Cultural Adaptation required for IKEA to increase the organizational effectiveness in Thailand

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Abstract

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Title Cultural adaptation required for IKEA to increase the organizational effectiveness in Thailand

Problems
- What are cultural differences between corporate culture of IKEA and Thai culture in the workplace?

Purpose
The aim of the study is to analyze what cultural differences between corporate culture and national culture in host country that IKEA needs to adapt to increase the organizational effectiveness in order to contribute the benefits of this studying to both the company and Thai employees.

Methodology
Qualitative research and the interview questions are mainly based on Hofstede and Schwartz frameworks.

Conclusion
It is clear from this study that IKEA has concerned on the cultural difference when operating in Thailand and implemented cultural adaptation. The correlation between Hofstede and Schwartz concepts in four main cultural dimensions: Individualism-Collectivism and Autonomy, Power distance and Hierarchy, Uncertainty Avoidance and Harmony as well as Masculinity and Mastery, are used to answer the research question. Moreover, the language is an additional factor that we found beyond Hofstede and Schwartz concepts.

Keywords
Cultural difference, cultural adaptation, organizational effectiveness, IKEA corporate culture, Thai culture in the workplace, Swedish culture, Hofstede’s cultural dimension and Schwartz framework.
Acknowledgement

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We are sincerely thankful to our supervisor “Erik Bjurström” who always encourages and suggests us since the preliminary until the concluding step which enables us to have the scope focus on our study as well as enhance our knowledge with new perspective.

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Panotporn Phaiboonkit

Sirinthip Lertsirimongkolchai

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Chapter 1: Introduction

In this chapter, research background, problem statement, research question and the purpose of this study are presented.

1.1 Research background

Cultural difference can cause to the failure of many multinational companies in expanding to foreign countries. If companies do not study and understand local cultures, they can face difficulty in establishing competitive marketing strategies to gain market share and managing cultural conflict among employees within their workplaces. The failure of Walmart, the world’s largest retailer, in penetrating German market is one of the most obvious examples in the impact of cultural differences (Ghauri & Cateora, 2010). IKEA, as a multinational company and the world’s leading in home furnishing market, is now operating in 43 countries with more than 316 stores. Its first store was established in 1958 in Sweden and expanded to Scandinavian countries, North America and Europe. IKEA has successfully operated in many countries except its first store in Japan due to differences in culture, lifestyle and practices (Chaletanone and Cheancharadpong, 2008). Since IKEA is going to open the new store in Thailand by November 2011, we therefore interested to study about what adaptations IKEA needs to concern and take actions in terms of cultural aspect to increase organizational effectiveness in Thailand.

In general, the cultural difference in social organizations could have several impacts on organizational effectiveness. Most of international organizations over the world are consisted of diverse groups of people who work together. There are normally differences among them in terms of race, culture, gender, ethic, culture and values. And, many multinational organizations have been proven that the cross-culture workforce could make higher profitability. Furthermore, language is one element of culture which the understanding of different languages is also important for organizations to achieve the communication in foreign markets (Ghauri & Cateora, 2010).

From our studies, the model of Hofstede, which widely used in examining cultural differences, has largely critiqued about the problem of external validity and the methodological flaw. Even Schwartz’s model is presented as the alternative of Hofstede, this model is rarely used comparing to Hofstede and there is less review from other researchers about its effectiveness to use in cultural area.

Therefore, in this research, we intend to study the very idea of culture by questioning these existing theories whether they will be used to investigate the cultural difference efficiently, then we decided to use both of them as a complement of each other in an unconventional way. Refer to the argument of Alvesson and Sandberg (2011) which criticized the way of performing research question by finding the research gap, they argued that researchers can see the old thing as previous research but do in the new different way by questioning the existing theories or using problematization methodology (Alvesson and Sandberg, 2011).
This research can be supported by the study of Alvesson and Sandberg (2011) since the authors used the existing frameworks of both Hofstede and Schwartz as a tool to answer the research question by questioning about their effectiveness rather than emphasizing on finding the new theories which never been studied by other researchers before.

However, the reasons behind using both frameworks together can be also supported by many articles that studied about the relation between these two models. They concluded that there is high relation among the factors of these frameworks. Although these frameworks are the tools for analyzing national cultures, they will be used in our analysis of the corporate culture of IKEA as well since there is high relation between corporate culture and national culture (Florencia, 2007) and the corporate cultures can be influenced by the national cultures which characterized and shaped inside the CEO, the founders and managers (Tay, 2011). Even in the large multinational company which has the strong corporate culture, the different working styles of individuals in the same department still exist (ibid.).

Eventually, we strongly believe that our study will contribute the benefits to both the company for adapting its corporate culture in order to operate well in Thai country its employees for increasing the understanding of the difference in culture in order to smoothen their working procedures and the happiness in work.

1.2 Problem statement
To increase organizational effectiveness, IKEA as multinational company needs to adapt its corporate culture to fit with the culture of its host country (Thailand) because cultural difference can lead to many problems as well as the problem IKEA faced in Japan. The failure of Japan’s first store mainly results from the differences in culture, life style and business practices (Chaletanone and Cheancharadpong, 2008). Therefore, the problem of cultural difference leads us to form the research question and strategic question as referred in the following section.

Moreover, the recent study of Kilduff et al (2011) illustrated that the empirical predictions of recently researches have effects to the organizational outcomes and the practical relevance of research is increasingly focused among the theorists since it can exactly influence the company’s growing in practical work (Baron et al, 1999) as cited in Kilduff et al (2011). As well as the study of Lambrechts et al (2011), they indicated that the development of practical knowledge has a high impact on both academic and practical communities (Lambrechts et al, 2011). These above studies motivate our research topic which more relevant to the practical aspects of culture since we agree that the recent studies even in cultural area need to realize about the more practical use in real life and the results of studies should exactly help in solving current problems. Similar to our study, we mainly aim to help the company avoid facing the same problem and eventually increase its organizational effectiveness which also leads to the more happiness of its employees.
1.3 Research and strategic question

Research question of this study is formed as: What are cultural differences between corporate culture of IKEA and Thai culture in the workplace?

The following Strategic question is also addressed to get more practical in the perspective of the company: what cultural differences that IKEA needs to adapt in order to increase organizational effectiveness in Thailand?

1.4 The purpose of research

The aim of the study is to analyze what cultural differences between corporate culture and national culture in host country that IKEA needs to adapt to increase the organizational effectiveness in order to contribute the benefits of this studying to both the company and its employees.
Chapter 2: Research Methodology

In this chapter, the research methodology will be discussed and identified our research material to conduct the appropriate research by describing research process, methodological approach, selection criteria, methods of material collection, data analyzing and limitation. The credibility of research is also mentioned in this chapter.

2.1 Research process
The research process is the procedure of developing research paper step-by-step to complete an effective research (Rasmuson, 2009). For our study, we began the process with designing our research topic and framing research objectives in cultural adaptation required for IKEA to increase the organizational effectiveness in Thailand. The research problems were also identified related to our literatures studies, the results from literature review were used to develop the conceptual framework in our investigation. Moreover, the semi-structured method will be used to gather empirical data from interviewing with company’s management staffs in host countries, Thailand. Afterwards, the research material will be interpreted and analyzed to draw the conclusions of our research. The figure below shows the process of our research;

Figure 1: Research process (own illustration)

2.2 Methodological approach
The methodology is approached based on the research question and purposes of study. Our research is divided into two sections, which are deductive or inductive and qualitative or quantitative for our consideration as described below:
2.2.1 Deductive or Inductive approach
There are two distinctive methods to justify the conclusions in relationships between theory and empirical study which are deductive and inductive approaches.

Deductive is the study from more general theories to the more specific observation in research, it begins with the theory of interested topic and then narrows it down into hypotheses for testing. The observation is collected to accept or reject hypotheses afterwards in order to test the validity of specific data toward the theory. (Trochim, 2006).

Theory 🔄 Hypothesis 🔄 Observation 🔄 Confirmation

Figure 2: Deductive Approach (own illustration)

Inductive is the study in other way around from specific observations to broader generalizations and theories, which begins with observation, finds out the pattern and regularities. Then, hypotheses will be defined in order to develop general conclusions or theories at the end. (Trochim, 2006).

Theory ⇐ Hypothesis ⇐ Pattern ⇐ Observation

Figure 3: Inductive Approach (own illustration)

In our research, both deductive and inductive approaches are also considered but mainly based on deductive approach since the process of analyzing data which gathered from both case study and interview is structured to analyze basely on the existing theories of Hofstede and Schwartz in order to draw the conclusion. Therefore, most of our interview questions are settled in the basis of these theories as well. However, we cannot say that we use purely deductive approach in this research because we also observed and gathered data which is not formed under our chosen theories as the way of inductive approach in order to grasp the broader perspectives from the interviewees which may become the new concept or getting unexpected results.

2.2.2 Qualitative or Quantitative Approach
Generally, these two approaches are used differently in different purposes of the researchers and both of them can be found in cultural studies (Matveev, 2002). Qualitative approach is defined as the approach that emphasizes on exploring and understanding of phenomena (Eldabi, Irani, Paul, Love, 2002). It focuses on the meaning of situations or phenomena rather than the measurement of data thus, the researchers will collect, analyze and interpret data by observations and words (ibid). Conversely, quantitative approach emphasizes on measuring things or events with numerical data and statistical analysis (ibid).

In our research, qualitative approach is applied because we focus on the understanding of cultural difference between corporate culture of IKEA as Swedish company and national culture of Thailand in the workplace. Therefore, we need to concern about the interpretation of words rather than the measurement of numbers since focusing on qualitative approach can help us getting access to deeper information of respondents than what we can get from using
statistical data or numbers. Moreover, this approach helps us getting closer to our research topic and better understandings of culture in order to figure out what are the cultural conflicts that IKEA needs to adapt as the answering to our research question as well.

However, qualitative approach also has weakness about its credibility since it needs to reply more on the researchers’ experience in obtaining the targeted information from the respondents and it is difficult to explain that the collected data is in the proper quality and quantity (Matveev, 2002). We argued on the weakness of using qualitative approach by the reasons given in section 2.8 since we obtained targeted data from our interviewees and the data is comparable to analyze the cultural differences.

2.3 Selection criteria

This section will be described the method of selection criteria in performing our research as well as the reason for choosing particular topics, which are presented in selection of topic, company and interviewees.

2.3.1 Selection of topic

From our point of view, culture becomes more important in management of global business. The cultural conflict can lead to the failure of many multinational companies in the world. Therefore, we are interested in studying the cultural adaptation of multinational company to cope with cultural difference since there are an increasing number of many multinational firms in penetrating to foreign markets. The success or failure is depended on the effective cooperation between companies, the more cultural difference is considered, the more process and outcome will be developed within companies. Then, the happiness of employees in working environment can eventually effect to customers’ satisfaction.

2.3.2 Selection of company

IKEA is a well-known Swedish company in home furnishing retail in global market, which its logo uses the colors of blue and yellow, the same colors as the Swedish flag to represent the Swedish way of life (Neill, 2011). The high degree of Swedishness in IKEA can attract our attention in performing this research as well as the company now is planning to open its first store in Thailand by November 2011. Therefore, IKEA is firstly come to our minds for our interesting study in academic research.

The expanding of IKEA in Thailand is a chance and challenge to IKEA whether the cultural difference will impact to its first market entry to Thailand and how cultural adaptation can be developed to increase organizational effectiveness. The culture of Western and Eastern are different each other for Thai people such as, the difference in languages, norms, values and tradition.
As we are students of Master’s Degree in Sweden, we are able to observe the current IKEA development in corporate culture as well as conveniently access to the availability of primary data from IKEA, Sweden if needed. Furthermore, Thailand is our home country; the familiarity with Thai culture can be benefit to our study of cultural difference and adaptation for IKEA to entry Thai market.

