagreed. Apparently, most of the students expect from their future managers more than just the delegation of the daily tasks; also their availability in every work-related issue is something they would like to take for granted.
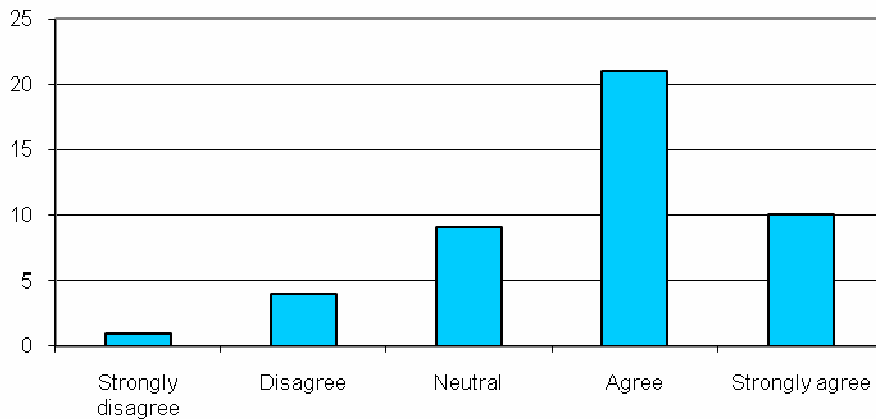
Illustration 4.1.3.2.8. – The supervisor, a supporter of the daily activities and practicalities?

An almost equal distribution of opinions is displayed in illustration 4.1.3.2.9., which dealt with the following statement: *"It is important to me that the process of decision making is delegated down to the lowest level of the organization's hierarchy (the team level) whenever possible instead of performing it solely on managerial level."* While 24 students "agreed" and eight "strongly agreed", seven preferred to stay "neutral", four "disagreed" and two "strongly disagreed". Certainly, this matter can turn out to be very complicated in reality. Some more delicate issues which ask for a rapid decision do not allow the involvement of all the team members and forces the supervisor to find a solution on his or her own.
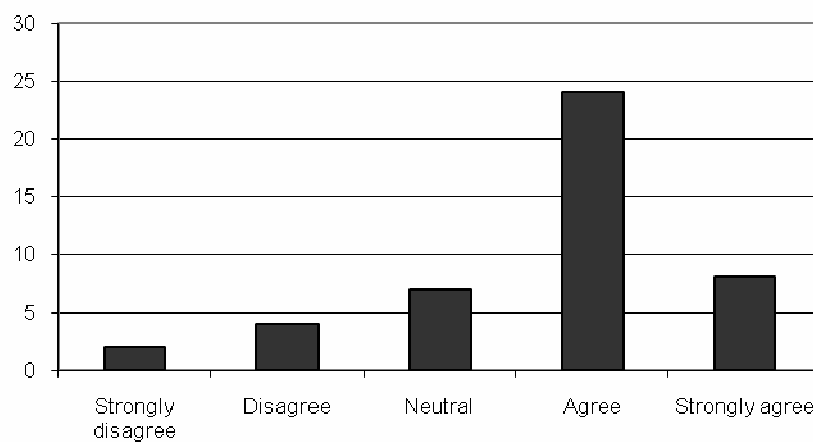
Illustration 4.1.3.2.9. – Decisions, if possible, to be delegated to the lowest hierarchical level?

On the issue of communication between supervisor and employee, the students were asked to give their level of agreement on the following statement. *"I prefer receiving direct and personal feedback from my supervisor."* The results, as can be seen in illustration 4.1.3.2.10., make clear that an overwhelming majority of 87 percent would prefer to receive direct and personal feedback, while only a small group of three "strongly disagreed". In terms of Hofstede's Dimensions, this indicates a culture of small Power Distance with a rather low level of Masculinity as well as a high degree of Uncertainty Avoidance.
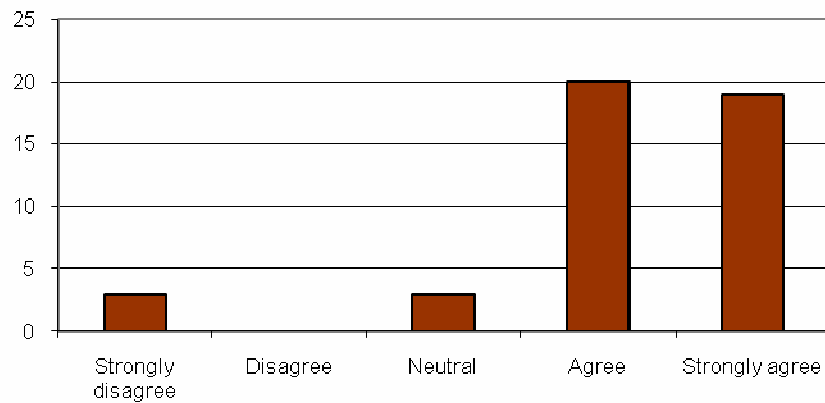
Illustration 4.1.3.2.10. – Direkt and personal feedback from your supervisor – desirable?

At least the above assumed small degree of Power Distance was further bolstered with the outcome of the next statement (*"I should be allowed to disagree with my supervisor and even say 'No' when I think it is necessary."*), because 80 percent of the respondents were of the opinion that they should be allowed to disagree with their supervisors. Illustration 4.1.3.2.11. furthermore shows that there were only three students who "disagreed" and two who "strongly disagreed", while four remained indifferently.
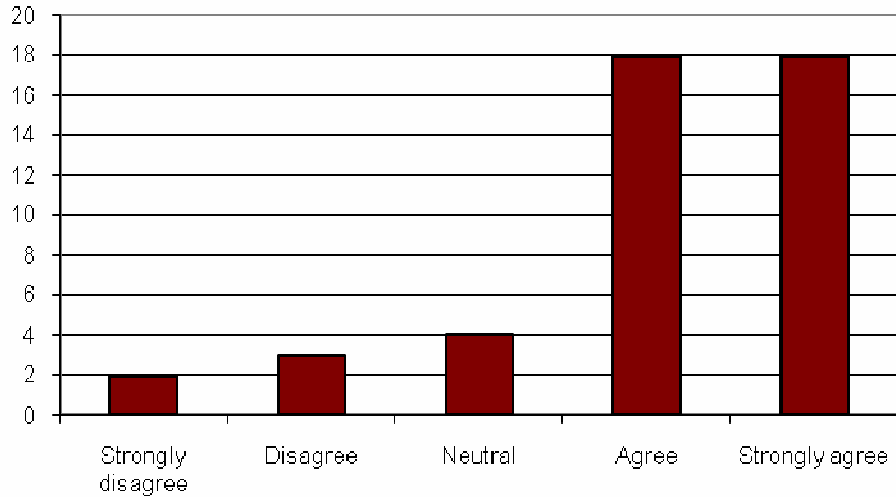
Illustration 4.1.3.2.11. – Permission to disagree with your supervisor?

When it comes to the management of conflicts, most students again proved their small Power Distance background. As illustration 4.1.3.1.12. proves, to the statement *"In order to find the best solutions for challenges and conflicts within the team it is necessary that all team members are actively involved in the problem-solving process."* 21 students "agreed" and 14 even "strongly agreed", while five decided to stay neutral, and the remaining five either "disagreed" (two students) or "strongly disagreed" (three students).
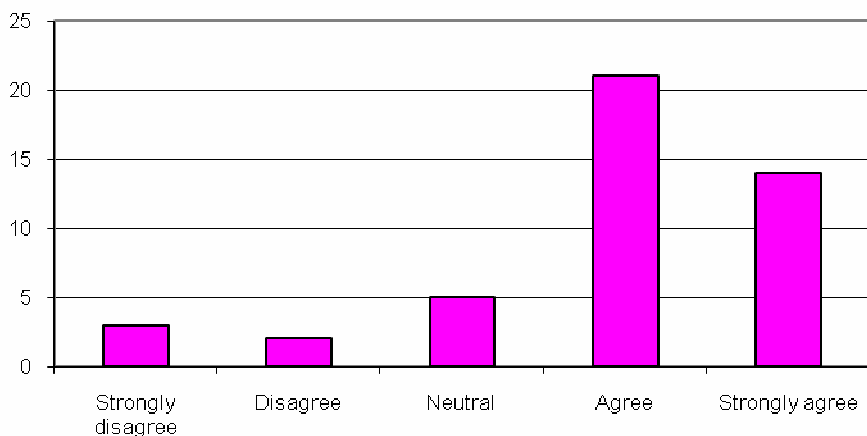
Illustration 4.1.3.2.12. – Should the whole team be actively involved in problem solving?

In fact, this attitude is very much in accordance with the nowadays common approaches to leadership and management in Finland as discussed in the

chapters 3.2. and 3.3. With new managerial strategies, which actively involve the employees in the decision making process, the employer tries to increase commitment and motivation among them.

The existence of a small Power Distance and also of a low Masculinity index in most of the students' thinking was furthermore expressed in the outcome concerning this following statement: *"I prefer an atmosphere in my team in which work- and non-work-related experiences between the members are shared and a mutual understanding for each other is fostered."* As illustration 4.1.3.2.13. clarifies, 24 of the 45 respondents "strongly agreed", while 15 still "agreed", which equals an affirmative rate of approximately 87 percent. Deducting the three neutral answers, only one student "disagreed" and two "strongly disagreed".
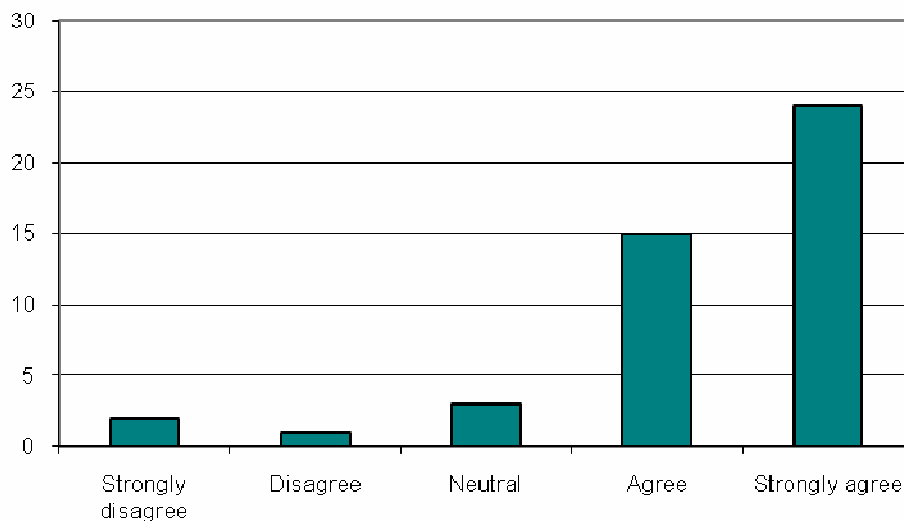
Illustration 4.1.3.2.13. – Should the whole team be actively involved in problem solving?

