Implications of cross-cultural communication in business:
A study of Swedish small enterprise “ImseVimse” and its international distributors and retailers

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In times of rapid economic development and internationalization of business, effective cross-cultural communication among managers remains a challenge. This thesis aims to research and analyze cross-cultural communication in business context based on qualitative case study of a small Swedish company and its international business partners.

Previous research has focused on differences and similarities in people’s behaviour and ways of communication based on their cultural background. Through in-depth analysis and application of existing theories to the chosen case study company, the findings of this research demonstrated that although national culture does have an undeniable influence on people’s behaviour and their communication style, implications in communication between business partners of different cultural backgrounds often connected to an individual approach to cross-cultural communication. A great emphasis was placed on the language being one of the biggest communication challenges facing SMEs in international arena. Finally, misunderstandings occurring due to communication through technological devices were discussed.

**Key words:**

Cross-cultural communication, SME, communication barriers, international management, business communication, cultural dimensions, cultural differences, technological barriers
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  4. EXTREMES OF HOFRSTEDE’S “POWER DISTANCE” DIMENSION ................................................................. 38
Cross-cultural communication has been the topic of research of various disciplines for a long time. Globalization phenomena brought upon growth and internationalization of businesses, consequently resulting in necessity and practicality of studying cross-cultural communication. With the increase in number of business opportunities beyond national borders, many firms choose to expand their operations abroad often without acknowledging that the potential financial prosperity may turn into disastrous situation due to the implications of cross-cultural communication with business partners outside of own culture (Scollon and Scollon, 2001).

A common misconception among the managers of small firms is that business communication is believed to be universal and not affected by cultural differences. However, it is evident that individuals brought up in different cultures think and behave inversely, even in business context. As authors of “Managing Cultural Differences,” Harris and Moran (2007) state “at the root of the issue, we are likely to find communication failures and cultural misunderstandings” (p.4).

Unfortunately, some firms still do not place enough importance on the issue of effective cross-cultural communication for more efficient business operation (Park, Sun Dai and Harrison, 1996). In particular, small and medium firms that choose to go international for growth or/and expansion of business, often fall victims to cross-cultural communication barriers with international suppliers, retailers, customers, distributors and partners which, sequentially, leads to serious communication mishaps and conflicts and sometime may result in termination of business relations (Xu and Smith, 2005).

1.1 Problem background and discussion

Although extensive research has been done on the topic of cross-cultural communication in business, it is still a very practical subject matter amongst researches around the world. Cross-cultural communication can be analyzed through multiple fields of study - anthropology, psychology, communication, linguistics, and organizational behaviour (Munter, 1993:69). In our work, we want to
combine these multiple disciplines and apply them to business communication between intercultural partners.

What is cross-cultural communication? Browaeys and Price (2008) refer to Gudykunst (2004), stating that cross-cultural communication is a “sub-domain” of intercultural communication and has to do with “the comparison of the various ways people communicate across cultures” (p. 233). Lustig and Koester (1998) define it as “the presence of at least two individuals who are culturally different from each other on such important attributes as their value orientations, preferred communication codes, role expectations, and perceived rules of social relationship” (cited in Harris and Moran, 1999:48). Communication ways among individuals are greatly affected by one’s background, culture, norms, values and perceptions of the world.

Why would an academic be interested in research of implications of cross-cultural communication in business context? Often when we experience miscommunication and discomfort in our intercultural communication, we tend to question the actions of other counterpart and may perceive his/her behaviour as inadequate because we do not understand why the other person does or says something. Hickson and Pugh (1995:12) suggest that we rarely notice that we have been “moulded by cultural socialization to be the kind of people we are...it is in “culture shock” that we experience what the culture of a society has created, when we are not among our own kind and things happen differently.” By analyzing and studying diverse cultures, managers can be capable of understanding the reasons behind business partner’s actions and try to find ways to adjust communication to make it more efficient.

For one thing, differences in business communication styles in various cultures can be demonstrated through the approach Asians and Europeans take when communicating with others. For instance, compare these two statements:

1. **Reason** → [We believe that economic situation of the country is not stable enough which creates doubt that we can get the political support we need]; [therefore, we want to delay contract signing until further development of events] ← **main point**

2. **Main point** → [We decided to delay contract signing] [due to unstable economic situation of the country and lack of political support. In addition, waiting for situation to improve will give
us opportunity for further evaluation of pros and cons of this project and for building stronger
business relationship} ← reason

In this particular case, we observe two communication styles, which can be explained by difference in learned way of providing information to others. Asian speakers have a tendency to use inductive communication approach when the reasons or situation background is provided before presenting the main point or suggested action, so called “reason-main comment” order as presented in statement 1 (Scollon, R & Scollon, 2001). Whereas westerners/Europeans usually use deductive, direct approach in explaining the situation - the “main point-reason” order, illustrated in statement 2 (ibid).

While the above-mentioned exhibits only one reason for potential miscommunication, in this paper we discuss many examples of cultural differences in communication styles, which might cause minor or major communications mishaps such as missing the main idea/focus of the speech, misinterpretation of one’s words, being offended by words or gesticulations, etc. As Adler and Graham (1989), referring to Mishler’s work (1965: 517), remark “The greater the cultural differences, the more likely barriers to communication and misunderstandings become.” Basic knowledge and awareness of cultural differences (cultural sensitivity) are vital for effective and efficient business communication.

1.2. Research question

Effective communication is a fundamental function for all organizations, including SMEs. In this case study research of cross-cultural communication implications between a Swedish SME and its international partners we aim to discover whether cross-cultural communication is, in fact, a problem for a small SME. Therefore in this thesis the following questions will be investigated:

A) What are the biggest cross-cultural communication implications caused by cultural differences, in business communication context, between the Swedish company ImseVimse and its international business partners?

B) What kind of frictions, conflicts and misunderstandings based on cultural differences did the company face or/and is facing currently with its business partners.

C) How do communication mishaps get resolved in ImseVimse (techniques, procedures)?
Due to the fact that our analysis are based on single case SME, this work is the study of cross-cultural implications and the findings reflect the viewpoint of Swedish firm ImseVimse that became international and is still in the process of expanding its operations in other countries.

Nevertheless, the theoretical framework of cross cultural-communication analysis and the nature of business operations can also be a decent example to other firms experience implications of cross-cultural communication or firms that contemplate the expansion beyond national borders.

1.3. Aim

The aim of this thesis is to analyze a single Swedish company that has gone through internationalization process and now has business operations in other countries. We intent to determine the most imperative cross-cultural communications implications caused by cultural differences, in business communication context, to identify the existing problems which have led to some kind of friction, a conflict, misunderstanding or termination of relations with international partner and finally, to determine any possible solutions for enhancement of cross-cultural business communication. Knowledge of the key elements and successful incorporation of thesis findings could be a great tool for the companies that seek to initiate or continue business operations beyond national borders.

We are certain that this topic of research is relevant and applicable to SMEs business with international processes. In the constantly increasing cross-border business operations, the knowledge and application of operational intercultural business communication between partners is crucial for the survival of business. The nature of the job of international managers demands them to become proficient communicators and to adopt broader cultural perspectives.

1.4. Method

There is an abundance of empirical theory and research on cross-cultural communication, which was applied as basic framework in this thesis. However, while using the existing research for analyzing cross-cultural communication in focus, this thesis is a contribution to an academic research through qualitative method of data collection. Interview method was used to collect the primary data and the secondary data was collected through literature reviews. Thereupon, the empirical data was derived from Swedish firm ImseVimse, which has business relationship and experience of dealing with a number of international suppliers, distributors and retailers.
This chapter aims to describe the methodology – strategy, method and research design followed by evaluation of opportunities and limitations of chosen method. Finally, we discuss the issues of generalization, validity and reliability of this research.

2.1. Research strategy

Background information regarding cross-cultural communication barriers in business context was obtained from scientific and peer reviewed articles. Extensive amount of information provided a broad knowledge of the topic. Further reading led to deeper understanding of the topic and familiarity with the ideas, major concepts and basic vocabulary in the chosen research area. Thereafter, the research question was formulated. Centred on our topic of interest and the field of research, an ensuing methodology was developed.

2.2. Data Collection

Sources are generally categorized as being primary or secondary. According to Boslaugh (2007), primary data is collected with specific aim, by the researcher, for further analysis. Thus, if the data was collected by someone else for some other purpose, it is secondary data.

