Title: Assessment of cultural gaps in IKEA’s IT operation in Shanghai, China

Author: Avinash Jha

15 credits

Study programme in
Master of Business Administration in Marketing Management
### Title

*Assessment of cultural gaps in IKEA’s IT operation in Shanghai, China*

### Level

Final research for Master of Business Administration in Marketing Management

### Address

University of Gävle  
Department of Business Administration  
801 76 Gävle  
Sweden  
Telephone (+46) 26 64 85 00  
Telefax (+46) 26 64 85 89  
Web site [http://www.hig.se](http://www.hig.se)

### Author

Avinash Jha

### Date

2010-June

### Supervisor

Maria Fregidou-Malama

### Keywords

Culture, Cross culture, IKEA culture, China, IKEA in China, Bridging cultural gaps, Organizational culture.
Abstract

Aim

Research related to culture, and analysis of the collected information needs frameworks to understand and solve the complex questions about cross culture behaviour and their integration, particularly when a company with strong native cultural influence starts its operation in another country which has similarly strong local culture.

Using Hofstede and Trompenaars, Hampden’s dimensions of cultural understanding, this study aims to understand and assess the challenges related to integration of cultures, when Swedish MNC IKEA started its IT Operation in Shanghai, drawing conclusions about how and if the cultural behaviours did fit the existing frameworks and underlining the cultural gaps still existing in the organisation.

Method

Primary data has been collected through interviews, with a separate questionnaire provided to Managers, Chinese co-workers and expatriate co-workers. Personal experience of the author has been utilized at places. Analysis has been done with reference to theories on culture.

Result & Conclusions

Based on interviews from expatriate managers, expatriate co-workers and Chinese co-workers, this study made Seven conclusions (See below) on how Chinese culture compares with IKEA culture in particular and Swedish culture in general, on the cultural framework defined by Hofstede and Trompenaars, Hampden. Six gaps (See below), which still remain after more than a year of Operations, have also been identified.

Conclusions

The derived conclusions found Chinese culture being diffuse, high on power distance, individualistic, masculine and ascriptive, compared to Swedish culture which is specific, low on power distance, collectivistic, feminine and achievement based.

Long term orientation and low uncertainty avoidance are similar attributes of both Chinese and IKEA culture, creating synergy for co-worker hiring, retention and motivation.

Gaps

The gaps that need to be addressed are about Cross cultural and language orientation that should be provided to expatriate individual before the start of the assignment as well as brining in a feeling of belonging between expatriate and local co-workers towards the organisation. Continuous follow up is needed to ensure co-workers relate and make efforts to live the culture they learned in different trainings, ensuring that they are not only educated about IKEA culture, but also that they know the effort and investment made by IKEA to bring the on board.
Suggestions for future research

Hofstede, and Trompenaars, Hampden, though considered to have defined comprehensive cultural framework, are not the last word on the subject matter, with a host of other available framework for study. It was out of scope of this research to delve into all possible works. The sample size of interview could have been bigger, though they still form a sizeable percentage of total employees we started with (around 25% of all of expatriates and local co-workers, Managers and co-workers). Also, the study identifies the gaps, and not the ways to fill them. It can be interesting to study methods applied by other companies facing similar gaps and which efforts are taken by them to resolve the same.

Contribution of the Research

This study can be used for further bridging of culture gaps not only by IT organization of IKEA in Shanghai, but also by other IKEA companies in China to improve cultural effectiveness. As IKEA continues to expand in many countries and regions, this study can be used as a reference to create tools for cultural understanding and bridging cultural gaps in that particular country or region. Other companies putting strong emphasis on culture can also use this study tailored to their suitability.
Acknowledgement

"Research is to see what everybody else has seen, and to think what nobody else has thought." — Albert Szent-Gyoerghi

The time spent, working for this research has been satisfying, and as I turn back, there were many people who have directly or indirectly contributed to this work.

First of all I would like to acknowledge my supervisor, Maria Fregidou-Malama, who not only encouraged me to take up this topic, but also helped me a lot in fine tuning the questions, and constantly encouraged to help keep my focus.

I would like to thank Judith Chen, HR Manager for IKEA IT in Shanghai, who not only helped to blow away the skepticism I had to take up a topic as sensitive as cross culture in a nascent organization, but also helped me to formulate the questions.

My thanks are due to the Managers and co-workers of IKEA IT in Shanghai, who took time to respond to my questions, without which this work was just not possible. I will not name anyone here, to keep the interviews anonymous, but you know I am indebted by your help.

Last but not the least, I would like to thank my friends and family for their support and insights during my studies and research work.

Älmhult 2010
Avinash Jha
CONTENTS

ABSTRACT .................................................................................................................. - 2 -

ACKNOWLEDGEMENT .......................................................................................... - 4 -

CONTENTS ............................................................................................................... - 5 -

1. INTRODUCTION .................................................................................................. - 7 -

1.1 Background and Motivation of the study ....................................................... - 8 -
  1.1.1 Chinese Masculine culture and high power distance .................................. - 8 -
  1.1.2 Sweden’s Feminine culture, and low Power Distance ................................. - 9 -

1.2 Aim of the study and research question ......................................................... - 9 -

2. THEORY .............................................................................................................. - 10 -

2.1 Frameworks of culture .................................................................................... - 11 -
  2.1.1 Trompenaars’s seven fundamental dimensions of culture ......................... - 11 -
  2.1.2 Hofstede’s dimensions of culture ............................................................. - 12 -
  2.1.3 Sweden vs China on Hofstede’s 5D Model ................................................ - 14 -

2.2 Trompenaars vs. Hofstede ............................................................................. - 14 -

2.3 National culture and cultural evolution ......................................................... - 15 -
  2.3.1 National Culture ....................................................................................... - 15 -
  2.3.2 Culture is evolving continuously ............................................................... - 15 -
  2.3.3 Stress, as a cultural disabler .................................................................... - 16 -

3. METHODOLOGY .............................................................................................. - 17 -

3.1 Design of the study .......................................................................................... - 17 -

3.2 Interview question formulation and categorization ......................................... - 20 -

4. EMPIRICAL DATA .............................................................................................. - 21 -

  4.1 Culture of China, Shanghai and IKEA ............................................................ - 21 -
  4.2 Cultural support and Organisational culture ................................................. - 28 -
  4.3 Leader in IKEA ............................................................................................... - 31 -
  4.4 Perception and Implementation of IKEA culture ............................................ - 33 -
  4.5 Chinese or non-Chinese Employees? ............................................................. - 39 -
  4.6 Chinese or non-Chinese Manager? ............................................................... - 43 -
  4.7 Gist and Keywords ....................................................................................... - 45 -

Study programme in Master of Business Administration in Marketing Management
Avinash Jha
5. ANALYSIS AND REFLECTION ................................................................. - 48 -
   5.1 Diffuse and Specific ........................................................................ - 48 -
   5.2 Power distance ................................................................................ - 49 -
   5.3 Work life balance ........................................................................... - 50 -
   5.4 Achievement and Ascription ......................................................... - 52 -
   5.5 Investment for future ....................................................................... - 53 -
   5.6 Age demography and work distribution ......................................... - 55 -
   5.7 Management vs Leadership ............................................................ - 58 -
   5.8 IKEA culture and Swedish culture .................................................. - 59 -
   5.9 Marketing effort and investments .................................................... - 60 -
   5.10 Freedom of opinion ....................................................................... - 61 -
   5.11 Shared value .................................................................................. - 62 -
   5.12 Challenges for Expatriate Manager and Positives of Chinese employees .................................................................................. - 63 -
   5.13 Living the learned culture ................................................................. - 65 -
   5.14 Expat vs Chinese manager ............................................................... - 66 -

6. COMMENTS AND CONCLUSION ......................................................... - 67 -
   6.1 Conclusions ..................................................................................... - 67 -
   6.2 Gaps ............................................................................................... - 67 -
   6.3 Recommendations ........................................................................... - 69 -

References ............................................................................................. - 71 -

Appendix A – Interview questions .......................................................... - 77 -
1. INTRODUCTION

“Any communication or marketing professional needs cross-cultural research and communication skills to be able to succeed in the future.” --- Marye Tharp

Founded in 1943, IKEA is a privately-held, international home products retailer that sells flat pack furniture, accessories, bathrooms and kitchens at retail stores around the world. Started at a small town Älmhult, in South of Sweden, IKEA is spread in over 55 countries including retail and trading presence.

China is a focus area for IKEA, with plans to open 10 stores by 2010 (50 by 2020). Also it’s the top purchasing destination, with 18% of purchase made from China alone. [Accessed 3rd April’2008]

IT at IKEA is a global service organization with the role to manage the information flow to develop and support the growing IKEA. IT provides common business solutions, common architecture, infrastructure, service and support, with the main tasks of:

- Running the daily operations
- Business development
- Responsibility to secure the long-term structure and capacity of the IKEA IT landscape.

Keeping the huge possibility of business expansion as well as considering the current business, a part of IKEA IT global production and helpdesk was started in Shanghai, June’2007, to keep IT as close to business as possible. Part of the holding office, this IT division is an interesting mix of Europeans deputed in Key managerial and technician positions and also locally hired Chinese who are getting in the role. Since then it has been an interesting learning journey for both the expatriateriates and locals, with efforts to understand the working style and bridging the cultural gap, both ways.
1.1 Background and Motivation of the study

As it is with IKEA as an organization, IKEA culture also can trace its root back to Småland, southern Sweden. An area that has long since been associated with its hardworking people, who have developed skills for living on small means and making the best of limited resources. People who have acquired a reputation for thriftiness, innovation, straightforwardness and a no-nonsense approach to problem solving and business challenges. 

http://www.designwales.org/ [Accessed 18th June’08]

Ålmhult, where it all started for IKEA, is situated in the south of Småland in Kronobergs Län. Ålmhults Kommun is 889 square kilometres of mostly forested land and lakes. Of its 15,500 inhabitants, approximately 5,000 live on farms or in outlying villages, with the rest living nearer to the town centre. http://www.almhult.se/ [Accessed 18th June’08]

Shanghai is the largest city in China in terms of population and one of the largest urban areas in the world, with over 20 million people in its extended metropolitan area. Because of Shanghai's status as the cultural and economic center of East Asia for the first half of the twentieth century, it is popularly seen as the birthplace of everything considered modern in China. It was in Shanghai, for example, that the first motor car was driven and the first train tracks and modern sewers were laid. http://en.wikipedia.org/ [Accessed 19th June’08]

When IKEA IT opened their facility in Shanghai, a lot of effort went into spreading the culture and IKEA way of working. More so, when there is such yawning gap between Chinese and Swedish culture, particularly in terms of distance between subordinates and superiors (power distance) and focus on material success rather than quality of life (Masculine-Feminine).

1.1.1 Chinese Masculine culture and high power distance

Hofstede’s Masculinity Index measures the extent to which the dominant values in a society are masculine, that is assertiveness, the acquisition of money and things, and not caring for others, the quality of life or people (Tian, 2004, p 23). China has a high score on Muscularity Index (Tian, 2004, p 23), showing that assertiveness, challenges and ambition has more value than co-operation and good working relationship in Chinese society.

High power distance is one of the most important cultural traits of China. One of the two major cultural differences that China has with the West, is the high power distance, the other being low individualism (Hofstede, 2001, p 502).

China is relatively quite high in power distance, which means that the distance between subordinates and Superiors in China is more, may be visualized as a narrow triangle, with the manager on apex and subordinates being on the base. Questioning the management is not common or in practice. This high power distance in China stems largely from its imperial tradition. Until 1911, emperors were considered as sons of God. Confucius argued that the stability of the society was based on unequal relations in which low level people owe their superiors respect and obedience in exchange for protection and consideration (Sriramesh, Verčič, 2003, p 26).
As a consequence of above, today, the local government institutions in China are quite powerful, and operate on discretion, most of the time. This makes managing business in China an altogether different ball game (when compared to managing the same in western countries). The way foreign and local businesses manage their operations effectively in a transitional economy such as the People's Republic of China (China) depends on the way they manage within the constraints imposed by the country's powerful institutions. These institutions include both formal organizations - social, economic and political bodies - and the social norms and rules that those organizations articulate. Taken together, they represent China's established institutions and ideological frameworks that govern the way individuals and firms behave. (Law, Tse, Zhou, 2003, p 255)

Here is where, Guanxi (meaning relationships) becomes an important business tool/strategy. As the Chinese legal system is plagued by ambiguity and a lack of structure, making legal interpretation a subjective process, personal interpretation of law promotes guanxi. Guanxi is cultivated as a substitute for reliable government and an established rule of law (Gulati, Lee, 2004, p 120) and is undoubtedly the most important factor for success or failure of any multinational organization wishing to set up in China.

1.1.2 Sweden's Feminine culture, and low Power Distance

1.2 Aim of the study and research question

The goal of this study is to assess expatriate managers, expatriate Co-workers and Chinese co-workers of IKEA IT point of view. The following research questions are answered:

a. Major differences/similarities between Chinese and Swedish culture.

b. Major differences/similarities between culture in Shanghai and IKEA culture.

c. Where, if at all, the culture in Shanghai complements IKEA culture.

The study aims to analyze the cultural gaps at IKEA IT in Shanghai on the basis of answers to above mentioned research questions and the cultural frameworks defined by Hofstede and Trompenaars, Hampden.