A somewhat more ambiguous result was achieved when asking for the level of agreement to the following statement: *"It is important to me to have the possibility of being in face-to-face contact with my supervisor and colleagues whenever necessary."* Table 4.1.3.2.14. shows that even though altogether more than two third of the respondents "agreed" (21 students) or "strongly agreed" (12 students) on this statement, there were still five, who stayed

viewlessly and altogether six who either "disagreed" (one student) or "strongly disagreed" (five students). This shows that most students would feel better in a working environment, where they were always able to approach their colleagues and supervisors directly instead of merely communicating through emails and phone calls. This, however, is nowadays not always feasible since especially in international companies colleagues are often working in different countries and are therefore not likely to be reached face-to-face whenever needed.
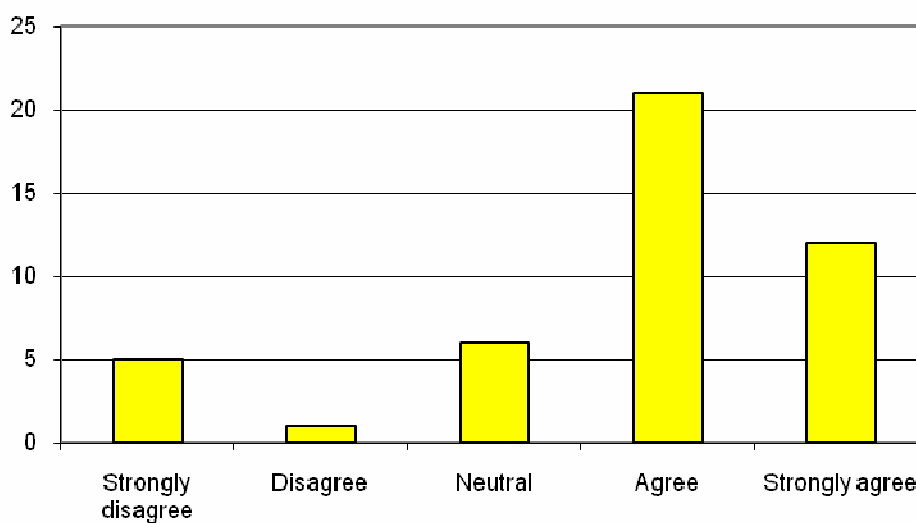
Illustration 4.1.3.2.14. – Face-to-face contact with supervisors and colleagues possible whenever necessary – desirable?

A strong degree of, in Hofestede's terms, Uncertainty Avoidance was possible to derive from the answers concerning the next statement (see illustration 4.1.3.2.15.): *"I prefer that the people around me at work say what they mean and mean what they say, because I don't like reading between the lines."* Of the 45 respondents, 15 "agreed" and 24 even "strongly agreed" equaling almost 87 percent. Deducting the three neutral answers, there are only three who either "disagreed" (one student) or "strongly disagreed" (two students). This clearly implies that the desire for honesty and unambiguousness at the workplace is something most students consider as absolutely necessary in order to perform well.
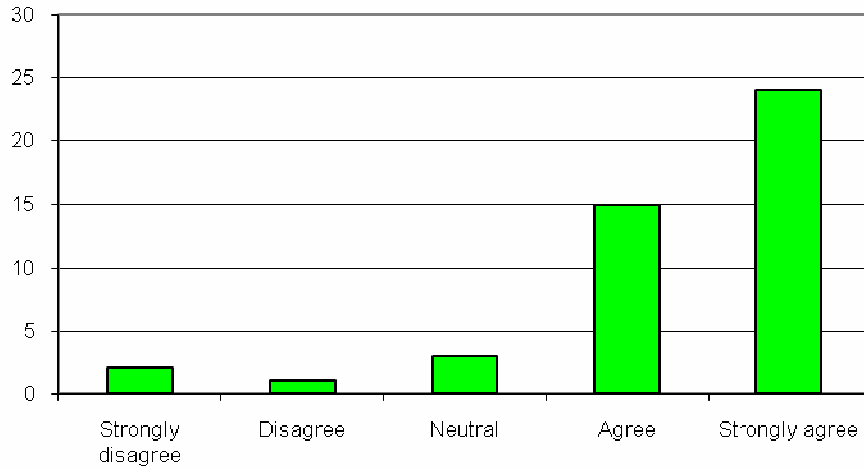
Illustration 4.1.3.2.15. – Should my colleagues mean what say and say what they mean?

This tendency for unambiguousness was accompanied by a strong interest in harmony as a vast majority of the 45 respondents again "agreed" (14 students) or even "strongly agreed" (21 students) on the statement: *"Harmony between the different team members and also with the team leader is one key to successful working."* Illustration 4.1.3.2.16. makes furthermore clear, that, deducting the seven neutral responses, only three students "strongly disagreed", which shows that again the overall tendency among the students points at the direction of a feminine culture, as Hofstede would conclude.
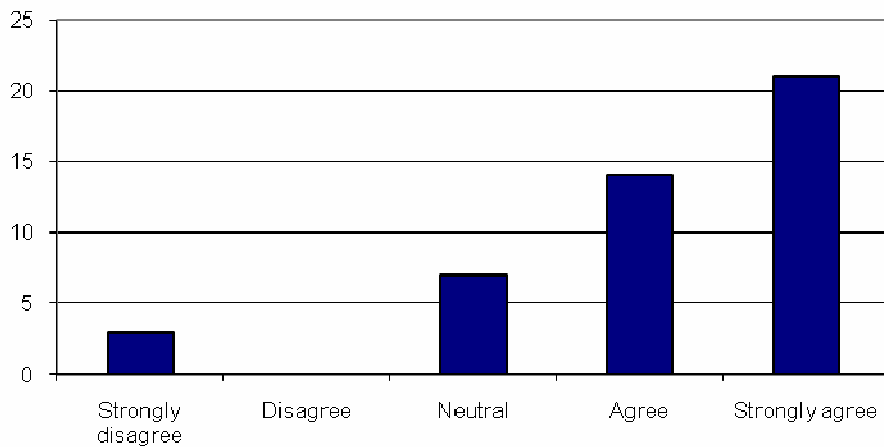
Illustration 4.1.3.2.16. – Harmony on the workplace – a key to successful working?

This craving for harmony notwithstanding, the majority of the students would still take a proactive stance once there would be, in their opinion, the need to come up with an own initiative in order to improve the ways of working, even if that entailed conflicts with the superiors. On the statement *"When I am having the feeling that some issue in my working environment can be improved through my ideas and initiatives, I will try to be proactive even though that could entail conflicts with my supervisor."* 21 students "agreed", seven even "strongly agreed", while eleven stayed neutral and only six were of a negative opinion as illustration 4.1.3.2.17. proves. Again this is a good indicator for the apparent small Power Distance prevailing among the young students. In order to improve the situations at their future workplaces, many would even accept confronting their supervisors.
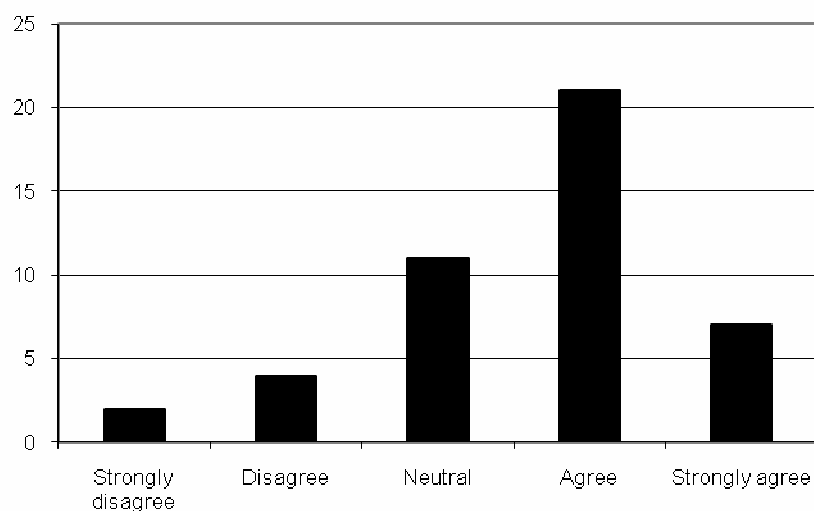
Illustration 4.1.3.2.17. – Conflicts with superiors acceptable when to bringing up own initiatives?

4.1.4.   Working in an international organization

The final part of the questionnaire concerned, as mentioned above, the aspirations of the sample group when it comes to working in an international organization.

Naturally, the first statement on which the students were supposed to comment was: *"I am interested in working in an international organization here in Finland."* As illustration 4.1.4.1. shows, about 82 percent of the students left an affirmative answer, three remained neutral, while five had a negative opinion about such an option. This overwhelmingly formative result was no surprise, since the examined sample group consisted of students of International Business, a field of studies which predestines to work in an international environment.[98]
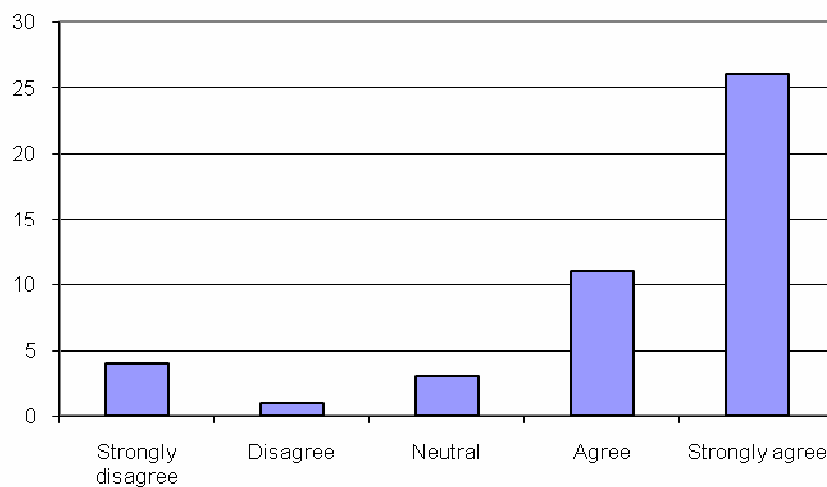
Illustration 4.1.4.1. – Interested in working in an international company here in Finland?