2.3.3 Selection of interviewees
For our target interviewees, we intended to interview two groups of IKEA management both Swedish expatriate manager and Thai manager or employees in IKEA Thailand. The interview planned to be implemented from the expatriate Swedish manager in Thailand who has much experience in working with IKEA and able to provide IKEA’s corporate cultures in depth detail. The other group, we planned to conduct the interview with Thai managers or employees who currently work at IKEA Thailand and have direct experiences with cultural difference and self adaptation in working environment between Thai and Swedish culture.

At first, we contacted IKEA Thailand by telephone in order to find out the names of interviewees. The company replied us and gave the names with contact detail of whom we could contact and ask permission for interview directly. After we are accepted to conduct e-mail interview, we sent the questions to two of Thai Marketing executives, Ms. Tissana Wateesatogkij and Ms. Parichat Nakkaret, the questions will also be passed to Swedish manager by them. During the process, we tried to keep contact with them by e-mail to follow up the answers and here below are our interviewees’ contact details;

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Work experience</th>
<th>Contact Information</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms. Tissana Wateesatogkij</td>
<td>Marketing Executive</td>
<td>- Has been working for IKEA Thailand for three months and worked for other multinational firms before</td>
<td><a href="mailto:tissana.wa@ikano.asia">tissana.wa@ikano.asia</a></td>
<td>- Sent e-mail question on April 22, 2011 and received reply on May 6, 2011</td>
</tr>
<tr>
<td>Ms. Parichat Nakkaret</td>
<td>Marketing Executive</td>
<td>- Has been working for IKEA Thailand for three months and worked for both Thai and multinational firms before</td>
<td><a href="mailto:parichat.na@ikano.asia">parichat.na@ikano.asia</a></td>
<td>- Sent e-mail question on April 22, 2011 and received reply on May 9, 2011</td>
</tr>
</tbody>
</table>

Figure 4: Contact details of interviewees (Own creation)
2.4 Methods of Data Collection
We use both primary and secondary data in our research which can be explained more about sources and how to collect them as follows;

2.4.1 Primary Data
In our research, we collected primary data from conducting e-mail interview with our targeted respondents due to the limitation of location, time constraint between Sweden and Thailand, budgets and tight schedule of respondents. Moreover, e-mail interview provides time for the interviewees in consideration of the questions and prepare their answers (Selwyn and Robson, 1998). It also enables the interviewees to respond at their most convenient time. Thus, this kind of interview is suitable to use as a tool to answer our research question since the interviewees need to take time to search and recall of the particular situation in order to come up with the answers to the specific interview questions. However, e-mail interview may get the slower feedback from the interviewees than face-to-face interview.

Firstly, we contacted IKEA Thailand by telephone in order to ask the permission for conducting the interview as well as ask contact details of our targeted participants which are Swedish expatriate manager and Thai managers or employees in IKEA Thailand as the reasons given earlier in choice of interviewees. After we contacted the interviewees which are two of Thai Marketing Executives of IKEA Thailand, semi-structured interview questions are sent directly to their e-mail including our research background and purpose. According to Fisher (2007), with semi-structured interview, the interviewees can freely express their opinions in-depth detail about the situations in their workplace or in this case, they can answer about their perceptions towards the company’s corporate culture, Thai culture in the workplace and the similarity or difference of both cultures. However, interviewees will also need to be reminded to cover all prepared interview questions in order to ensure that all data relating to the research topics and research question will be gathered (Fisher, 2007). Throughout the interview process, the authors also followed up the response from the interviewees by e-mail and telephone in order to increase the speed of response and overcome the weakness of using e-mail interview rather than face-to-face method. Interview questions are presented in appendix II.

2.4.2. Secondary data
Secondary data used in this research is collected from various sources. Electronic databases of Mälardalen University such as DiVa, Emerald, ELIN@Mälardalen, Google Scholar, JSTOR are the sources of literatures used in this thesis. The keywords used for literatures search are cultural difference, cultural adaptation, organizational effectiveness, IKEA corporate culture, Thai culture in the workplace, Swedish culture, Hofstede’s cultural dimension and Schwartz framework. Moreover, some concepts and definitions were also taken from books, online books, previous student thesis and Google internet search engine. In other parts of this research also used secondary data from the above mentioned sources and company’s website since the availability of secondary data can save more time and cost for gathering rather than obtaining primary data (FAO, 1997). However, using only secondary
data may not sufficient to draw the conclusion because it may not relate to the research topic (FAO, 1997). Therefore, both primary and secondary data will be used in this research.

2.5 Methods of forming interview questions
Our interview questions were written mainly based on the concepts of Hofstede’s and Schwartz’s except the concept of Long-term orientation of Hofstede due to its unclear definition and not extremely different from the existing concept of Individualism – Collectivism as the critiques given in section 3.6. All interview questions are open-ended questions and consist of three main parts which totally have 15 questions. The first part is about general information of the interviewees in order to enable us have the background of our respondents to evaluate the reliability of this data gathering. The second part is about the questions that related to IKEA Thailand for investigating more about the corporate culture of IKEA and the last part is about the questions which relevant to the cultural difference based on our framework. Moreover, some of interview questions are also formed to obtain open comments and data from interviewees. These questions can allow the interviewees to express their own opinions while letting us to get some new ideas that we have not expected before.

2.6 Data analysis
After conducting interview, the implementation of the analysis is based on theoretical framework in literature reviews and empirical finding gathered from interview, company’s websites and other sources. The understanding of all data is very important for analysis in order to draw conclusion which can finally answer the research question.

2.7 Limitation of data access
In this research, regarding to our intention to conduct interview with IKEA Thailand, we are accepted from the company in responding our email interview by two of Thai Marketing executives, Ms. Tissana Wateesatogkij and Ms. Parichat Nakkaret. Even their cooperation are well provided with much useful information, there is still the limitation since the first store of IKEA Thailand will be officially opened in November 2011, the two interviewees have only three months experience in working with IKEA which can be one of our barrier. However, the information obtained from them is very useful since it is straight to the point, relates to our study and it is what we expect to use in our analysis. Moreover, the lead-time of responding is on schedule, the interview process could be completed within two weeks. Nevertheless, we cannot directly conduct the interview with Swedish manager of IKEA Thailand as expected due to his tight schedule. Mr. Lars, Swedish manager who directly supervise both of our interviewees, discussed the answers and allowed Ms. Parichat being as his representative to answer our interview questions.
2.8 Credibility
It can be criticism on the credibility of our research since IKEA Thailand has not officially opened and the experience of interviewees in working with the company is quite less than those who worked longer and familiar with the corporate culture. However, the weakness can be eliminated because the strong corporate culture of this company is not shaped in a day or not depending on how long it has opened. In contrast, the culture of IKEA is strongly existed all over the world and ready to be applied anytime the store operates even it has not officially opened. Therefore, the experience of interviewees in working with IKEA is not necessary to use in analyzing the corporate culture. On the other hand, their past experiences in working with other multinational companies and Thai companies can help strengthen our research since we can clearly compare the culture between Thai and IKEA by referring to the directed experiences of interviewees.
Chapter 3: Literatures review

We reviewed the literatures from various databases which relevant to our research problems and help in shaping our conceptual framework which will be used in answering our research question. Moreover, arguments and own reflections towards each chosen literature are also given in order to reflect our opinions and critiques for those literatures.

3.1 Culture

From the article of organizational culture in higher education: defining the essentials, in the past culture is viewed as the crucial approach of management social environment in organization (Tierney, 1988). Institutions are influenced by powerful and external factors for instance; demographic, economic and political conditions. The cultural organization is reflected in the values, processes and goals in organization’s workings as a symbolic level in decisions, actions and communication.

Clifford Geertz states that traditional culture, “denotes a historically transmitted pattern of meanings embodied in symbols, a system of inherited conceptions expressed in symbolic forms by means of which (people) communicate, perpetuate, and develop their knowledge about and attitudes toward life” (Geertz, 1973) as cited in Tierney (1988, p.4). The culture of an organization shaped people’s behavior in the organization. The participation can be defined by language, norms, belief and attitudes that shaped from individual and organizational behavior.

In addition, culture can influence at many levels within divisions and institutions as a central goal of understanding organizational culture to reduce the cultural conflict and develop the shared goals. Moreover, studying the cultural dynamics can also lead to the understanding of how to implement actions and share goals within organization successfully. The consciousness of cultural dimensions and dynamics can bring the leader’s ability to evaluate the differences in institutional responsiveness and performance as well as manage change efficiently. (Tierney, 1988).

The article of Cultural studies of two paradigms as written by Hall (1980), there are two contrast perspectives of two researchers, Hoggart’s Uses of Literacy and Williams’s Culture And Society. Hoggart (1950s) as cited in Hall (1980) referred his book from cultural debate, the arguments in mass society and in the traditional work. While William (1950s) as cited in Hall (1980) defined culture as a continuing reaction of changes in social, economic and political life which the nature of the changes can be explored. The Uses of Literacy was mentioned to the spirit of practical criticism in cultural working class for the values and meanings of its patterns. The concept is a site of convergent interests rather than a logically or conceptually clarified idea, which could represent to native tradition (Hoggart, 1950s) as cited in Hall (1980).
For Culture and Society, the tradition defined unity of its characteristics concerns and it also made a distinctive modern contribution to itself. The concepts of culture from William (1950s) as cited in Hall (1980, p.59), “culture is the sum of the available descriptions through which societies make sense of and reflect their common experiences”. In the argument, the important point based on the active and relationships between elements in social context. The theory of culture is defined as “the study of relationships between elements in a whole way of life. Then, the analysis of culture is the attempt to discover the nature of the organization which is the complex of these relationships” (William, 1950s) as cited in Hall (1980, p.60).

From the literature of *Framing: Toward Clarification of a Fractured Paradigm*, the culture is defined as “the empirical set of common frames in a social group of most people’s thinking” (Entman, 1993, p.53). The individual personality, behavior and organizational culture are affected by cultural differences between countries and each country has its own of expressing feelings, showing emotions and constructing its society (Hofstede, 1991) as cited in Thanasankit and Corbitt (2002). Moreover, Hunter and Beck (1996) as refered in Thanasankit and Corbitt (2002) mentioned that the social culture and value in different countries can effect to the variations of research studies. Thus, the understanding of local culture is an integral part in requirements of cultural adaptation in different countries.

According to *an international marketing book*, Ghauri and Cateora (2010, p.78) stated that “culture is the human-made part of the human environment – the sum total of knowledge, beliefs, art, morals, law, custom and any other capabilities and habits acquired by humans as members of society”. Moreover, Ferraro (1994) as cited in Ghauri and Cateora (2010, p.78) defined culture as “everything that people have, think and do as members of their society” while Fukuyama (1996) as cited in Ghauri and Cateora (2010) identified culture that it is an ethical habit, consisting of values and ideas as well as the moral communities are also emerged from ethical systems.

Furthermore, regarding to Hofstede (2001) as cited in Ghauri and Cateora (2010, p.78), culture is “a collective phenomenon because it is at least partially shared with people who live or lived within the same environment, which is where it was learned”. For Holden (2002), culture is “a set of values and norms followed by a group of people”, it shapes people’s behavior and their perception of the world by supporting from components such as language and nation.

In our research, we are highly interested in studying cultural concept of Holden (2002) as its meaning can be related to our research purpose of studying. Holden (2002) suggested that the core culture is captured from many concepts when the group’s members shared a set of ideas and values as well as culture is an outcome from the past actions of the group’s members to transmit the symbols from one generation to another. Besides this, there is also mentioning of cultural components in society to reinforce the cultural concept, which it is necessary for our studies in cultural differences between IKEA’s corporate culture and Thai culture.
3.2 Corporate Culture

Corporate culture becomes important thing in organizational business. There are several meanings of corporate culture stated in many articles, regarding to Greenberg and Baron (1997) as cited in Dartey-Baah (2011), corporate culture is largely influenced by operating of industrial company, location area, company’s history, employees’ personalities and the pattern of behavior. Moreover, the framework of cognition in attitudes, values, norms and expectations are also included in definition of corporate culture. Clemente and Greenspan (1999), stated that corporate culture is “the collective thoughts, habits, attitudes, feelings and patterns of behavior” while Ahmed (1999) specified that it is “the pattern of arrangement, material or behavior which has been adopted by a society (corporation, group or team) as the accepted way of solving problems” as referred in Dartey-Baah (2011).