Limitation of this study is the sample size of interviews (3 expatriate managers, 5 Chinese co-workers and 3 expatriate co-workers). IKEA IT has its operation only at Shanghai in China, which is also a limitation as culture of only one city, Shanghai, can not be considered a perfect reflection of Chinese culture as a whole.
2. Theory

*Culture is a shared system of meanings. It dictates what we pay attention to, how we act and what we value (Trompenaars, Hampden-Turner, 1998, p 13).*

A definition of culture, considered definitive for a long time, is 'that complex whole which includes knowledge, belief, art, morals, law, custom and any other capabilities and habits acquired by man as a member of society.' (Tylor, 1924, p 1).

The complex, probably is the 'collective programming of mind', going by Hofstede's definition of culture as "Collective programming of the mind which distinguishes members of one human group from another" (Hofstede, 1980, p 21). Culture is construction of conceptual structures by activities of persons based on the accumulated knowledge, providing a basis for intersubjectively shared representation of the world in which the person lives (Valsine, 2002, p 50).

A simplified generalization of how to define culture can be "the way in which a group of people solves problems and reconciles dilemma" (Trompenaars, Hampden, 1998, p 6).

It’s not impossible to find studies which believe culture is an unimportant aspect for framing business study, and that influences on strategy and firm performance attributed to culture can be explained more effectively by the country’s stages of development and related factors such as socio-political, market and international development (Yeung, 2006, p 19).

But socio-political, market and stages of development of country are factors that determine the prevalent culture of that country and they really cannot be separated completely. The complex, as defined above, is invariantly formed based on how a person is subjected to the prevalent conditions of the surroundings he grows up in.

Quoting Hofstede, "Culture is more often a source of conflict than of synergy. Cultural differences are a nuisance at best and often a disaster." [http://www.geert-hofstede.com](http://www.geert-hofstede.com) [Accessed 15th Feb’09]

In today's world of expanding businesses and globalization, where the world is considered flat (Friedman, 2005), international managers have it tough. They must operate on a number of different premises at any one time. These premises arise from their culture of origin, the culture in which they are working and the culture of the organization that employs them (Trompenaars, Hampden, 1998, p 3). Same holds true for co-workers who are not managers in global companies, as there is a lack of comfort level in dealing with managers who are from a different culture, simultaneously working with the different culture of the company. There is no one way to manage and differences in national cultures call for differences in management practices (Newman, Nollen, 1996, p 753).

It is reasonable to argue that successful managerial techniques in one culture may lose their effectiveness in another. The differences in their effectiveness can only be understood if we take into consideration the situational factors that lead individuals to interpret the same managerial techniques in different ways. As the market becomes more global, more attention should be given to cultural characteristics, because they set the norms and standards in the service of the self (Miriam, 1993, p 17).

Distinct flavours of culture may be present at different levels, dominant among which are National, corporate and professional culture. At the highest level is the culture of a nation or
regional society, the French or west European versus the Singaporean or Asian. The ways in which attitudes are expressed within a specific organization are described as a corporate or organizational culture. We can even talk about the culture of particular functions within organizations: marketing, research and development, personnel. People within certain function will tend to share certain professional and ethical orientation (Trompenaars, Hampden, 1998, p 7).

2.1 Frameworks of culture

Here I discuss the two different frameworks on which the study is based. I also compare and contrast both frameworks to see what common factors we have amongst them are.

2.1.1 Trompenaars's seven fundamental dimensions of culture

**Universalism Vs Particularism:** The Universalist approach is roughly: "What is good and right can be defined and always applies". In Particularist cultures far greater attention is given to the obligations of relationship and unique circumstances.

**Individualism Vs Communitarianism:** Do people regard themselves primarily as individual or primarily as a part of a group?

**Neutral Vs Emotional:** Should the nature of our interactions be objective and detached, or is expressing emotion acceptable?

**Specific Vs Diffuse:** When the whole person is involved in a business relationship, there is a real and personal contract, instead of the specific relationship prescribed by a contract. In many countries, a diffuse relationship is not only preferred, but necessary before business can proceed.

**Achievement Vs Ascription:** In an achievement culture, the first question is likely to be "What did you study?" while in a more ascriptive culture the question will more likely be "Where did you study?" Only if it was a lousy university, or the one they do not recognize, will ascriptive people ask what you studied.

**Attitudes to time:** The way in which societies look at time also differs. In some societies what somebody has achieved in the past is not important. It is more important to know what plans they have developed for the future. In other societies you can make more of an impression with your past accomplishments than those of today.

**Attitudes to the environment:** Some culture see the major focus affecting their lives and the origin of their vices and virtue as residing within the person. Here, motivations and values are derived from within. Other cultures see world more powerful than individuals. They see nature as something to be feared or emulated (Trompenaars, Hampden, 1998, p 8, 9).
Layers of culture

The hidden elements of culture has been defined in a layered form by Trompenaars and Hampden (Trompenaars, Hampden, 1998, p 21)

**Figure 1: Layers of culture**

![Layers of culture diagram](image)

*Source: Trompenaars, Hampden, 1998, p 22*

An individual's first experience of a new culture is the less esoteric, more concrete factors. This level consists of explicit culture. Explicit culture is the observable reality of the language, food, buildings, houses, monuments, agriculture, shrines, markets, fashion and art. Each opinion we voice regarding explicit culture usually says more about where we come from than about the community we are judging. (Trompenaars, Hampden, 1998, Pg 22)

**Norms** are the mutual sense a group has of what is right and wrong. Norms can develop on a formal level as written laws, and on informal level like social control. **Values** on the other hand, determine the definition of good and bad, and are therefore closely related to the ideas shared by the group. **Basic assumptions** are more related to the core of human existence. The problems of daily life are solved in such obvious ways that the solution disappears from our consciousness. Questions regarding basic assumption provokes confusion or irritation, as this deepest meaning has escaped from conscious questioning and has become self evident for the people in that culture (Trompenaars, Hampden, 1998, p 23).

One point for caution is that Trompenaars and Hampden diagrams and their focus on national level culture can create the impression of deep culture as a fixed quality that can be quantified and predicted. But these deep cultural phenomenon as described by Trompenaars and Hampden are not set of rules that people follow, but hidden interpretive frameworks (Shaules, 2007, p 59).

### 2.1.2 Hofstede’s dimensions of culture

Hofstede’s *dimensions of culture* were derived mainly from his organisational research which was undertaken as a programme from IBM and was quite extensive. The study was performed between late 1970’s and early 1980’s, is considered dated at present, criticized on several
points, but is still used by businesses around the world for every study on culture and business environment. Hofstede’s work focuses on 5 dimensions of culture, as follows:

**Power Distance Index (PDI)** is defined as “the extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally” (Hofstede, 1994, p. 28). This represents inequality (more versus less), but defined from below, not from above. It suggests that a society's level of inequality is endorsed by the followers as much as by the leaders. Power and inequality are fundamental facts of any society and anybody with some international experience will be aware that 'all societies are unequal, but some are more unequal than others' (Ghauri, Usunier, 2003, p140).

**Individualism (IDV)** is the degree to which individuals are integrated into groups. On the individualist side we find societies in which the ties between individuals are loose: everyone is expected to look after him/herself and his/her immediate family. On the collectivist side, we find societies in which people from birth onwards are integrated into strong, cohesive in-groups, often extended families (with uncles, aunts and grandparents) which continue protecting them in exchange for unquestioning loyalty. The word 'collectivism' in this sense has no political meaning: it refers to the group, not to the state. Again, the issue addressed by this dimension is a fundamental one, regarding all societies in the world (Ghauri, Usunier, 2003, p140).

In these societies "...people from birth onwards are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty” (Hofstede, 1994, p 51).

**Masculinity (MAS) versus its opposite, femininity** refers to the distribution of roles between the genders which is another fundamental issue for any society to which a range of solutions are found. The IBM studies revealed that (a) women's values differ less among societies than men's values; (b) men's values from one country to another contain a dimension from assertive and competitive and maximally different from women's values on the one side, to modest and caring and similar to women's values on the other. The assertive pole has been called 'masculine' and the modest, caring pole 'feminine'. The women in feminine countries have the same modest, caring values as the men; in the masculine countries they are somewhat assertive and competitive, but not as much as the men, so that these countries show a gap between men's values and women's values (Ghauri, Usunier, 2003, p140).

**Uncertainty Avoidance Index (UAI)** deals with a society's tolerance for uncertainty and ambiguity; it ultimately refers to man's search for Truth. It indicates to what extent a culture programs its members to feel either uncomfortable or comfortable in unstructured situations. Unstructured situations are novel, unknown, surprising, and different from usual. Uncertainty avoiding cultures try to minimize the possibility of such situations by strict laws and rules, safety and security measures, and on the philosophical and religious level by a belief in absolute Truth; 'there can only be one Truth and we have it'. People in uncertainty avoiding countries are also more emotional, and motivated by inner nervous energy. The opposite type, uncertainty accepting cultures, are more tolerant of opinions different from what they are used to; they try to have as few rules as possible, and on the philosophical and religious level they are relativist and allow many currents to flow side by side. People within these cultures are more phlegmatic and contemplative, and not expected by their environment to express emotions (Ghauri, Usunier, 2003, p141).
**Long-Term Orientation (LTO) versus short-term orientation:** this fifth dimension was found in a study among students in 23 countries around the world, using a questionnaire designed by Chinese scholars it can be said to deal with Virtue regardless of Truth. Values associated with Long Term Orientation are thrift and perseverance; values associated with Short Term Orientation are respect for tradition, fulfilling social obligations, and protecting one's 'face'. Both the positively and the negatively rated values of this dimension are found in the teachings of Confucius, the most influential Chinese philosopher who lived around 500 B.C.; however, the dimension also applies to countries without a Confucian heritage (Luger, 2002, p 25).

### 2.1.3 Sweden vs China on Hofstede's 5D Model

Comparing Sweden and China on the dimensions of culture (also called the 5D model) discussed above, results as in the figure below.

**Figure 2: Sweden vs China on Hofstede’s 5D model**

Source: http://www.geert-hofstede.com/
[Accessed 10th March’09]

### 2.2 Trompenaars vs. Hofstede

Why I have chosen specifically Trompenaars and Hofstede to build my framework for this study, is because both are studies of contrasting ways. Trompenaars’s and Hampden-Turner’s research approach was to expose respondents to situations with irreconcilable alternative solutions (Todeva, 1999, p 5), while Hofstede measured ‘values’ instead of ‘attitudes’ and ‘preferences’ (Hofstede, 1983, p 77)
Still it is easy to see that there are some common dimensions of culture identified by both of them. Price and Browaeys quoted Hofstede that having carried out an empirical analysis of Trompenaar’s own data; he came to the conclusion that the questionnaire used by Trompenaars is essentially measuring Hofstede’s own dimensions by using dimensions that are interrelated (Price, Browaeys, 2008, p 87). Trompenaars themselves conceded that Hofstede taught them a lot... (Price, Browaeys, 2008, p 87).

Two major similarities in Hofstede’s and Trompennaar’s dimensions are:

1. **Individualism Vs Communitarianism**, as discussed by Trompenaars is quite similar to **Individualism (IDV)** related to **Collectivism**, as described by Hofstede. [www1.ximb.ac.in](http://www1.ximb.ac.in) [Accessed 15^{th} Mar’09]

2. **Achievement Vs Ascription**, of Trompenaars can be considered equivalent to **Power Distance Index (PDI)** of Hofstede in certain sense that Ascription too represents inequality, as does PDI. [www1.ximb.ac.in](http://www1.ximb.ac.in) [Accessed 15^{th} Mar’09]

The rest of the parameters have similarities here and there as well For the purpose of this research, Hofstede’s parameters have been referenced at most of the places.

### 2.3 National culture and cultural evolution

#### 2.3.1 National Culture

National culture is a central organizing principle of employee's understanding of work, their approach to it, and the ways in which they expect to be treated (Newman, Nollen, 1996, p 755).

Three cultural traits in particular are important, and influence entrepreneurial activity and alliance formation in general:

- Tolerance for uncertainty
- Competitiveness
- Individualism

(Steenisma, Marino, Weaver, Dickson, 2000, p. 952)

When management practices are inconsistent with these deeply held values, employees are likely to feel dissatisfied, distracted, uncomfortable and uncommitted. As a result, they may be less willing to perform well (Newman, Nollen, 1996, p 755).

#### 2.3.2 Culture is evolving continuously

Having discussed the existing important traits of national culture of Sweden and China, it is important to point out that culture is not a static concept (Crandall, 2004, p 50). Culture is dynamic, not static, and it develops as people respond to changes in their physical and social environments (Anderson, Taylor, 2005, p 75).
The question then arises, that will the cultures around the world, one day, change and mix together to form a single harmonious culture? The answer, from life experience, is negative. Elements of culture change over time, but continuing diversity in cultures demonstrates that although some culture may wax and wane, differences will persist (Crandall, 2004, p 50).

But cultural changes over time do bring in difference in characteristics, which were once considered as the building block of that culture. Example can be societies like Sweden which shows high level of Institutional Collectivism, seem to have found a formula for combining the fulfilment of individual needs with collective economic prosperity and social welfare. In Sweden at the end of 20th century, the in-group collectivism seems much more desirable than the Institutional collectivism the Swedish society has managed creating, whereas in China, a trend toward more individualism in general is apparent. In-Group collectivism and Institutional collectivism are both desired to be less important in China. It appears that the Chinese culture responds to its problem of industrialization by a trend towards individualism whereas the Swedish society seems to adapt to a post industrialization environment by a trend towards In-Group collectivism (Chhokar et al, p 1034).