Approximately 84 percent of the participants either "agreed" (15 students) or even "strongly agreed" (23 students) on the statement: *"Working in an international team improves my understanding for other cultures."* One stayed neutral and three "disagreed", respectively "strongly disagreed" (see illustration 4.1.4.2.). Again, this result was somewhat expected, since, as mentioned earlier, TAMK's IBB in International Business provides a firm basis for cultural awareness. During the program the students are constantly encouraged to improve their international competence for instance through mandatory group works in almost each course of the studies.

---

[98] "The TAMK BBA in International Business offers an internationally respected Bachelor degree. The programme provides students not only with first-rate theoretical skills, but also with flexible problem-solving and social skills in a truly international environment." WWW user survey (n.d.), *International Business, 210 credits. Description of the programme,* retrieved July 15, 2009, from: http://www.tamk.fi/en/WWWSTUDIES/ international_business.html
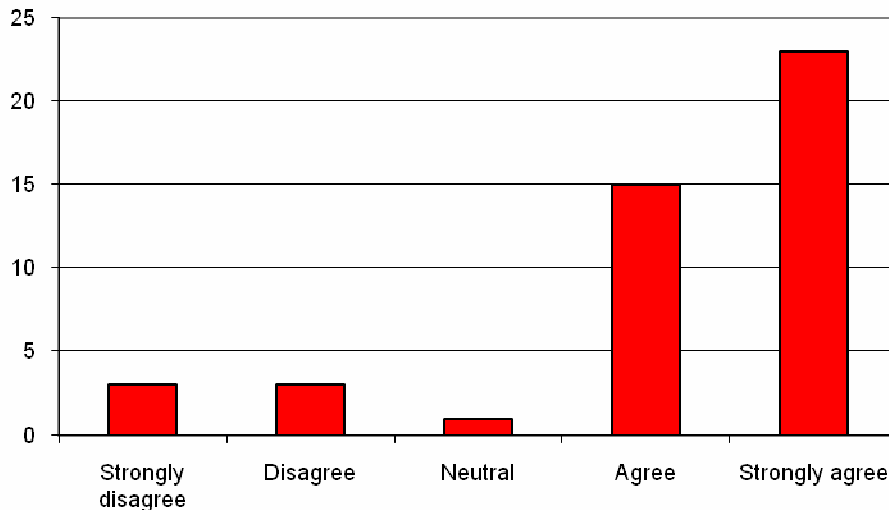
Illustration 4.1.4.2. –Working in international organization increases cultural awareness?

Similarly, the majority of 37 respondents "agreed" (14 students) or even "strongly agreed" (23 students) on the statement *"Working in an international team requires tolerance and understanding of every member concerning the cultural differences within the team."* (see illustration 4.1.4.3.). Due to their experience, the interrogated TAMK students were of course aware of the fact that cultural backgrounds affect the way how decisions are made, how meetings are run, how tasks are delegated and executed, and how deadlines are met. A lack of cultural awareness can therefore easily lead to conflicts.
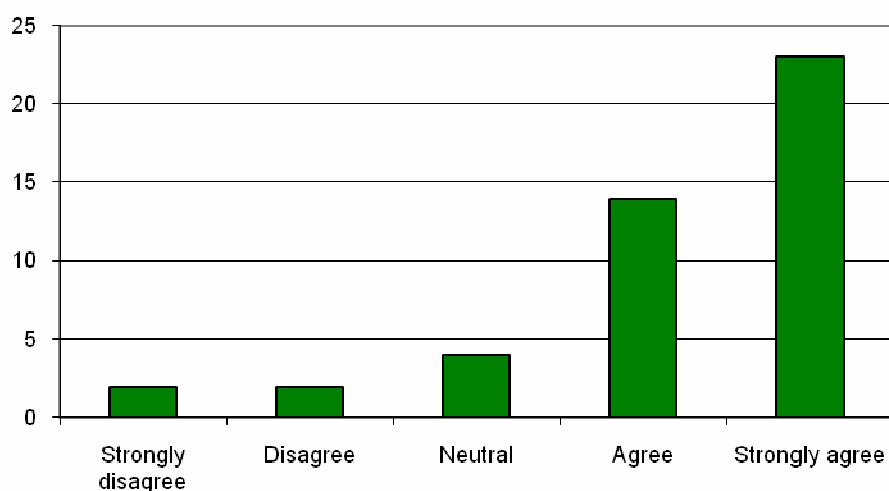
Illustration 4.1.4.3. –Tolerance and understanding for other cultures necessary for every member in an international team?

This led to the next topic, which was embedded in the following statement: *"An international team is more fragile than a team of basically one nationality mainly because of the different cultural backgrounds of its members."* The distribution of answers was mixed, even though the overall tendency among the students was rather affirmative. Seven of them "strongly agreed", 17 "agreed", four were "neutral", eleven "disagreed", and six even "strongly disagreed" (see illustration 4.1.4.4.). It goes without saying that a culturally homogenous team might be more bound to conflicts than a culturally diverse team, for of course not only cultural differences might lead to difficulties but the differences in each and every individual as well.
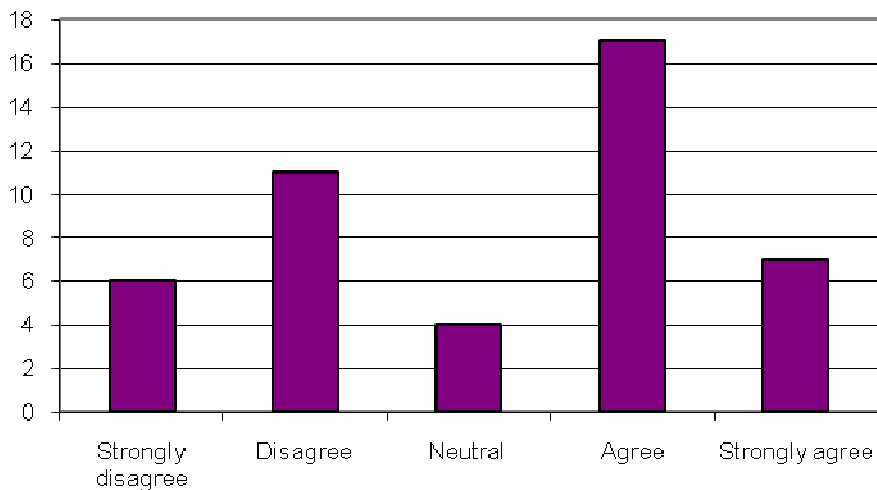
Illustration 4.1.4.4. – International teams more likely to be stricken by conflicts?

Naturally, the statement *"Cultural differences are less important than personal differences between members in a team."* received very diverse reactions as well as illustration 4.1.4.5. makes clear. This time, 21 participants either "totally disagreed" (five students) or at least "disagreed" (14 students), while twelve students remained neutral. Only 14 students were of an affirmative opinion. This shows that almost 50 percent of TAMK's International Business students believe that cultural differences can in fact bring more severe enmeshments upon an intercultural team than the individual differences.
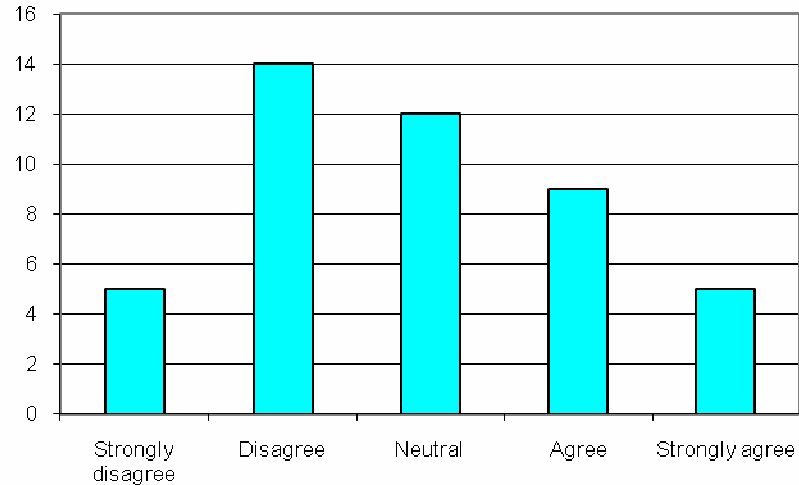
Illustration 4.1.4.5. – Cultural differences less important than personal differences?

Logically connected to the previous question, a majority of 27 respondents "agreed" (21 students) or "strongly agreed" (six students) on the following statement (see illustration 4.1.4.6.): *"It is even more important to follow a certain code of conduct in an international organization than in a team of basically one nationality due to the sensitivity between different cultures."* Twelve students stayed neutral and the remaining six either "disagreed" (four students) or "strongly disagreed" (two students). Apparently, clear rules which every member of the team is accountable for have to be applied from the very start in order to create a healthy, trustful, and open work environment.
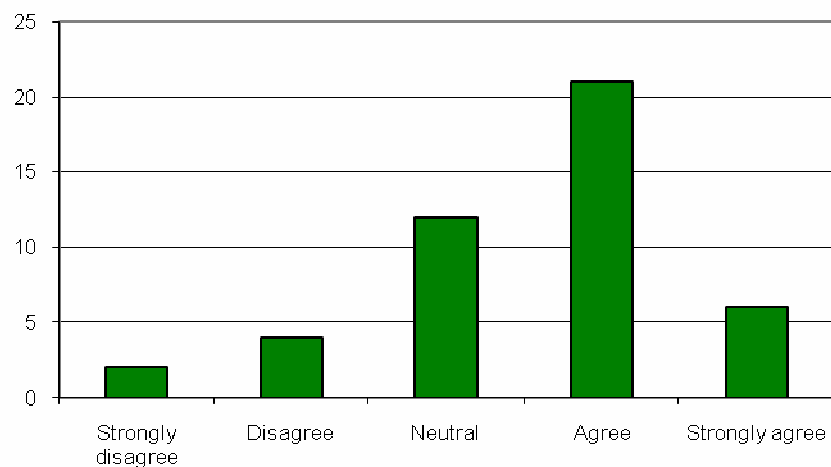
Illustration 4.1.4.6. – Bigger need to follow a code of conduct in an international team?