The company’s vision can be clearly seen from corporate culture, it will be most effective if company’s vision is derived and communicated from top management leaders who “have strong values, dynamic and charismatic personalities” (Greenberg and Baron, 1997) as cited in Dartey-Baah (2011). Furthermore, corporate culture is supported by corporate values which consists of company’s purpose and personal values among all level of organization’s members from both within and across organizational departments (Qubein, Clemente & Greenspan 1999), however, corporate culture is also reflected “organizational symbols, slogans, stories or ceremonies that emphasize on corporate values” (Greenberg and Baron, 1997) as stated in Dartey-Baah (2011).

In our research, we base the concept of corporate culture on Greenberg and Baron (1997) as well as Clemente and Greenspan (1999), the corporate culture is influenced by the way of company’s operating in business, the events of company’s history, the employees’ personalities and the pattern of behavior which also reflect to the company’s collective thoughts, habits, attitudes, feelings and manners of people at all level in organization. This concept is related to our research in studying of IKEA’s corporate culture which can lead to our more understanding of its meaning in order to use information of IKEA’s corporate culture efficiently in our analysis.

3.3 Cultural Adaptation

Our study based the concept of cultural adaptation on Lin and Germain (1999) as cited in Ando and Rhee (2009) which they defined cultural adaptation as “an effort to understand and adjust to a partner’s cultures.” Lin and Germain emphasized that the first thing which need to aware when having interaction with foreign partners is the cultural difference and then the need to understand partners’ cultures and try to make adaptation to accommodate it (Ando & Rhee, 2009). This concept matches with Ghauri and Cateora’s suggestion given in international marketing book that the key of adaptation is to remain oneself but need to develop the understanding and the willingness to adjust differences that occur (Ghauri & Cateora, 2010).
Moreover, Ghari and Cateora (2010) recommended 10 requisites of adaptation that all people or company who need to deal with foreign countries should be able to meet the requirement for adaptation as follows (Ghauri & Cateora, 2010):

1. Open tolerance
2. Flexibility
3. Humility
4. Justice
5. Adjustability to varying tempos
6. Curiosity / interest
7. Knowledge of the country
8. Liking for others
9. Ability to command respect
10. Ability to integrate oneself into environment

3.4 Organizational effectiveness
Organizational effectiveness is ordinarily used to refer to goal-attainment in terms of a functional concept rather than a structural concept (Georgopulos and Tannenbaum, 1957). Previously, Thorndike (1949) as cited in Georgopulos and Tannenbaum (1957) defined organizational effectiveness as the ultimate criteria of organizational success to measure the organizational productivity, net profit and the ability of firm in maintaining or expanding itself. However, further studying pointed out to an inadequacy of defining the organizational effectiveness with those criterias. Georgopulos and Tannenbaum (1957, p.535) conducted the research of A study of organizational effectiveness and defined organizational effectiveness as “the extent to which an organizational as a social system, given certain resources and means, fulfills its objectives without incapacitating its means and resources as well as without placing undue strain upon its members”. Moreover, the researchers also provided the concept of firm effectiveness in three criteria in order to cover the most measurable criteria as follows;

- Organizational productivity
- Organizational flexibility in terms of successful adjustment to internal organizational changes and successful adaptation to externally induced changes
- Absence of intra-organizational tension and conflict between organizational subsidiaries or subgroups.

In addition, there are many researchers studied about the relationship between organizational culture and organizational effective in attempt to find out the factors which can increase the organizational effectiveness. Denison and Mishra (1995) also studied about this and found that cultural adaptation is an important tool to increase the organizational effectiveness. They conducted the research of Toward a Theory of Organizational Culture and Effectiveness
and used survey data in order to explore the relationship and concluded that there are four traits of organizational culture; involvement, consistency, adaptability and mission which positively related to the perceptions of performance and the sales growth in organizations. Involvement and adaptability are indicators of flexibility, openness and responsiveness as well as are strong predictors of organization’s growth. The other two traits, consistency and mission are indicators of integration, direction and vision as well as are predictors of profitability. Each of the four traits is important predictors of other effectiveness criteria such as quality, employee satisfaction and overall performance. Furthermore, the results of this article showed that culture has an impact on effectiveness in organizations since culture is a crucial part of the adaptation process in social organizations and specific culture traits are useful predictors of performance and effectiveness.

The figure below illustrates the four traits into a framework with two contrasts, internal integration and external adaptation, and the contrast between change and stability. For instance, involvement and consistency have focused on the dynamics of internal integration, while mission and adaptability address the dynamics of external adaptation. The culture is developed to handle with the problems of external adaptation and internal integration. Involvement and adaptability describe traits related to an organization’s capacity to change, while consistency and mission contribute more to the organization’s capacity to remain stable and predictable over time. This framework presented general theories of functioning and effectiveness of organizational culture.

![Figure 5: Theoretical Model of Culture Traits (Denison, R.D., and Mishra, A.K., 1995)](image)

In our research, organizational effectiveness is defined based on Georgopuoulos and Tannenbaum (1957) as mentioned in the literature of A study of organizational effectiveness which focused on the increasing of firms productivity and flexibility in adaptation to new environment in order to avoid intra-organizational conflict. However, our research will not study the organizational adaptation towards the national culture in terms of the reaction to the customers but this research will emphasis on studying organizational adaptation in terms of the reaction to local employees.
3.5 Hofstede’s cultural dimension framework
The international business needs to understand cultural differences to increase effectiveness of communication across borders and the success of business transactions (Soares and Farhangmehr, 2006). Thus, it is very important for multinational firms to find the most effective tool to study the cultural differences. What is that tool? Hofstede’s cultural dimension model was presented and became the most widely used in many areas such as psychology, sociology, marketing or management studies, anthropology and others. In the literature of Hofstede’s dimensions of culture in international marketing studies, Soares and Farhangmehr (2006) studied the framework of Hofstede and summarized all different five dimensions which are Individualism-Collectivism, Uncertainty Avoidance, Power distance, Masculinity - Femininity and Long-term orientation.

Moreover, Hofstede’s framework is used in many articles such as the article of Managing the diverse organization. White (1999) used Hofstede’s model to examine the advantage and disadvantage of the diverse groups within the organizations. Individualism – collectivism is used as a crucial dimension to predict the effectiveness of management performance which derived from the cooperation among group members, social norms, needs of the group and shared beliefs within the group.

3.6 Limitations of Hofstede’s cultural dimension model
Although Hofstede’s model is widely used in cultural study, it is heavily critiqued about its reliability and external validity. In the literature of Hofstede’s model of national culture differences and their consequences, McSweeney (2002), questioned about the evaluation and research methodology of Hofstede. Even though Hofstede’s research was conducted from IBM subsidiaries in 66 countries with 117,000 questionnaires and his analysis 40 out of the 66 countries could be given a comparative score to four cultural dimensions, McSweeney argued that using high number of questionnaire did not guarantee representativeness. The average number of respondents in some countries was small and the data only from 40 countries was used in categorizing national cultures. Moreover, the population surveyed is narrow from one company- IBM, which there is a single IBM organizational culture worldwide. Hofstede failed to justify his analysis as he used an average tendency based on questionnaire responses from employees in a single organization to refer cultural dimensions. (McSweeney, 2002).

After Hofstede conducted the cultural research by using survey from Chinese managers and employees, he presented the fifth dimension of culture – Long-term orientation and claimed that he based this dimension on the concept of Confucian dynamism, many researchers also critiqued on this dimension. Redpath and Nielsen (1997) as cited in Fang (2003) commented that this dimension was the least relevant to their analysis since it was difficult to apply and the differences between the two ends were unclear. Moreover, Yeh and Lawrence (1995) as
cited in Fang (2003) found that two cultural dimensions, Individualism and Long-term orientation are highly interrelated.

In the literature of *A Critique of Hofstede’s Fifth National Culture Dimension*, Fang (2003) argued that most previously critiques did not analyze the fifth dimension based on the core concept of Chinese value. Therefore, Fang (2003) studied and evaluated Hofstede’s fifth dimension by using native knowledge of Chinese culture and philosophy. The result of this article concluded that value labeled by Hofstede as short-term oriented and long-term oriented might not be so either since Chinese Yin Yang principle was violated by the concept. Furthermore, there is a lot of redundancy among the 40 Chinese values in the Chinese Value Survey (CVS) which Hofstede based for the fifth dimension and that is why the two ends of Confucian dynamism are not completely contrast. Besides, Taoist and Buddhist values are not used in shaping this fifth dimension and there are some errors in interpretations in the CVS survey as well. Lastly, this dimension does not base on the same factor analysis or sampling background from IBM as the first four dimensions. (Fang, 2003).

In our research, the work of Fang (2003) has inspired us to not involve the fifth dimension of Hofstede – Long-term orientation in our studies because the author of this article reviewed earlier critiques from many researchers and then conducted his research to evaluate the fifth dimension by analyzing in core Chinese value which Hofstede based this dimension on, while those did not study before. Moreover, his research is reliable since he used native knowledge about Chinese culture and philosophy which can strengthen his analysis as well.

Furthermore, our own reflections towards this fifth dimension of Hofstede are given as it is not clearly different from the dimension of Individualism-Collectivism. Besides, the method of data collection and interpretation are doubt because Hofstede concluded that this dimension based on Chinese Confucian concept without studying on core Chinese cultural value. Moreover, collecting data only from Chinese people is one of our concerns about its validity in describing culture in other countries.

### 3.7 Schwartz’s framework as an alternative and complement to Hofstede

Since there is a lot of critique on the limitation of Hofstede’s framework, Schwartz’s cultural value model is suggested to use as an alternative framework or some suggested to use Schwartz’s framework as the complement to Hofstede’s framework. In the literature of *The role of national culture in international marketing research*, Steenkamp and Benedict (2001) studied the methodological flaw and other errors on Hofstede model and then provided Schwartz’s cultural value concept as the recommended model to use in cultural studying.
3.8 The congruency between Hofstede’s and Schwartz’s framework

When the model of Schwartz is presented as the alternative of Hofstede, many researchers have studied on the relation among each dimension of these two models. Gouveia and Ros (2000) conducted the research about the relationship between Hofstede’s model and Schwartz’s model in terms of macro social and macro economic variables in the literature of *Hofstede and Schwartz’s models for classifying individualism at the cultural level*. They compared two models in order to find the relationship and test the external validity of each of them. The result showed that there are relationships between individualism-collectivism, power distance of Hofstede and autonomy, conservation of Schwartz. Based on their statistically data analysis, individualism and autonomy have the highest degree of correlation. The authors suggested that Hofstede’s model would be more validity if use macro-economic variables of each country to analyze whereas, Schwartz’s model would be more validity if use macro-social variables to analyze.

Furthermore, Schwartz (1994) as cited in Beugre (2007) *A Cultural perspective of organizational justice*, had compared his seven cultural dimensions to four dimensions of Hofstede and found that there are high correlations between these two models. The result was given as follows; Conservatism was negatively correlated with Individualism and Uncertainty avoidance but positively correlated with Power distance, Mastery was positively correlated with Masculinity and Harmony was slightly correlated with Uncertainty avoidance whereas, Hierarchy was negatively correlated with Individualism. Besides, Affective and Intellectual autonomy as well as Egalitarian commitment were positively correlated with Individualism but negatively correlated with Power distance of Hofstede. However, Schwartz (1994) as cited in Beugre (2007) argued that there is difference between Hierarchy and Power distance since Power distance of Hofstede will narrowly focuses on the difference in power between managers and their subordinates while, Hierarchy emphasizes on the legitimacy of using power in general to achieve individuals and group goals.