2.3.3 Stress, as a cultural disabler

Having talked about the cultures and their paradigm shifting over time, it is also useful to make note of a factor that can unlearn all the cultural learning done. In today’s world, when multinational career is commonplace and lots of emphasis is placed on the ability of Expatriate executives to learn and practice culture, one common and most important disabler of all learning and practising culture, is Stress.

Stress can make people do surprising things, particularly if they are in foreign environments. Surprising, mostly for the people around, as under stress, one falls back on one's native instincts (Hoppe, 2004, p 79).

Why this happens, is because, there is a difference between knowing and practicing culture. During an interview, Hofstede shared one of his experiences, which reinforces the statement. In his own words "After a lecture in Japan, someone asked me a “don’t you think that . . .?” question and I bluntly answered “no,” as I would have done in Holland. I must have offended the questioner badly; there are less direct ways of answering, such as “That is an interesting question. I would say that . . .” (Hoppe, 2004, p 79) The point is that there are and will be situations where even an avid scholar of culture will make such mistake, and so cultural learning and practising should always be taken with a pinch of salt, instead of having an idea of perfecting it.
3. METHODOLOGY

Here, the methods used for the study are discussed. Together with the framework for the study and the design of questions, this section deals with the further flow of the work and how the different sections are organised.

3.1 Design of the study

I have used the 10-step scientific method for the purpose of this research work, as it’s widely established that the overall result of successful application of this method is almost always the best answer available (Farr, Timm, 1994, p 21).
As I found out during the course of study, that not all the steps are relevant for our current scope of work, and I either skipped or worked minimal on those.

The 10 steps are as follows:
1. Become aware of the problem, concern or question. (How did the issue come to light?)
2. Define the problem and purpose of research specifically. (What are the independent and dependent variables?)
3. Hypothesize about the causes and solutions to the problem.
4. Determine what information is needed to solve the problem.
5. Select methods for collecting information. (How?)
6. Collect data or evidence. (When, where?)
7. Compile data in systematic form. (How?)
8. Analyze findings to determine whether they support or contradict the hypotheses.
9. Prepare a research report to bring out full significance of findings and prescribe a course of action.
10. Follow up to be sure the solution works.

Steps 1 and 2 were performed and described in the chapter related to Background and Motivation of the study

The causes and solutions to the problem

The cause of this problem can be attributed to the wide cultural gap that exists between China and Sweden as countries, and then Shanghai and IKEA as entities (City and Company). It is probably good to revisit again the scope of this study, which is limited to listing and analyzing the cultural gaps existing in IKEA IT operation in Shanghai, China, and I do not intend to offer any quick fix or long term solution for this. Acting on the conclusions and gaps will be a way to resolve the existing problems and issues, but how to act (i.e. how to resolve the problem) is beyond the scope of this study.

What information is needed to solve the problem?

To be able to analyze the cultural gap and draw conclusions, the basic requirement is to have proven framework and primary & secondary data to compare and contrast with the framework. Trompenaars's seven fundamental dimensions of culture and Hofstede’s dimensions of culture were chosen as the framework for this study.
Why I have chosen specifically Trompenaars and Hofstede to build my framework for this study, is because both are studies of contrasting ways. Trompenaars’s and Hampden-Turner’s research approach was to expose respondents to situations with irreconcilable alternative solutions (Todeva, 1999, p 5), while Hofstede measured ‘values’ instead of ‘attitudes’ and ‘preferences’ (Hofstede, 1983, p 77). More about the two frameworks is discussed in chapter related to Frameworks of culture.

Select methods for collecting information. (How?)

As with most works of social sciences, this study is based on qualitative data, in form of Primary and Secondary sources. Most social scientists tend to assume that their research objectives can be met only by collecting primary data; perhaps believing that for their work to be considered original it must use original data. The term secondary when applied to data may give the misleading impression that they are of lesser importance that primary data or even that they are second rate (Hakim, 1982, p 1).

It is important to determine while deciding the data collection method, how much data must be collected via primary research, and what can be answered by secondary research. Primary research can be time-consuming and expensive, so finding answers to previously asked questions is always preferable— as long as it applies directly to your business question (Farr, Timm, 1994, p 28).

For this study, as it was hard to find secondary data for the specific issue related to IKEA IT’s culture, primary data was collected in form of interview question, while secondary data was used liberally to aid primary data with previously known information about IKEA, Shanghai, China and Sweden.

For the Primary data collection, free flow format was chosen over multiple choices, mostly as the questions were designed in a way that they do not lead to any answer. While creating questions, effort has been put to avoid biased, assuming and double barrelled questions. [http://owl.english.purdue.edu](http://owl.english.purdue.edu) [Accessed 12th May’2008]

Objective was to allow the respondents, as much as possible liberty and flexibility to answer. I have then interpreted the answers in the devised cultural framework. Having free flow questions also helps in getting views in the own words of respondents which adds to the way this research presentation is designed.

Collect data or evidence. (When, where?)

Primary data, was collected via interview. As few questions may be deemed sensitive, to get the maximum response, the whole interview process was made anonymous. I briefed each respondent first about my study and objectives and ensured that the questions were well understood. Questions were then mailed to them and adequate time (at least 3 months) was provided for the response. I decided on bigger time frame for response as I wanted them to be as non-impulsive as was possible. Though choice was given to the respondents to choose between e-mail and recorded face to face interview, all but one chose to answer via e-mail.

Secondary data was collected from various research papers related to IKEA, textbooks, Journals and websites. Effort was made to ensure that they are from reliable sources.

Non response or No comments
Ineke A. L. Stoop quoted a Dutch sociologist Herman Vuijsje “Non response is seen as an understandable and commendable warning from well-meaning citizens. Distrust of authorities is observed…” (Stoop, 2005, p 5)

Few questions in this interview were non responses by some respondents, where they were not forthcoming enough, but they have been included in the answers nevertheless, as they represent the unwillingness to answer by coming out of comfortable zone. Non response, thus, in itself, is a response in that way.

**Compile data in systematic form. (How?)**

Once the data has been collected, its content needs to be analyzed and interpreted. The accumulated body of data does not speak for itself. But before that, the data must be transformed from an extensive assortment of raw materials into a concise and meaningful description of what has been observed (Thomas, 2003, p 204).

All the primary data has been put in empirical section, while the secondary data has been used during analysis and reflection. The established framework was then used to draw conclusions and identify gaps.

**Analyze findings**

There is no use looking for perfect interpretations of data; it would be hard to find perfection if it were available; and it isn’t. You never look for the interpretation of a complex data set, or the way of analyzing it, because there are always interpretations and approaches depending on what you are interested in. There are many good answers to different questions, not one right answer as in the detective story (Erickson and Nosanchuk, 1979, p 5).

**Hermeneutical Interpretation of interviews**

Almost all the interviews were in written response form (through e-mails), except for one case when the views of respondent were recorded orally. As research interview is a conversation about the human life world, with the oral discourse transformed into texts to be interpreted, (Kvale, 1996, p 46) Hermeneutical interpretation, thus was doubly relevant to our interview research, first by elucidating the dialogue producing the interview texts to be interpreted, and then by clarifying the subsequent process of interpreting the interview texts produced, which may again be conceived as dialogue or a conversation with the text (Kvale, 1996, p 46).

Hermeneutical interpretation, thus, is also the basis of the design of this research work, when it was put to this written form. The work presentation is completely based on the research interview questions, with answer of each respondent presented along with (in the Empirical section). Applying the theoretical frameworks, analysis and reflection has been done for each question separately, and the conclusion and gaps presented along with (in the Analysis and Reflection section).

**Prepare a research report to bring out significances of findings and prescribe a course of action.**
This work is an attempt in the direction of bringing out the significance of the findings we did during the interview process. Course of action has been advised using conclusions and gaps, though the scope of this study is to define what, more than how.

Follow up to be sure the solution works.

This is beyond the scope of this work.

**3.2 Interview question formulation and categorization**

Interview questions were formulated in sequential order, so that the whole picture may be captured from macro to micro level.

Four categories of questions were created:

1. General questions, applicable for all
2. Questions applicable only for Managers
3. Questions applicable only for Chinese Co-workers
4. Questions applicable only for Expatriate Co-workers

The sequential chart and the list of actual questions can be found at Appendix A.
4. EMPIRICAL DATA

Responses of the three categories of respondents have been assimilated with each question, As-Is without any modification to suit the grammatical and structure needs of this work.

4.1 Culture of China, Shanghai and IKEA

Describe the culture in China. What are the big differences if comparing Chinese culture with for example Sweden or Western Europe?

Managers opinions

Excerpts from the opinion of different managers

‘There are many differences when comparing China and Europe. The main ones are those related to people behavior: hygiene, politeness and general respect for rules. These basics rules make European people feel much more distant from Chinese; however, the main barrier between the two is the language.’

‘The Chinese culture has a strong emphasis on power & prestige. Thus, being a manager also means that you are portrayed as a powerful figure head with absolute power to decide on almost everything. However, things are different in Western Europe whereby managers have to influence & convince others to follow the set directions. A lot of questions will be raised during the discussion sessions, while this will be missing in China.’

‘But that doesn’t mean the Chinese do not have a mind of their own. They will think about the disagreements but are usually too reserved to have a good discussion around it.’

During recruitment, candidates ‘Demonstrated strong subordinated will to interrupt ‘Manager’ from cleaning the whiteboard. Candidate tried to humbly grab cleaning tool from Manager with symbolism in body-language-expression ‘Manager cannot clean whiteboard, below hierarchical respectfulness’.

‘Habitual pleasing answers unless provoked to learn arguing on facts (+) (-) even when contradicting ‘Manager Wisdom’.

‘When public charades of Swedish co-worker saying e.g. “Noo! You are wrong boss! Should be like this!” and daring even to upfront loosing face on manager. While for the Swede of scope, very obvious the argument was on one single detail while supporting all other decisions. But making a game of playing insubordinate (while very subordinately following the decision)’
'When I moved to China I expected to find a different country: more interesting in the past, in the old culture, exploring values coming from centuries ago. Instead I’ve found (but my experience is limited to Shanghai) people only looking for money, to gain more money to make money. It is sad to see how such an old culture is almost completely forgotten for the sake of Money. This is another big difference: while in Europe we spend money to keep our history up to memories, in China is the other way around.’

**Chinese Co-workers opinions**

Excerpts from the opinion of different Chinese co-workers

‘Modest, humble, strong, diligent, quiet, friendly, hidden, respect, diverse race’

‘People are not daring to speak up, respect others too much sometimes’

‘National culture in China: Face/ prestige/ reputation’

‘The big difference is: loyal to person (Chinese) or loyal to company (western)’

‘Chinese culture contains polite, humble, hard working, generous, hospitable, relationship oriented, hierarchical’

‘The big differences comparing with Western culture are hierarchic, humble, relationship oriented’

‘National Culture of China: Honest, Diligent, Humility, Just, devoted’

‘Humility is a big difference of China national culture comparing to other country. With the influence from Confucianism, Buddhism and Taoism, Chinese people try to be modest in many things even if they may be an expert of it’

‘The national culture of china is very tradition, humble, and conservative in general. The western culture is more open, creative, and aggressive in some way compare with the Chinese culture’

**Expatriate co-workers opinions**

Below is what Expatriate co-workers have to say on this

*Chinese are a very proud people with a quite strong national spirit. I also feel that they are very curious and they are not very shy about it. They can easily stare at you. This is not very evident in Shanghai, but I have seen it Chengdu.*

*Very apparent is the division in classes. Simple workers do not carry much respect in the eye of the shanghainese middle class. They are treated as they not have the same rights as others. In Sweden this is very much different, the equality is much higher.*
One perception of Chinese people I had before I moved here is that they are a very hard working people with discipline. I have revised this now after spending some time here. I would go as far as saying that my perception of the Chinese has changed to that of a quite lazy people. Of course, this is a generalization. I also think that they are not very concerned about quality and making a good detailed job. If you look at the infrastructure and the way things are done I think it often quite sloppy approach compared to Japan which is the total opposite. At a glance things look shiny but once you dig deeper this fades away.

I must of course mention the differences in behaving regarding eating and matters of “self cleaning”. Chinese people often spit, burp and eat totally out of control which is hard to accept and ignore as a westerner.
Describe the regional culture of Shanghai. What aspects are the most important ones? Do you believe that the regional culture collide with the IKEA culture? If yes, in what ways?

Managers opinions

The regional culture of Shanghai is very similar to the American culture. It’s about survival of the strongest and the frantic rat race is apparent at all levels.

The IKEA culture emphasizes a lot on Work/Life Balance. This is not so visible in Shanghai where most people would think that career always comes first.

Yes, partially, Shanghainese culture bends towards sophistication with high PDI demonstrated.

Chinese co-workers opinions

The people in Shanghai are quite open due to many foreigners here. It’s not conflict with IKEA value.

Diverse, melts and absorbs different cultures. Smart people, proactive, flexible, modern, multinational, dynamic, energetic.

The important ones in my opinion are: diverse, flexible, dynamic.

I don’t think Shanghainese culture collides with IKEA culture.

The regional culture of Shanghai is more materialistic, or practical, profit driven. I think materialistic is the most important local culture here. I think the local culture collide with the IKEA culture because IKEA’s culture promote harmonist environment other than competitive environment. But the local culture has a strong interest towards challenging for more.

Shanghai Regional Culture: Honest, Diligent, Humility, practical, family-oriented.