34 out of 45 respondents acknowledged this statement positively: *"Leading an international team is more demanding than leading a team of one nationality."* Seven students remained neutral, though, while only four either "disagreed" or "disagreed strongly" as illustration 4.1.4.7 clarifies. This outcome proves that most students were of the opinion that international teams are more challenging also for the team leader.
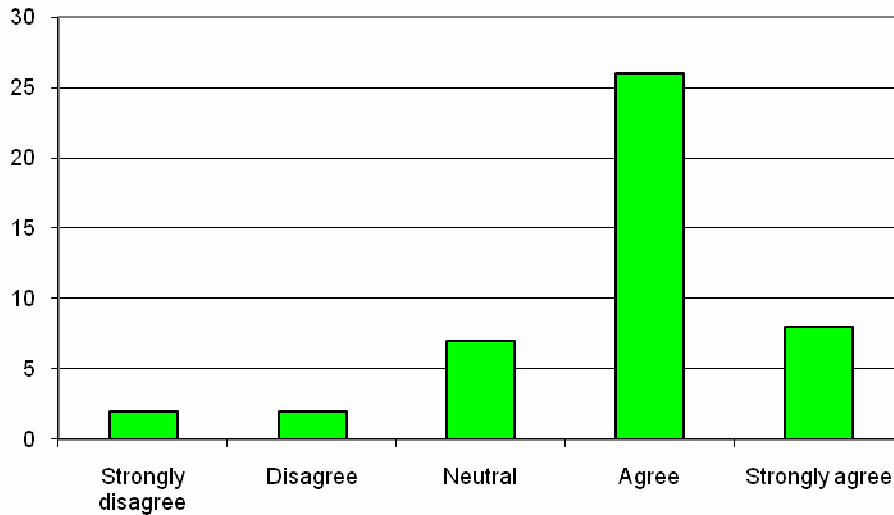
Illustration 4.1.4.7. – International teams more demanding to lead than homogenous teams?

On the statement *"It is necessary that the team leader has at least basic skills in all (or most) of the languages which are the mother tongues of the team members in order to be a good leader."* approximately 76 percent of the respondents either "disagreed" (20 students) or even "strongly disagreed" (14 students) as illustration 4.1.4.8. shows. Only six students, however, were of the conviction that the team leader should possess at least basic skills when it comes to the languages spoken by the different members of the team. This tendency is understandable, since nowadays in most international teams around the globe English has become the official language, which each team member is usually able to work perfectly well with in all work-related matters.
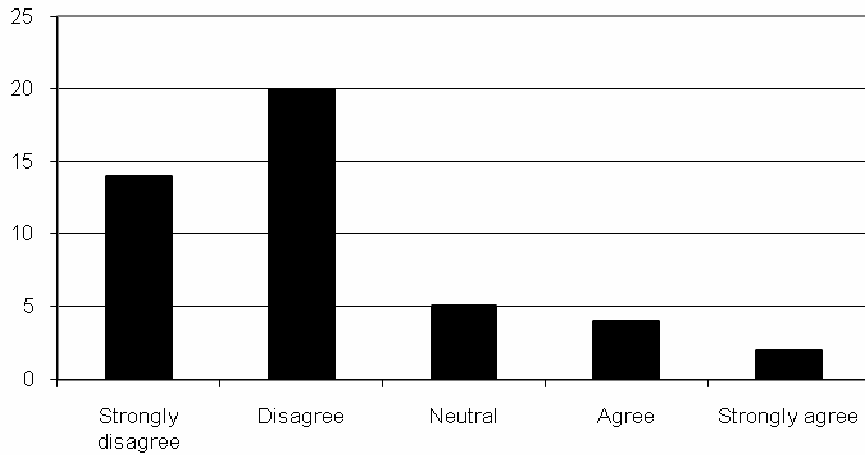
Illustration 4.1.4.8. – Skills in all the languages spoken in the team necesseary for the leader?

Nonetheless, when being confronted with this statement *"Leading an international team requires special skills from the team leader compared to leading of a team of one nationality."* most respondents "agreed" (21 students) or even "strongly agreed" (eight students), while seven remained indifferent. Nine respondents "disagreed" (see illustration 4.1.4.9.).
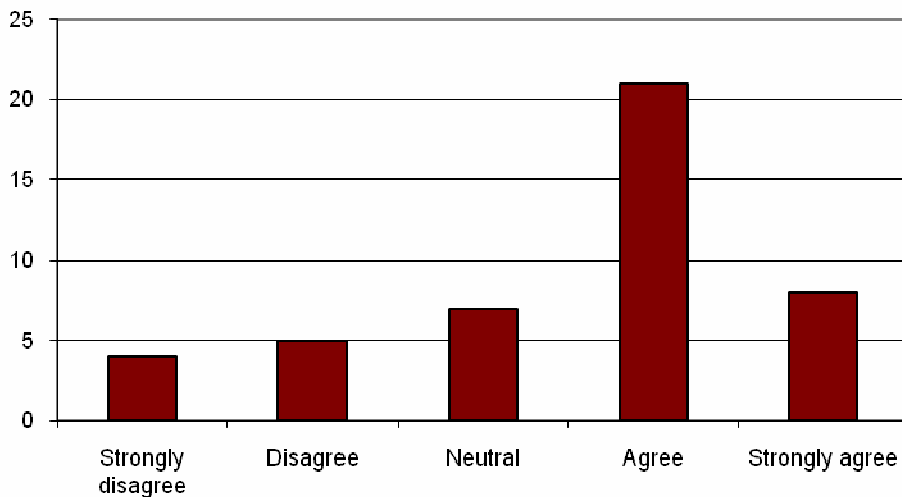
Illustration 4.1.4.9. – Special skills needed for leading an international team?

This final question was used as starting point for an additional open question in order to collect some qualitative information from the students. Those who had left a positive response on the previous statement were asked to describe

shortly what kind of special skills would be necessary to lead an international team.[99]

One opinion was, for instance, that the leader of a multinational team should possess patience, flexibility, and excellent negotiation skills. Furthermore, it was stated, that a team leader must understand different people with different backgrounds in order to push everyone towards a common, clear goal. In this sense, the leader needs have the ability to combine different cultures and create a fine working environment for the whole team which can be more or less accepted by every member.

Another student was of the opinion that it is important that the team leader is able to look beyond his or her own nationality and understands the reasons and circumstances under which employees from different cultures may face difficulties. The respondent concluded that if the team leader is unable to do so, it will at some point result in large problems within the team. From this student's point of view leading a team of only one nationality was therefore much easier.

Lastly, one responded estimated that bigger communication skills are required in an international working environment, because people from different cultures communicate in different ways.

---

[99] All the answers can be found in the appendix (6.2.1.) of this paper.

4.2.   Questionnaire for GTS managers and team leaders

4.2.1.   Character, intent, and arrangement of the questionnaire

The survey for the managers and team leaders of UPM-Kymmene's Global Transaction Services Center (GTS) consisted of five qualitative questions. The decision to arrange the questionnaire in this fashion was made mainly because the sample group was rather small consisting only of four managers and eleven team leaders. In general, qualitative research as such "assumes that people have meaningful experiences that can be interpreted."[100] Therefore, the focus on a limited sample group is required in order to obtain manageable amounts of data.

The questions were directed towards finding out, how, from a team leader's or manager's point of view, the supervision of a culturally mixed team works in practice in Finland and what kind of challenges this might entail. Furthermore, the personal leadership attitude was in the focus and also how the leaders provide their subordinates with support and professional growth opportunities.

The questionnaire was forwarded on 26 August to the managers and team leaders via the internal GTS email server and supplemented with the plea to answer the questions as shortly as possible and from a subjective point of view mainly. Until 2 September the answers of ten team leaders and three managers were received.

---

[100] Ladner, Sam (2007). *Design research. Qualitative versus quantitative research*, retrieved on August 15, 2009, from: http://designresearch.wordpress.com/2007/08/16/qualitative-versus-quantitative-research

4.2.2. Analysis

1. What are the major differences between managing multicultural teams and culturally homogenous work groups?

First of all, GTS' team leaders and managers do largely agree that, mainly due to the existing differences in languages and cultures, intercultural teams are more challenging to lead. The participants of the survey acknowledged the deep impact of culture on the individual behaviour of each team member; they also cause different kinds of expectations and assumptions towards working life. Compared to a team of one homogenous nationality, it is therefore more often necessary to clarify a basic code of conduct within the international team. According to Adler, for team members with culturally diverse backgrounds it is more difficult to understand and act on situations in similar ways, which are in harmony with the company's rules.[101]

Naturally, differences exist also in the common working life, which therefore need to be transmitted more thoroughly. Following Adler, in order to achieve efficient work conditions, everyone in a multinational organization has to have cross-cultural skills, which is also a basic requirement for successful leadership.[102] Adler underlines that cultural diversity can be advantageous and a productive resource for the team, if a multicultural team is managed well. On the other hand, if the cultural differences are ignored, then the teams are often bound to perform below the organization's general norms.[103] The team leaders and managers seemed to agree on this point. One respondent mentioned accuracy as an example for having "different meaning[s] in different cultures."