In addition, the comparison between Hofstede and Schwartz’s framework was also written in online book: *Consumer behavior and culture* of Mooij (2004). It mentioned that these two models have high relation in many cultural dimensions as the same result given by Schwartz as cited in Beugre (2007). However, Mooij (2004) mentioned that Schwartz is less used in quantitative cross-cultural studies but it is more attractive by the advertising companies in analyzing consumer behavior based on their preferences. Moreover, this model is often used by teachers and students since it is more abstract than Hofstede’s framework while, Hofstede is popular among the organizational level because he uses questions asking people about the behaviors in the workplace hence, the conclusion is criticized about the generalization to other aspects beyond organizational value.

These literatures inspired us to use both Hofstede’s and Schwartz’s framework as a complement to each other for analyzing the cultural difference in the workplace of IKEA in
Thailand since these articles can prove that both models are congruent and have high correlation in both models. Besides, online book of Mooij (2004) showed important result of the different purposes of using each model by different types of people. This outcome also strengthened the idea of combining two frameworks for our research since Schwartz is widely used in academic study while, Hofstede is often used in organizational issues which related to our main studying of this thesis. The reason is because we would like to contribute our academic studying to the organization in terms of increasing organizational effectiveness which in turn of the increasing in customers satisfaction also.

Moreover, using only Schwartz’s framework may not enough to predict and study the cultural difference accurately because it is not widely used in cultural studying and there is less review from many cultural researchers on this framework. On the other hand, Hofstede’s framework has been applied largely even there is a lot of critiques and debates on its reliability and validity.

3.9 Business culture in Swedish firms
Adam, Khan and Stark (2007) studied about cultural differences between Sweden and Saudi Arabia in literature of Business culture in Swedish firms (Case study: IKEA). They mainly investigated what adaptations and implementations of corporate culture that IKEA needs to do to succeed in host country (Saudi Arabia). The researchers used the concept of both Hofstede’s cultural dimension and Schwartz’s cultural value to study the impact of cultural differences in both countries as well as collected empirical data from IKEA for their analysis. Based on the study, there are two main different factors between these nations. First is time perception, Swedish people are more punctual than Saudi Arabian and time is considered as high important for them. Another factor is the loyal to their work. Saudi Arabian employees are not active when compare to Swedes. (Adam, Khan and Stark, 2007).

3.10 Thai culture in the workplace
Swierczek and Onishi (2003) conducted the research of Culture and conflict: Japanese managers and Thai subordinates in order to study the cultural difference between Japanese managers and Thai subordinates in Japanese based companies in Thailand by using the concept of Hofstede’s cultural dimension, Japanese human resource management and Japanese national culture. Data used for analysis was collected from 10 Japanese companies in Thailand. The sampling group of 100 people are from 50 Japanese managers and 50 Thai subordinates from the same group of companies. According to the conflict, the authors obtained conceptual framework based on the review of literatures and identified the causes of conflicts between Japanese managers and Thai subordinates as following; (Swierczek and Onishi, 2003).
The result given in this article presented that there are strong conflicts about the private time, consensus and the respect of cultures. Thai subordinates are more work punctuality, obedience and clearer in role than Japanese managers do. Moreover, Thai employees expect more training program, autonomy or freedom to do their work and the acceptance of Thai culture from their Japanese managers. Thais also expect the managers with fun orientation rather than committed team players as Japanese and they need the clear separation between their private and work time. For consensus, Thais are different from Japanese because they do not emphasis on artificial consensus; they prefer being to get involved instead. The solution suggested in this research is managing the joint adaptation to each other’s culture.

Furthermore, there is the literature of Understanding Thai culture and its impact on requirements engineering process management during information systems development written by Thanasankit and Corbitt (2002) studied about the impact of Thai culture towards the decision making in engineering process. The researchers conducted the interviews with the eight Thai systems analysts and used Hofstede’s framework to analyze Thai culture. The result showed that there are two reasons in slowing down the decision making in the organization. The first reason is that Thais tend to avoid making any decisions that hard to predict the results. In other words, Thai culture tends to avoid making any decisions where there are uncertain results or there is high degree in uncertainty avoidance in this culture in terms of Hofstede. Another reason is that Thais tend to more rely on the upward managers in making any decisions since they have high degree in the respect of subordinates towards the superiors or they have high power distance in terms of Hofstede. Moreover, the result showed that these two elements can have an impact to each other since one element can cause another element to happen. (Thanasankit and Corbitt, 2002).
Both articles can help increase the understanding of Thai culture and can help in analyzing the most suitable cultural dimensions to be used in our research as well. Besides, the results can support that cultural difference can have an impact on multinational companies when operating in different countries, no matter in the same Eastern countries such as Japan and Thai. National culture always plays an important role for foreign firms to understand, manage and adapt to that culture.

3.11 Swedish and Thai culture in comparison

The literature of *What Expatriate Managers Know About the Work Values of Their Subordinates: Swedish Executives in Thailand* written by Selmer (1996), explored the work values and perceptions of Swedish expatriate executives towards Thai subordinates. The individual’s selection and assessment of behavior are the value to management, Schwartz and Bilsky (1987) as cited in Selmer (1996). The barrier of expatriate managers working in foreign countries is the difference of value and the management in host country can also affect to its own employees due to unpredictable subordinates’ behaviors. The researchers used Hofstede’s framework to study the similarity and difference between these two cultures and found that the discrepancies exist in all four dimensions which can be shown as follows; (Sweden / Thailand) power distance (31/64), individualism (71/20), uncertainty avoidance (29/64) and masculinity (5/34).

The different scores of power distance indicate that in Thailand, the power is unequal distribution among employees, which the degree is higher than in Sweden. For the uncertainty avoidance, Thai people avoid novel and unfamiliar situations by following with the norms and rules much more than Swedes people. Additionally, the scores of individualism in Thailand means that Thai culture is more collectivism, which are united and protected in extended families as a close social structure while Swedes people are more individualism, people are basically care for themselves. For masculinity scores, a society of Sweden is more feminine, favoring modesty, politeness and nurture (Hofstede and Bond 1988) as referred in Selmer (1996).

Furthermore, regarding to Cohen (1987) as cited in Selmer (1996), the language is also one barrier as it can increase the degree of these differences since Thai people has low proficiency in English language and Thai language is also not easy to access. Based on Hofstede’s result, Selmer (1996) collected the data from the sampling groups in order to examine how the Swedish expatriates perceive about their Thai subordinates. Thus, 17 Swedish executives were interviewed and 24 Thai middle managers from 13 Swedish companies in Thailand were participated in questionnaire response.

The result showed that Swedish managers have high degree of familiarity with local culture because they are easily motivated to learn more about Thai society and culture by local people since their first arrival in Thailand. It is because in Asia, most servant jobs or helper
jobs such as hotel reception and server are available for local people which can help foreigners quickly study and become familiar with local culture whereas, Western countries assign these jobs to foreigners. Thus, there are no difference in the responses of Swedish managers and Thai subordinates since Swedish managers can adjust themselves very well to the host country. Moreover, the researchers of this article also generalize this result to other Nordic expatriates since they claimed that Hofstede (1980), Ronen and Shenkar (1985) culturally clustered Sweden among the other Nordic countries.

However, there are some misperceptions of Swedish managers towards Thai subordinates since the studies showed that Thai subordinates were seen by their Swedish managers as more stress, submissive and ambitious than Thais perceived themselves. Besides, Swedish managers also under-evaluated motivational factors, which included psychological comfort and duration of work within company. They underestimated the importance of intrinsic and extrinsic rewards by using ineffective tools to increase work motivation. The researchers also suggested in this literature that the expatriate managers could have preparation of language training especially for more inaccessible language such as Thai. The accuracy of expatriates’ expectations could be developed to efficiently improve the predictable adjustment of expatriates in work environment at the foreign location. Consequently, the uncertainty and negative reactions will be reduced for expatriate executives, leading to create more appropriate behaviors and attitudes within foreign companies. (Selmer, 1996).

This literature inspired us to concern about the misperception of Swedish managers towards their Thai subordinates. Ineffective incentive that Swedish managers currently implement can also inspire us to involve this factor in our study as well. Moreover, this article can help broaden our perspectives about what adaptations the companies should implement to decrease the cultural discrepancy.
Chapter 4: Conceptual framework

In this chapter, conceptual framework of this research is presented based on the concepts obtained from literatures review and empirical data.

According to Fisher (2007, p.126), conceptual framework is “formed of patterns of concepts and their interconnections”. After reviewing literatures, we brought up the concepts of Hofstede and Schwartz except Long-term orientation of Hofstede due to the reason given in 3.6 in order to analyze the cultural differences between IKEA and Thailand that need to do cultural adaptation to increase organizational effectiveness. When we collected data from interview and various secondary sources, we found that some concepts of Schwartz are not exist or not strongly relevant to our gathered data. Therefore, Conservatism and Egalitarianism are not used in our analysis. On the other hand, we found that “language” is additional concept that relates to the cultural difference. Thus, it would be added in our framework and also used in our study.

This framework shows as “cause and effect” model which means “the item at the start of an arrow causes or influences the item at the arrow’s head” (Fisher, 2007, p.127). The implications of this framework are described with the models of Schwartz and Hofstede as well as the concept of language as our tools for examining the cultural differences between IKEA and Thai culture while cultural difference is the cause of cultural adaptation which can lead to the increasing in organizational effectiveness.

The theory of Hofstede and Schwartz which will be used in this research are explained as below;
Hofstede’s cultural dimensions

Actually, there are five dimensions of national cultures based on the theory of Hofstede but since the reasons given in the section 3.6 as mentioned earlier, the fifth dimension of Hofstede is not used for our research. Therefore, only four dimensions are presented;

1. Individualism and Collectivism

The relationships of individualism and collectivism are described in each culture. In individualist cultures, individuality, independence and self-determination are valued. In collectivist cultures, people are expected to work well in groups in exchange for their loyalty and compliance. The sense of security, protection and shared responsibility are expected to receive for the group. (Soares and Farhangmehr, 2006).

2. Uncertainty avoidance

The level of uncertainty and ambiguity that people in that culture are able to cope with social context. People try to avoid situations that they feel threatened and the culture with high uncertainty avoidance needs the rules and structures circumstances, which people could have more emotional and expressive. Moreover, people in high uncertainty avoidance culture try to minimize the uncertain situations by strict rules and regulations and security measures. (Soares and Farhangmehr, 2006).

3. Power distance

The dimension of power inequality and authority relations is indicated in social organizations. The hierarchy and dependent relationships are influenced in family and social organization’s context. (Soares and Farhangmehr, 2006).

4. Masculinity and Femininity

The masculinity cultures are value competitiveness, assertiveness, ambition, the achievement and success such as; Japan. For feminine cultures, Sweden is an example country that emphasizes on relationships, compassion, general quality of life and caring for others. (Soares and Farhangmehr, 2006). Moreover Hofstede (2001) added that People in high Masculine culture will believe in individual decisions and tends to have higher job stress while people in Feminine culture will focus on relationship and give high importance on the quality of life and people (Hofstede, 2001).
Schwartz’s cultural values

Schwartz collected data from 49 nations around the world and presented seven types of values which are Intellectual Autonomy, Affective Autonomy, Hierarchy, Mastery, Harmony, Conservatism and Egalitarianism. But since we the concept of Conservatism and Egalitarianism are not used in our research based on the reason given earlier, only the explanation of the rest five concepts are presented as below;

1. Intellectual Autonomy: the culture in which individuals enable to do things based on their ideas and thoughts and follow their own intellectual directions (Steenkamp and Benedict, 2001). Furthermore, people in this culture are more emphasize on self-direction (Beugre, 2007).

2. Affective Autonomy: the culture in which individuals enable to pursue their own affectively positive experiences about pleasure, exciting life and varied life. On the contrary, in low affective culture, people will do things by the concern about other’s expectations (Steenkamp and Benedict, 2001). Moreover, people in this culture are more emphasizes on stimulation and hedonism (Beugre, 2007).

The dimension is similar to Hofstede’s individualism and collectivism. The role of the individual within society is the focused dimension of Schwartz, the society views as the individual as autonomous or embedded in the group, while Hofstede’s individualism and collectivism are concentrated on the contrast between individual goals versus group goals (Steenkamp and Benedict, 2001).