In this thesis, we used both primary and secondary data, analyzed the results and, consequently, drew a number of inferences. In addition, there is synthesizing and integration of our own ideas into the finished product.

2.3. Research methods

There are two dominant business research methods - quantitative and qualitative. Quantitative research differs from qualitative research in several ways. On the word of Bryman and Bell (2007) in wide-ranging terms, quantitative method is more about collection of numerical data. Conversely, qualitative researchers are interested in answering questions “why,” observing situations and understanding the reasons and are not keen to merely accept the results based on numerical interpretations (Ghauri, Granhaug and Kristianslund, 1995).
Choice of the best research method depends on the field of study and type of the research being carried out. For the purpose of this study of cross-cultural communication in business and management field, according to Bryman and Bell (2007), qualitative approach is the most applicable one. Through qualitative method, we were able to gather data and information about cross-cultural business communication based on real life experiences and situations, which would be nearly impossible to conclude from quantitative method.

2.4. Selected data collection method - interview

Interview is one of the qualitative methods of collection of primary data and can be executed using different approaches. It can be

- Structured – exactly same questions for all interviewees, prepared in advance with no room for deviation
- Informal – open, conversational interview with no particular structure or
- Semi-structured – open-ended questions prepared in advance, the interviewer “goes with the flow” (Patton 1990)

Discussing the interviews in his “Qualitative methods” book, Gummesson (1988) referred to two methods of documenting it. First method is recording an interview in such way that preserves its original form and to ensure that interviewees’ answers are logged in their own terms. For instance, an interviewer may choose to use tape recorder, video camera, notepad, etc. Another way of documenting is writing down critical information like dates, amounts, times and some notes for further analyses (Gummesson, 1988).

In given research, we chose to proceed with semi-structured interview method. As interpretive researches, we began interview with broad questions to get a feel of the company and its operation and then resorted to open-ended questions that we primed in advance.

Our choice of documenting the interview was to use a tape-recorder as we were not certain how it would proceed. Having recorded the entire conversation offered the advantage of being able to review the dialogue at any given time.
2.5. Case study approach

Case study approach was chosen based on the nature of the research problem. Yin (1989) explained case study as “an empirical inquiry that investigates a contemporary phenomenon within its real life context using sources of evidence” (p.22). Likewise, Noor (2008) identified that in research where one needs to understand a specific issue or situation; case study can become particularly useful as it allows detecting cases rich in information. Investigating barriers in cross-cultural business communication, concerned with questions how and why communication mishaps happen, we sought to work with real life company that dealt with international partners on daily basis.

2.5.1. Our role – academic researchers

Fisher (2007) in his book “Researching and Writing a Dissertation: A Guidebook for Business Students” identified four roles that a researcher may take: judge, academic, spy and “fly on the wall” (pg. 69). In this chosen research, we have a role of visible, non-involved academic which comes with its advantages (opportunities) and disadvantages (limitations).

2.5.2. Opportunities

First, case study provides holistic view of subject in question. It focuses on “the interrelationships between all the factors, such as people, groups, policies and technology” (Fisher 2007: 70). Second, as academic researchers we would not be seen as potential harm to the company, which can work to our advantage when it comes to providing us with information. Third, focusing on one company provides opportunity to study the matter extensively and in depth.

2.5.3. Limitations

Nevertheless, case study approach has its limitations. In the first place, lack of representativeness. There is a question of external validity when doing single case study. Will the research be applicable to other organizations? Another limitation is the fact of being studied may bring upon fear of misunderstandings or miscommunications and interviewee may choose to alter what is being discussed. Lastly, as academic researchers we might not have high priority in manager’s schedule for multiple interviews we have planned to conduct.
2.6. Preunderstanding: generalizing from a single case study

One may be questioning the possibility of drawing conclusions about implications of cross-cultural business communication based on a study of one small Swedish SME. Although not always applicable, as stated by Gummesson (1988), it is probable to generalize based on a single case study in the management field of research as long as the generalization is of a certain character. However, in this research, we are not able to assert the degree of commonality of described situations or exact interaction patterns. Former being said, the author of Qualitative Methods in Research Management claims that the possibility of generalization based on a single case study company is “founded in the comprehensiveness of the measurements which makes it possible to reach a fundamental understanding of the structure rather than a superficial establishment of correlation or cause-effect relationships” (Gummesson, 1988:79).

2.7. Validity and Reliability

There is a close relation between generalization and concept of validity. As it has been mentioned previously, the concepts of validity and reliability, although highly important for any research, are a concern for this particular study. Validity demonstrates the extent to which we were able to study and get the results we intended to achieve. Equally important, reliability, demonstrates how consistent the measurement of research is (Bryman and Bell, 2007:163). For instance, if another researcher conducts an interview with ImseVimse regarding the same topic, the results should be just about the same.

Some academics say that if research is not reliable, it is not valid (Bryman and Bell, 2007:168). Others remark that “accurate evidence is not so crucial for generation theory, the kind of evidence, as well as the number of cases, is also not so crucial. A single case can indicate a general conceptual theory or property; a few more case can confirm the indication” (Glaser and Strauss, 1967:30).

Therefrom, we are assured that this case study can be an excellent source for a future comparative study that may represent different aspect of reality. This way a researcher can pay attention to similarities and differences of extracted results.

Nevertheless, the inferences of this research can be the subject to credibility verification as the majority of qualitative data was derived from interviews of company employees. Therefore, the answers could be limited by the subjectivity of respondents.
In the modern world, international managers face many challenges in business communication and in the workplace. Why is it challenging? Managers want to do business with their partners. They want to be able to communicate effectively, but sometimes it just does not work. Latter leads to multiple implications for business operation. What are the factors hampering effective cross-cultural communication?

National culture undeniably has a great influence on business culture. In order to have a successful business relationship with the members of other cultures, one should have cultural sensitivity and pay attention to cultural dimensions. Knowledge of characteristics that are typical to each cultural group can help international managers in cooperation with colleagues from other cultural backgrounds. However, due to cultural differences, an individual should also take into consideration the possibility of encountering communication barriers. In this case, to be able to carry on with business partnership, managers need not just learn to acknowledge the differences in communication ways and styles but also learn how to communicate with multicultural business partners.

In our examination we would like to focus on a few categories of factors hampering-cross cultural communication in general and especially in business context. In this chapter we discuss frameworks and cultural dimensions that we found to be the most applicable to cross-cultural communication in business:

- Hofstede’s cultural dimensions model
- Hall & Hall’s cultural value orientations
- Language: verbal and non-verbal

The cultural dimensions that affect our values, beliefs, attitudes and behaviours are what ultimately set cultures apart. People need to develop a deep understanding of these culture dimensions to be able to
develop cultural sensitivity and a relationship to communicate effectively in cross-cultural setting. (Tuleja, 2005)

Moreover, we find that *technological mishaps* can cause major communication misunderstanding between business partners as well to which we also dedicate our attention. Finally, throughout our research we came across number of academic articles signifying the importance of *individual factors* in cross-cultural communication which are also discussed.

**3.1. Hofstede’s cultural dimensions**

Geert Hofstede’s research on cultural dimensions is known worldwide and, although criticized by some, is frequently used in numerous cross-cultural studies. Hofstede studied national cultural differences and made cross-cultural comparisons. He conducted surveys among IBM employees worldwide, analyzed them and identified and validated the first four dimensions of national culture: power distance, masculinity/femininity, uncertainty avoidance and individual/group orientation. These dimensions describe tendencies within a cultural grouping not in absolute terms, but in relative terms (Hofstede, 1980). Later, after a survey was being carried out by researchers with “Eastern minds” in 1985, Hofstede added fifth dimension to his cultural dimensions model - short term/long term orientation. (McSweeney, 2002)

**3.1.1. Power distance**

*Power distance* displays how members of a culture expect and accept unequal distribution of power in society (Browayes and Price, 2008). In high power distance countries there is a hierarchy in organizations. Pugh and Hickson (1995) explain high power distance as acceptance of inequality, “a place for everyone and everyone in their place” (p.21). The status of superiors is important and should be respected by the subordinates who are usually told what to do, follow the rules and expect clear instructions, which are then accepted without a question. In high power distance countries most managers are autocrats who enjoy privileges of the power they hold (Browayes and Price, 2008). On the other hand, in low power distance countries it is believed that everyone should have same privileges. Employees’ participation in decision-making process, individuality and one’s opinion is respected and democratic management style is practiced (Hofstede, 1980).