This implies that varying kinds of communication are needed in order to achieve the same results from the culturally diverse employees. Communication is in this sense indeed more challenging in a multinational team, because different cultural backgrounds create different expectations from the manager or team

---

[101] Cf. Adler, Nancy and Gunderson, Allison (2008), p. 141.
[102] Cf. ibid., p. 136.
[103] Cf. ibid., p. 148.

leader, and their actions are differently interpreted, too. Team members from the same or similar cultures find it easier to communicate clearly and have the tendency to trust each other easier. As Adler highlights the main problems might occur in multicultural groups, because "[i]n culturally diverse teams, misperception, miscommunication, misinterpretation, and misevaluation abound."[104] This was clearly validated through the majority of the respondents. One participant was convinced that "communication requires much effort to make sure that the message has been understood on both sides. It needs to be filtered to be efficient for a multinational team and some issues need to be communicated in addition to this then again for each culture's representative." Another respondent acknowledged that "in multicultural [teams] you'd need to use a language that is understood by all" in order to avoid gossip and wrong assumptions. One participant also mentioned that since "everyone is inclined to use the language which is easier for him/her, it is naturally not always easy to have a common language accepted." Spatial distance can be another problem in this regard: "It might also be that team members are not all located at same [the] location and (face to face) contacts are not always possible which might create misunderstandings."

These misunderstandings are likely to inflict, as one opinion went, cultural conflicts. According to Levi, training of social skills is therefore especially necessary to enable the members to resolve internal conflicts and to function smoothly in multicultural teams.[105] Adler maintains "[t]ension and stress levels in culturally diverse teams often exceed those in single-culture teams, due to primarily to communication inaccuracies and a lack of trust."[106] Moreover, Levi argues that these problems can decrease and even destroy satisfaction and eventually the moral of the entire team. For the single individual this entails that the commitment to the organization as well as the interest in taking part in the team's interactions are decreasing.[107] More time is required therefore from the manager of an international team, which is something one respondent of the

---

[104] Ibid., p. 141.
[105] Cf. Levi, David (2007), *Group Dynamics for Teams* (2nd ed.). London: Sage Publications, p.30.
[106] Adler, Nancy and Gunderson, Allison (2008), p. 144.
[107] Cf. Levi, David (2007), p.64.

questionnaire summarized with the following statement: "[M]anaging a multicultural team is approximately one and half times the work for a manager compared to managing a homogenous team." Adler summarized that employees in multicultural teams use more of their time and effort in creating cohesion and solidarity as the part of the team building process than members of culturally homogenous teams.[108]

Nonetheless, some respondents did not want to emphasise the importance of cultural differences too much. One team leader mentioned for example that "every person is different and can be totally different from the stereotype of her/his nation". "Still", this participant concluded, it is "maybe good to know about some cultural 'specialities' like the strong hierarchy in some countries [...] or the status of female superiors in order to understand some behaviours or reactions." Another respondent explained that the "multicultural management should always pay more attention to personal differences and leading team members individually, not just as a representative of a certain culture."

The ways of working in a multinational team in Finland are also different compared to a homogenous team, and therefore adjustments might be required. For example, one participant described that "Finnish organisations are used to work very independently but in some other cultures very detailed instructions and active follow up [...] instruction[s] from [the] team leader are needed." Due to the different perceptions of responsibilities and ownership in "[the] multicultural teams, perhaps more time should be spent to empower the team members" to work independently was another respondent's opinion.

2. What kind of skills are necessary in order to manage a mixed group of Finnish and foreign workers?

Most of the team leaders and managers agreed that patience and the constant effort to get to know the team members and their cultural backgrounds are some of the most important virtues for creating a high-performing multicultural

---

[108] Cf. Adler, Nancy and Gunderson, Allison (2008), p. 144.

team. The ability to listen to the subordinates, to understand them, and to communicate openly with them – to be a "people person" in short as one participant explained – are further key skills to manage a team of mixed nationalities. One respondent called these factors the "human touch" which underlines that the team leader should not focus only on the work-related issues but should be open to the person himself or herself as well. Interestingly enough, one participant considered "sense of humour" as an important asset as well.

One respondent explained that education and book wisdom is also needed about management and cultural theories for managing a multicultural team than working". This leader thinks also that "a manager should be interested about the employees' future plans, career objectives and about things that give them satisfaction in work."

Fair treatment of the employees is furthermore necessary. Common rules have to be set for all and those must be applied for everyone without exceptions in order to provide each member of the organization with the feeling that they are treated equally.

A further opinion was that "questioning of everything instead of assuming" is another important asset of team leaders and managers. Nothing can be considered as self-evident. Rather it is possible that the absence of clear instructions causes misunderstandings in a culturally diverse team. It also means that the leader is in charge of explaining the reasons and the background of the processes and decisions. It is not enough to just inform the subordinates about a decision which they have to accept and deal with. Rather the team leader should take the time for giving clear explanation in order to be sure that every subordinate understood the decision and is committed to it. It might also increase the team's cohesion since, according to Levi, group cohesion can affect the team in many ways and employees who are working in

cohesive groups are more satisfied with their jobs than are members of non-cohesive groups.[109]

3. Please list factors which can lead to challenges caused by cultural differences. If you have had to face such challenges in the past, how did you manage to solve them?

The general tone in the answers to this question was that cultural differences can easily lead to misunderstandings and conflicts, "[i]f people do not acknowledge the cultural differences and work/communicate based on their own assumptions i.e. are not able to adjust to [the] multicultural working environment." One participant mentioned that "[i]t's not enough that [the team leader] understands what cultural differences may cause but also [every] team members must understand that." Levi confirms that if the whole international team respects the different cultures and their individual traits, the team's internal cohesiveness is increased, which makes internal stress and conflict management easier.[110]

A catalyst for the becoming of conflicts might be the usage of different languages within the team instead of communicating in one common language only. As one respondent acknowledged: "[T]he fact that people might be speaking in a foreign language (and some in their native tongue) might lead to misunderstandings." This might result in a "friction at the workplace" and to the fact that some team members start to feel like outsiders. One respondent suggested that in order to overcome this problem the team could be divided "into two or several groups based on [the] cultural background."

One team leader stated that "the responsibility taking level and activity is different with different cultures' persons although it may also vary on [the] individual level." This leader managed some of these issues "by paying special attention to this issue and giving more time and management to the persons

---

[109] Cf. Levi, David (2007), Group Dynamics for Teams, p.62.
[110] Cf. ibid., p.62.

needing it so that it doesn't end up to that some people do all the work and others do less".

Some answers indicated that wrong verbal and oral communication might also become the root of misunderstandings and eventually conflicts since the ways to say things differ by culture. Attention must be paid to developing the internal communication channels in order to tackle the possible problems caused by the lack of communication. According to Adler, culturally diverse teams face substantially greater challenges than do single-culture teams when it comes to developing sufficient communication skills as a basic prerequisite for achieving the necessary levels of integration required for excellent performance.[111]

One respondent mentioned that "some problems may arise also when […] communication is not done well between the team members and if responsibility areas are not clear and if everyone doesn't know what […] team responsibility means". This implies that honest communication is very fundamental.

One respondent assumed that "people are used to work [in] a certain way and it is affecting […] their behaviour at [the] work place. It might seem that some are slow or some are not getting things, even though it might be only because of the foreign language that is being used or because the way of doing things is different".

Lastly, another participant mentioned that in his or her opinion people who are working abroad in an international team "have already challenged themselves in their choice of lifestyle and are usually very motivated to perform well at work." This indicates that working in a multicultural team can be more stimulating.

4. How do you think it is possible as a team leader/manager to increase and sustain satisfaction and happiness at the workplace?

---

[111] Cf. Adler, Nancy and Gunderson, Allison (2008), p. 153.

The overall tone in the answers seemed to indicate that the team leaders and managers think that they are to a large part responsible for increasing happiness and satisfaction at the workplace: The team leader has to make sure that the "team member feels comfortable at his/her work [that he/she] has enough knowledge to be efficient in his/her work and is able to challenge processes that are not working well." Yet it is also "[e]ssential […] to make all team members [aware of the shared responsibility, i.e.] that each and everybody is responsible for the satisfaction and happiness at the workplace". As the employees are working in teams, every member has his/her own responsibility for the creation and maintenance of a positive working climate. The team leader is in this sense required to "initiate and encourage self leadership and pro-activeness". One respondent, however, was of the opinion that satisfaction and happiness of the team members is not upon the team leader's shoulders "but must come from the person him/herself".

As one respondent explained, "[e]ach person's working motivation has to be at least on satisfactory level […] so that the company's targets are met but also so that people feel motivated and satisfied with their work and responsibility areas." The value of team goals might provide the team with direction, vision and motivation. Levi mentions also that these goals must be clear and specific in order to make every single member understand them. According to him, there is no point to give easily achievable goals either. Rather they should be realistic, which is more likely to motivate the team to eventually achieve them. Clear and realistic goal setting is, as Levi summarizes, something that encourages the members to work together and increase their commitment to the whole organisation.[112]

Many of the respondents explained that it is necessary to provide professional support for growth and further career developments: "[The] team leader should be aware of team members' future plans and career goals and give some special tasks or responsibility areas for the people that are eager to have them."

---

[112] Cf. Levi, David (2007), p.45.

In this sense, the leaders must be "realistic when promising" something to their employees because undelivered promise might cause negative feelings and disappointment, which might decrease motivation. It is essential that they listen to the team members and "try to do [their] best by the means and tools leaders have."

Positive and constructive feedback should be also given on a regular basis. As one participant explained, feedback should be "given by team leader or other team member[s] every week; negative as well." This of course also requires an "open discussion at team meetings of the things that did not go quite right." The goal must be to learn from errors and share in the team what was learned from them. In general, it is important to establish an "open atmosphere in the team". The team leader can achieve such a working environment by encouraging the team members to discuss even difficult matters, by respecting differences between the team members, by being there for the team members, and by allocating the workload so that each member of the team feels treated equally.

Another sensitive topic is, as one respondent stated, conflict management. When there is a conflict within the team, the leader must face it immediately and try to solve it. According to Levi, they should be understood as a normal sign of a healthy team's interactions (e.g. how work is allocated). They usually start to become severe when the team is not able to handle the conflict well, i.e. when the wrong decisions are made, for example when conflicts are avoided at any costs instead of learning how to manage them effectively.[113] One good recipe for avoiding conflicts can be, as one participant suggested, "laughter and humour within the team". Also organising lunches or other social activities together with the team will increase the cooperation and happiness at the workplace.

One respondent said that a good way to increase happiness and satisfaction as a team leader at work would be through being "visible and ask how are things today". Furthermore, it is important to give the needed professional support, i.e.

---

[113] Cf. Ibid., p.122.