3. Hierarchy: A hierarchical system focuses on the legitimacy of fixed roles and resource allocation. The social behavior’s alternative solution influences people to share interests in cooperating of voluntary agreement (Steenkamp and Benedict, 2001).

4. Mastery: The labeled mastery is to actively change the world and move ahead through active self-assertion (Steenkamp and Benedict, 2001).

5. Harmony: The labeled harmony is to accept the world as it is in order to preserve it rather than change or exploit it (Steenkamp and Benedict, 2001).
Chapter 5: Empirical data

The purpose of this section is to illustrate the empirical data collected from our interview with IKEA Thailand. The secondary data of IKEA’s corporate culture, Thai and Swedish cultures are also presented from many sources such as; electronic databases, websites and online books.

5.1 IKEA’s corporate culture

In IKEA, the set of shared values guides all IKEA people in everyday work. Anders Dahlvig, President and CEO of IKEA group said, “We need to maintain as well as develop our culture”, the strong IKEA corporate culture can drive the company to the success (Celemi, 2004).

As the IKEA owner, Ingvar Kamprad believes that “time is an asset”. IKEA culture is developed from his belief and applied throughout the company, which IKEA culture consists of the following elements: (Adam, Khan, & Stark, 2007, p.31-32).

- **Togetherness and enthusiasm**: Working as a team is coordination concept among IKEA employees to increase and develop interaction as well as communication in the organization. The power of unity and high degree of each other’s respect are important for the achievement of IKEA.

- **Constant desire for renewal**: The innovation and improvement are usually expected to develop in working performance. The idea can be created by IKEA employees to reflect their inspiration and effort in order to continuously contribute the innovation for IKEA. The company wants to motivate its employees to be creative, innovative and achieve the company’s goal by sharing their own potential capability.

- **Humbleness**: The humbleness is important for IKEA to induce staffs in respect themselves and others. The company always respects its competitors as well as realizes their competency to improve and develop company’s work performance better.

- **Willpower**: Due to the strong leadership of IKEA owner, the willpower is given to all IKEA employees by agreeing on mutual goals to reach the company’s success together.

- **Simplicity**: The simplicity is used within organization for IKEA management in habits, actions and activities among employees, which is an effective way to contribute company’s solutions without complexity.

- **Leadership by example**: This value is general sense used by IKEA leaders which their behaviors will perform the same as they expect from co-workers or subordinates.
The leaders will also motivate initiative idea among team members and encourage all
the works done together to achieve company’s goals.

- **Diversity is part of culture environment**: People in different background, age,
gender, belief, attitude and nationality can have ability to work with IKEA as the
company is an international firm, which it needs the adaptation in cultural differences
to succeed in operating business in foreign countries.(ibid.).

IKEA culture has reflected Ingvar’s personality, which is used to create cultural values in
humbleness, simple lifestyle, cost consciousness and all IKEA team members are treated
equally within workplace. Ingvar Kamprad said, the management of tight control over staffs
does not always bring the achievement to IKEA. Thus, a friendly relationship is an important
tool to maintain and control nice working environment for IKEA over the world. The power
of togetherness and eagerness can drive and sustain the company’s success. (Adam, Khan, &

In addition, there is no hierarchy within IKEA as a word of consensus culture, which all
employees can get involve in decision making and contribute company’s success together.
IKEA can achieve its goals with its few standard values, which it is different from other
multinational firms for instance; humbleness, equality and simplicity. Ingvar Kamprad
established IKEA image by basing on his own culture, he did not use the traditional way in
operating company’s business but he used his own values and beliefs to contribute
company’s benefits in adapting to cultural differences when penetrating to new markets.
(Adam, Khan, & Stark, 2007).

Furthermore, employees’ voice is very important in IKEA. The company tries to get the
feedback from its employees about what they dissatisfied with and what can motivate them to
work by conducting company-wide survey called “VOICE” in order to reflect and monitor
the perspectives and views of employees’ working life at IKEA. The result from the survey
can help IKEA in identify which areas are needed to develop in order to satisfy its
employees. (IKEA sustainability report, 2010).

**Career opportunities and benefits**
IKEA will launch “Backpacker program” as one-year trainee program in two countries in
order to promote talent employees who have high potential to be the leaders. The company
also promotes its transparent career development by providing the opportunity of this
program for a 50/50 ratio of male and female candidates. Moreover, IKEA has “+200
project” for selecting the suitable internal candidates to be promoted as potential successors
to 200 top management positions and this program also aims to promote diversity and the
equal job opportunities in IKEA as well. (IKEA sustainability report, 2010).

For benefits and compensation, IKEA wants to motivate, attract and retain talents by offering
competitive and transparent compensation and benefits. Each country must provide the same
benefit structure for all employees and need to support them by individually adapted benefits
to satisfy the changing needs in different life situations. Besides, the benefits need to be offered based on IKEA’s core values, local laws and also need to be considered as outstanding offers on the market. To ensure that this compensation and benefits principle will be applied the same for all IKEA stores, the global mandatory guidelines are used to implement for all markets. (IKEA sustainability report, 2010).

Moreover, IKEA understands that employees in different ages have different professional needs and abilities so the company offers the suitable work-life balance to meet individual needs in many ways such as offering flexible working hours, part-full-time job, more or less responsibilities, job sharing or telecommuting (IKEA sustainability report, 2010).

5.2 Sweden in summary

Sweden is located in North Europe and is the fourth largest country in European continent. Stockholm is the capital city of Sweden, the distribution systems and communications are well provided in the country as a modern society. At present, services are the main sector to develop Sweden’s economy although in the past, the main sector was agriculture, which now it becomes to be only 2 percent of the economy. The high level of homogeneity of Sweden’s culture and social welfare can lead to moderate equality in social class. (Herlitz, 1995) as cited in Ryan (2002). Furthermore, due to their economic development, “people’s standard living is high and all of them are free supported in education, health insurance, food, social care, medical care, money when unemployed and income maintenance for those who have permanent residents in Sweden” (Philips-Martinson, 1991) as referred in Ryan (2002, p.56). Since the security of society is highly provided to Swedish people with the welfares of industrialism and the creation of the Social Democratic, the gap among people in different levels of income will be reduced (Ryan, 2002).

Social democracy is a political system that all people have equal rights and independence in economic class, resulting in 90 percent of Sweden’s industry comes from private sectors. From this point, it is the fact that the economic power of Swedish people is consistently increased without revolution or communism (Childs, 1980) as cited in Ryan (2002). For the language used in this country, English language is taught for Swedish people when they were young but Swedish is still an official language used in this country. (CIA Factbook, 2011).

For Sweden’s religion, Swedish people mainly respect Lutheranism from 87 percent of total population. They will go to church during holidays or special occasions for instance; Christmas, Easter and Advent Sunday. Swedish people use their brain not their heart in analyzing religious faiths together with rational and logical arguments. Everyone has freedom in choosing their own religion if there is no conflict with Swedish Laws (Herlitz, 1995) as referred in Ryan (2002).
5.3 Swedish culture

The data presented in this section is divided into three topics; the culture and value of Swedish people, the interpretation of Sweden’s culture by Hofstede and Sweden’s cultural values by Schwartz which can be studied as follows;

5.3.1 The culture and value of Swedish people

The American culture has large impacts on Swedish people since they learn English when they were young and there are many things influenced by American culture such as music, fashion, television and movies (CIA Factbook, 2011). However, Swedish culture can reflect to the strong Sweden’s national identity by its own language, cultures and values. Family values are respectful, caring members’ feelings, unity and loyalty to each other. Most children are encouraged to be independent and taking care of themselves at their young age as well as learning in surroundings by themselves (Ryan, 2002).

Work is valued as an important part for Swedish and their culture, thus their main focus in life is work productivity while social and human relationships become minor things (Philips-Martinson, 1991). Moreover, the personal interest in their lives is not important as much as their work, having strong work is high value for Swedish people (ibid). They are really strict to their words as they say what they mean. In Swedish culture, the punctuality means “showing respect, responsibility and professionalism to other people”, thus being on time is important as a polite manner in Swedish culture (Philips-Martinson, 1991) as cited in Ryan (2002, p.60). However, Philips-Martinsson (1991) indicated that the effectiveness and productivity are strongly supported to organization. Therefore, an individual’s responsibility is normally accepted in Swedish culture. Moreover, the equality of sexes between men and women are obviously seen in this society since Sweden’s government implemented the policy in 1968 (Scott, 1982) as cited in Ryan (2002). The sense of equality of this country is higher than other countries (ibid). The education and role of women are expected to be offered the same as men (ibid).

5.3.2 Hofstede’s interpretation of Sweden

Sweden, based on the analysis of Hostede as shown in below figure, is dominant in having the least score of Masculinity (MAS) at 5 , in other words, this country is the most feminine (Mind tools, 2011). Hofstede explained more about these two ends that Masculinity stands for the preference in achievement and assertiveness or it can be the society that prefers the higher differentiation between genders (Hofstede, 2009). While, Femininity stands for the preference in quality of life and relationship as well as the society that prefers the lower differentiation between genders (ibid). In Sweden, people normally focus on the skill at work rather than genders and successful women are being respected than those in Masculine culture (Mind tools, 2011). Furthermore, Hofstede suggested that Swedish people tend to show more empathy for their co-workers and spend more time on relationships as well as encourage in building friendly working environments (Schneider & Barsoux, 1997; Smith, 1998) as cited in Dartey-Baah (2011).
For Power distance (PDI), Sweden has quite low score at 31 in this dimension and Hofstede interpreted that Swedish people prefer the equality and top managements will be encouraged to behave as egalitarian (Hofstede, 1980) as cited in Harrison (n.d.).

Individualism (IDV) score of Sweden is quite high at 71 which indicated that Swedish people tend to depend on themselves and the labour unions are usually formed in order to protect employees’s interests. Hofstede (1991) as cited in Ryan (2002) further commented that people in individualistic culture largely value honesty for instance; they will much emphasis on telling the truth and be honest to themselves and others (Ryan, 2002).

Hofstede (1991) as cited in Ryan (2002) also ranked Sweden as the culture that has low degree of Uncertainty avoidance (UAI) with the score at 29. People in this country are seen as being low stressed and tend to take more risks. They also trust in their institutions rather than people in high Uncertainty avoidance culture. (Ryan, 2002).

![Figure 8: Geert Hofstede’s Cultural dimension of Sweden (Own creation)](image)

### 5.3.3 Schwartz’s interpretation of Sweden

Since Sweden and Denmark located very close to each other, Schwartz studied and concluded that they shared almost the same cultural values and they have very high level in Egalitarianism, Intellectual and Affective autonomy while average high in Harmony. Moreover, the degree of Mastery of Sweden is moderately low, while the degree of both Hierarchy and Conservatism are very low. (Liu, Borg & Spector, 2004).
5.4 Thailand in summary
Thailand is the country in the center of South-East Asia which was established since the mid-14th century and it is the only Southeast Asian country that never been taken over by European power before. The population of Thailand is about 66 million in July 2011 (CIA factbook, 2011) which can be divided the ethnic groups into three types; Thai, Chinese and others. The proportion can be estimated in percentage as 75, 14 and 11 respectively. The main religion of Thailand is Buddhism; about 94.6 percent of Thai people are Buddhist and 4.6 percent are Muslim which largely found in the Southern part of Thailand. Moreover, 0.7 percent of them are Christian and only 0.1 percent is in other religions. (CIA factbook, 2011).

Thai people normally pay highly respects to their religions and since Buddhism is their main religion, Theravada Buddhism has a major role to their lives. It is a fact that almost Thai activities are connected to Buddhism as it can be seen from Thai national holidays or Thai special traditional occasions. Moreover, in Thai society, “Sangha is the highest authority (Buddhist clergy and hierarchy), even the king of this country must pay homage to the lowliest monk” (Atmiyanandana & Lawler, 2003, p.233). In addition, the extent in religious belief can influence Thai people’s work in daily life as well as achieving their life’s goal based on morality and the principles of Buddhism (ibid).