According to Xie, Rau, Tseng, Hui and Zha (2008), members of low power distance cultures engage in peaceful, cooperative communication strategies while interacting. They easily compromise and collaborate with other cultures. Xie with his colleagues conducted a survey in which they inferred that
the power distance affects the efficiency of communication. People from high power distance countries due to fear and indecision have inferior communication effectiveness when compared to people from low power distance countries. In 2006, Zhu and Bhat suggested that “cultures that exhibit less power distance and strong egalitarianism tend to apply more egalitarian and replaceable communication strategies since they tend to treat everyone as of equal status” (p. 6). See Appendix 1.

3.1.2. Individual versus group orientation

This dimension describes the relationship between an individual and the group. In collectivist societies, decisions are made according to what is best for the group. In his article, LeBaron (2003) alleged that “in collectivist countries, individual expression may be less important than group will.” In such setting non-verbal, indirect communication may be preferred since it gives room for interpretation, saves face and displays interdependence. Moreover, in collectivist societies, group loyalty is a key factor and high-context communication is favoured to preserve harmony (Nova, p.17). On the word of Zhu et al. (2006) “in collectivistic cultures people tend to exhibit more self-disclosure and use interdependent communication strategies, since group members tend to share their feelings and thoughts with each other” (p.323).

Other cultures, where job tasks prevail over personal relationships presumed to be individualistic in nature. In such countries an individual looks out for him/herself, decisions are made based on personal needs and the focus is on the individual achievement rather than a group (Hofstede, 1980). In individualist cultures, low-context communication may be preferable because it is “direct, expresses individual desires and initiatives, displays independence, and clarifies the meaning intended by the speaker” LeBaron (2003). See Appendix 2.

3.1.3. Uncertainty avoidance

Hofstede (1980) defined uncertainty avoidance as dimension that describes a society’s tolerance to deal with uncertainty and ambiguity. It describes how people feel in unstructured situations, the extent to which they feel threatened by uncertain or unknown situations. Based on Hofstede’s model, uncertainty avoiding cultures would try to minimize the possibility of unidentified situations by following strict laws and rules, safety and security measures (Hickson and Pugh, 1995). In such cultures, the uncertainty causes stress and nervousness.
The opposite type is uncertainty accepting cultures which take life events as they come, more tolerant to the ideas and opinions different from their own and treat uncertainty more casually. In such cultures, people usually have as few rules as possible and do not consider deviance to be a treat. Moreover, cultures that are weak in uncertainty avoidance are more ready to take risks, accept changes, and believe that hard work is not a virtue. (Duronto, Nishida and Nakayama, 2005)

3.1.4. Masculinity vs. Femininity

This dimension indicates which values are common in societies – male or female. Masculine cultures tend to be ambitious, assertive and competitive whereas feminine cultures consider quality of life and helping others to be very important. In feminine cultures dominant societal values are care and protection of others. Relationships are important and men and women usually share equal tasks. In masculine societies “dominant values in society are material success and progress; men should dominate in all settings; men should behave assertively, ambitious and tough; care for money and material objects are important” (Arrindell et. al, 2003). In feminine cultures like Sweden, the quality of life matters, people “work to live” and “not live to work.”

According to Stets & Burke (2000) “In western culture, stereotypically, men are aggressive, competitive and instrumentally oriented while women are passive, cooperative and expressive”. (p. 3) Moreover they mentioned: “We now understand that femininity and masculinity are not innate but are based upon social and cultural conditions”. (p. 3)

Transferred to work setting, masculinity could be evident though more assertive behaviour whereas feminine cultures tend to use more nurturing approach in business.

3.1.5. Short term/long term orientation

In this dimension, Hofstede (1997) discussed society’s “time horizon” where he compared people’s values on orientations and importance of time. In long term oriented cultures, people have values which are oriented towards the future, whereas in short term oriented societies, individuals are oriented towards the past and present.

For instance, in long term oriented cultures employees wish a long relationship with the company, they consider that time is needed to achieve business results. The difference is that people from short term
oriented cultures need quick results. It is important for them to maintain personal stability and happiness in the present.

3.2. Criticism of Hofstede’s model

Despite its popularity, Hofstede’s model of national cultural dimensions has been a subject to certain criticism since the publication of Culture’s Consequences in 1980. It has been stated that culture is hard to measure, especially by survey methods; that only one company – IMB has been used in the research and that such complicated phenomenon as culture cannot be defined by only several dimensions (McSweeney, 2002).

Hofstede replied to all the criticism and justified his research by stating that within one organization the culture is the same, and any possible differences may be only explained by cultural differences. However, as he later admitted organizational and national cultures are interconnected and often there are more than one organizational cultured within an organization.

Hofstede defines cultural differences based on national borders. However, some countries have more than one national culture within one border, i.e. Belgium; while others have changed their frontiers, i.e. former Yugoslavia. Therefore, a question arises: how does one define national culture in such case?

The continuous criticism and Hofstede’s defense of his theory has been going on for years already, by both scholars and managers, and it is hard to predict whether any definite conclusion will ever be reached. Hofstede’s dimensions of culture are not the absolute truth and as any theory are to be used with consideration. It is would be not right to predict somebody’s behaviour based solely on those dimensions – in every particular case other aspects have to be taken into account: family background, personal character, specific situation, etc. Hofstede’s model can be used as one of the many guidelines of looking upon culture.

3.3. Hall & Hall’s cultural value orientations

Some of the ideas that proved to be relevant to international communication were those of Hall and Hall (1990) about time and communication. Academics examined the following cultural value orientations:

- Perception of time: time focus and time orientation
- Communication: high-context and low-context.
These dimensions can serve as a framework to understanding some cultural differences managers may face in business context, for instance, when dealing with partners across borders or managing an international team.

3.3.1. High-context vs. Low context communication

Hall and Hall (1990), categorized cultures, in terms of communication context, in two groups: high and low. In low-context cultures, the information of a message is contained in the message itself, while in high-context cultures most of the information is contained in the context in which the message is being sent. Scandinavians, Swiss, American and some other northern European cultures, for example, separate their personal relationships from work and other aspects of their daily lives. During communication with others individuals from such cultures tend to use overt, simple messages to avoid being misunderstood.

In contrast with the latter, Asian, Arab and Mediterranean cultures have high context communication due to “extensive information networks among family, friends, colleagues and clients and who are involved into close personal relationships” (Hall and Hall, 1990:6). Also, they usually use nonverbal communication to help others understand the meaning of what’s being said. The aforementioned, according to Hall and Hall (1990), can serve as one of the reasons for communication barriers in international business relations. Consequently, during business communication of the representatives from high-context and low-context cultures, the occurrence of misunderstandings is highly likely (Mead, 1994). For example, partners from high context culture might look for indirect messages whereas their counterparts coming from low-context culture would prefer direct and clear exchange of information. See Appendix 3.

3.3.2. Time perception

Different cultures have different perceptions of time according to their traditions, history and lifestyle. Hall and Hall (1990) analyzed variances in perception of timing among culture systems and developed two types of time systems: monochronic and polychronic.

As stated by Lindquist and Kaufman-Scarborough (2007) “Polychronicity has traditionally been defined as a form of behavior wherein a person engages in two or more activities during the same block of time, while monochronicity occurs when a person engages in one activity at a time” (p. 253).
In their study Lindquist and Kaufman-Scarborough mentioned that nowadays individuals have many opportunities to combine their activities and they are more polychronic. Nevertheless, they also stated that despite the increased opportunities for polychronic behavior, not all persons are comfortable with simultaneous activities. In monochronic systems, which are generally found in individualistic cultures, people generally concentrate on one thing at a time and are accustomed to short-term relationships (Hecht, 2005).

Due to the fact that different perception of time can lead to cultural misunderstandings and conflicts in international business, one should realize the dissimilarity between the two time systems along with its effect on professional communication. For example, some countries which are commonly described as having polychronic cultures, consider that deadlines stretchable, schedules flexible, and daily routines unstructured. On the other hand, in monochronic cultures, there is a tendency to follow firm deadlines, structured schedules and use of strict control systems (Bluedorn, Felker and Lane, 1992).