"[t]o show that you are involved and know about the daily tasks […] and can give advice on the practice of doing things as well".

Some replies stated that it is good to be flexible when it is possible with minor issues like work times. "Ensuring days off and [sharing] holidays [...] evenly" within the team increases satisfaction and gives each member the feeling that he or she is being treated equally. From the more work-related point of view, one practical response was that "vigorous cross training is necessary and useful so [that] sudden sickness or changes do not burden the team too much because the members are comfortable with all the processes."

5. Please to list examples how you have been supporting your employees with professional growth opportunities.

In general, the managers and team leaders seemed to be of the opinion that offering professional growth opportunities is one of the most important parts of leading a team. One respondent gave some very good insights on how the team members were in this sense supported by him or her: "I have been encouraging [the members of my team] to take part in all trainings they can get and also have had a lot of training sessions for them myself after noticing some specific areas in which they've had harder time[s] [and] questions. I've listed problematic cases and their solutions after month ends in emails for everyone to read and encouraged everyone to do the same when they've solved some new or rare things." Rotating the tasks within the team gives everyone an insight on how similar or even same things can be done in different ways. This opinion correlates with Levi's assessment: "A team is more motivated when the task it performs is interesting, involving, and challenging."[114]

Another participant stated: "I have given challenges and special tasks to the people who want them, who deserve them and who have capabilities to conduct them. I have told my superior if I know that someone wants to start rotation or proceed with their career so that the organisation may do better planning for

---

[114] Ibid., p.58.

e.g. rotation and substituting maternity and parental leaves [...]. I have let the team members to have their own little "projects" in order to give them more challenges and learning possibilities and I have tried to provide them equally for all."

Also it is important, as one respondent explained, to discuss "professional growth and areas of individual's interests and future […] in regular one to one's with the team member. Based on these discussions I have been able to offer additional challenges and project work to the team member that has expressed his/her interest."

Some team leaders have encouraged their subordinates to apply for new positions within the company. Another respondent answered that he or she has encouraged an employee to study beside work. Many leaders let their workers participate in training sessions provided by the company and also give them special assignments to be completed as learning possibilities. This coincides again with Levi, who states that training should be aimed at developing task-related skills and knowledge, teamwork skills, and at improving the knowledge of the skills and roles of the other team members.[115]

---

[115] Cf. ibid., p.299.

5.   Conclusions

As their relevance has been developing tremendously during the past decades, also the knowledge about leading professional multicultural teams has been growing considerably. In fact, much has been written and published. Still there is no key to success as such existing when it comes to leading a culturally mixed group of employees. In this sense, the aim of the work conducted for this paper was not to provide such stunning knowledge but the goal was rather to emphasize this intriguing topic more from the perspective of managing international organizations in Finland.

During the course of the thesis it became evident – firstly through retrieving book knowledge, then through own research – that teamwork and leadership in an international team appear to be generally more challenging than in a culturally homogenous working environment. This presupposition entails that multicultural management requires certain additional skills from the manager, whose primary task is to combine the strengths of all individuals involved in the working process and direct them towards a common work-related goal. Moreover, the successful multinational leader is culturally aware and able to estimate the ramifications of the daily interactions of the representatives from different cultures. A fundamental prerequisite in this regard is that all cultures have to be treated equally.

In general, the successful leader possesses excellent social skills and thus is able to take advantage of all informal communication channels in the team, which help to achieve and maintain good professional relationships to the subordinates. This procures trust and openness within the team and improves the inclination within all involved parties to strife for the best work results possible. For the multicultural manager it is furthermore worth to acquire close relationships especially to those team members, whose different cultural backgrounds might be in the first place more challenging to the leader's own. This effort will help to understand the individual thought patterns of the team

member in question better and provides the leader with the knowledge which management style to apply. Therefore, it can be argued that a successful international leader is able to excel in several different leadership styles and switches from one to another with professional ease.

Interactions between people from different countries presuppose cultural awareness not only from the manager but are necessary assets for every team member as well. Good relations to and among the co-workers are a significant internal factor for allowing a team to function well. It is obvious and was well underlined with the findings discussed in chapter 4 that, where people are working closely together, often the "human touch" has a greater effect on communication than formal and rigid hierarchies.

When it comes to multicultural working environments in Finland, it became apparent that the for Finnish leadership approaches typical mix of linear-active and reactive styles as well as Finland's general Cultural Dimensions according to Geert Hofstede with values such as equality and tolerance seem to go well with the growing internationalisation of the country. Obviously, Finland offers a fertile ground for multiculturalism, and the Finnish leadership model is well-suited for intercultural management.

Taking furthermore Hofstede's Dimensions as the theoretical background for analyzing the first sample group, TAMK's students of International Business, it shows that there are indeed common motivation factors among international students existing, regardless from which specific culture they come from. Therefore, as assumed in 4.1.1., it is largely possible to consider TAMK's BBA International Business students as a rather homogenous group when it comes to their expectations towards their future professional careers. Most of the answers to the different parts of the questionnaire provided quite clear tendencies as the chapters 4.1.2., 4.1.3., and 4.1.4. prove.

TAMK's International Business students have in general a clear predilection for a small Power Distance. This is particularly expressed in their preference for

low and informal hierarchies as well as the uncomplicated availability of their team leaders and the general open and proactive atmosphere they expect from their future workplaces. According to the questionnaire answered by the TAMK students, confrontation is something that many consider acceptable, if it is necessary to bring up own ideas and initiatives. The majority of the respondents think that they should be also permitted to disagree with their supervisor. At the same time the examined students are apparently quite ambitious when it comes to their careers. Moreover, fine relationships to their colleagues is something an overwhelming majority is drawing importance to as well; team work seems to be much desired. These latter factors indicate a tendency to a rather female orientation when applying Hofstede's Masculinity Dimension, an aspect that becomes even more evident during the analysis of many questions and statements in chapters 4.1.3. and 4.1.4. Yet even though most of the TAMK students claimed to prefer team work over individual work, they are still very interested in individual achievements. This shows that they are having a rather high degree of Individuality according to Hofstede's Individuality Dimension. Save working environments and guidelines are nonetheless preferred by a majority of the students, implying a relatively high degree of Uncertainty Avoidance. This result, however, might be also caused by the fact that most of the students are still very young and therefore somewhat unsure of what their future will bring, especially during those complicated times of economic recession.

Even though the thesis intended to present quite a well-balanced overview on multicultural leadership in Finland, it was as a matter of fact not possible to come to an entirely all-encompassing conclusion. Therefore, it could be in some ways considered as a fertile ground on which future related research can grow.

Subsequent investigation could for example focus in greater detail on the characteristics of the different foreign cultures dwelling in Finland and their interaction with each other, specifically in work situations. Furthermore, it could be interesting to analyze the different neuralgic features of a multinational team in Finland such as motivation of employees with different cultural backgrounds,

communication predilections of people from different countries (in person or via electronic channels) and in general the improvement of employee commitment. Other options could open up through applying benchmarking with other multinational Finnish companies. This would allow more objective conclusions, because certain company-specific features surely affected the responses of the team leaders and managers in chapter 4.2.2. It would also help to generalize the findings in this thesis and make them more objective than this paper alone is able to. Another possibility for successive research would be to investigate multinational teamwork and leadership in a non-Finnish company, which would allow the comparison of country-specific leadership styles.

6.   Appendix

6.1.   Sources

Adler, Nancy and Gunderson, Allison (2008). *International Dimensions of Organizational Behavior* (5th ed.). Mason: Thomson Higher Education.

Bates, Daniel and Plog, Fred (1991). *Human Adaptive Strategies*. New York: McGraw-Hill.

Brown, David (2007). *Crossing the cultural divide*, in SixDegrees, vol. 5, no. 9, p. 13.

Glebova, Ksenia (2007). *Labour pains*, in: SixDegrees, vol. 5, no. 11, p. 8.

Ghauri, Pervez and Grönhaug, Kjell, and Kristianslund, Ivar (1995). *Research Methods in Business Studies. A practical Guide*, Hertfordshire: Prentice Hall.

Hall, Edward T. (1976). *Beyond Culture*. Garden City, New York: Anchor Press.

Hirvonen, Satu (2007). *The number of foreign workers in Finland increasing*, in: Helsinki Times, vol. 1, no. 51, p. 9.

Hofstede, Geert and Hofstede, Gert-Jan (2005). *Cultures and Organizations. Software of the Mind*, New York: McGraw-Hill.

Hofstede, Geert (n.d.), retrieved June 1, 2009, from: http://www.geert-hofstede.com

Holden, Nigel J. (2002). *Cross-cultural management. A Knowledge Management Perspective*, Harlow: Pearson Education

Huntington, Samuel P. (1993). *The Clash of Civilizations?* In Foreign Affairs, vol. 72, no. 3, pp. 22-49.

Institute for the Study of Human Knowledge (n.d.), retrieved June 11, 2009, http://www.ishkbooks.com/hall.pdf

Kreitz, A. Patricia (2007). *Best Practices for Managing Organizational Diversity*, retrieved August 3, 2009, from http://www.slac.stanford.edu/cgi-wrap/getdoc/slac-pub-12499.pdf

Ladner, Sam (2007). *Design research. Qualitative versus quantitative research*, retrieved on August 15, 2009, from: http://designresearch.wordpress.com/2007/08/16/qualitative-versus-quantitative-research

Levi, David (2007), *Group Dynamics for Teams* (2nd ed.). London: Sage Publications.

Lewis, Richard D. (2005). *Finland, cultural Lone Wolf*, Boston: Intercultural Press.

Liikanen, Erkki (2008). *Is there a Finnish or Nordic Model? Can the Nordic Model rescue European values?* Retrieved August 7, 2009, from: http://www.bis.org/review/r080218b.pdf

Niikila, Eeva and Nagler, Michael (2007). *Businesses' labour shortage spread*, in: SixDegrees, vol. 5, no. 12, p. 11.