Some of Buddhist principles related to the working style of good leaders can be illustrated below (Nakata (1986) as cited in Runglertkrengkrai and Engkaninan (1987);

- Unselfishness – Good leaders should not take advantage for their own benefits or happiness.
- Bearing – Leaders should behave based on humility and politeness.
- Integrity – Leaders should be reliable or dependable in their work and loyal to their managers, subordinates, co-workers, customers and others as well as honest to themselves.
- Endurance – When facing any problems, leaders should be able to control their physical and mental stress.
- Decisiveness - Leaders should make decisions without hesitation and should have sufficient power to lead others follow their decisions.
- Sympathy – Leaders should understand and have empathy to others.
- Justice – Rewards or punishments should be given fairly to subordinates.
- Knowledge – Leaders should have deep and clear understanding of their professions or tasks.
- Enthusiasm – Good leaders should be serious in work and have initiative in thinking.

For the language used in this country, English is also used as the secondary language of the elite apart from Thai which is used as official language (CIA factbook, 2011).
5.5 Thai culture
In this section, the data collected from various secondary sources are presented in order to broaden the perspectives of Thai culture. Therefore, the culture of Thai people in general, Thai culture in the workplace, the interpretation of Thai culture and cultural value by Hofstede and Schwartz are also provided as follows;

5.5.1 The culture of Thai people in general
Smuckarn (1979) as cited in Runglertkrengkrai and Engkaninan (1987) separated traditional Thai culture into three dimensions as following;

1. **Personalism** – Persons are considered very important for Thai people and it shaped Thai people to be self-reliant but remains friendly relationship with others, Thais are also more relationship-oriented than task-oriented. Moreover, Smuckarn (1979) divided Personalism into two related perspectives which are “Individualism” that may leads to the lack of disciplined behavior and “Permissiveness” (Runglertkrengkrai & Engkaninan, 1987). Permissiveness can reflect to a lack of curiosity, questioning, the avoidance of risk, afraid of being criticized in public and do not need to destroy good relationships with others (Runglertkrengkrai & Engkaninan, 1987).

2. **Fun-loving** – Thai people are tend to like broad-minded persons, they do not want to work hard and much emphasis on present-time consumption. Seriousness is something that they prefer to eliminate. (Runglertkrengkrai & Engkaninan, 1987).

3. **Merit Accumulation** – Thai people believe in the fundamental principle of Buddhism about “The middle path” or “the middle way of life” by trying to avoid any violent behaviors or situations that may lead to the suffering and they believe that Buddhism way can lead them to the happiness (Runglertkrengkrai & Engkaninan, 1987).

As the result from widely acceptance of Western value in Thai society, the urban Thai people do not tend to base their thoughts, believes and behaviors on those Thai traditional cultures. They are likely to much emphasis on “discipline”, “earning for investment” and “fulfillment”. Thus, urban Thai people are “hard working”, “Self-reliant” and more “serious” to achieve individual goals. (Runglertkrengkrai & Engkaninan, 1987).

However, “collectivism” and “social connections” still exist in Thai society. The main reason is because family is a crucial influencer and members in the family have an important role in influencing the culture within society. Although Thai people tend to be more serious in achieving their goals than in the past, Thai people are not too serious with life. Therefore, fun and relaxed lifestyle are still expressed in working environment. Moreover, the belief in adversity as well as the desire to live in harmony with the nature according to Buddhist principle can be found in Thai culture until the present time. (Atmiyanandana & Lawler, 2003).
5.5.2 Thai culture in the workplace

The different cultures from Asia, especially Japan and the West have influenced Thai culture due to world economic changing but Thai core cultural values still remain in society, even in the organization (Atmiyanandana & Lawler, 2003). The hierarchical nature is the differences of social status, which the leaders have to be strong and have much knowledge (ibid). Thai managers mostly do not like to be questioned by subordinates, the company’s owners and lower level managers since the leaders are highly expected from other people to have ability to handle with the problems, thus if they are unable to do, they will be weak and lose face in other people’s view (ibid). Moreover, Thai people also emphasis much on social network and personal relationship in the workplace in order to attract and retain employees to work for the organization in the longer lifetime (Atmiyanandana & Lawler, 2003).

Thai managers tend to have mixed leadership style between task- and relationship-oriented. This style is congruent with the Buddhist principle of the middle path because the task-oriented leadership style can reflect to the new culture of urban Thai people about “hard working”, while relationship-oriented can represent to the traditional Thai culture for centuries (Runglerkrengkrai & Engkaninan, 1987). Furthermore, the characteristics of Thai leaders which influenced or shaped by Thai cultures are kindliness, empathy and consideration to other people, called “Kreng jai” and these characteristics of Thai managers can be obviously found in almost every Thai leader in many organizations (Atmiyanandana & Lawler, 2003).

5.5.3 Hofstede’s interpretation of Thailand’s national culture

Hofstede studied each cultural dimension of Thailand and concluded that this country is unique with its two highest score at 64 for Power distance (PDI) and Uncertainty avoidance (UAI) which can be shown as below figure (Hofstede, 2009). Power distance (PDI) represents to the society that people accept the inequality of wealth and power for instance; Thai people largely accept a hierarchy order in many organizations and Thai managers also prefer formal written communication rather than verbal communication (Hofstede, 1980a) as cited in Vance, McClaine, Boje, & Stage (1992).

For Uncertainty avoidance (UAI) as another highest score, Hofstede indicated that the society with high degree of Uncertainty avoidance tends to put an effort on reducing the uncertainty, implementing strict rules, regulations, policies and laws (Hofstede, 2009). They try to control everything to avoid or get rid of uncertain situations and not be ready to accept changes or take any risks (ibid). The examples can be found when Thai people try to avoid uncertain situations by giving employees the stability in their careers in staying for lifetime with their organizations and forming more formal rules and regulations (Hofstede, 1980a) as cited in Vance, McClaine, Boje, & Stage (1992). Moreover, managers in this country do not tend to make risky decisions (ibid).

The lowest cultural dimension of Thailand is Individualism (IDV) with the score at 20, it means that the society tends to be more Collectivism since Thai people normally have
extended family or extended relationship. Individuals will commit to other people by having close long-term relationship and they will strive for the group’s interests. Thus, joint decision making will be more frequently found in this country. (Hofstede, 2009).

The second lowest dimension with the score at 34 is Masculinity (MAS), it shows that this society has less competitiveness in genders between males and females when compare to other countries where this dimension is extremely high or low (Hofstede, 2009).

5.5.4 Schwartz’s interpretation of Thailand
Schwartz (1999) as cited in Liu, Borg and Spector (2004) grouped Thailand as Far East country together with China, Korea, India, Singapore and Taiwan by giving the reasons that the countries within the same cultural group will share similar perspectives of culture as well as cultural values. Moreover, the groups which reflect the proximity in geography can also share languages, religions, histories and other factors. For the interpretation of Far East countries, Schwartz mentioned that these countries have high degree in Hierarchy and Conservatism, moderately high in Mastery while, moderately low in Intellectual autonomy, Affective autonomy and Harmony but very low in Egalitarianism. (Liu, Borg & Spector, 2004).

5.6 The presentation of Interview data
In this section, the data we gathered from conducting e-mail interview with two of Thai marketing executive at IKEA Thailand is presented. In order to provide clearer information, we grouped related data together which is provided in nine topics as follow: corporate culture, Swedish and Thai working style, the difference between IKEA and Thai company,
time perspective, the strategy to maintain employees, role of women, the barriers in language, current cultural problems and adaptations.

5.6.1 The corporate culture
Ms. Tissana, Marketing executive, explained that even IKEA Thailand is operated under IKANO Thailand, the franchisee; its corporate culture and branding are the same as other IKEA stores around the world and this is the thing that differentiates IKEA from other companies. The corporate culture of Siam Future Development will not influence to the company since it holds the equal shares with IKANO Thailand and IKANO Thailand also belongs to Peter Kamprad, a son of IKEA’s founder. Ms. Tissana described that the culture of IKEA is mainly focused on being simple, striving to meet the reality, honest, friendly, fun and light-hearted. She further explained that Human resource of IKEA Thailand also seek the candidates that hold the same value of the company, IKEA people should be the one who are down-to-earth, willing to grow with the brands and just being a good person to be around with. In IKEA, everyone including managers is willing to listen to all voices regardless of all levels and work life balance is also encouraged to bring satisfaction and happiness to all employees. Moreover, employees can express their ideas and opinions regarding to their work context because the company is very friendly and open in nature along with the flat organization which can encourage everyone to speak out. If those ideas are creative and considered as feasibility under IKEA rules and regulations, they are more likely to bring that idea into consideration. Lastly, Ms. Parichat, another Marketing executive, added that the most obvious culture of IKEA is cost-conscious. Only the project which can provide long term benefit to the company can be approved. The company tries to save cost as much as possible to lower the price and create the better everyday life to the company itself, employees and customers.

5.6.2 Swedish working style
Swedish people are viewed by Ms. Tissana as honest people and they like to involve colleagues in making decisions. They are not aggressive but are simple and there is not much about the hierarchy, all levels will say hi to each other when they walk pass. Furthermore, Ms. Parichat added that Swedish managers are very friendly even when employees want to have personal conversation with them. No matter what positions employees are in, they can go through Swedish managers any time. And since there are no partitions within organization, the conversation and communication with Swedish managers are more open and easy which employees do not need to pass all issues to the secretary or making an appointment before. Ms. Parichat further described Swedish managers that somehow there is the difference among individuals. Some Swedish managers are too serious in tasks; they normally go deep in details even when they assign any tasks. They will be responsible in their own tasks and will ask for assistance from others only if they really need it as they do not want to overlap others’ tasks.
5.6.3 Thai working style
From direct experiences of Ms. Parichat, she divided working style of Thai managers into two patterns. One is traditional Thai managers who emphasize much on high hierarchy and highly respect on seniority’s system. They normally use authority and prefer other people to follow their instructions. Moreover, when making any decision, they usually take longer time since the process may involve many people and need the approval from particular authorized person. Another one is managers in generation Y, Ms. Parichat explained the characteristics of these managers that they are active, energetic and prompt react to the problems. The process of making decision is usually shorter than the traditional one since they have less hierarchy. Besides, they are friendly and encourage other people to work as a team. She added that most of Thai managers at IKEA Thailand are in the second pattern, generation Y managers.

5.6.4 The difference between IKEA and Thai companies
Ms. Tissana told that the obvious difference between IKEA and other Thai companies is mostly about the hierarchy since IKEA is quite flat organization unlike Thai companies. However, she felt that less hierarchy is the uniqueness that makes IKEA different from others and it can appeal people to work and stay longer with the company.

5.6.5 Time perspective
At IKEA Thailand, as they normally work as a team, time consciousness is important for everyone. Ms. Parichat commented that the punctuality is needed when they have a meeting as it can demonstrate high responsibilities and the respect to each other among their teams even sometimes it can be flexible. Moreover, the meeting rooms are rarely available due to the tight schedule thus everyone needs to respect to others by being on time in the meeting.

5.6.6 The strategy to maintain employees
Thai marketing executive shared her own opinion that it is not about the attractive salary or other benefits which can maintain talent people to work longer for IKEA but it is because of the company’s culture and the brand values. Ms. Tissana explained that IKEA is neither aggressive nor competitive in salary and welfare offering when compare to consulting companies or other big companies in Thailand. However, most of IKEA people have been working for the company for more than 10 to 30 years.

5.6.7 Role of women in IKEA
Ms. Tissana said that there is no difference between men and women in IKEA, both are treated equally and women are also recruited in high level of management team. Moreover, based on our observation, both of our interviewees as marketing executive are women. It can be clearly seen that the role of women are equal to men in this company.