Understanding of monochronic and polychronic orientations is essential to understanding of own behaviours, working ways and the ability to work with international counterparts.

3.4. Language: verbal and non-verbal

Verbal
Scollon and Scollon, in their book “Intercultural communication” vocalized: “Language is ambiguous. This means we can never be certain what other person means – weather in speaking or writing…language can never fully express our feelings” (p.21).

Language differences remain a major obstacle in cross-cultural communication process. Language can become a barrier to communication in cases where an individual has difficulty in understanding other party’s language, fails to understand other’s body language or uses poor or faulty translations. As De-hua and Hui (2007) posited “Cross-cultural communication requires not only knowledge of another language but also familiarity with non-verbal behavior and cultural practices, values, and customs. Extending beyond an understanding of the words, it is the ability to understand hidden meanings, motivations and intentions” (p. 1)

Lin (2004) who discusses the complexities of learning language mentions that although people may have language skills and intelligent elements (the abilities of thought such as motivation, purpose,
emotion and control), they still might not be able to comprehend the language completely without knowledge and understanding of cultural background. Therefore, a businessman who does not possess any cultural knowledge such as values, norms, tradition, lifestyle of a country he/she seeks to do business with, he/she may face communication barriers at the initial stages of business communication.

Another factor that often causes cross-cultural communication problem is translation errors, but may be less likely to cause conflict between parties. Such type of errors can be easily detected during communication.

**Non-verbal communication (Body language)**

Non-verbal communication, although not directly dependent on use of language, is crucial to one’s understanding of communicated message. It can include touch, glance, eye contact, proximity, gestures, facial expressions and posture. We often use non-verbal expressions to strengthen a verbal message. People from certain cultures may consider some non-verbal communication methods that are acceptable in other culture offensive. For example, “nodding the head up and down is a gesture that communicates a different message in different parts of the world. In North America, it means “I agree”. In the Middle East, nodding the head down means “I agree” and up means “I disagree”. In a conversation among Japanese, it often simply means “I am listening” (De-hua & Hui, 2007).

Understanding and respect of non-verbal communication signs of different culture may secure or spoil a potential or existing business relationship.

### 3.5. Technological barriers

Most international companies, in our time, communicate with people from all over the world using various types of technology: email, internet, social networks, company chats, teleconferencing, etc.

According to Grosse (2002) employees need to understand the advantages and limitations of technology for communication at work. Moreover, she also considers that use of technology gives companies a competitive advantage in the international environment.

One of the most common means of communication is email. People from all over the world frequently communicate via email. Sillince, Macdonald and Frost (2002) mention several advantages of using
email rather face to face communication. The positive side of communicating electronically is that it can remove formality which often leads to misunderstandings and difficulties in cross-cultural communication process. In addition, people have more time to compose and process messages and before sending they can edit it. If people need clarification, they easily can send e-mail without meeting again or make a call. Email also helps non-native speakers to overcome language barrier.

3.6. Individual factors hampering cross-cultural communication

There are a number of factors hampering cross-cultural communication, one of which is ethnocentrism. Complications in business communication executed across cultures often occur in cases where participants from one culture think that they are somehow superior to other cultures. Many people are ignorant of the various cultural differences and similarities that exist within the societies and in the rest of the world. In addition to lack of knowledge, some people have beliefs of cultural superiority. All of the abovementioned can be referred to as ethnocentrism. The topic of ethnocentrism has been studied scientifically for more than a century. Kecia (1996) refers to ethnocentrism as when people judge others and make conclusions according to their own cultural background. Neuliep, Hintz and McCroskey (2005) consider that ethnocentrism negatively influences intercultural communication. People, high in ethnocentrism make suppositions about others based on their own cultural background.

There can be other “individual rooted factors, like: perception barriers, low international experience of individual employees, their characteristics, insufficient level of cultural intelligence and cultural competences,” which influence cross-cultural communication (Rozkwitalska 2010: 38). Oftentimes, small businesses, moving into the international arena, face barriers caused by high sense of ethnocentrism. Consequently, they need to deal with intercultural differences effectively.
IV. EMPIRICAL FINDINGS

In this chapter we introduce our case study firm, analyze and discuss of our findings by connecting them with existing theoretical framework in order to answer the research questions.

4.1. Respondent (ImseVimse)

While majority of businesses stay local, many have expanded their business operations beyond the national borders and many are on a verge of going international. One of such companies is ImseVimse, which was founded by Marie Walleberg in the Swedish the city of Visby, on the island of Gotland in 1988. The company started out as a producer and seller of reusable, environmentally friendly diapers for babies and later has expanded its product line to healthy, textile products for women and children. With popularity of environmentally friendly, convenient products, due to growing demand, ImseVimse had to expand its chain of suppliers and manufacturers beyond Swedish borders. As a result, trade with international retailers and distributors increased and under those circumstances ImseVimse was one of the many companies that experienced cross-cultural communication barriers when dealing with business partners and customers abroad. Through many various struggles and learning experiences, these days ImseVimse successfully collaborates with international distributors and retailers from around 50 countries. See Appendix 4. Currently, ImseVimse has nine permanent, full-time employees in head office although most of firm’s production is located in Estonia and Latvia.

To obtain our empirical findings, we interviewed the employees of ImseVimse, including the CEO. All interviewees were briefed on aim of our research and were tape-recorded upon consent. Interviews were conducted in Visby during the months of April and May, 2011.

4.2. ImseVimse Culture

The layout of the firm’s office is very open and spacious. It creates a sense of “togetherness,” a “one team” oriented workspace. From making such observation, we were curious to know about ImseVimse’s company culture and values to which Marie enthusiastically responded: “We are having fun together; we are doing things together, so we are like an ImseVimse team!” Describing the non-work related activities, the owner mentioned birthday celebrations, Christmas dinner, summer picnics
and annual start-up events of new cycle which takes place every August. One could get a sense of very informal, fun atmosphere at ImseVimse.

Despite the curiosity of finding out more about fun activities and teamwork, we sought to learn more about Marie’s management style and decision making process in the firm. The CEO stated that there were four managers inclusive of her, who were meeting on a weekly basis to discuss happenings. However, it was interesting to hear that many decisions in the company were made over coffee breaks throughout the day. Marie also added that although decisions are made mostly cooperatively, the final decision is always hers.

4.3. Analysis and Discussion

During our fairly flexible interview with the CEO of ImseVimse, Marie Walleberg, we started out with broad, general questions about the company itself as we wanted to get a sense of firm’s structure and culture. Although, we have prepared interview questions in advance, it was intended to be used mostly as a guide to our qualitative interview, rather than a list to follow. For interview questions, see Appendix 5.

Power distance

In given case study about implications of cross-cultural communication in business, considering the large number of business partners from all over the world that the firm works with, communication barriers may rise. Keeping in mind the fact that one’s culture has an effect on individual’s behaviour, there could be misunderstandings between ImseVimse and its international partners from a high power distance countries like Bulgaria, China, Russia and France. Sweden is known to be a low power distance culture since the times of Vikings who had no extensive systems of control and distinctive hierarchy, which was reflected in the way the Scandinavians run their business up until today (Browayes and Price 2008). Thus, interaction between managers from countries with different power distance may cause some dissatisfaction with either party. For instance, Swedish manager might suggest that before making any final decisions, he/she would like to take the subject matter back to the team and have a discussion about it. In contrast, a manager from high power distance country would not hesitate to make a decision solely. For this reason, in order to have a successful business relationship with partners from high power distance countries, it is necessary for ImseVimse to have a unique communication strategy in place.
In respect to the hypothesis of Hofstede about cultural differences the respondent was asked to outline the extent to which power distance dimension applies in the real life situations. Discussing communication with partners from high power distance countries, Marie pointed out some of the evident differences in decision making process:

*We are doing things together…* we want them [customers] to believe that this is the way we are doing it and it is so, the way we are doing it…last time when we were talking about lots of products and things with the distributors, *they were surprised* that they [distributors] *were part of developing*. We have about fifteen or twenty distributors and each of those want different products… we are such a small company, we can’t just produce everything! In the meeting in Cologne [Germany], we brought up this subject and said, “*Well, now we are all here, now we can talk to each other.*” We have a new product… but we were not sure, if we should go with this. And then everybody talked together and afterwards, the French people, they said: “Oh, this was really interesting! We were really part of to decide which product to go for! This is really…we are not working like this! I have not heard any other company that are working like you are. *This is really good,* everybody is part of decision, and everybody is motivated.” I think that *some found it little bit odd, but they liked it, because they felt they were part of it themselves*.