Rastas, Taru and Stevens, Candice (2004). *Developing highly skilled workers*, retrieved on July 10, 2009, from: http://www.oecd.org/dataoecd/2/2/34458180.pdf

Raunio, Mika (2003). *Should I Stay or Should I Go? The images and realities of the foreign professionals in Finnish working and living environments*, retrieved

May 20, 2009 from: http://www.uta.fi/laitokset/yhdt/sente/netlibrary/ T_6_2003_Should_I_Stay.pdf

Raunio, Mika and Sotarauta, Markku (2005). *Highly Skilled Labor Force in the Global Field of Choices: Case Finland*, retrieved August 10, 2009, from http://www.uta.fi/~atmaso/verkkokirjasto/Raunio%20&%20Sotarauta_Highly%2 0Skilled%20Finland.pdf

Sabel, Charles and Saxenian, AnnaLee (2008). *A Fugitive Success. Finland's Economic Future*, retrieved August 4, 2009, from: http://www2.law.columbia.edu/sabel/Finland%20final%20 report.pdf

Spencer-Oatey, Helen (2000). *Culturally speaking. Managing rapport through talk across Cultures*, London: Continuum.

Weaver, Fran (2008). *Finland increasingly attracting foreign workers and students*, retrieved on June 10, 2008, from: http://www.helsinkitimes.fi/htimes/ index.php/domestic-news/business/82-finland-increasingly-attracting-foreign- workers-and-students-.html

WWW user survey (n.d.). *Geert Hofstede Analysis*, retrieved May 15, 2009, from: http://www.cyborlink.com/besite/hofstede.htm

WWW user survey (n.d.) *Economic survey of Finland 2008: Getting the most out of globalisation*, retrieved on June 9, 2009, from: http://www.oecd.org/ document/28/0,3343,en_2649_33733_40715804_1_1_1_1,00.html

WWW user survey (n.d.). *International Business, 210 credits. Description of the programme*, retrieved July 15, 2009, from: http://www.tamk.fi/en/ WWWSTUDIES/international_business.html

WWW user survey (n.d.). *Finland's Road to Prosperity*, retrieved July 22, 2009, from: http://cordis.europa.eu/finland/showcases11_en.html

WWW user survey (n.d.), retrieved August 5 2009, from: http://www.chairt.com/tromp.html

WWW user survey (n.d.). *Understanding the difference between Qualitative and Quantitative Research*, retrieved August 7, 2009, from: http://www.directional.com.au/Attachments/Web_Understanding...Q&Q.pdf

WWW user survey (n.d.), retrieved August 15, 2009, from: http://www.oecd.org/dataoecd/45/57/40673434.pdf

6.2.   Questionnaires

6.2.1.   Questionnaire for TAMK IB students

1st part – general questions

What is your gender?

1. Female
2. Male

What is your age?

1. 18-21
2. 22-25
3. 26-29
4. 30-32
5. > 33

What is your nationality?

…

Have you already gathered some professional experience in an area related to your business studies?

Yes
No

For how many months/years have you worked altogether in an area related to your business studies?

A. 0 to 6 months

B. 6 months to 2 years

C. 2 to four years

D. More than 4 years

Have you worked in an international organization?

Yes

No

In which country is the international organization situated, where you have worked for (chose the one of your longest employment)?

…

For how many months/years have you worked altogether in an international organization?

A. 0 to 6 months

B. 6 months to 2 years

C. 2 to four years

D. More than 4 years

Please rate how important do you think would be the following factors in your future work?

	Not very important	Somewhat important	Very important
A. Salary			
B. Career development opportunities			
C. Diverse and challenging working environment			
D. Professional skill development opportunities			
E. Good relationship to your coworkers			

2nd part – Work-related attitudes

Please choose to which extent you agree on the following statements ("totally disagree," "somewhat disagree," "somewhat agree" and "totally agree").

I prefer working in a team instead of working on an individual basis and an own area of responsibilities.

My work is to me the most important part of my life. Naturally, work-related achievements are most satisfying to me.

I prefer getting clear and detailed instructions in order to be safely guided through the different tasks related to my work instead of making decisions about my ways of working mainly on my own.

In my work I want to have responsibility and power (i.e. influence).

If I had the chance to switch to a work place, where I received more money but at the same time received more responsibilities, I would switch to this new position.

Success to me means climbing up the hierarchical ladder.

In order to be successful in my career I am also willing to take risks.

I regard my supervisor as a practical advisor, who is actively able to support me within my team concerning the daily activities and practicalities.

It is important to me that the process of decision making is delegated down to the lowest level of the organization's hierarchy (the team level) whenever possible instead of performing it solely on managerial level.

I prefer receiving direct and personal feedback from my supervisor.

I should be allowed to disagree with my supervisor and even say "No" when I think it is necessary.

In order to find the best solutions for challenges and conflicts within the team it is necessary that all team members are actively involved in the problem-solving process.

I prefer an atmosphere in my team in which work- and non-work-related experiences between the members are shared and a mutual understanding for each other is fostered.

 It is important to me to have the possibility of being in face-to-face contact with my supervisor and colleagues whenever necessary.

I prefer that the people around me at work say what they mean and mean what they say, because I don't like reading between the lines.

Harmony between the different team members and also with the team leader is one key to successful working.

When I am having the feeling that some issue in my working environment can be improved through my ideas and initiatives, I will try to be proactive even though that could entail conflicts with my supervisor.

3rd part – Working in an international organization

Please choose again to which extent you agree on the following statements ("totally disagree," "somewhat disagree," "somewhat agree" and "totally agree").

I am interested in working in an international organization here in Finland.

Working in an international team improves my understanding for other cultures.

Working in an international team requires tolerance and understanding of every member concerning the cultural differences within the team.

An international team is more fragile than a team of basically one nationality mainly because of the different cultural backgrounds of its members.

Cultural differences are less important than personal differences between members in a team.

It is even more important to follow a certain code of conduct in an international organization than in a team of basically one nationality due to the sensitivity between different cultures.

It is necessary that the team leader has at least basic skills in all (or most) of the languages which are the mother tongues of the team members in order to be a good leader.

Leading an international team requires special skills from the team leader compared to leading of a team of one nationality.*

Leading an international team is more demanding than leading a team of one nationality.

* If you agree on this statement, please try to describe what kinds of skills that could be.

The following answers were given to the open question:

- Cultural knowledge, sensitivity, and communication skills.

- Cultural awareness, patience and negotiation skills, flexibility.

- Social skills, diplomatic skills, openness, international cultural knowledge, ability to have supportive attitude towards team members and creative mind.

- *Excellent English skills *excellent understanding of cultural aspects of different nationalities *flexibility and open-mindedness

- Skills of understanding different people with different background. The understanding of different styles to do work and the skill to push everybody towards the same goal.

- Understanding different cultures, flexibility, language barriers as well as possible invisible barriers

- Cultural understanding and tolerance.

- You have to be more open minded and have a broader knowledge of the different cultures and customs.

- Understanding different cultures and habits is the most important thing. So by not knowing how different working cultures act manager can easily destroy the whole project before it even starts. Leader needs to combine different cultures and create one working one for the whole team.

- Deeper communication skills for example, because people from different cultures communicate in different ways. This is at least for me that kind of skill that should be more present in an international environment than in a national one.

- Open-mind, more language skills, cultural and travelling experience

- I do strongly agree to disagree most of the time, however at times I might find myself to agree just to disagree, it all really does depend on the agreed status of the leadership providers and the agreements makers, in that if they agree or disagree with each other or with the relevant environment and the cow workers that are part of the company being lead by disagreements and ability of skills creation. Hence skills are needed to agree quite apparently, a nation team needs a leader, a captain yes too.

- It is important that the team leader can see beyond his or her own nationality and understand the reasons and circumstances under which employees from different cultures may face difficulties. I think if the team leader is unable to do so, it will at some point result in large problems within the team. From my point of view leading a team of only one nationality is therefore much easier and does not require as much skill in moving in international terrain.

- Perhaps not special skills, but having at least some experience from the field (e.g. from studies) could be considered as a necessity for this kind of position.

- It requires knowledge regarding the foreign culture in general, the cultural communication and attitudes. Otherwise, it requires reading between the lines and observing behavior.

- One should understand the different methods of working in other cultures. Every culture has a different method in teamwork and it is vital to have every team member to participate as much as the others do.

- 1, understanding the culture difference 2, understanding the people are different 3,language skill 4,co-operation skill 5,tolerance skill 6,accept new things 7,accept different opinion 8,trust and respect people 9,allow people make mistakes 10, do things in positive way

- In order for the leader to "get the best result and effort" from the team members it is the most important to understand their cultural backgrounds.

### 6.2.2.	Questionnaire for GTS' managers and team leaders

1. What are the major differences between managing multicultural teams and culturally homogenous work groups?

- From management and leadership point of view the multicultural teams are more challenging
- The biggest difference is in the way and style of communication. In Finnish culture, it is common to be go straight to the point and be quite precise and short in communication when in some other cultures small talk and discussion are more important.
- Language and cultural differences make managing multicultural teams more challenging
- Communication is also more challenging; different backgrounds create different expectations and interpretations
- I have only experience of managing multicultural teams, but have been a part of a homogenous one, so I would assume that one major thing is the language that's to be used. In multicultural ones you'd need to use a language that is understood by all to avoid gossip & assumptions etc. With multicultural teams basic habits & working life basics need to be also explained in a much more detailed way as they differ so much by the country.
- Cultural diversity means also risk for potential cultural conflicts and therefore leader need to focus on this area more
- Accuracy has different meaning in different cultures
- Multicultural teams have team members from different countries and cultures in which behaviour and ways of thinking about work life and life generally differ from each others and thus makes the leading also more demanding. It might also be that team members are not all located at same location and (face to face) contacts are not always possible which might create misunderstandings.

- I do not have experience in managing homogenous group, so it is difficult to answer. I guess first of all language, it should be always carefully considered in which language to communicate, which is not always easy, as everyone is inclined to use the language which is easier for her/him. Though I agree that there are some 'general' differences between people from different countries, but I do not really like to emphasise those differences, as every person is different and can be totally different from the stereotype of her/his nation. Still maybe good to know about some cultural 'specialities', like the strong hierarchy in Germany, or the status of female superiors in France etc. in order to understand some behaviours or reactions

- Taking into account language used; I think basic correspondence language should always be a common one (in most of cases English)

- Expectations towards leader are different. E.g. Finnish organisations are used to work very independently but in some other cultures very detailed instructions and active follow up / instructions from team leader are needed. Also agreeing how to allocate the work within a team differs in different cultures (ability to do it among colleagues or need for TL to decide)

- Multicultural or homogenous, leader should always pay most attention to personal differences and leading team members individually, not as a representative of a certain culture

- In some cultures people are not used to ask although they didn't understand instructions. You just figure out when you see the outcome. Communication require quite a lot of effort to make sure that the message has been understood on both sides

- Different perception of responsibilities and ownership; in multicultural teams perhaps more time should be spent to empower the team members for independent working

- Managing a multicultural team is app. 1,5 times the work for a manager compared to managing a homogenous team. Of course if you have a multicultural team you are most likely to have quite variety also on your working field e.g. multicultural customers, networks, systems etc.