5.6.8 The barrier in language
When asking about the obstacle in language, Ms. Tissana answered that it could be some barriers since Thai is the official language used in this company. However, she mentioned that most of IKEA people are fluent in English but there are some employees in other
departments that may not speak English well. Apart from Swedish managers, IKEA also has Thai managers and Thai subordinates who work under their supervisions.

Ms. Parichat agreed that the cultural difference and problems at IKEA Thailand should be miscommunication which can be occurred due to the barrier of different languages. She added that it can enormously cause to misunderstanding among team’s members. However, she hoped that the concern of IKEA Thailand towards this issue can help them in reducing the barrier of different languages.

5.6.9 Current cultural problems and adaptation
Ms. Tissana mentioned that there are not much of serious difficulties at the present since IKEA also concerns about the cultural differences and implements cross cultural training for foreigners to gradually adapt to Thai culture for example; the courses that teach Thai culture about the losing face and “kreng jai” which is considering to other people. She believed that these training courses can help in avoiding the cultural problems which may occur in the future. Besides, the training courses of losing face and “kreng jai”, Thai traditions are also taught to Swedish and foreigners at IKEA Thailand.

Furthermore, during lunch time and coffee break, Swedish managers are learned Thai culture by having lunch with others as well as discussing or sharing their own perspectives in the pantry or canteen room while Thai employees are also learning Swedish culture, called “Fika” which is the coffee break during the meeting time.
Chapter 6: Analysis

In this section, our analysis is presented based on conceptual framework, literatures review and empirical findings. The analysis is divided into four parts: the first part is the analysis of IKEA corporate culture which its result will be used in the second part by comparing to Thai culture. The third part is cultural adaptation of IKEA to Thailand and then the last part is the additional factor found beyond the chosen concepts.

6.1 Analyzing IKEA corporate culture

The analysis of IKEA corporate culture by using Hofstede and Schwartz framework can be shown in four dimensions as follow;

Individualism-Collectivism and Autonomy

As mentioned in the literature reviews of 5.8 “The congruency between Hofstede and Schwartz framework”, there are relationship between two models of Hofstede and Schwartz in Individualism-Collectivism and Autonomy. Individualism is the cultures of independence and being on self-determination while Collectivism is the culture that people are expected to work in groups and share responsibilities (Soares and Farhangmehr, 2006). For Autonomy, it is individuals’ feelings, motives, preferences and traits which they find meaning of life by their own uniqueness (Steenkamp and Benedict, 2001). However, Individualism and Autonomy have the highest degree of correlation to each other (Gouveia & Ros, 2000).

From our research study, it is the fact that normally Swedish people are high individualism, they are learned to taking care of themselves and being independent since they were young (Ryan, 2002). They also tend to depend on themselves and have high honesty to other people (ibid). Swedish characteristics can consequently reflect them as independent individuals. Moreover, regarding to our interview with Ms. Parichat, Marketing executive, at IKEA Thailand, there are some Swedish managers who are very serious in their works and have high responsibilities on their own tasks. They also do not want any help from others if they do not need (Ms. Parichat, Interview, May 9, 2011). All information can be used to support individualism of Swedish people.

However, from our study of IKEA’s corporate culture, there is some degree of Collectivism which can distinguish the nature of Swedish people from Individualism. “Togetherness and enthusiasm” are mentioned in IKEA’s corporate culture, the concept of IKEA is working as a team to develop the growth of organization. The power of unity is important to drive the company’s success. Furthermore, “the Willpower” is also provided to all IKEA employees to reach the company’s achievement based on mutual goals as well as the value of “Leadership by example” is the leaders’ encouragement to their employees to act as the leaders behave for accomplishment of IKEA. (Adam, Khan, & Stark, 2007). The concept of Collectivism is
globally used in IKEA across the world which it can clearly differentiate from Hofstede’s Swedish point of view.

Besides that, there are some IKEA’s corporate cultures related to Schwartz’s Autonomy concept. As it can be seen from IKEA’s corporate culture of “Constant desire for renewal” which all innovative idea can be created from employees. The company motivates their staffs to demonstrate their own creative thinking in improving company’s performance by sharing their own effective capabilities (Adam, Khan, & Stark, 2007). In addition, IKEA encourages work-life balance within organization by offering flexible working hours and part-full-time job. Also, as the company wants to increase employees’ satisfactions, their voice and feedback are considered important at IKEA.

From all the above information, it can be seen that even IKEA is originated from Sweden and the founder is Swedish people, its corporate culture is based on Collectivism rather than Individualism as Swedish culture mentioned in Hofstede’s theory. The Autonomy concept is also moderately used to characterize company’s corporate culture.

**Power distance and Hierarchy**

Regarding to literature review, the Power distance is the dimension of power inequality and authority relations which is indicated within social organizations (Soares and Farhangmehr, 2006). There is a relationship between Hierarchy and Power distance. However, Schwartz had an argument on the difference between them that Hofstede, the Power distance will narrow the difference in power while Hierarchy focuses on using of power in general to accomplish individuals and group goals (Schwartz, 1994).

IKEA’s corporate culture, there are two value which can relate to Power distance. The first one is “Humbleness”; this value can influence all IKEA employees to respect themselves and other people. The second one is “Simplicity”; the company’s habits, actions and activities are simply contributed from IKEA management within organization rather than complexity. Furthermore, all IKEA staffs are treated equally and there is no hierarchy within IKEA, all employees can get involve in decision making and contribute company’s success together (Adam, Khan & Stark, 2007).

According to our interview, Ms. Tissana said that IKEA is quite flat organization which there is not much hierarchy between them and their Swedish managers. They are quite simple and friendly as Swedish managers are more open in conversation with their team’s members even in any tasks or any personal issues. In addition, Swedish people also like teams’ members or colleagues to involve in decision making. (Ms. Tissana, Interview, May 6, 2011).

From our study, the power distance of IKEA’s corporate culture and Swedish people are related each other. The Power distance is quite low relevant to Hofstede’s theory that Swedish people prefer the power of equality (Hofstede, 1980) as well as the degree of Hierarchy is very low (Liu, Borg & Spector, 2004). However, it is the fact that the high level
of equality or low level of power distance among Swedish people is derived from social welfare and economy supports (Herlitz, 1995) since education is free and Swedish people have the same opportunities to succeed in life. From this support, Sweden can be characterized as the country of low power distance and low hierarchy.

**Uncertainty Avoidance (UAI) and Harmony**

Since Uncertainty avoidance of Hofstede was slightly correlated with Harmony of Schwartz as referred in literatures review section, these two cultural dimensions are used to analyze IKEA’s corporate culture as a complement to each other. Hofstede (1991) analyzed Sweden as low Uncertainty avoidance culture and described that people in this culture prefer less rules and regulations, they tend to accept new ideas, change and also take more risks than those in high Uncertain avoidance culture since Swedish people are provided excellent welfare by the government, their concerns about the uncertainties in lives are quite low (Ryan, 2002). While Schwartz described people in Harmony culture that they tend to accept the world as it is rather than change it (Steenkamp and Benedict, 2001).

According to the corporate culture of IKEA, “Constant desire for renewal” is the most obvious value that reflects to the low degree in Uncertainty avoidance of IKEA. Since innovation and improvement are accepted and expected to achieve company’s goal. Moreover, IKEA aims to encourage all employees in creating new ideas and sharing their capabilities in order to contribute innovation to the company. It can be referred that IKEA accepts changes or new ideas and innovations that can improve the company. Even though Schwartz interpreted that Sweden has moderately high in the degree of harmony; it does not totally true in IKEA since changes are accepted as mentioned earlier. Therefore, the degree of harmony at IKEA is also low as well. Another thing that can refer to the low in both harmony and uncertainty avoidance of IKEA is the flexibility in the workplace. Unlike culture in high level of these dimensions, working at IKEA is not pressured by the restricted rules and regulations. On the other hand, the company focuses on being simple which allows the flexibility in communications.

However, the degree of uncertainty avoidance and harmony of IKEA is not extremely low since the company also well planned about its investment. IKEA also focuses on cost-consciousness and tends to invest only the project that can provide long-term benefit to the company (Ms. Parichat, Interview, May 9, 2011). It can be referred that IKEA is not likely to be risk taker in investment or tends to avoid being risk in the situation where the results are hard to predict. Therefore, the degree of both is likely to be moderately low in IKEA.

**Masculinity (MAS) and Mastery**

According to our study on the literature of Beugre (2007) “A cultural perspective of organizational justice” as mentioned earlier, we found that Mastery of Schwartz’s framework was positively correlated with Masculinity dimension of Hofstede. Thus, these two cultural dimensions are being analyzed the corporate culture of IKEA together. Hofstede (2001)
described people in masculinity culture that they tend to have strong believe in individual decisions and have higher job stress (Hofstede, 2001). Moreover, Masculine culture can refer to the preference in achievement and assertiveness as well as the society that accept the higher difference between genders (Hofstede, 2009). These concepts can relate to Schwartz’s Mastery culture since he defined people in high Mastery culture that they will believe in their abilities and tend to actively change the world and focus on their achievements (Steenkamp and Benedict, 2001). On the other hand, people in feminine culture tend to focus on relationship and give importance on the quality of life and people (Hofstede, 2001). Besides, they prefer the lower difference between genders and women success are more respected than those in masculine culture (Hofstede, 2009).

Focusing on IKEA’s corporate culture, the company has low degree of Masculinity and Mastery. In contrast, it has high degree of femininity since we found that one of the dominant corporate cultures of IKEA is “Diversity”. The company tries to promote the equality of all candidates by giving equal opportunities to work with IKEA. All positions at all IKEA stores are available for every candidate even they are in different background, age, gender, attitude, belief or nationality. Moreover, the training programs and other programs for career development are created for every employee. Talent employees can be promoted to be the leaders by attending “Backpacker program” which available for a 50/50 ratio of male and female candidates (IKEA sustainability report, 2010). In addition, 200 suitable internal candidates can be selected to be promoted as potential successors to 200 top management positions under “+200 project”. The implementation of these programs can demonstrate that IKEA prefers the equality or at least the lower difference between genders which obviously link to feminine culture of Hofstede and low Mastery culture of Schwartz. Furthermore, it can be supported by the interview from Ms. Tissana, marketing executive at IKEA Thailand, that there is no difference between men and women in IKEA (Ms. Tissana, Interview, May 6, 2011). Both are treated equally and women are also selected to be a part of management team (ibid). Besides interview data, we can observe that two of our interviewees are female who also are in the middle of company’s management level.

Lastly, based on the interpretation of Swedish culture by Hofstede as mentioned in 9.3.2, Hofstede analyzed that most Swedish people are in Feminine culture, he supported that they tend to spend more time on relationships as well as encourage in building friendly working environments (Dartey-Baah, 2011). This cultural interpretation can be also found in IKEA since Ms. Tissana described the culture of IKEA that it mainly focuses on friendly and fun environment as well (Ms. Tissana, interview, May 6, 2011). Furthermore, Ingvar Kamprad, IKEA’s founder, also emphasized that the management of tight control over staffs does not always bring the achievement to IKEA whereas, the friendly relationship is an important tool to drive the company’s success (Adam, Khan, & Stark, 2007).

All analysis of IKEA’s corporate culture in four dimensions of Hofstede and Schwartz is shown in bar graph as below;
6.2 Comparing IKEA corporate culture to Thai culture in the workplace

The comparison between IKEA corporate culture and Thai culture is analyzed based on the framework of Hofstede and Schwartz which can be described in deep detail as below;

**Individualism-Collectivism and Autonomy**

According to Thai culture, Hofstede mentioned that Thailand is likely to be more Collectivism as they normally have extended relationship to involve in decision making together (Hofstede, 2009). Moreover, regarding to the relationship between Individualism and Autonomy, Schwartz described that Thailand is moderately low in Autonomy which is relevant to Hofstede’s theory in Collectivism of Thai culture. Collectivism or social connections is the way of life for Thai people as they normally are influenced by surrounded people such as; family, friends or colleagues (Atmiyanandana & Lawler, 2003).