I thought practical and family-oriented are the most important ones. And this has no collide with the IKEA culture.

Regional culture of Shanghai is Money focused. It collide with the IKEA culture in a way of e.g. people want more money instead of holiday.

Expatriate co-workers opinions

Below is what Expatriate co-workers have to say on this

My strongest impression that I can surely relate to Shanghainese culture is that the Shanghainese people think very highly of themselves. They seem to have a skeptical attitude towards people (Chinese people) that comes from another region of China. This attitude I feel have a strong arrogance factor and it does appear to me as it is a genuine skepticism towards
other people. In some cases, like the “fight” between Norway and Sweden, the same arguments may be used but they are done so as jokes, not a sincere skepticism.
Describe the IKEA corporate culture. What are the main aspects or basic values and norms in the IKEA corporate culture?

Managers opinions

Very straight forward, result oriented, practical culture (less theoretical), energy-driven by strong personalities (matching our cultural criteria), leadership by goals (less on details, overall fantastic output, sometimes ignorantly compromising strategic details with correlated consequences), people-oriented, acceptance to failure (if learning) and tiger sharp on sleepers in comfort zone “get active or get out”, talent/potential-driven (less than formal title/CV-inflation), persons really delivering/growing are honoured by recognition (promotion) and down-to-earth culture (though diminished a bit last years by bigger acceptance for career smart sophistication whether people step into or choose avoidance, not in regard of business facts/needs but covering what involvements visavi career smartness), fantastic global IKEA culture (+Swedishness touch)

Culture and values are very well known both inside and outside IKEA. Based on the vision to “create a better everyday life for the many people” it’s easy for everyone to feel part the company and of its success. The culture is based on simplicity and very basic needs: instead of complicated sales equations, which often drive to “fake” results, IKEA is very much oriented to the simple concept of sales. The culture, based on low cost furniture, is represented by easy office life where casual clothes and no “secretary” roles is the most representative.

It’s a wonderful feeling working in IKEA. There is an atmosphere where you can openly speak your mind and everyone from top management and below are very humble & down to earth. You’re also allowed to make mistakes and learn from them without fearing punishment.

Openness, Simplicity, Humbleness, Honesty, One Goal Many Roads & Cost Consciousness are just some of the key values of IKEA.
Chinese co-workers opinions

The IKEA corporate culture is more described like “equal, balanced, social, responsible, etc.” in general the main aspects and basic values in IKEA is about saving, and do not waste, budgeted, but not luxury.

Simplicity, openness, cost consciousness, diversity, equality and competitiveness

IKEA culture is taking care of people, save cost, low price with good meaning and simple and save environment.

Trust and Responsibility are the main aspects or basic values and norms in the IKEA corporate culture

Simple, humble, cost conscious, creative, daring to be different, friendly, leadership by example.

Expatriate co-workers opinions

IKEA culture is very much driven from our business idea, things we do and how we do. We constantly challenge ourselves to do things better and find new innovative ideas for improvement. I believe, profit gives us resources and being cost-consciousness are basic important values for IKEA culture.

The IKEA culture is very strong and centered around the image of the people in Småland as hard working, loaded with common sense, cost conscious and simple. From this everything is derived and this is the heart of the IKEA culture.
4.2 Cultural support and Organisational culture

What kind of support does IKEA give to new employees in IKEA IT Shanghai?

Managers opinions

Beyond many checklist/activities as of job/culture introduction etc. Very practical. Load their hands with increasingly challenging objectives. Pushing them constructively to focused delivery and growth. Stretching their abilities from day 0.

IKEA has given, and still gives, a good support to new employees. For those coming from other countries, the assistance in looking for apartment and get oriented in the city is very good. It would be better to have some cultural awareness meeting to make people conscious of what they’re going to live with.

For the Chinese ones as well, I believe IKEA is one of the best company to work for; working hours and conditions are, for sure, quite unique in China.

Lots of exposure to IKEA Culture, Presentations, Introduction weeks & Local Orientation. Buddy Mentorship system whereby a senior will take care of the newcomer when they first join.

Chinese co-workers opinions

Good training, soft landing for new employees. Warm environment to work, work and life balanced style.

Enough training including technical aspect as well as company introduction, company culture, etc.

We have senior co-worker to teach the new one IKEA IT knowledge and skill, also send the new one for introduction week in Sweden to learn IKEA culture.

Orientation of IKEA organization, concept, culture....

Open the door and encourage them to learn by doing, to speak up, to communicate with others in IKEA way

Expatriate co-workers opinions

IKEA supports new employees in many ways to get adjusted in employee’s role e.g. Introduction to IKEA (in general) and IKEA IT, cultural courses, English learning courses etc.

The obvious support for me is that they get to travel to Sweden for an introduction week to come in contact with the culture of IKEA and Sweden.
How do you describe the organizational culture of IKEA IT Shanghai?

Managers opinions

Very similar culture to other offices, still with specific urban Shanghainese influences/habits (mostly positive ones adding uniqueness/value, some negative – demanding bold managerial corrections on areas seldom to arise in e.g. Älmhult the Heart of IKEA). Very GuangXi oriented. If energy, everybody energy! If harmony, everybody harmony!

The youngness of organization also holds specific attributes of majority of young co-workers. Reflecting their generational lifestyle values and business habits. Reflecting part of what research has found specifically for Shanghai: The ‘generation gap’ are so dramatic so statistically it is now at centrifuge speed of 5 years.. I.e. a person age 30 does not speak same ‘language’ as one age 25: so different value basis, cultural habits, references, associations, drivers, etc.

Some cultural aspects collide (frustrate) foreigners (IKEA people) on business travel or working abroad for a period out here. Some smoke come from language barrier. Some rooted in speed of change in the very unique trend branders of Shanghai

Organization in IKEA Shanghai tries to reflect the general IKEA culture; however I have to say that Chinese people get “familiar” with IKEA style quite fast. You expect Chinese people to be hard workers, never complaining and focused only on their job. In IKEA is completely different and, being given the opportunity to speak out and express their opinion (not allowed by the government in the civil life).

Typical IKEA setup. No difference to other IKEA units.

Chinese Co-workers opinions

Almost as same as the IKEA corporate culture.

Cost consciousness, efficiency.

We try to create a equal and friendly office here in Shanghai.

So far so good, a mix of Chinese and western

Energetic, open, equal and simple.

Expatriate Co-workers opinions

Organizational culture of IKEA IT is somewhat diverse but dominant Chinese culture is very visible.

Organizational culture in IKEA Shanghai is diverse and international. Office communication language is English. There are some signs of Chinese culture too as coworker lookup to managers for decision making or when it comes to discussion, Expatriates usually lead discussions etc.
I would say that the true IKEA spirit is not yet here. It is very difficult to transfer the spirit from Sweden to a far away country like China with so many new coworkers. I think is more another foreign company to the Chinese. However, I am sure that people in China perceive IKEA as a caring and good company to work for.

I also feel that IT in Shanghai does not connect very much to the other sites.

I have a feeling that IT shanghai feels a bit like an outsider, not really affecting the scheme of things but rather just receive orders from Sweden and execute them. Overall, there is a friendly atmosphere and good spirit.
4.3 Leader in IKEA

How do you understand the leader’s role in IKEA IT? Is it different when comparing, for example with other big companies? (If applicable and if they have worked in other company before)

Managers opinions

Leader’s role is to act with ambassadorship, representing IKEA values. Enabling people in their own self-driven growth. Make them take responsibility without traditional authoritarian screaming bossy voice on their neck. Several employees (with international company experience before IKEA) witness to that we IKEA are different Way in management style. More demanding while giving more freedom, in a strange mix. Pushing them beyond previous capabilities and barriers.

The leader’s role in IKEA has a different connotation compared to other companies: in IKEA the leader is less “decision maker” and more “team glue and people developer”. The decision process in IKEA is often based on team members’ opinions and ideas while the manager cares more about people growth and motivation, being them main factors in unit’s success.

It’s about Leadership by Example in IKEA. Leaders need to talk the talk and walk the walk. There is also more discussion with the rest of the team members before discussion are taken. In other big companies, decisions are usually taken only by the leaders and it is almost impossible to have any kind of input to the decisions taken.

One unique thing about leadership in IKEA is that it’s totally OK to admit that you don’t have the answers all the time. For instance, In the event of a major re-organization, a decision could be taken that we need to change but we may not know how to do it exactly. However, once the decision to change has been taken, this decision would be announced very quickly if there is no clear picture how we should do it.

Chinese co-workers opinions

Sometime the leader in IKEA is more like a coach; he will give you suggestion instead of command.

Leader should be good example to other people and also should be good at uniting people around him/her.

The leader’s role in IKEA should be a flag to all his man

The leader’s role in IKEA IT is a coach to co-workers.
Not commanding co-workers if compare to other big companies according to my experience.

**Expatriates opinions**

*I am not sure if we have any true leader in IKEA IT though has lots of managers. Different companies define “leadership” in many different ways.*

*The leader’s role is to inspire and motivate people and support the development needs of the individual.*
4.4 Perception and Implementation of IKEA culture

Do you think that people in IKEA IT Shanghai think about the IKEA culture as the Swedish culture? If yes, what are the main similarities?

Managers opinions

Yes. Also the opposite... From one business unit one managerially involved person (foreigner) highlighted an issue... Where locals in quite arrogant push want no Swedish managers and “IKEA is a Chinese company”. So probably very individual. But overall, yes, most employees think it as very Swedish. Also, natural. Not only do we publish wall printing photos of Swedish nature, traditions, etc. But also in our Range Concept (our Identity) and IKEA tradition: We are presenting ourselves as IKEA to the Scandinavian market. But worldwide we more stretch the (obvious) Swedishness and Småland-heritage/similarities. So we are both perceived as

Swedish culture. And, we are ourselves pushing that agenda too... so... yes.

Yes, I think IKEA in Shanghai is very often synonymous of Sweden. IKEA wants to keep this tight connotation (while other Swedish companies don’t, like H&M) because IKEA style comes from Sweden way of living: simplicity, natural materials, and warmth and family feelings. These are the similarities as well.

I believe so. Sweden is a country with a lot of democracy and social equality is important. In IKEA Shanghai, we deem everyone as equal and we respect every single individual.

Chinese Co-workers opinions

Similar but not totally.

No, I don’t think so. IKEA culture is more developed Swedish culture with multi-national culture integrated.

As IKEA sells furniture which is closed to people's daily lives, Swedish culture influence IKEA while IKEA also influence Swedish culture, I think IKEA culture is a part of Swedish culture.

Yes.

I think so, but I don’t familiar with Swedish culture that much.

Expatriates opinions

Not fully anymore though we still have some Swedish culture left. Since IKEA gone global, there are thousands of co-workers from different religion/countries etc. Work places become more diverse and “international”.

Study programme in Master of Business Administration in Marketing Management
Avinash Jha
To some extent yes, but I do not think that they are the same thing. Of course, the org. culture of IKEA is based on Swedish culture but maybe even more of the culture of Småland, the province where IKEA was founded.

In Sweden IKEA is perceived as quite special in that it is very cost driven, uses common sense and simplicity. At the same time, this is also admired by the Swedish people. Answer to question is no.
How is the organization in IKEA IT Shanghai working with the IKEA culture questions in Shanghai? What do you believe are the most important ways?

Managers opinions

The one we worked uppermost with (additional to team seminars on e.g. Furniture Dealer Testament etc) is.....the employee is responsible to drive their own development. This we have hammered into the backbone by many inspiring and demanding seminars and discussions... and challenges/job tasks connected thereto. So we concentrated a lot towards Taking Responsibility by driving the Development Contract to relevance of Business Plan (needs) and personal potentials. That has successfully instrumented a lot of other changes we aimed.

Introduction weeks, Manager’s coaching, HR’s coaching & IKEA Culture weeks.

Chinese Co-workers opinions

Not very sure. No clue.

Diversity and Cost consciousness are the most important ones.

IKEA Shanghai tries best to improve the understanding between different cultures especially between Chinese and Western cultures.

Unable to answer

Of course there must be some conflicts once 2 different culture meet. But here in Shanghai everyone would like to be open, direct, and straight forward, at least local co-workers are learning that kind of culture very hard. And generally it works well so far.

Everyone is willing to learn new things, be considerate to others who come from different cities and counties. Being open and straight forward is very important.

Expatriates opinions

IKEA IT Shanghai is very young organization. IKEA culture is still developing stage here. IKEA culture course is one good way to learn. Unfortunately we have not had any IKEA culture course for coworkers yet.

The big thing here is that all new coworkers are sent to Älmhult and Sweden for an introduction week. This gives hands on experience with both Swedish and IKEA culture. Also, a cross cultural training was offered to all employees in Shanghai.

In a typical IKEA manner the culture is also “advertised” on the walls in the form of posters and information but surprisingly it is in a smaller scale than in Sweden.

I feel that there quite little continuous work with the IKEA culture.
What do you think make IKEA IT popular as a working place for many Chinese employees?

Managers opinions

The leadership!!! The company spirit! The Range! The closeness to the Store everyday (and other business units) creating a uniqueness of belongingness. Where co-worker every day can reflect and see and touch the results of their Computer Science contribution... to e.g. printed Price Tags in the Store. Mixing Swedish and Chinese characters together etc.