Ingela Cederlund from Business Administration department also faced some challenges while communicating with clients in high power distance countries: “Ranking is very important in some countries, such as Latvia, Estonia and some other countries in Eastern Europe. Important to know who the boss is or the owner and it is very formal.”

Described above situation is a fairly good fit to Hofstede’s description of power distance in different cultures. In Swedish culture, scoring low in power distance, managers try to minimize inequalities like overt status and subordinates expect to be part of a discussion where their opinions are valued and are taken into consideration. As Marie put it “When we make decisions over coffee break, I don’t think our customers think that it’s the way we are doing it, I don’t think so.” In ImseVimse team every employee is part of developing process, which keeps employees motivated, Marie reasons.

She also acknowledged that in France decisions are made differently compared to Sweden: “Managing director usually talks much and employees should seat and listen and only listen to him.” The level of power and influence of the top leadership are usually clearly defined in organizations, oriented to
hierarchy. The directions of the boss are strictly implemented and the main decisions are taken by the manager without consulting employees which, in given example, is the case in France. In contrast, the level of privileges and freedom to act among employees is higher in companies oriented towards equality. Subordinates have a right to express disagreement with boss, provide their own opinion and the manager acts more like a consultant which is evident in ImseVimse firm.

The management style and, therefore, communication ways differ significantly in Eastern, Western, Asian, Latin, European cultures and even within themselves as well. For instance, talking about management styles, according to the studies of 200 chief executives in Europe, published in Financial Times in 2006, it was indicated that French bosses practice very high power distance, they enjoy being in power and do not like their decisions questioned or challenged. Germans were found to be less eager for power and just accepted the responsibilities without too much discussion whereas UK managers mostly consider exercising or power as politically incorrect. (Financial Times, 2006, January 9).

**Individualism vs. Group**

This dimension of Hofstede’s model is most commonly used by researchers to comprehend the variances between different cultures (Cohen & Avrahami, 2006). In compliance to the results of Hofstede’s researches, Sweden is highly individualistic. Nonetheless, when we gathered and analyzed the information about Swedish company ImseVimse, we realized that they also have collectivistic values. Hofstedes mentions that in individualistic countries like Sweden, people focus on tasks and they are not concentrated on personal relationships whereas in collectivistic cultures employees, oriented towards their job think more about well-being of an entire company. In contrast to Sweden’s individualistic high score, the CEO expressed disagreement with this statement in application to her small company: “In our company I feel that we are working here together to reach a goal.” She felt ImseVimse was more on a collectivistic side of this dimension.

Moreover, respondent remembered an example from China:

> For instance, if we are talking about China, we are emailing a person called Harry and we can understand that his name is not Harry. May be there are forty different persons calling themselves Harry. They are just a “name”, not even a person...I have been in the company, where people had numbers on their back. They were not people; they were numbers in the
factory. I did not buy anything from that company, because I really did not like it. It was so impersonal.

This case exhibited that the highly collectivistic approach by management towards the workers repelled Swedish manager to have a business relationship with that factory in China. This impersonal, although collectivistic, approach to employees was in disagreement with Swedish manager’s values. In ImseVimse, while working collectively toward one goal, each individual is acknowledged and everyone’s opinion is valued. Besides, individualism, at least at a cultural level, contradicts the acceptance of hierarchy and of attributed social inequality. On the contrary, in China, there are so many employees that management does not need to know their names or consider their opinions. Moreover, China scores highest in power distance therefore, with this hierarchy, communication between management and workers down the line is negligible.

To summarize, due to cultural differences in approach to employees in Sweden and China, the potential business communication was seized before it was initialized.

**Uncertainty avoidance**

Hofstede (1991) describes Sweden as a culture with low uncertainty avoidance and low stress levels. According to Hofstede (1980) people from high uncertainty avoidance cultures try to ask many questions because they are not sure what will happen the next day which, in turn, often leads to stress and nervousness.

ImseVimse has dealt with familiar situations when customers tend to ask a lot of questions and seem to be nervous and emotional.

In reference to that dimension, both, the owner and the sales manager commented on Spanish customers:

> In Spain they are different. Often they are angry and they always ask questions. They have different approach to work. Sometimes we don’t understand each other, they are high tempered. 

- Sales Manager

“We have a Spanish customer… he needs to be so intensive, he needs to send emails ten times a day, and then he feels that he is working very hard,” Marie of ImseVimse mentioned to which her comment
was: “may be you can do the same with less work and have the same result, but people are like that, people are different.” The latter remark exemplifies Hofstede’s theory about Sweden being the low uncertainty avoidance country with lower levels of stress.

In case with Spain, France and Italy this kind of behaviour might be predictable and can be explained by quite big difference in uncertainty avoidance index (UAI). In Spain, UAI is 90 out of 100; in France and Netherlands is 90 and 53 respectively, and in Sweden 35. Swedish people are more tolerant to uncertainty and ambiguity while Spanish might feel uncomfortable and habitually try to minimize risks or uncertainty, in case of ImseVimse, by asking a lot of questions to ensure all the details.

There was also case with Netherlands, where despite the just above average UAI, a supplier tried to secure a business relationship by signing very strict contracts:

We only had business for one year. He wanted me to sign contracts that were insane (very formal)
If you don’t buy from me, you can’t buy from anyone in the world for next 5 years. With his way
of doing things, I ended up not wanting to sign anything because I understood that there was
something wrong with it...that was one of the first contracts. - CEO

Finally, both respondents expressed that doing business with Scandinavian countries in general is much easier since the culture and their way of doing business is quiet similar. Scollon and Scollon (2001) argue that it should be clear that “communication works better the more the participants share assumptions and knowledge about the world. Where two people have very similar histories, backgrounds, and experiences, their communication works fairly easily…” (p. 21). Although as Marie put it: “Over again I can say that it has lot to do with personality, not only the culture.”

**High context vs. low context communication**

During discussion of Hall and Hall cultural value orientations in the theory part, we highlighted that during the communication process of the representatives from high-context and low-context cultures, the occurrence of misunderstandings is highly likely. In application to our Swedish case study firm ImseVimse, which operates in low-context culture, the communication barriers may arise during a communication with international partner from a high-context culture. Indirect messages from people
from high context culture according to Hall and Hall (1990), can serve as one of the reasons for communication barriers in international business relations.

Discussing the context of communication between ImseVimse and its partners, respondent vividly exemplified this dimension with her experience in Russia where she went for a business visit to initiate the partnership. While being hosted by one of the potential Russian business partners, she was taken to an expensive designer shoe store. Despite the fact that the visitor did not need any shoes and did not mention any desire to go shopping, she understood that she was being sent an indirect message since she noticed that she had comfortable low heels meanwhile all other women were wearing high heel fashionable shoes. From that time she realized that Russians are high context culture and sometimes one needs to read “between the lines.” Later on, she was able to transfer this knowledge to business relationship with Russians with whom ImseVimse’s has a partnership for over 20 years.

Further, Marie had another example: “We had a retailer from Greece, he always says: “Prices are wrong, products are not stylish, the product was not good and he was discussing prices all the time. Then we asked: “Why you are interested in our products, if everything is wrong, why you want to sell it? Why don’t you choose another brand or something that you find better? He is such person; he needs to ask about everything”

This example demonstrated that Greece might be high context country and the retailer was trying indirectly to find ways around to get a discount, as Marie suspected, because the customer later admitted that he really liked the product, “it was not like that he did not like the product, he liked the product, but he needed to say that he did not like it. It might be the part of trying to get a discount.” In this case, the customer was thrown-off by manager’s low-context straight overt answer questioning his desire to buy ImseVimse products if it was bad and expensive. Finally, when customer remained with the firm, Marie opted not to communicate with this particular customer due to previous misunderstandings.