Multicultural teams need more time from the manager because individual differences become more apparent. Communication needs to be filtered to be efficient for a multicultural team and some issues need to communicated in addition to this then again for each culture's representative. People from different cultures need different kind of communication in order to get the wished result from the employee. People need different kinds of methods from the managers to stay motivated or increase motivation. The task delegation needs to be done more frequent to some cultures' representatives and more seldom for others. For some cultures a more directive style of management is needed than for others.

- Language that is used plays a role; when there is common "foreign" language, there is place for misunderstandings and misinterpretations > communication has to be simple and clear and afterwards it has to be checked and monitored that the message has been understood correctly
- Different backgrounds create different expectations also in roles and responsibilities of the team members and team leader/manager (f.ex. about sharing and taking responsibility)
- There are different kinds of expectations and assumptions about working life (rules; written and not written ones) in general due to different cultural backgrounds > basic rules need to be clarified and repeated many times

2. What kind of skills are necessary in order to manage a mixed group of Finnish and foreign workers?

- Patient and effort to get to know people and their background
- Communication and language skills
- Communication skills, skills to see things from many view points, patience and understanding.
- Understanding of the background of different thinking/habits -> open discussions needed
- Keep the focus of an organisation clear regardless of mixed expectations

- Ability to listen and understand people; human "touch"

- Competence for being a people person and be able to listen and hear everybody's wishes. More education and book wisdom is also needed about management and cultural theories for managing a multicultural team that working just with your own nationality. I think also that a manager should be interested about employees future plans, career goals and about things that give them satisfaction in work.

- Create common rules and ways of working, that take equally into account everyone despite of the cultural background

- Set common rules for all, despite of origin

- Knowledge about different cultures and cultural backgrounds

- Sensitivity, neutral attitude, language skills

- Appreciation that business language is not necessarily native language and the possibilities for misunderstanding and confusion that brings.

- Tolerance for difference

- Questioning of everything instead of assuming (e.g. when task is given to team it can't be assumed that it's completed but instead of that double checking is needed to find out if anybody needs more clear instructions)

- Sense of humour

- Patience and time to explain the reasons and background of the process; my aim is to independent achieving team with minimum supervision

- I guess the same as homogenous groups: all persons are different and the manager should be able to accept differences and react differently according to the situation. Probably it is more needed in mixed groups, as there can be more differences.

- Surely helps if the manager had experience before in working with people from different countries, even if not as a superior. As I did and actually I have always worked with other nations, already at my first working place, for me it is more difficult to notice any special issues - might be totally different for those working before only with Finns (and being also a Finn).

- Good leadership skills in general

- Level of tolerance is different -> requires sensitivity both from TL & colleagues
- The ability to explain things & be detailed is essential. You should not assume that anything is self-evident. Also the Finns and foreign people need to be treated equally.
- Treat all equally
- Experience of leadership is beneficial

3. Please list factors which can lead to challenges caused by cultural differences. If you have had to face such challenges in the past, how did you manage to solve them?

- If people do not acknowledge the cultural differences and work/communicate based on their own assumptions i.e. are not able to adjust to multicultural working environment
- Inability to understand that the reasons for challenges may be in the cultural differences.
- It's not enough that TL understands what cultural differences may cause but also team members must understand that. Otherwise there will be conflicts within team members
- If people do not respect other people in general, or different cultures (f.e.x religions)
- The responsibility taking level and activity is different with different cultures' persons although it may also vary on individual level. I have managed some of this issue by paying special attention to this issue and giving more time and management to the persons needing it so that it doesn't end up to that some people do all the work and others do less.
- Ways to say things differ by the culture so this could lead in misunderstandings
- Language issues, which language to use. I do not have any solution to the problem, when people within the team talk to each other on their own mother tongue and a third one does not understand, though notices it is about work issues and would be interested to know…..

- Importance of time schedules and punctuality is different in different cultures
- Verbal misunderstanding
- Gossiping – stick into a facts
- It is difficult actually to tell if a challenge is because of cultural difference or simply difference in personality….
- Working methods – noisy vs silent for eg.
- Also the fact that people might be speaking in a foreign language (and some in their native tongue) might lead to misunderstandings again, resulting in friction at the workplace
- I have not faced any personally. I assume it is just that people are used to work on a certain way and it is affecting to their behaviour at work place. It might seem that some are slow or some are not getting things, even though it might be only because of the foreign language that is being used or because the way of doing things is differently. The most important thing is always honest communication between leader and team member and guidance.
- If message has been misunderstood due to foreign language or missing language skills
- Workload; sense of the quantity of work can vary
- Challenging and continuous improvement, on occasion culture can vary and improvements are left to the management
- Division into two or several groups based on cultural background
- I feel people who have chosen to work abroad have already challenged themselves in their choice of lifestyle and are usually very motivated to perform well at work
- Some problems may arise also when the communication is not done well between the team members and if responsibility areas are not clear and if everyone doesn't know what a team responsibility means
- Challenges are managed by communication and leadership

4. How is it possible as a team leader/manager to increase and sustain satisfaction and happiness at the workplace?

- Giving time and having one on one discussions with everybody, listening and doing actions in order to make everybody more satisfied. Having regular team meetings is a must. I think that also organising e.g. lunches together with the team will increase the cooperation and happiness at the workplace. It is also important to have "theme days" about special topics with the team e.g. training about giving and receiving feedback and doing the team charter. I think that team leader should be aware of team members' future plans and career goals and give some special tasks or responsibility areas for the people that are eager to have them. Then again it is also important to identify the team members that don't want any special tasks but want to do routine work.
- Be realistic when promising anything
- Providing feedback, positive and also constructive
- Essential is to make all team members to understand that each and everybody is responsible for the satisfaction and happiness at the workplace > shared responsibility
- Equal treatment despite of the cultural background
- Listen to your team members and try to do your best by the means and tools you have
- Giving needed professional support
- Giving positive feedback
- By encouraging team to find the work satisfaction from their daily work. Satisfactory and happiness can't be 'given' by TL but must come from person him/herself
- Do right decision already when recruiting, then grow the right people
- Showing interest how team members feel, listen to them
- When there are conflicts in the team, face and try to solve them
- Each person's working motivation has to be at least on satisfactory level (team leader/manager to estimate peoples' competences and give

appropriate tasks to persons on right time), so that company's targets are met but also so that people feel motivated and satisfied with their work and responsibility areas.

- To be visible and ask how are things today
- To show that you are involved and know about the daily tasks as well and can give advice on the practice of doing things as well
- Maintain open atmosphere in the team, encourage to discuss even difficult matters, treat everyone equally, respect differences between team members, be there for team members, allocate work fairly
- Be aware of special character of young generation that many of them don't know even by themselves what they want
- Ensuring team member feels comfortable at his/her work. S/He has enough knowledge to be efficient in his/her work and is able to challenge processes that are not working well.
- Positive feedback given by team leader or other team member every week; negative as well; open discussion at team meetings of the things that did not go quite right. Errors can be made, but we need to learn from them and share the learnings.
- Laughter and humour within the team; looking after each others and the workload
- Ensuring days off and holidays are shared evenly and agreed on together
- Vigorous cross training so sudden sicknesses and surprises do not burden the team too much when the team is comfortable with all the processes
- To be flexible (with e.g. work times) when it's possible
- To give the team updates on things even if they are not major steps or the like
- Taking up also the question that how is it possible for team members to do this (increase and sustain satisfaction and happiness at the workplace --> initiate and encourage self leadership and proactiveness

5. Please list examples how you have been supporting your employees with professional growth opportunities.

- Learn more about UPM than just what is adequate regarding ones job
- By giving new tasks within team / across teams
- responsibilities given to participate in harmonization work groups
- opportunity to handle also more challenging tasks/cases independently with support if needed
- I have been encouraging them to take part in all trainings they can get and also have had a lot of training sessions for them myself after noticing some specific areas in which they've had harder time / questions. I've listed problematic cases and their solutions after month ends in emails for everyone to read and encouraged everyone to do the same when they've solved some new or rare things. The tasks within the team are rotated also a lot, giving everyone insight into how similar or even same things can be done in different ways.
- Encouraged to learn new things and tasks, encouraged to job rotation
- Professional growth and areas of individual's interests and future plans have been discussed in regular one to one's with the team member. Based on these discussions I have been able to offer additional challenges and project work to the team member that has expressed his/her interest.
- In PPR discussion having regular discussion of personal future plans and wishes
- According to possibilities aim at strengthening the areas included in current work that can impact to personal future targets
- Workshadowing, basic accounting training, rotations
- By giving special tasks / responsibility areas / involving in training of new persons
- By enrolling them to trainings
- Provide rotation options within GTS and also in other functions

- Talking about and supporting rotation wishes (especially as I had such possibilities before and I know, that if they are not given, it can lead to big dissatisfaction)
- By encouraging applying to positions within organisation / elsewhere at UPM
- Opportunities have also been openly discussed in the team meetings; I have a feeling team feels they have been treated equally
- Encouraged to study beside work
- I have given challenges and special tasks to the people who want them, who deserve them and who have capabilities to conduct them. I have told my superior if I know that someone wants to start rotation or proceed with their career so that the organisation may do better planning for e.g. rotation and substituting maternity and parental leaves in possibly also other teams. I have let the team members to have their on little "projects" in order to give them more challenges and learning possibilities and I have tried to provide them equally for all.
- By allowing usage of flex time for trainings where person has participated on his/her own initiative (e.g. language lessons once a week in the late afternoon -> allowing usage of flex hours that day weekly)
- Encouraged to take more responsibility in daily tasks and special assignments > challenge own skills and step out of the comfort zone
- Create good relationships