They find us very attractive (despite they can get far more attractive salary openings if doing traditional ‘Salary Hunting’, extremely popular in this city – we filtered out a lot of such obvious candidates – only interested in their own agenda, only planning to stay some hidden short time, gaining the benefits of growth and IKEA unique training, then move on...). Statistically a majority of the co-workers of current age in IKEA IT Shanghai (statistically the whole market)... Are extremely mobile! They leave their occupation after 1½ or maximum 2 years, regardless if they like it or not. The move itself is honored (in young generation while they are questioned by their parents for instability). That will be a challenge for us (we already had one person leaving, loving IKEA and job... but leaving due to family pressure to jump into family business instead).

In general, western companies have a good appeal to Chinese people. Working for a free company (not owned by the government) and the dream of moving abroad are always good motivators.

In IKEA, beside above factors, there’s a general sense of freedom and independence that make this company even more appreciable. Co-workers in IKEA are very well treated, with respect for rights and single personalities. People are the most important resource in IKEA...and it is not just a slogan...it is true.

This is a place where there’s more freedom in expressing your opinions. IKEA also values Work Life Balance which is usually not the case in other Chinese companies. Employees also have excellent opportunities to grow within the company. The scope of business stretches across the entire pipeline and not many companies can afford such experience in this scope. Besides the opportunities to develop vertically, it’s also very common for employees to widen their horizon and developing their skill sets horizontally across different lines of business.

Chinese co-workers opinions

Not so stressful, good social benefit, nice working environment, not so high demands.

The most important thing is the open environment. Most multi-national company in Shanghai is hierarchy structure, which sometime make people feel can’t express themselves well.

IKEA supplies very freedom and equal working environment and the travel chance is also a reason to attract people to work for IKEA.

Because of IKEA’s famous design team and creating small items.
IKEA brand, which is a multinational company, diverse culture, open working environment attracts people.

**Expatriates opinions**

I can’t call IKEA IT “so popular”. Chinese employees see it as like any other western company.

I think the easy answer is security. IKEA is a very caring and stable company with a good work/life balance policy that is probably hard to find in other international companies.
How do you implement the IKEA culture in the Chinese employees? In what way and what kind of methods are used?

Managers opinions

In summary... by not talking so much. But giving practical challenges where I can exemplify by strategic guidance how to foster their mindset. So in many daily or project interactions, they work with high freedom and get distinct feedback. Do like that instead... because... and think like this when you face similar challenge ahead! Then regularly, coming back to principles governing our habits such as Simplicity Is a Virtue... Only The One Sleeping Makes No Mistake... Taking Responsibility Is A Privilege (combined 0-tolerance for conventional habit... if boss not give paper instructed order or screaming, I can rest) etc Turning out very successfully!! Or as stated in several big meetings by top managers visiting us and by spontaneous inspiration: Wow! This is the office with strongest IKEA culture we have in IT. All IKEA IT should learn from IT in Shanghai! Etc. Excellent diploma! 😊 And demands never ending energy/actions to keep stable and growing! Several times “collapsed” down to a minimum, and then re-bounced even stronger after some corrections and hard talks.

Implementation of IKEA culture with Chinese people must be taken slowly: has explained before, cultural differences are huge thus we can’t expect to have such a different culture accepted in few weeks. However, underlining positive things and good effects of IKEA culture is a good way to make people open their eyes and accept it easily. In my team we haven’t got big problems with this: the process has been facilitated by the presence of more European people contributing, voluntarily or involuntarily, to spread IKEA values all over.

Chinese employees need to be encouraged to embrace the IKEA culture. One of the most common challenges is the employee’s reluctance to speak up. I entrust my team members with a lot of responsibilities and provide them with support when it’s required. I would also teach my team members “how to fish” rather than providing them the “fishes” so that they can learn from the experience and stand on their own over time.
4.5 Chinese or non-Chinese Employees?

Your biggest challenge as a manager in understanding and dealing with your team. What dilemmas you face? Are you ever insecure or frustrated in your work due to your team’s culture and why?

Managers opinions

People not speaking up and then they start to talk behind your back. Most of them do not dare to challenge their managers directly. Most are also afraid to take “heated” discussions directly with their peers. I would like to have a more direct approach in the team where everything can be discussed openly in a very honest manner. We could have a good “thrashing” session and then walk out of the meeting happy after a good discussion.

Biggest frustration is perhaps on technical-competence vis a vis working methods. Very seldom a case for irritation. But I use to contrast/exemplify. Together my team soon represent three decades of very strong technical Oracle skills, and business knowhow etc etc. Usually demonstrated in fantastic contribution, proven also by statistics. Where my team delivers far more than e.g. employees and consultants in Sweden and US in certain areas... and my challenge is to foster Life Balance and Stress Reduction vis a vis High Achiever mentality/drive... but given that success story.. still few times I am chocked by the naivety in very few scenarios. Very similar to my experience for several years with management of India consultants (no offense Avinash ☺). The ‘Common Sense’ value is.. veeery culturally-constrained to society, history, ..., ... And from time to time as manager I tremble with feelings like.. phew.. How do they think!!! How could they forget that or this or despite that checklist or instruction etc. A ‘childish and subordinate’ manner sometimes when (with or without managerial supervision) they won’t think longer than the nose. And in next project or activity or conversation... are back at bleeding edge of business professionalism. Creates very mixed feelings. Usually high professionalism. Sometimes... gives you a feeling.. arhhh.. Just send me home and give me a team of old aged matured senior foxes (not talking seniority in technical skills, more “Common Sense” sharpened). To use harsh words, like one Swedish manager said to me in frustration last year (not IT part)...

“Aaarrggh, I think I fire all of them! And ask Älmhult to send me 15-20 Common Sense guys who think themselves!” I hear the same disappointment (rare occasions, same as in my team)
from my management network outside IKEA (includes people working with R&D in high-tech, medical science, ... ...) From time to time, they find no word to describe what they feel as “are people stupid” (remember perhaps referring to a M.D. or a Doctorate on Technology 😊). Ok.. this said to CONTRAST a little extra. Again, overall... it is a fantastic awesome experience and highly (more than Swedes,) competent crew. Wonderful people! I really love them and China! And IKEA in China!

Dealing with my team has been complicated at the beginning when, asking for openness, sharing and relaxed attitude, was answered with embarrassed faces and very few words. The path has been taken by both, me and the team, and we have reached a compromise that sees me quieter and my team a little more out speaking. In the past I felt, a few times, frustrated because I felt my team wasn’t able to understand me; they weren’t able to take the energy I was trying to transmit. However, after few months, confidence came in both, and the relationship is now one of the best I’ve ever had.
What are the positives having Chinese employees in your team. Please list the specific ones.

Managers opinions

Most of them are very diligent and would never say no to most things. Generally, they are very co-operative and enjoy working in a team.

Respect decisions, still questions on facts when needed

Not arousing insubordinate obstinacy (irrelevant to facts) just as career iconification... as sometimes experienced in teams in western society (protected by stronger laws)

Efficiently implement decisions, usually very honest (sometimes needs a Thumb In the Eye to get out what’s is truly behind the potential Loose Face Fear)

Loves team dynamics “sport team feeling” though still strongly (+) individualistic

CN co-workers add synergy/oxygenise SE co-workers, even remotely! Very positive effect!

Ambitious (didn’t join IKEA to find Salary Comfort Zone but to be in Inspiration/Renewal)

More direct than Swedish co-workers! Despite all cultural articles I read on opposite warning. Swedes very prone to shyness and water cooler discussions (here also ☺) but much more “fresh air” and constructiveness in meetings, workshops, etc.

More reflective team

Hard workers

Keep calm even in tough situations

Good friends to work with and good professionals

Quite easy for them to look at the future
Is it tough to relate with IKEA culture? In what way you try to relate with the IKEA culture and what kind of methods you use?

Chinese co-workers opinions

Yes, it is difficult; it doesn’t really fit into today’s local situation. It might be a good thing for the already developed countries, but certainly not fit for a fast developing country economy.

I don’t think it’s tough to relate with IKEA culture. Before I joined the company, I knew some part already including the difference. So it’s not difficult for me. I just try to find the common part between my personality and IKEA culture, and adapt to the difference.

It’s not so tough. As I agreed with lots of IKEA value especially taking care of environment. I recycle batteries in a good way, try to save power energy, and try to save cost for the company.

Not really, because some of IKEA culture is good for life as well such as simplistic. I will use it to solve complicated cases

Sometimes it’s tough to relate with IKEA culture especially how to speak up and be direct to people. Learn from experienced co-workers, my manager, and other local role models in the office.
4.6 Chinese or non-Chinese Manager?

Is it good to have a non-Chinese manager? What dilemmas you face with non-Chinese manager? Are you ever insecure or frustrated in your work due to the same?

Chinese co-workers opinions

I don’t think it is good to have a non-Chinese manager, at least for the long run. A non-Chinese manager will for sure have culture dilemmas and understandings. In a team that the majority is Chinese, it is always nice to have a local manager that can unite the team much better. Yes, it is ok to have a non-Chinese manager, but then the result will be different in term of efficiency and stability.

Yes or No. On one side, it’s good to have a manager with different background, you can experience different leading style; on the other side, sometime you will meet problem. For example, in China, lots of things do not need to speak out, people can understand your meaning by your body language, but if the boss is not a Chinese, you may have to say it out with embarrassed situation.

Of course, I met some embarrass in my work due to the culture difference, but it’s ok for me, I can understand. This situation needs mutual understanding.

It's good to have non-Chinese manager as it give us chance to know how foreign managers manger their team. I feel very well to work with my 2 foreign managers.

Unable to answer.
What are the positives of having Chinese Manager? Please list the specific ones.

**Chinese co-workers opinions**

Language, culture, value, understanding. Way of behave and speak, management style............ Many many...

Having the same culture background, the manager can understand some underlying “rules” of the office and co-worker better, it’s related to the culture and for non-Chinese managers, they may need several years to digest.

The advantage of having Chinese manager could be that he/she can easily understand how important of some traditional festival for us. And they can understand our Chinese behavior and thinking and working methods.

Unable to answer.

Easy to communicate and understand since the same culture background.

Same language without any misunderstanding.
### 4.7 Gist and Keywords

Here, all the questions are revisited, with important and relevant extracts from the answers in the interview (which forms the gist of all opinions). Matching the frameworks defined by Hofstede and Trompenaars I derive the Keywords, which will form the basis of further analysis and reflection.

<table>
<thead>
<tr>
<th>Questions</th>
<th>Gist of opinions</th>
<th>Keywords from opinions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Describe the culture in China. What are the big differences if comparing Chinese culture with for example Sweden or Western Europe?</td>
<td>Swedish culture is rule based while Chinese culture is based on relations. Managers are beyond questioning in Chinese culture, while being manager is just another job in Swedish culture.</td>
<td>Diffuse and Specific Power distance</td>
</tr>
<tr>
<td>Describe the regional culture of Shanghai. What aspects are the most important ones? Do you believe that the regional culture collide with the IKEA culture? If yes, in what ways?</td>
<td>IKEA culture puts emphasis on work life balance, while Shanghai culture puts work/money over family time.</td>
<td>Work life balance</td>
</tr>
<tr>
<td>Describe the IKEA corporate culture. What are the main aspects or basic values and norms in the IKEA corporate culture?</td>
<td>IKEA culture focuses on acheivements while Chinese culture considers ranking in society.</td>
<td>Achievement and Ascription</td>
</tr>
<tr>
<td>What kind of support does IKEA give to new employees in IKEA IT Shanghai?</td>
<td>IKEA has put in investment, in terms of time and money to inculcate basic company values in its Chinese operation.</td>
<td>Investment for future</td>
</tr>
<tr>
<td>How do you describe the organizational culture of IKEA IT Shanghai?</td>
<td>Organisation culture is mix of young coworkers from Shanghai and experienced expatriate coworkers. Operations of IKEA IT in Shanghai is driven from IKEA IT in Sweden.</td>
<td>Age demography and work distribution</td>
</tr>
<tr>
<td>How do you understand the leader’s role in IKEA IT? Is it</td>
<td>Management is different from Ledership</td>
<td>Management vs Leadership</td>
</tr>
<tr>
<td>Question</td>
<td>Response</td>
<td>Explanation</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>different when comparing, for example with other big companies? (if applicable and if they have worked in other company before)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you think that people in IKEA IT Shanghai think about the IKEA culture as the Swedish culture? If yes, what are the main similarities?</td>
<td>Both Yes and No represented</td>
<td>IKEA culture and Swedish culture</td>
</tr>
<tr>
<td>How is the organization in IKEA IT Shanghai working with the IKEA culture questions in Shanghai? What do you believe are the most important ways?</td>
<td>Efforts made by IKEA to bridge the cultural gaps is hard to recall by local Chinese coworkers</td>
<td>Marketing effort and investments</td>
</tr>
<tr>
<td>What do you think make IKEA IT popular as a working place for many Chinese employees?</td>
<td>Open environment and non-hierarchal management leads to freedom of opinions which makes IKEA IT popular for Chinese employees</td>
<td>Freedom of opinion</td>
</tr>
<tr>
<td>How do you implement the IKEA culture in the Chinese employees? In what way and what kind of methods are used?</td>
<td>IKEA culture is implemented by creating and achieving a high degree of shared value</td>
<td>Shared value</td>
</tr>
<tr>
<td>Your biggest challenge as a manager in understanding and dealing with your team. What dilemmas you face? Are you ever insecure or frustrated in your work due to your team’s culture and why?</td>
<td>Biggest challenge is to create openness and relaxed attitude in the team Positives of having Chinese employees in team includes the high motivation they have</td>
<td>Challenges for Expatriate Manager Positives of Chinese employees</td>
</tr>
<tr>
<td>What are the positives having Chinese employees in your team. Please list the specific ones.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is it tough to relate with IKEA culture? In what way you try to relate with the IKEA culture and what kind of methods you use?</td>
<td>It is still tough for Chinese coworkers to live the IKEA culture they learned through trainings</td>
<td>Living the learned culture</td>
</tr>
<tr>
<td>Is it good to have a non-Chinese manager? What</td>
<td>Non Chinese managers bring different perspective though they</td>
<td>Expat vs Chinese manager</td>
</tr>
<tr>
<td>Question</td>
<td>Answer</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>dilemmas you face with non-Chinese manager? Are you ever insecure or frustrated in your work due to the same?</td>
<td>lack the sensitivity to understand local aspirations</td>
<td></td>
</tr>
<tr>
<td>What are the positives of having Chinese Manager? Please list the specific ones.</td>
<td>Chinese managers understands chinese coworkers better</td>
<td></td>
</tr>
</tbody>
</table>
5. ANALYSIS AND REFLECTION

Here I analyze and reflect upon each of the keyword that we derived from the answers of respondants in the empirical data above. Question(s) related to each keyword are also mentioned for ease of reading. Conclusions and Gaps are presented along with, to avoid lack to continuity.