**Language**

During the interview we found out that everyone in the company had to deal with cross-cultural communication on daily bases. As the main representative and face of the company Marie had specifically referred to language as a main barrier during interaction process with retailers and
distributors: “Well, start with language, we are both not talking mother tongue, when we speak to each other. You have to have big ears to try to understand...” However, the respondent indicated that it was not only language differences that caused a barrier between the company and its international partners, but also cultural differences were causing a barrier:

It is always with the production area that can be a problem. In this cases when I see that something is wrong, we, both sides, understand that we have difficulties in understandings with each other. If we are talking about the price and we don’t agree on it, I visit the factory once or twice a year. I might say: “Ok, we have differences here; I think we need to meet and talk about this.” Once there was a real misunderstanding and it was not good at all. I did not mean what they thought... it was complete misunderstanding. We did not want to insult them at all. Because that was like an insult, they felt insulted.

Marie stated that the miscommunication incident was solved, nevertheless, “I will never ask that kind of questions in that way I did. I asked in an English way, so that is why they did not understand. They were insulted instead of just understand the meaning.” Such occurrences are supportive of Scollon and Scollon’s argument that language is always ambiguous and it is nearly impossible to express yourself effectively.

I called the factory [in Asia] once – she continued - It was a surprise [to them that] I was calling and speaking English and they were embarrassed and they didn’t know how to handle this. They were laughing for fifteen minutes in the phone...but I finally got another phone number...it was very expensive call, it all ended up that i got the number I needed, so it was ok but it was different.

”Nervous laughter” is one of the non-verbal communication ways (Scollon and Scollon, 2001). It has been observed that Asians tend to smile or laugh when they feel difficulty or embarrassment in course of communication. Such behavior, as Scollon states, is “often misinterpreted by westerners as normal pleasure or agreement, and the sources of difficulty are obscured or missed (p.156). Such differences in non-verbal communication, where same gesture differs from country to country, may cause misinterpretation.
The translations errors in ImseVimse have minimal existence since they are not using interpreters and language of communication with most international customers is either Swedish (mother tongue) or English. Moreover, the language on packaging of diapers on the back side is also English along with 6 other languages.

However, Ingela Cederlund mentioned that despite the fact that English is considered to be an international language, she still faces language problems b with clients on daily basis. “It is very good to learn other language as French and German. We have noticed that many French and Germans are very bad in English,” she added.

**Technological**

Miscommunication between partners caused by technology also seemed to be one of the frequently appearing implications in ImseVimse’s day to day business activities.

> We are emailing a lot and some countries have good email contacts or communications and it is working well, while others are not working well. We have some contacts with Korea and China and they often have such type of problems. I think they are used to get email account approved, while we are not used to that. We are used to that it is working all the time. I have been in contact with the companies which are really hard to get through with email and after a long time we understood that we need to approve in our computers to be able to send them email. It is really odd, I can’t explain it, we are not sure if it is because of our part or because of their part...

- The CEO

While technology provides the opportunity for easy and low-cost communication for people across the world, it also creates problems. “Problems occur when the network goes down, the technology does not work, or the team member needs more training in how to use the electronic tools,” Grosse said (p.26). Production Manager Liselotte Vigström said that in ImseVimse they had a problem with one supplier because he wanted to use fax all the time. “It took long time (years) for one supplier to use email, but now we use email mostly and communication goes more quickly for both of us.”

Grosse (2002) argues that all employees need to be trained in how to use the technologies and also they should be offered technical support anytime there is a necessity of it.
Very frustrating when your emails bounce back or you don’t receive your customers emails!

We are so dependent on this communication and when it doesn’t work it can lead to much stress and difficulties...

– Customer Service Representative

It is worth noting that irrespective of potential technological problems, in ImseVimse, email communication is still preferred to phone calls regardless of matter urgency. “It goes quicker and you can skip too much politeness, non efficient small chatting.” – Jeremy from customer service remarked. When we inquired what is being done in case of not getting a response to an email, the answer was to send another email. Respondent explained that even though the phone might be faster, it is more difficult for people to speak than to write and it causes misunderstandings. “The e-mail format and the time it allows both sender and receiver to construct meaning helps the non-native speaker of English to communicate more effectively” (Grosse, pg.35).

**Individual approach**

Speaking about communication barriers, customer’s negotiation style was stated to be one of the significant ones. Marie mentioned that dealing with customers of various cultures she realized that negation style is more of individual based characteristic rather than cultural. In any answer respondent provided, she also vividly stated that all people are different and the only way to approach such situations is “person by person” approach.

_Misunderstandings often arise when businesspeople are unable to recognize cultural differences and because of ethnocentric views of managers there is a big chance of failure and conflicts during cross-cultural business communication._ ImseVimse’s “person by person” approach and cultural sensitivity seems to be an effective technique to international communication which works in firm’s favour.

**Dealing with and resolving communication mishaps**

Asked to give an opinion on best way to handle communication problems based on personal experience, Marie noted: “You need to have big ears and small mouth. You should listen to customers; you need to know what they are saying. You should try to help them.” Trying to adjust to the way business counterparts communicate makes everything much easier, “they feel themselves conformed and confident”, Marie continued.
Another technique in prevention of miscommunication, mentioned by the director, was the importance of mutual understanding among partners.

To try to really understand the other part; what difficulties do they have to deal with. No I have three emails in my mail box regarding the factory and I know that this three can be really important. I feel that I should go and answer, maybe I can help them. It can be something that is really important that need to be solved now. It is important to understand that you can’t just seat and wait. Maybe there is a problem in the factory and they are thinking how to solve it and that’s why they need my answer.

Keeping information inflow under control and dealing with emails in timely manner, ImseVimse can avoid any potential miscommunications or problems that may arise if not given attention and priority as needed. She continued:

Maybe there is a problem in the factory and they are thinking how to solve it and that’s why they need my answer. This is giving and taking all the time and both sides are equally important to each other. It’s not like we are the one that is paying the salary, we really need their work and they really need our information. They are not our employees, we are not paying salary to them, but they are doing the next step of our work. We should always deal with these people as they are employed by us.

In addition to Marie’s statement that both sides are equally important to each other while interacting in the international arena, Jeremy Hardy from customer service department added:

You always need to be very clear and specific in your communication to assure the customers that they are as important as all other customers. This is the same all over the world. No one likes to feel like they come in “second hand” whether they live in Italy or Taiwan.

**Ensuring effective communication**

When communicating to customers, distributors and retailers, ImseVimse’s strategy is to make it personal, to make the clients feel valued:

We also send newsletters to the customers and retailers. Also I send newsletters to the distributors. They all are getting email information, which is directly send be me and is more
personal. We feel that is important, so that they can feel that they are important and it’s not automatic emails. This type of emails usually starts with: “Dear distributor or dear customer.”

- The CEO

This example supports Marie’s previous statement about importance of establishing relationships, making things more personal and to make people feel appreciated. Referring back to Chinese factory with which ImseVimse did not want to initiate any business connection due to highly impersonal treatment of employees, it is now evident how important building relationship with customers and employees is to the CEO.

Although, there is a number of ways to decrease the possibility of communication mishaps, in ImseVimse the choice of technique is individually based:

To minimize the misunderstandings, I keep questions short. If there is a difficult situation, then I add, “Do you understand?” If they understand, they cross “yes”, if they don’t understand, they cross “no”.  

- The CEO

This technique is the confirmation to the theory electronic communication can removes formality, which leads to misunderstandings and difficulties in cross-cultural communication process.

I always, of course, ask for the receipt on the computer that they got the email and then I try to call them back and sometimes. I do call and I ask them: “Have I understand you right?” And we try to...sometimes we don’t communicate that well but often we do and try to...the best is to have it on email because then you know what will be the right one

- Sales Manager

Working in customer service department, Jeremy Hardy, believes that ensuring the understanding and accuracy of the message he is trying to get across is essential. Respondent mentioned that he always makes an effort to avoid communication mishaps in the work life: “As I said earlier, double check and ask straight forward, like: have I understood you right? Did you mean this and this?”

Moreover, Ingela Cederlund from Business Administration department stated that “To be straight and clear about what I mean and respectful” is the her way of avoiding communication mishaps.
The above answers exemplify low-context communication style which is one of the characteristics of Swedish culture. Straight forward, explicit statements are made in order to avoid misunderstandings which is typical way of communication in Sweden. However, although it is done with best intentions to reach clarity in communication, it could be considered informal or unprofessional in high-context countries.

Another way of ensuring effective communication with partners from other cultures is to have distributors in those countries, as sales manager mentioned:

The biggest problem is that we don’t always really know the way how they used to do business so the best for us is to have a distributor in the country that know the manners how you should do business because in every country is not how you say...some unsaid things that we don’t know that you should know...