5.1 Diffuse and Specific

**Question:** Describe the culture in China. What are the big differences if comparing Chinese culture with for example Sweden or Western Europe?

The idea behind asking this question was to have an understanding of how the different respondents feel about the culture of China by their experience, and what according to them, are the general differences between the culture of China and that of West (mostly Sweden).

Reading above following differences is very much evident:

1. Behavioral difference
2. Hierarchical difference
3. Difference in attitude towards work
4. Work / life balance difference
5. The class / status difference

The main factors leading to these differences might be:

1. The country’s economy
2. The Population
3. The inherited culture
4. The importance attached to division based on class, status, designation, power.
5. Lack of proper communication because of language (tone and accent which affects the nuance)
6. The stereotypical impression of a particular civilization which has undergone a drastic change as a result of globalization.

Expatriate managers consider Chinese culture as one emphasising on hierarchy, and focused on earning and accumulating money. General feeling was that the ancient Chinese culture, which most of the Westerners read and relate with China, has lost itself somewhere. One of the respondents talked about *general respect for rules*, following rules have different meaning in West and in China, and things move more on Guanxi, than those written in rulebooks.

Guanxi is a type of *diffuse* relationship, if we go by the framework defined by Trompenaars, as Guanxi emphasizes on the social rule of favors and their returns, reciprocity, and mutual obligation over time (Warner, 2003, p 55), while the tightly woven rules in West (or in Sweden) can be considered as *Specific* dimension.

**Conclusion 1:** Chinese culture is diffuse, while Swedish culture is Specific
Politeness was another difference pointed out. This again is related to the different assumptions held by people in different cultures about how to be polite (Pan, 2000, p 143). Yuling Pan pointed out an incident in his book *Politeness in Chinese face-to-face interaction*, where he was asked by a Chinese student while giving lecture in China, about why the Americans are so polite, always saying ‘please’ and ‘thank you’, even to their family members? He thought that Americans are hypocritical, because it is not necessary to say Hi all the time.

Looking for money was one difference quoted by one of the manager. Combining it with the response give by one of the Chinese co-worker, regarding, National culture of China being all about *Face/ prestige/ reputation*, looking for better money or wage probably can be explained by the five-fold hierarchy of human needs, known as Maslow’s theory.

The fourth human need, as defined by Maslow, was “esteem needs that include feeling of self respect and positive recognition from others” (Covington, 1992, p 19) In a country like China, where large population was poor for a long period in the immediate past, high salary is one of the esteem needs, that provides a feeling of self respect and positive recognition. It provides the much needed prestige (or face) to a person in the society he/she lives in as I see it.

### 5.2 Power distance

One response that came out uniformly among all respondents was that there exists a distance between managers and co-workers in China, attributed to different reasons by different responding groups.

Managers are powerful symbol in China, though it’s not that there is no disagreement, but it remains in the mind or vented out around coffee machines with peers in the similar *power zone*. Obstacle for an Expatriate Manager from Western Europe is that he/she will, in most probability, assume that no question or argument implies complete agreement and understanding, which is not quite correct. Another danger for the manager low PDI in such workplace is that he/she may not remain trustworthy between his team members. Erez Miriam quoted Hofstede “A supervisor who encourages open criticism will be welcomed by subordinates in a culture of low power distance but will raise the suspicion of subordinates in a culture of high power distance” (Miriam, 1993, Pg 18)

Chinese co-workers agreed that they focus on hierarchy, but it is not because they consider Managers to be beyond questioning, but because of their own humbleness and modesty. This may be also because of the respect they have for the managers, or the fear they have of losing face if something wrong is said or done. Expatriate Managers agree, when they have pointed out that not asking question *doesn’t mean the Chinese do not have a mind of their own. They will think about the disagreements but are usually too reserved to have a good discussion around it.*

**Conclusion 2: High Power Distance in China, as compared to Sweden.**
5.3 Work life balance

**Question:** Describe the regional culture of Shanghai. What aspects are the most important ones? Do you believe that the regional culture collide with the IKEA culture? If yes, in what ways?

What makes Shanghai culture different from IKEA culture, is attitude towards career and work life balance. IKEA focuses a lot on work life balance meaning that maintaining work life balance is never a hindrance to career progression, while in Shanghai people are willing to sacrifice this balance for sake of career.

The Shanghai culture has been called ‘materialistic’ where the most evident points are:

1. Survival of the fittest
2. Frantic rat race
3. Lack of work / life balance

Compared to rest of China, Shanghainese can speak good English. They are called open minded, adaptable and family oriented. Though responses are mixed up, more of differences can be seen compared to similarities. Shanghai being one of the most developed cities in Asia, is expected to lure / attract and convince the west better than any other cities. IKEA IT in Shanghai has managed to attract and recruit the creamy layer of employees who are well educated, well exposed and adaptable working there.

What can be the main factor leading to difference in opinion? Can it be the thought process?

Miriam quoted Hofstede “managerial practices that reinforce personal competition may be highly valued in an individualistic culture but not in a collectivistic culture.” (Miriam, 1993, Pg 18) IKEA culture is unique in that way as it challenges personal competitiveness while having a strong collectivistic flavour. The HR tagline of **When you grow, IKEA grows too!** rests the case.

Emphasis on career instead of work life balance, in turn underlines a tilt towards Individualism in Shanghai, which is different from the general culture of China (low on IDV) (see figure 2). General feeling is that Shanghai hosting so many foreigners, is quite cosmopolitan, with more openness to adapt to different cultures, and this reason can be attributed to the difference.

The interview responses were mixed, with regards to similarities with IKEA culture, as some believed them to be quite close, while others felt that they are very different, mostly on ground of being materialistic and focus on money (Shanghainese) instead of work-life balance (IKEA).

It was hard for respondents (particularly Expatriate respondents), to differentiate between Chinese cultures in general and Shanghainese culture in particular, due to lack of exposure to other parts of China, but the Individualistic aspect of Shanghainese culture was apparent.

Coming back to work life balance, which is emphasized in IKEA, shows a tendency towards collectivism. How they relate is, if we consider a normal working person, work and family.
must compete for an individual’s scarce time and energy (Poelmans, 2005, Pg 292). Lack of this time and energy to socialize makes the culture individualistic. Emphasis on work life balance helps make the work place an extension of family in particular and society in general, bringing in feeling of collectivism. At IKEA the underlying cultural values of thrift, inventiveness, and hard work support a customer service culture in which customers are an integral part of the co-production process. As part of IKEA family, they contribute by selecting, transporting, assembling, and even advertising the furniture and housewares themselves (Gustafsson, Johnson, 2003, Pg 148). All this makes IKEA an example of collective culture

**Conclusion 3: The Culture in Shanghai is Individualistic while IKEA’s culture is collectivistic.**

This relates with Individualism Vs Communitarianism aspect of Trompenaars, which tries to differentiate between people who regard themselves primarily as individual or primarily as a part of a group.

As an extension to what we discussed above, where we discussed about work centrality as culture of Shanghai, and work-life balance being focus in IKEA, they reflect another dimension of culture as defined by Hofstede, regarding Masculinity and Feminity. The work ethos in masculine cultures tend toward ‘live in order to work’ whereas the work ethos in feminine cultures tend to ‘work in order to live’ (Knights, Willmott, 2007, Pg 461). This seems derived from the national culture of China and Sweden, as depicted in figure 2, where Sweden scores low on MAS and China scores high.

**Conclusion 4: The Shanghai culture is high on Masculinity dimension whereas IKEA culture is feminine.**
5.4 Achievement and Ascription

**Question:** Describe the IKEA corporate culture. What are the main aspects or basic values and norms in the IKEA corporate culture?

Most of the responses to this question just reaffirmed the conclusions we drew above regarding IKEA culture being Feminine, Collective, Low power distance and Specific, in previous questions. The responses did throw up one different aspect about IKEA culture and one common emphasis. Talking about emphasis, it’s difficult to ignore how the word *simplicity* cropped up in almost all the responses across categories. The IKEA culture is based around simple beliefs but ones that are strongly held. Kamprad has called them nine commandments, which includes ‘simplicity is a virtue’. An engaged staff is crucial (Gad, 2001, Pg 32). Either it’s the image IKEA has cultivated, or the communication strategy of IKEA has worked to imbibe the virtue in simplicity in its co-workers.

One aspect that came out about IKEA corporate culture here is the focus on Achievement rather than Ascription within IKEA organization. It makes the company interesting in a country like China, “where being an ascriptive culture, there is emphasis on status” (Dreizler, 2002, p 4).

IKEA is an achievement driven company, which values personal competency and outcome resulting from individual hard work, instead of conferred status based on background (Vance, Paik, 2006, Pg 48). The observations made in the interview above, regarding IKEA being potential - driven (less than formal title/CV - inflation), where persons really delivering/growing are honoured by recognition (promotion) corroborates to the fact.

*Conclusion 5: Culture in China values Ascription, while IKEA culture is based more on Achievement*
5.5 Investment for future

**Question:** What kind of support does IKEA give to new employees in IKEA IT Shanghai?

Executive leaders of IKEA set clear guidelines in favor of the diffusion and reinforcement of IKEA’s basic company values in business units worldwide. The objective is to motivate and guide IKEA through common values without having to rely on central hierarchy. New employees are introduced to IKEA’s corporate values in corporate development programs, including employee trips to the Swedish home of the company (Mann, Götz, 2006, Pg 303).

It can be seen from the responses above, how steps are taken and investment is made in terms of time and money, to bridge the cultural gaps by IKEA management. Right from the *Orientation in Europe*, in Sweden, when a new co-worker started at the IT office, to the cross cultural training by external professional trainers, conscious efforts were taken to bridge the gaps between the culture new hires have and what is prevalent at IKEA. The response also shows common view on the support provided by IKEA to the new co-workers in terms of company introduction, culture and also works related trainings. Different program with different names, viz., *Introduction weeks & Local Orientation, Buddy Mentorship system*, but they all lead to one common result and that is in creating a favorable atmosphere for cultural synergy/integration between new hires and the prevalent organization culture.

As I understood it, the effort taken by IKEA IT shows that it does not want the new office in Shanghai to just be an outside extension of its headquarter in Sweden, but it wants an integrated organization which is positive for the morale of local hires, and means, that the company’s orientation is *long term*.

Pollitt and Bouckaert quoted Hofstede in differentiating between LTO and STO as “*Long term orientation (LTO) stands for fostering of virtues oriented towards future rewards, in particular, perseverance and thrift. Its opposite pole, Short term orientation (STO), stands for the fostering of virtues related to past and present, in particular, respect for tradition, preservation of “face” and fulfilling social obligations*” (Pollitt, Bouckaert, 2004, p 55) Putting money and time to bridge the cultural gap is one effort which will not show an immediate result, but in Long term, does brings in harmony and common way of looking at goals and work. It may result in savings in future for a company like IKEA which has “co-workers in 39 countries”. [http://www.ikea.com](http://www.ikea.com) [Accessed 29th March’09]

The investment that IKEA makes in bridging the cultural gap between new hires and the company culture is an example of the Long term oriented culture of IKEA, which is different from the general Swedish culture, which is considered sometimes as Short term orientated (Pollitt, Bouckaert, 2004, p 56), or at best between Short Term and Long term Orientation (Binder, 2007, p 28). (See Figure 2 in terms of LTO) This really blends well with Chinese culture which has the highest Long term Orientation (Cahill, 2007, p 50 Binder, 2007, p 28).

**Conclusion 6: IKEA culture is Long term Oriented, which matches well with the Chinese culture.**
One of the respondents pointed out that *It would be better to have some cultural awareness meeting to make people conscious of what they’re going to live with* for the expatriates moving in to take up different roles. This is one gap that needs to be filled up, or it will end up undoing some good efforts made later. Language and cross-cultural training is needed for both, the expatriate manager and co-workers, even *before* assignment. Many companies make this mistake of providing cross cultural and language training once the expatriate has moved to the new country, but it is imperative to note that the expatriate who *steps off an international flight capable of greeting his/her hosts in their own language is immediately a step ahead of someone who cannot* (Mead, 1998, p 424).

As I interpret this, along with my own experience of working in different countries, between an expatriate starting his/her assignment and till he/she gets basic cultural overview/training, mistakes could happen in terms of cultural overtures and they may take considerable time and effort to be undone, if at all they can be undone.

*Gap 1: Cross cultural and language orientation should be provided to Expatriate individual, even before the start of the assignment.*
5.6 Age demography and work distribution

**Question:** How do you describe the organizational culture of IKEA IT Shanghai?

The response to this question was mixed in a way that made it interesting. As one scrolls down from the Manager’s responses to the Chinese Co-worker’s and the Expatriate’s responses, cross cultural gaps become evident.

The first aspect that stands out for a respondent (expatriate manager), who has been in IKEA IT for 15 years now, is the young organisation in Shanghai. Median age of Sweden is around 7 years more than that of China, and considering the huge population of China, it’s a big number of youth filling in the work market. (See figure 3 and 4 below)

**Figure 3:** Swedish population distribution in different age group

![Graph showing Swedish population distribution](image)

*Source: J.S. Census Bureau, International Data Base.*

Sweden’s median age for both sexes is 41.5 years [Accessed 16th April’2009]

China’s population distribution in different age group


China’s median age for both sexes is 34.1 http://www.census.gov [Accessed 16th April’2009)

“Young people find it relatively easy to adapt to new conditions, since they are very open to change and otherness” (Ziebertz, Kay, 2005, p 86). The average work experience of the local Chinese co-workers interviewed for this study was around 1 year (which also in a way reflects the average age of those working in the office), and then it is much easier to learn and adapt to new culture compared to when one has already worked for few years and then has to unlearn the habituated culture to adapt to a new one. This can be the all important factor of IKEA being successful in imbibing the organisational culture in the new hires in IKEA IT at Shanghai.

My data shows that the office in Shanghai does not affect the schemes of things but is just an executer of orders from Sweden and coworker look up to managers for decision making or when it comes to discussion, As answered by one of the respondent, expatriates usually lead discussions, and so it can be stated that expatriates influence decisions more than local Chinese coworkers. In words of Ingvar Kamprad (founder of IKEA) himself, most things still remains to be done, on this aspect.

For a successful global strategy, IKEA IT in Shanghai and in Sweden together needs to ensure that the feeling of domination by IKEA IT in Sweden does not arise. That this feeling did creep in, raises question on what we deduced before, regarding IKEA IT having a long term orientation for its unit in China.

One explanation for above mentioned feeling can also be the cultural difference between Sweden and China on decision making. Decision making tends to be slower in Sweden, and largely participatory (Lawrence, Spybey, 1986, p 50), while that in China is faster, as participation of ordinary co-workers is less (Ju, Chü, Ju, 1996, p 60).

For more work and responsibility to move to the new organization in China, trust of management and co-workers working in Sweden needs to be developed, which will happen with time, due to participatory nature in Sweden. As decisions are taken faster in China, slow delegation of responsibilities can make the workforce restive.
Gap 2: Organizational culture needs to be addressed, to bring a feeling of belonging and effort parity with IKEA IT in Sweden.
5.7 Management vs Leadership

**Question**: How do you understand the leader’s role in IKEA IT? Is it different when comparing, for example with other big companies? (if applicable and if they have worked in other company before)

In IKEA’s view, when co-workers and leaders grow, the business is growing (Edvardsson, Enquist, 2009, p 105), and growth is always a possibility when it’s OK for the leader to admit that he/she is not having all the answers all the time. The Swedish way of creating consensus and involving co-workers creates a positive environment for not only the co-workers, but also the leaders to grow. As evident from the interviews, co-workers consider leaders as more of coach who provide suggestions instead of commands, while the Managers consider themselves less of decision maker and more of team glue and people developer.

My interpretation of the responses is that the line differentiating leader and manager is pretty blurred in IT office at IKEA Shanghai.

While the manager works to carry out the aims of the organization, the leader serves to create new aims, tweak the old ones, or initiate new course of action (Caroselli, 2000, p 3).

A leader need not necessarily be a manager. Management is about coping with complexity while Leadership is about coping with Change (Kotter, 1999, p 53).

During the interview, Management and Leadership were used interchangeably by most respondents, which show the inability to differentiate between the two.

**Gap 3: Communication/Education differentiating Management and Leadership in IKEA IT.**

An aspect that came out, was that Chinese co-workers understand that the Leadership in IKEA is not about commanding, which is different from the local culture in Chinese companies. It is the success of management of IKEA IT in Shanghai that they communicated the Low power distance that exists within the company. The reason why it was imbibed in the organization so quickly could be the low average age of locally hired coworkers, but as I see it is a win for the organization as a whole.
5.8 IKEA culture and Swedish culture

**Question:** Do you think that people in IKEA IT Shanghai think about the IKEA culture as the Swedish culture? If yes, what are the main similarities?

The response to this question was mixed. Both yes and No have been amply represented by respondents for this question. One of the respondant pointed out about Range concept and pushing the agenda of Swedish proximity (while saying yes), others pointed towards developed Swedish culture, with multinational culture integrated. Changes have happened in IKEA with expansion abroad, to the range, (IKEA has had to adapt 20% of its product range for US market (Varley, 2006, p 251)), to the design and size (Rosenhauer, 2008, p 12), as well as workforce (in terms of internationalization, as discussed in the last paragraph).

IKEA is aware and proud of its Swedish heritage and culture, as is evident by the communications on different IKEA websites about the approach to design and that these ideas are closely linked to IKEA’s origins in Småland southern Sweden, where the people have a reputation for working hard, living on little and making the best possible use of the limited resources they have. [http://www.ikea.com](http://www.ikea.com) [Accessed 28th March’2009]

Management of international operations in IKEA has largely followed the IKEA way and its strong Swedish flavour (Oddou, Mendenhall, 1998, Pg 101), to an extent that IKEA’s former president, Anders Moberg, was once quoted as saying that a good grasp of the Swedish language was imperative in career advancement (Rothacher, 2004, p 118)

But with the global expansion of IKEA, already non-Swedish managers have been recruited and holding key positions. Whether they will be able to assimilate into the Swedish culture or the Smålandish psyche, which demands management to be simple, people-oriented and non-hierarchical, or whether they reject it and instead rather impose their own imprint onto IKEA will be seen only in future (Rothacher, 2004, p 118). As of now IKEA has been successful in keeping the spirit of Småland alive.
5.9 Marketing effort and investments

**Question:** How is the organization in IKEA IT Shanghai working with the IKEA culture questions in Shanghai? What do you believe are the most important ways?

Comparing the answers from Managers and Expatriates, with that of the local co-workers, it is evident that though the distinction between both IKEA and local culture are visible, efforts made by IKEA to bridge the same are hard to recall, particularly by the local co-workers, who are new to the organization.

At least one respondent was *not sure* and another who was *unable to answer*. After all the efforts put in by IKEA management in terms of *Introduction weeks, Manager’s coaching, HR’s coaching & IKEA Culture weeks*, it is important to analyze why there are gaps left.

*Janteloven* or Jante’s law is the way of life in Sweden and Scandinavia, 10 rules of moral code, which implies that you are supposed to keep a low profile and not to act superior to anyone else (Barsoux, Schneider, 2003, p 9). *Envy* is a principle part of Jante’s law. If you break the social code, it means that your neighbor will despise you for your uniqueness or an excessive show of wealth (Mooij, 2005, p 66). As I see it can be because of *Janteloven*, that not much effort is put to market amongst the new co-workers, the uniqueness of experience that IKEA provides to its employees, in terms of handling questions related to culture. That a gap on this front exists is evident.

*Gap 4: Not just educate about IKEA culture, but also market the effort and investment made to do so.*
5.10 Freedom of opinion

**Question:** What do you think make IKEA IT popular as a working place for many Chinese employees?

This was one question in the interview which did not have difference in answers between any of the three cross sections of interviewees. The basic building blocks of IKEA culture, of having open environment, non-hierarchal and freedom works well in a country like China, which is known for its high Power Distance and Masculine culture. It’s also the lure of traveling abroad and the IKEA brand name, as some opined. IKEA culture, though different from Chinese culture, is able to attract Chinese workforce, with its security, working environment, learning opportunities and low level of hierarchy. *Freedom* and *work-life balance* are important words.

An aspect which comes out of above responses, and that unites IKEA culture and Chinese culture, is that they both score low on Uncertainty Avoidance Index (UAI), as proposed by Hofstede. *Uncertainty avoidance refers to the degree to which people in the culture prefer structured over unstructured situations* (Choo, Bontis, 2002, p 424). Low UAI indicates that ambiguity and uncertainty are not big concern and that variety of opinions is welcome.

The common feeling in a low uncertainty avoidance country is that “what is different is curious” (Maznevski, DiStefano, 2006, p 85) Both Swedish (IKEA) and Chinese culture find *different* attractive, and the so many major differences between culture of IKEA and China make them attractive to each other. The Swedish Managers find it attractive that it’s much easier and faster to make decisions while working with Chinese co-workers, and Chinese co-worker find the freedom provided by IKEA enchanting. Differences and frustration do exists both sides, but the inherent attraction to *different* to the extent of *opposite* is a binding factor.

*Conclusion 7:* Low Uncertainty Avoidance culture of both IKEA (Sweden) and China create synergy for co-worker hiring, retention and motivation.
5.11 Shared value

**Question:** How do you implement the IKEA culture in the Chinese employees? In what way and what kind of methods are used?

To be successful in implementing culture, it is important to create a FIT, which means achieving a high degree of shared values (Mead, 1998, p 119).

To implement culture, it is necessary to understand the culture of the receiver, and the expatriate managers did manage to understand the cultural fit after initial hiccups is apparent from the responses, where they talk about

“Collapsed down to a minimum, and then re-bounced even stronger after some corrections and hard talks”;

“Cultural differences are huge thus we can’t expect to have such a different culture accepted in few weeks”;

“Teach my team members how to fish rather than providing them the fishes”.

Management at IKEA IT in Shanghai has been successful in understanding the way forward, though the responses clearly shows that the process did not go completely smooth. With time, as the receiving culture is understood more by management, implementing IKEA culture will be easier than before. Gaps that exist today must be analyzed and bridged for it to happen.
5.12 **Challenges for Expatriate Manager and Positives of Chinese employees**

**Question:** Your biggest challenge as a manager in understanding and dealing with your team. What dilemmas you face? Are you ever insecure or frustrated in your work due to your team’s culture and why?

**Question:** What are the positives having Chinese employees in your team. Please list the specific ones.

A challenge is the power distance in China. There has been reference to co-workers not speaking up, like “People not speaking up and then they start to talk behind your back. Most of them do not dare to challenge their managers directly”; “asking for openness, sharing and relaxed attitude, was answered with embarrassed faces and very few words”. For expatriate managers in China, this has been a constant issue. “…Workers rarely convey their private view to expatriate managers” (Li, 2001, p 214).

Some experienced managers go to the extent of counseling against frank and open discussion with employees, citing the anxiety to please, and so the reluctance of being confrontational. The more senior you are, the more likely it is that you will exhibit anxiety to support, agree and help (Li, 2001, p 212).

The biggest positives of having Chinese employees is the average age of local co-workers, which is on lower side, so the learning curve is steep and they are more open to change. This is vital for the success of IKEA IT in Shanghai, considering both the technical (work related) and cultural learning that has to be assimilated at the same time. A word of caution here is about handling the co-workers in a correct way. Chinese employees work hard and give their 100 per cent working long hours, but they need to be constantly appreciated. *If they feel that their hard work is not appreciated, they will leave* (Wong, 2005, p 101). It can be less frustrating for the Expatriate manager’s if they keep their expectations right. Chinese employees are highly motivated to receive transfer of knowledge, but absorptive capacity and lower level of experience are a challenge (Worm, 2008, p 86)

The nature of Manager-coworker relation in China is described correctly by a manager in China who said, “I’m not so much a manager as a father of an extended family. I am invited to banquets, farewells, hospital visits, karaoke parties, table tennis matches, you name it. And that means being available many hours of day and some nights” (Harris, 1997, p 26). “Chinese employee value the relationship with their bosses more than employees in other countries. As far as retention is concerned, therefore, Chinese employees tend to think that a good relationship with the boss is more important than a good package, training or other career development opportunities” (Tian, 2007, p 218)

Above can be difficult for expatriate manager to understand from the start, if there is improper cultural training.

My opinion is that insufficient cultural trainings is a gap, and a cultural training before the start of assignment, would have helped in sorting out many difficulties faced by the Expatriate managers initially.

Responses also indicate that things did fall back in place eventually, sooner than they should normally, considering the big difference IKEA IT in Shanghai has culturally with China.
observation we made during analysis of *Age demography and work distribution*, about the younger workforce being more receptive to new culture, looks much like a possible reason.
5.13  Living the learned culture

**Question:** Is it tough to relate with IKEA culture? In what way you try to relate with the IKEA culture and what kind of methods you use?

After all the positives and negatives answered by the co-workers about IKEA culture, respondents still indicated that they find it tough to relate with it and most of them could not respond on the methods they use to try and relate with IKEA culture. Quoting what one of the manager responded for a question above it’s necessary to also teach how to fish rather than providing them the fishes so that they can learn from the experience and stand on their own over time, particularly for an organization which has just started its operation and wishes to build a foundation for the culture. It is quite important not just to train on organisation culture, but also to ensure with continuous follow ups if they are being practiced, and if efforts are made to relate with them. This is more effective when the organisation is young and headcount is low, as with growing number of co-workers, implementing uniform organisation culture with become more difficult. Work unit financial performance has been found to be higher when management practices in the work unit are congruent with the national culture (Newman, Nollen, 1996, Pg 753).