In some countries, of course, it’s much much better when you have a distributor that know the country and you know where you should advertise...they [distributors] know everything... They know which paper parents read; they know the market better because we have a lot of products and some products they don't sell as well in some countries.

To illustrate the importance of knowing a country culture, manager gave an example of trying to sell diapers with pig print to Israel where a pig is considered to be a “dirty” animal and ImseVimse could not sell that one to babies in Israel. In Sweden, diapers with pigs on it considered to be cute where as in Israel it seen to be offensive and retailers were upset. Having a distributor in Israel, would eliminate the “wrong move” made by ImseVimse since the firm would acquire this crucial knowledge.
In this research we intended to discuss the implications of cross-cultural communication in business by analyzing the communications of a small Swedish firm with its international partners. We aimed to determine the biggest cross-cultural communications implications caused by cultural differences, in business communication context, between the Swedish company ImseVimse and its international partners. We were also interested in discovering any ways, techniques or procedures that were used to resolve communication mishaps.

Based on the analysis of the empirical findings derived from Swedish ImseVimse, the major communication implications were connected to:

- Difference in power distance
- Difference in the degree of uncertainty avoidance
- Context of communication: high vs. low
- Insufficient knowledge of common language/language used
- Technological barriers
- Individual approach to cross-cultural communication

Although there is no single model to describe the cultures and each has its limitations, the Hofstede Model of Cultural Dimensions remains one of the most comprehensive studies of cultural influence on values and communication in the workplace. In order to answer the research question more thoroughly, we also discussed cultural value orientations of Hall & Hall.

Despite of some limitations of the study, the research question has been answered, showing that cross-cultural communication is one of the problems for small Swedish firm such as ImseVimse due to above mentioned reasons. We explained the difference between Sweden and other countries using the theoretical frameworks developed by different researchers and scholars.

We stated that more and more companies around the world are expanding across national borders to conduct business, resulting in only in a small number that succeed and manage to remain so. Firms face many types of barriers which they need to handle in effective manner in order to operate
successfully on international arena. One of such challenges is competent cross-cultural communication.

In this research we focused on two major categories of factors hampering cross-cultural communication in general and especially in business context - culture and technology. Language was indicated to be one of the primary implications for ImseVimse firm. The CEO of ImseVimse mentioned that she needed to learn the basics of a few foreign languages in order to be able to communicate with clients and maintain business relationship.

Case study approach was chosen based on the nature of the research problem. The limitations of time frame did not allow conducting a more thorough investigation. However, for future research more general conclusions could be drawn if given chance and resources to interview respondents of a Swedish SME in similar business context. Furthermore, another suggestion would be conducting interviews with firm’s international partners and consider both sides of cross-cultural communication in business.


## Extremes of Hofstede’s “power distance” dimension

<table>
<thead>
<tr>
<th>Low power distance</th>
<th>High power distance</th>
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<tbody>
<tr>
<td>There should be a minimum of inequality since it can exploit others</td>
<td>Inequality is unavoidable and everyone has the place they deserve</td>
</tr>
<tr>
<td>If there is a hierarchy in an organization it is only for the sake of convenience</td>
<td>Hierarchy in an organization reflects natural differences</td>
</tr>
<tr>
<td>People who are superiors or subordinates are all the same</td>
<td>Superiors or subordinates are different kinds of people</td>
</tr>
<tr>
<td>Everyone should enjoy the same privileges; there should be no status symbols</td>
<td>Power-holders are entitled to privileges and status-symbols</td>
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<tr>
<td>Subordinates should be consulted</td>
<td>Subordinates should be told what to do</td>
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<tr>
<td>Individuality is to be respected</td>
<td>Authority is to be respected</td>
</tr>
<tr>
<td>The manager should be a resourceful democrat</td>
<td>The manager should be a benevolent autocrat</td>
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</tbody>
</table>

Extremes of Hofstede’s “collectivist/individualist” dimension

<table>
<thead>
<tr>
<th>Collectivist</th>
<th>Individualist</th>
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<tbody>
<tr>
<td>'We' mentality</td>
<td>'I' mentality</td>
</tr>
<tr>
<td>Identity is based on one's social group</td>
<td>Identity is based on the individual</td>
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<tr>
<td>Decisions are primarily made according to</td>
<td>Decisions are based primarily on individual</td>
</tr>
<tr>
<td>what is best for the group</td>
<td>needs</td>
</tr>
<tr>
<td>Relationships prevail over task</td>
<td>Tasks prevail over relationships</td>
</tr>
<tr>
<td>Focus is on belonging to an organization</td>
<td>Focus is on individual initiative and achievement</td>
</tr>
<tr>
<td>Values differ according to the group (particularism)</td>
<td>Value standards apply to all (universalism)</td>
</tr>
</tbody>
</table>

Communication style: Low-context/High context

Adapted from Hall

Source: Usunier (1993:103)

High-context
- Information is ‘hidden’in the text
- Situation carries most of the information