I will also like to remind the conclusions made while analyzing Marketing effort and Investment above, which was related to how the organisation is working with IKEA culture in Shanghai. There it was pointed out as a gap that enough marketing is not being done to market the effort and investment made to work on the cultural gaps between IKEA IT and local culture in Shanghai, and respondents were not aware of them.

Going by the responses for present question, the co-workers are making effort to relate to what they have learned, and they try to live to it, is followed up continuously. I will like to repeat the observation of Worm, regarding Chinese employees being highly motivated to receive transfer of knowledge, but absorptive capacity and lower level of experience are a challenge (Worm, 2008, p 86) Having a young workforce can both be a boon (in terms of easy receptiveness) and a bane (in terms of the effort needed to continuously remind and follow up the learnings).

**Gap 5:** Continuous follow up needed to ensure co-workers relate and make efforts to live the culture they learned in different trainings.
5.14 Expat vs Chinese manager

**Question:** Is it good to have a non-Chinese manager? What dilemmas you face with non-Chinese manager? Are you ever insecure or frustrated in your work due to the same?

**Question:** What are the positives of having Chinese Manager? Please list the specific ones.

Difference in Headquarter-Subsidiary culture often leads to tensions, more acutely felt by the management in the subsidiary. When the subsidiary manager is headed by the local manager, he/she may be torn between loyalty to local constituency, and loyalty to headquarters. A responsible Expatriate has similar problems, which may stem less from conflict between his/her own and other national culture than with home based staff that is insensitive to the local culture and to the difficulties of working there (Mead, 1998, p 118). This apart, it’s a tightrope walk for Expatriate managers in China, the foremost being creating the trust factor with co-workers. As answered by one of the respondents’ lots of things do not need to speak out, people can understand your meaning by your body language, but if the boss is not a Chinese, you may have to say it out causing embarrassing situation. Losing face is a big factor for co-worker’s confidence and his/her possibility to gel with the team. The Chinese are keen on keeping face, which Expatriate manager must take into account in managing Chinese employees in workplace (Tian, 2007, p 224).

At least one respondent refused to answer, and considering non response being commendable warning and Distrust of authorities…” (Stoop, 2005, p 5), this and several non-responses in questions before goes on to show that the trust factor is still not there, leaving open a gap to be worked on. All the positives of having western manager in terms of low power distance and ability to speak out, and open discussion is negated, which shows that the management of IKEA IT in Shanghai still has work to do in terms of striking a chord with co-workers. If the Chinese co-workers feel that The advantage of having Chinese manager could be that he/she can easily understand how important of some traditional festival for us, then it indicates that probably expatriate managers are yet to get in terms with the importance of traditions in a sensitive society like China. Obviously it is a steep call for a western manager to act on, but to be successful in China; he/she needs to find a solution to this critical puzzle.

**Gap 6:** Expatriate manager-Local Co-worker relation still has scope for work to be done.
6. COMMENTS AND CONCLUSION

Based on the assessment above, the study aimed to draw conclusions and find the cultural gaps in the operation of IKEA IT in Shanghai.

Here I revisit the question for this research and assess and analyze the answers found.

The goal of this study was to assess both from European and Chinese co workers (of IKEA IT) point of view:

   a. Major differences/similarities between Chinese and Swedish culture.
   b. Major differences/similarities between culture in Shanghai and IKEA culture.
   c. Synergies, if any between both cultures.

Assimilating all conclusions that we have reached, and all gaps we have identified, we have

6.1 Conclusions

Conclusion 1: Chinese culture is diffuse, while Swedish culture is Specific

Conclusion 2: High Power Distance in China, as compared to Sweden

Conclusion 3: The culture in Shanghai is Individualistic while IKEA’s culture is collectivistic

Conclusion 4: The Shanghai culture is high on Masculinity dimension whereas IKEA culture is feminine

Conclusion 5: Culture in China values Ascription, while IKEA culture is based on Achievement

Conclusion 6: IKEA culture is Long term Oriented, which matches well with the Chinese culture

Conclusion 7: Low Uncertainty Avoidance culture of both IKEA (Sweden) and China create synergy for co-worker hiring, retention and motivation

6.2 Gaps

Gap 1: Cross cultural and language orientation should be provided to expatriate individual, even before the start of the assignment.

Gap 2: Organizational culture needs to be addressed, to bring in feeling of belonging and effort parity with mother organization (In this case, IKEA IT at Sweden).
Gap 3: Communication/Education differentiating Management and Leadership in IKEA IT.

Gap 4: Not just educate about IKEA culture, but also market the effort and investment made to do so.

Gap 5: Continuous follow up needed to ensure co-workers relate and make efforts to live the culture they learned in different trainings.

Gap 6: Expatriate manager-Local Co-worker relation still has scope for work to be done.

Keeping in mind the 5D model of Hofstede as represented in figure 2:

Conclusion 1, 2, 4, 5 and 7, which are about Diffuse/Specific, Power Distance Index, Masculinity, Achievement/Ascription and Uncertainty avoidance, came as no surprise, as they matches completely with the theories propagated by Greet Hofstede and Trompenaars (refer to the section where we compared Hofstede’s and Trompenaars framework).

Conclusion 3 where we concluded that the culture of Shanghai is high on Individualism, while that of IKEA is more collective, is opposite to what Hofstede has to say about China and Sweden. As discussed before, this can be attributed to the big city (Shanghai), and small village (Älmhult and IKEA) phenomenon.

Conclusion 6, where we found out IKEA culture to be quite Long term Oriented, is a deviation from Hofstede’s finding, and confirms that IKEA culture may have its origin in Sweden, but over time it has grown and matured to its unique traits, suitable for a true big multinational.
6.3 Recommendations

Based on the conclusions, it is evident that the work done by IKEA in China for cultural synergy is good work and the first recommendation will be to keep moving it forward, with few modifications so as the gaps I have identified are taken care of.

Gaps, sooner they are addressed, the better. Referencing from the theory section where I quoted Hofstede about culture being more often a source of conflict than synergy, and cultural differences being nuisance at best and often a disaster, it can be recommended that the gaps I identified during our study, if resolved sooner, will result in better synergy and a more successful organisation for IKEA IT in China.

A recommendation is to create a cultural questionnaire for all expatriates, who move back after completing their term, and also for the local co-workers, to understand how they feel about the cultural gap and about the efforts taken by management to work on them. Not only will this data be valuable for the Human resource department to find out what works and what is not working, but also will be useful for the current management and future Expatriates who will move to IKEA IT in China to take up different role. Advisable to implement such measure not only in China, but to, if possible, all IKEA organisations abroad, the necessity for the same at such a different culture as China is hard to ignore.

As IKEA expands to many countries, comparing the cultural equation of the country and market, with the IKEA culture, can be part of the initial pre study which is usually done to assess if it is the right country to move to from IKEA’s perspective. Cultural analysis of the intended country can be one of the bases of the business case to source/sell from/to a country.

The recommendation will also be to conduct a continual evaluation of the cultural gaps. Hofstede’s dimensions were evolved some time back, and as we discussed in the theory section, culture is evolving continuously, it will be dangerous to make a recipe for cultural integration based on a study, without putting an expiry date to the same. The cultural questionnaire, as described above, can act as a live handbook for future in this regard, as I see it.

Suggestions for future research

My suggestions for future research are to make the scope of this work enlarged and more diverse. Several steps may be taken, few of them being:

1. Arrange for a higher percentage inclusion of respondents in the interview.
2. Study how IKEA created synergy in other countries, which had similarly cultural differences as China has with Sweden.
3. Study the specific techniques used by Chinese companies, such as guanxi, and how those techniques compare with similar techniques used by IKEA. Also, if those techniques could be integrated with IKEA way.
4. Not only draw conclusions and find gaps, but also suggest possible ways to bridge these gaps, drawing examples from other successful Swedish companies in China, or other Multinational companies successful in similar business space.
There can be numerous possibilities to take this work forward. Still this research serves its own purpose, to make available a good base for future work on this subject.

If I start this study all over today. I will still use the same method of interviewing with free flow questions, but will implement the suggestions I have put down for future research. As is apparent, free flow questions when analyzed with Hermeneutical Interpretation yields much more information than questions with multiple choice answers as they have possibilities to lead to answers that may be different from what might have been originally in the mind of respondents.

One extra dimension I may like to add in the future research is to include visiting expatriates (who come for short term assignment, ranging between couple of weeks to a couple of month), as the reaction will be more raw (assuming that the respondents in this study have become more sanitized with their prolonged stay in current environment). I may also like to conduct video recorded interviews, instead of the current one which is mostly via e-mail, as it will provide added possibilities of studying body-language while responding to the questions, giving possibility to analyze responses using methods other than hermeneutical interpretation.

I hope that this study can be used for bridging of culture gaps not only by IT organization of IKEA in Shanghai, but also by other IKEA companies in China to improve cultural effectiveness. As IKEA continues to expand in many countries and regions, this study can be used as a reference to create tools for cultural understanding and bridging cultural gaps in that particular country or region. Apart from IKEA, multinationals, or companies expanding in different countries should find this study useful, as applying theoretical frameworks, which are easily available today, can be difficult and time consuming. Conclusions and gaps found in this study can be used as ready reference for preparation of cultural readiness.
References

Books and Journal References


Gustafsson Anders, Johnson Michael David, *Competing in a service economy: how to create a competitive advantage through service development and innovation*, John Wiley and Sons, 2003.


Rosenhauer Sven, "Profit is a Wonderful Word": IKEA's Strategy Behind the Profit, GRIN Verlag, 2008.


Internet and Website references


http://almhult.se/spraksidor/englishhome.4.218bcf4d1197047b44d80007030.html

http://www.designwales.org/designwalessf/Img/Ffres2008IKEA.pdf

http://www.almhult.se/spraksidor/english.4.40681f1210df538087680004196.html

http://en.wikipedia.org/wiki/Shanghai

http://www.geert-hofstede.com/

http://owl.english.purdue.edu/owl/resource/559/06/

http://www.geert-hofstede.com/hofstede_dimensions.php?culture1=86&culture2=18

http://www.ikea.com/ms/en_US/about_ikea_new/about/read_our_materials/FF08GB.pdf


http://www1.ximb.ac.in/users/fac/bppatra/bppatro.nsf/dd5cab6801f1723585256474005327c8/8a3ad4c136cca0dace5256b1e00248865/$FILE/Hofstede%20and%20Trompenaars%20compared.ppt

http://www.census.gov
Appendix A – Interview questions

The charts below shows the sequential order of General questions, those applicable to Managers, Chinese co-workers and Expatriate co-workers. Charts represents the though process behind question formulation (more like an Algorithm).

General questions, applicable for all

IKEA corporate culture

Culture of China and Sweden

Culture of Shanghai

Support to new employees

IKEA IT Organisational culture

Understanding leader’s role

IKEA vs Swedish culture

Working with culture questions

Is it popular to work with IKEA?
Questions applicable only for Managers

- How to implement IKEA culture in local co-workers
- Bigger Challenges
- Positives of having Chinese employees in team

Questions applicable only for Chinese Co-workers

- Is it tough/easy to relate with IKEA culture?
- Is it good to have non-Chinese managers?
- Positives of Chinese managers

There is no question applicable only for Expatriate co-workers.
### Interview questions based on the chart above

<table>
<thead>
<tr>
<th>Question</th>
<th>For Managers</th>
<th>For Chinese Co-workers</th>
<th>For Expatriate Co-workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Describe the culture in China. What are the big differences if comparing Chinese culture with for example Sweden or Western Europe?</td>
<td></td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Describe the regional culture of Shanghai. What aspects are the most important ones? Do you believe that the regional culture collide with the IKEA culture? If yes, in what ways?</td>
<td></td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Describe the IKEA corporate culture. What are the main aspects or basic values and norms in the IKEA corporate culture?</td>
<td></td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>What kind of support does IKEA give to new employees in IKEA IT Shanghai?</td>
<td></td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>How do you describe the organizational culture of IKEA IT Shanghai?</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>How do you understand the leader’s role in IKEA IT? Is it different when comparing, for example with other big companies? (if applicable and if they have worked in other company before)</td>
<td></td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Do you think that people in IKEA IT Shanghai think about the IKEA culture as the Swedish culture? If yes, what are the main similarities?</td>
<td></td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>How is the organization in IKEA IT Shanghai working with the IKEA culture questions in Shanghai? What do you believe are the most important ways?</td>
<td></td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>What do you think make IKEA IT popular as a working place for many Chinese employees?</td>
<td></td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>How do you implement the IKEA culture in the Chinese employees? In what way and what kind of methods are used?</td>
<td></td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>Question</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Your biggest challenge as a manager in understanding and dealing with your team. What dilemmas you face? Are you ever insecure or frustrated in your work due to your team’s culture and why?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>What are the positives having Chinese employees in your team. Please list the specific ones.</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Is it tough to relate with IKEA culture? In what way you try to relate with the IKEA culture and what kind of methods you use?</td>
<td>N</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>Is it good to have a non-Chinese manager? What dilemmas you face with non-Chinese manager? Are you ever insecure or frustrated in your work due to the same?</td>
<td>N</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>What are the positives of having Chinese Manager? Please list the specific ones.</td>
<td>N</td>
<td>Y</td>
<td>N</td>
</tr>
</tbody>
</table>