Low-context
- The message is clear and explicit
## Retailers and distributors

<table>
<thead>
<tr>
<th>Country</th>
<th>Distribution Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AUSTRALIA</strong></td>
<td><strong>Distributor:</strong> ImseVimse Australia, <a href="http://www.imsevimse.com.au">www.imsevimse.com.au</a>, Chatswood</td>
</tr>
<tr>
<td><strong>AUSTRIA</strong></td>
<td><strong>6 retailers:</strong> GROßMUGL, PABNEUKIRCHEN, STEINBRUNN NEUE SIEDLUNG, VIENNA, UNTERROHRBACH, WIEN</td>
</tr>
<tr>
<td><strong>BELGIUM</strong></td>
<td><strong>10 retailers:</strong> BRUSSELS, BRUXELLES, COUVIN, GENT, HAALTERM, IXELLES (BRUXELLES), LEUVEN, MAASMECHELEN, MEEFFE, WAIMES</td>
</tr>
<tr>
<td><strong>BULGARIA</strong></td>
<td><strong>1 retailer</strong> (SOFIA Onda Technologies, <a href="http://www.ekomama.net">www.ekomama.net</a>)</td>
</tr>
<tr>
<td><strong>CHILE</strong></td>
<td><strong>Distributor:</strong> BBOrganico, <a href="http://www.bborganico.cl">www.bborganico.cl</a>, Santiago</td>
</tr>
<tr>
<td><strong>CHINA</strong></td>
<td><strong>1 retailer:</strong> XI'AN</td>
</tr>
<tr>
<td><strong>CROATIA</strong></td>
<td><strong>1 retailer:</strong> ZAGREB</td>
</tr>
<tr>
<td><strong>CZECH REPUBLIC</strong></td>
<td><strong>Distributor:</strong> Irena Hoskovcova, <a href="http://www.imsevimse.cz">www.imsevimse.cz</a>, Lysa nad Labem</td>
</tr>
<tr>
<td><strong>DENMARK</strong></td>
<td><strong>Distributor:</strong> Naturebaby, <a href="http://www.naturebaby.dk">www.naturebaby.dk</a>, Helsinge <strong>1 retailer</strong> (Copenhagen Gavin, <a href="http://www.gavins.dk">www.gavins.dk</a>)</td>
</tr>
<tr>
<td><strong>ESTONIA</strong></td>
<td><strong>Distributor:</strong> Freds Swim Academy Estonia Oü, <a href="http://www.imsevimse.ee">www.imsevimse.ee</a>, Tallinn</td>
</tr>
<tr>
<td>Country</td>
<td>Distributor</td>
</tr>
<tr>
<td>-------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>FINLAND</td>
<td><strong>Distributor</strong>: Jutta Design, <a href="http://www.juttadesign.fi">www.juttadesign.fi</a>, Hyvinkää</td>
</tr>
<tr>
<td>FRANCE</td>
<td><strong>Distributor</strong>: Sélection Naturelle SARL, <a href="http://www.selection-naturelle.com">www.selection-naturelle.com</a>, Paris</td>
</tr>
<tr>
<td>GERMANY</td>
<td><strong>5 Retailers</strong>: HALLE, HERRIEDEN, LEIPZIG, MECKENHEIM, WEILBURG</td>
</tr>
<tr>
<td>GREECE</td>
<td><strong>5 Retailers</strong>: AIGIO, ILLIOUPOLIS, PIRAEUS, PIREUS, THESSALONIKI</td>
</tr>
<tr>
<td>HONG KONG</td>
<td><strong>Distributor</strong>: Bloom and Grow Ltd., <strong>2 Retailers</strong>: Home Matters Ltd, <a href="http://www.mother-organic.com">www.mother-organic.com</a>, HONGKONG</td>
</tr>
<tr>
<td>HUNGARY</td>
<td><strong>4 Retailers</strong>: BUDAPEST, DEBRECEN, GÖDÖLLŐ, KECSKEMET</td>
</tr>
<tr>
<td>ICELAND</td>
<td><strong>Distributor</strong>: Perlur og gjafavorur ehf, <a href="http://www.barnavorur.is">www.barnavorur.is</a>, Reykjavik <strong>1 Retailer</strong>: REYKJAVÍK</td>
</tr>
<tr>
<td>ISRAEL</td>
<td><strong>1 Retailer</strong>: REHOVOT</td>
</tr>
<tr>
<td>ITALY</td>
<td><strong>Distributor</strong>: New Baby Berry SRL, <a href="http://www.newbabyberry.com">www.newbabyberry.com</a>, FIRENZE (FI)</td>
</tr>
<tr>
<td>JAPAN</td>
<td><strong>7 Retailers</strong>: FUKUOKA, KOUBARA-CHO MISHIMA-CITY SHIZUOK, MIYOSHI-CITY (HIROSHIMA), NARA, SAITAMA-KEN, SHIROSATO-MACHI, YAMANASHI</td>
</tr>
<tr>
<td>KAZAKHSTAN</td>
<td><strong>1 Retailer</strong>: ALMATY</td>
</tr>
<tr>
<td>Country</td>
<td>Retailer/Distributor</td>
</tr>
<tr>
<td>------------</td>
<td>--------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>KOREA</td>
<td>1 Retailer: YoonMom, <a href="http://www.yoonmom.com">www.yoonmom.com</a></td>
</tr>
<tr>
<td>LATVIA</td>
<td>Distributor: AZZ Ltd., <a href="http://www.azz.lv">www.azz.lv</a>, Tukums</td>
</tr>
<tr>
<td>LITHUANIA</td>
<td>Distributor: UAB FASAJA, <a href="http://www.rasakila.lt">www.rasakila.lt</a>, Kaunas</td>
</tr>
<tr>
<td>LUXEMBURG</td>
<td>2 Retailers: BONNEVOIE, STEINFORT</td>
</tr>
<tr>
<td>MACAO</td>
<td>1 Retailer: MACAO</td>
</tr>
<tr>
<td>MALAYSIA</td>
<td>1 Retailer: PUTRAJAYA</td>
</tr>
<tr>
<td>MEXICO</td>
<td>1 Retailer: CD. CUAUHTEMOC, CHIHUAHUA</td>
</tr>
<tr>
<td>NETHERLANDS</td>
<td>2 Retailers: AMSTERDAM, LA ETten Leur</td>
</tr>
<tr>
<td>NORWAY</td>
<td>Distributor: Bleieboden AS, <a href="http://www.bleieboden.no">www.bleieboden.no</a>, Valle</td>
</tr>
<tr>
<td>POLAND</td>
<td>Distributor: PIELUSZKARNIA Radoslaw Dumanski, <a href="http://www.imsevimse.pl">www.imsevimse.pl</a>, Warsaw</td>
</tr>
<tr>
<td>PORTUGAL</td>
<td>Distributor: Bebés da Terra, <a href="http://www.bebesdaterra.pt">www.bebesdaterra.pt</a>, Lisboa</td>
</tr>
<tr>
<td>ROMANIA</td>
<td>2 Retailers: MACIN, SATU MARE</td>
</tr>
<tr>
<td>RUSSIA</td>
<td>2 Retailers: PERM, St. PETERSBURG</td>
</tr>
<tr>
<td>SLOVENIA</td>
<td>2 Retailers: LJUBLJANA, MARIBOR</td>
</tr>
<tr>
<td>Country</td>
<td>Distributor</td>
</tr>
<tr>
<td>-------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>SPAIN</td>
<td><strong>Distributor:</strong> Bebes Ecologicos S.L., <a href="http://www.bebesecologicos.com">www.bebesecologicos.com</a>, Huércal-Overa (Almería)</td>
</tr>
<tr>
<td>SVERIGE</td>
<td>Around 65 Retailers all over Sweden</td>
</tr>
<tr>
<td>SWITZERLAND</td>
<td><strong>4 Retailers:</strong> PESEUX, ST-LÉGIER, ST-PREX, WETZIKON ZH</td>
</tr>
<tr>
<td>TAIWAN</td>
<td><strong>Distributor:</strong> Crescent City Co Ltd, <a href="http://www.imsevimse.com.tw">www.imsevimse.com.tw</a>, Taipei</td>
</tr>
<tr>
<td>THE NETHERLANDS</td>
<td><strong>9 Retailers</strong> (S HERTOGENBOSCH, AMSTERDAM, ARNHEM, EP AMSTERDAM, HILVERSUM, HOUTEN, TERBORG, UTRECHT, VLAGTWEDDE)</td>
</tr>
<tr>
<td>UNITED KINGDOM</td>
<td><strong>Distributor:</strong> BabyKind Ltd, <a href="http://www.babykind.co.uk">www.babykind.co.uk</a>, Caernarfon</td>
</tr>
<tr>
<td>USA</td>
<td><strong>Distributor:</strong> IMSEVIMSE USA, <a href="http://www.imsevimse.us">www.imsevimse.us</a>, Nashville</td>
</tr>
</tbody>
</table>

Source: ImseVimse Webpage

[http://www.imsevimse.co.uk/about.pab](http://www.imsevimse.co.uk/about.pab)
Interview Questions

- How big is the company? Are you considering yourself small or medium enterprise?
- From studying your company webpage, we have learned that you have just retailers or just distributors in some countries and you have both in others. What is the difference between a distributor and a retailer?

Management style:
- What is the management style in this company?
- How do the employees/team behave? (Competitive or cooperative, real function or nominal)
- How is decision making structured? (centralized or decentralized)
- How do you organize your team? (e.g. hierarchy)

Staff:
- How does the team divide the work? (position, specialization)
- How does the staff perform in the team?

Communication and culture within company
- How do the departments communicate with each other? (e.g. Explicit and implicit)
- What are the core values and fundamental value of your company? How strong are they?
- What is the internal culture within company?

Cross-cultural communication

1. Can you describe your first international experience with a supplier or retailer?
2. Who is responsible for communication with international retailers and distributors in this company?
3. Does every employee have to deal with cross-cultural communication on daily basis? Describe your daily communication in general with your partners abroad.
4. What kind of problems do you face when you communicate and manage with your retailers and distributors (Cultural, technical, language)

5. What do you think is the important variable in order to ensure a good communication with your partners?

6. In your opinion what could be the obstacles to communication?

7. What do you think what is the most important in order to ensure that a message is received and understood?

8. What type of communication mode do you usually use? (phone, email, face-to-face, teleconference)

9. When do you feel written communication is preferable to verbal one? Why?

10. What do you do to ensure that someone you are communicating with understands what you are trying to get across?

11. How do you avoid communication mishaps in your work life? Tell us about a time when you miscommunicated with someone, and what did you to fix the problem.

12. High power distance countries and low power distance countries

    In our thesis we also look at cross-cultural communication between high power and low power distance countries. In high power distance countries there is a hierarchy in organizations; the status of superiors is important and should be respected by their subordinates who are usually told what to do, follow the rules and expect clear instructions, which are then accepted without question. In low power distance countries the hierarchy is not explicit, decisions are mostly made cooperatively and everyone’s input matters.

    According to our study materials, Russia, China, Bulgaria and France with which you deal are high power distance countries and Ireland, Sweden and Canada/USA are low in power distance. How would you describe your business communication with these countries? Any visible differences or difficulties? Is it easier to communicate with partners within Scandinavia and North America?
13. High vs. Low context communication style

In low-context cultures, the information of a message is contained in the message itself (explicit), while in high-context cultures, most of the information is contained in the context in which the message is being sent (implicit)

In application to our Swedish case study we would like to know whether, this firm, ImseVimse which operates in low-context culture has faced any communication implications during a communication with international partner from a high-context culture?