Working as a team is the concept of IKEA’s corporate culture. All employees and staffs are encouraged by the company in the power of unity and “togetherness”; the values can shape IKEA people’s belief and attitude to achieve company’s goals together. Moreover, from our literature review section, we found that there is the preference of Autonomy concept in Thai culture since Thai employees generally expect freedom in their work by expressing and sharing their own opinion (Swierczek & Onishi, 2003).

For these reasons, there are high similarity in Collectivism between Thai culture and IKEA’s corporate culture. The value is highly used in the same way, thus when IKEA operates in Thailand there is not much barrier of high Individualism, on the other hand, there is strong relation on Collectivist culture at IKEA Thailand to support and increase organizational
effectiveness. Although, there is some degree of Autonomy in Thai culture, Collectivism remains the dominant cultural element of this society.

**Power distance and Hierarchy**

Regarding to Hofstede’s concept, the Power distance is the highest score in Thai cultural dimension (Hofstede, 2009) while Schwartz also mentioned that there is high degree of Hierarchy in this society (Schwartz, 1999). The Power distance and Hierarchy are related to each other as described in our literature reviews, Thai people accept the inequality of wealth, power and hierarchy within organizations (Hofstede, 1980a) which the power is unequal distribution among employees (Hofstede and Bond, 1988).

From Thai culture, Thai people tend to rely on the upward managers in making decisions, the leaders are highly expected from other people to have ability to handle the problems and gain highly respect from their subordinates (Atmiyanandana & Lawler, 2003). Thus, the feeling of losing face can be occurred to the leaders if they cannot cope with the problems as others expected. Even the data from interview indicated that there are two patterns of Thai working styles between managers who emphasize much on hierarchy and another one who have less hierarchy (Ms. Parichat, Interview, May 9, 2011), Thai culture remains focus on high hierarchy and power distance.

In IKEA Thailand, however, there is not much hierarchy and the power of distance is quite low. It can be clearly seen that the obvious difference between IKEA’s corporate culture and Thai culture is the dimension of hierarchy or power distance since IKEA is quite flat organization while Thai people have much in hierarchy. Nevertheless, operating IKEA in Thailand brings the power of equality to balance works and reduce gap among employees. From this point, it can show the strength of IKEA to differentiate itself from others as well as it can also appeal employees to work with the company longer (Ms. Tissana, Interview, May 6, 2011).

**Uncertainty Avoidance and Harmony**

Uncertainty avoidance in Thai society is dominant with the same highest score as Power distance based on Hofstede’s theory which Thai people tend to avoid uncertain situations by implementing many rules and regulations to control unwanted situations that may occur. Moreover, companies in Thailand are more likely to provide employees the stability in careers and secure them in working with those companies for the longer time (Hofstede, 1980a). It can be seen that Thai people have high degree of Uncertainty avoidance since they prefer to work longer in each companies to avoid risks and afraid of being criticized in public which may lead to losing faces (Runglerthkrengkrai & Engkaninan, 1987). Besides, the study of Thanasankit and Corbitt (2002) as mentioned in section 5.10 illustrated that Thai people are likely to avoid making decisions that hard to predict the outcome or have uncertain results.
For the interpretation of Schwartz (1999), he mentioned that Thailand as categorized in Far East countries has moderately low in the degree of Harmony. Based on data gathering as mentioned earlier, Thai people tend to avoid being in uncertain situations and change is rarely to accepted by most of Thai people. Thus, this interpretation is not true since Thailand has high degree in Harmony.

The culture of IKEA is quite much different from Thai culture in terms of Uncertainty avoidance as IKEA is flat organization and more flexible in work. Employees are not pressured by the restricted rules and regulations. Furthermore, new ideas that lead to change are also accepted in IKEA. However, the degree of Uncertainty avoidance of IKEA is not extremely low as mentioned earlier, there is still a similarity between IKEA and Thai culture since IKEA is not likely to be risk taker in investment or tend to avoid taking risk in the situation where the outcome is hard to predict.

**Masculinity (MAS) and Mastery**

Schwartz (1999) interpreted that there is moderately high degree of Mastery in Thailand while, Hofstede (2009) mentioned that the degree of Masculinity is quite low or in other words Thai people tend to be more femininity. Thai people based on the interpretation of Hofstede can be focused on relationship and caring about other people, they are not too serious in tasks or doing something in breaking down the relationships. Moreover, the competition in genders is not high in Thailand, women are expected to be treated equally to men. According to our literature reviews, Thailand in the previous time tended to be more feminine culture since persons had considered very important for Thai people thus, relationship-oriented was widely accepted in that time. Furthermore, Thai people were fun-loving and preferred broad-minded persons. They would not prefer to work hard or being serious for work.

However, Thai society in the present time has slightly changed from the past. They have more degree of Masculinity and Mastery but remain Feminine culture. The reason is because Thai people in urban areas are influenced by Western values and cultures from foreigners, they are likely to emphasize on hard working to achieve their tasks and more serious as well as discipline to reach their goals (Runglertkrengkrai & Engkaninan, 1987). Although Thailand recently has changed from the past, Feminine culture still exists everywhere within this society since the principle of Buddhism is highly respected by Thai people especially the fundamental principle about “The middle path” or “the middle way of living”. With this principle, people are taught to not base something on one extremely polar. Hence, Thai managers tend to have mixed leadership style between task- and relationship-oriented, they tend to be hard working to achieve their tasks while, focus on maintaining and building relationship with others. Moreover, they still have more degree of feminine since Thai people are kind, empathy and consider to other people or called “Kreng jai”. The consideration to others of Thai people or “Kreng jai” can be seen when they have to be on time in the meeting room since they do not want others to wait for them (Ms. Parichat, Interview, May 9, 2011).
Furthermore, the study of Swierczek and Onishi (2003) as mentioned in literatures review section 5.10 also indicated that Thai people expect the managers with fun orientation.

When comparing Thai culture to IKEA corporate culture in the dimension of Masculinity and Mastery, we found that the degree of this dimension of both Thai and IKEA culture is in the same direction. The working environment at IKEA also focuses on friendly and fun environment which is the preferable working atmosphere for Thai culture as well. Moreover, the equality between men and women in IKEA is generally common in Thai culture where the role of women is widely accepted.

The analysis of IKEA’s corporate culture and Thai culture in comparison is shown as below figure;

![Diagram showing comparison between IKEA's corporate culture and Thai culture](image.png)

**Figure 11: A comparison between IKEA's corporate culture and Thai culture (Own illustration)**

### 6.3 Cultural adaptation of IKEA to Thailand

Cultural adaptation is an effort to understand the difference in cultures and try to make adaptation to accommodate it (Lin & Germain, 1999) as cited in Ando & Rhee (2009). Operating new store in Thailand of a Swedish company, IKEA need to understand cultural difference between its corporate culture and Thai culture as well as trying to make adaptation in order to be able to operate in that market and eventually increase organizational effectiveness. Since cultural adaptation is an important tool to increase organizational effectiveness (Denison & Mishra, 1995), the investigation of what cultural adaptation required for IKEA to successfully operate in Thailand is needed.
From our study, it is the fact that IKEA already made adaptation partly. The company implemented cross cultural training for Swedish employees and other foreigners in order to learn and gradually adapt to Thai culture. The training course provided to foreigners can help to increase the understanding about unwanted feeling or situation of Thai culture, called “losing face” which normally occurred in the culture that the distance between managers and subordinates is high or the culture of high hierarchy.

Moreover, the considering about other people, called “Kreng jai” is also taught in IKEA Thailand. Swedish and foreign employees are learned to care other people’s feeling and have a humble attitude towards everyone. A phrase of “put your mind in other people’s shoes” can be used to describe “Kreng jai” as the uniqueness of Thai culture. Therefore, this cultural training of IKEA can also reflect to the sign of adapting to feminine culture or the culture of low mastery.

Based on the above information, IKEA has implemented cultural adaptations to Thai culture in Hofstede’s dimension of Power distance and Masculinity as well as Schwartz’ s cultural value of Hierarchy and Mastery.

6.4 Additional factor found beyond Hofstede and Schwartz framework

After collecting empirical data from interview and various sources, we found that language plays important role in IKEA Thailand. According to our interviewees, both of them mentioned that current cultural problem is the difference in language which may lead to miscommunication among team members since Thai is an officially language of IKEA Thailand while there are Swedish and other foreigners working in this company. Thus, the communication among them needs English as central language. This problem is match with the studies of Cohen (1987) and Selmer (1996) as mentioned in section 3.11 that language is also one barrier in cultural difference between Thailand and Sweden since Thai people has low proficiency in English and Thai language is also not easy to access for Swedish and other foreigners.
Chapter 7: Conclusion

In this chapter, the summary of our results from empirical data and analysis are presented in order to answer our research question. Discussion by the authors and the suggestion for further studies are also provided in this chapter.

7.1 Summary of the results

Culture is an important factor to reflect IKEA’s values and shape IKEA people’s behavior in the organization. The company has been very successful over the world because of its awareness in the difference of cultures between home and host countries. IKEA when entering to foreign markets, its corporate culture, which is influenced by IKEA founder, is importantly used to apply globally in all IKEA stores including franchising. The cultural value of IKEA is reflected to Swedish culture as well as the founder's own values and beliefs.

From our study, it can be seen that IKEA has concerned on the cultural difference when operating in Thailand and implemented cultural adaptation. The company tries to understand Thai culture and learn to adapt to it in the dimension of Masculinity and Power distance of Hofstede as well as Mastery and Hierarchy of Schwartz. However, there is still a difference in the dimension of Uncertainty avoidance of Hofstede and Harmony of Schwartz because the nature of IKEA is low in both Uncertainty avoidance and Harmony while Thai culture is high. Therefore, the adaptation of this dimension is very important for IKEA to enhance effectiveness within organization.

Furthermore, collectivism based on Hofstede’s theory is the culture that IKEA and Thai almost share the same direction since both of them have quite high degree in collectivism. In other point of view, they are also in low Autonomy culture regarding to Schwartz’s concept. Thus, the collectivism and autonomy do not need the adaptation from IKEA to operate in Thai market.

Over and above, we found that language is an additional factor beyond Hofstede and Schwartz frameworks. The cultural difference in language can cause to miscommunication among team’s members. Thus, the concern of this barrier is still needed for IKEA to improve communication to be more effective.

To sum up, with regard to the research question “what are cultural differences between corporate culture of IKEA and Thai culture in the workplace?” and the strategic question “what cultural differences that IKEA needs to adapt in order to increase organizational effectiveness in Thailand?”. It is clear from this study that all these two questions can be answered as described in the above detail based on the correlation between Hofstede and Schwartz concepts in four main cultural dimensions; Individualism-Collectivism and Autonomy, Power distance and Hierarchy, Uncertainty avoidance and Harmony as well as Masculinity and Mastery.
7.2 Discussion

Studying culture tends to be based on Hofstede’s or Schwartz’s framework which studies about national culture and the studying on this research also needs the model of national culture to study the corporate culture of IKEA. But the question is how corporate culture relates to national culture and the tool of national culture can be also used in analyzing the corporate culture? These doubts can be eliminated since there is high relation between corporate culture and national culture (Florencea, 2007) and national culture can positively affect on the culture of organization (Tay, 2011). Therefore, the studying of corporate culture also needs to involve the consideration of national culture and the frameworks of national culture are important to used in the analysis of corporate culture also. As in our research, we studied the corporate culture of IKEA in national culture of Thailand by using Hofstede’s and Schwartz’s models as our tools to analyze the cultural differences.

Discussing the effectiveness of these existing theories, after analyzing data, we found that the established theories of Hofstede and Schwartz which are used together as our conceptual framework can better help indicating the differences between IKEA's corporate culture and Thai culture especially in the dimension of Individualism-collectivism of Hofstede or Autonomy of Schwartz. Using only Hofstede theory may interpret IKEA’s culture as very low in Individualism even the company also has the degree of Autonomy which positively related to Individualism. For Thai culture, although the low degree of Individualism is obviously seen in this society, Autonomy is also found in urban area. Moreover, in the dimension of Uncertainty avoidance of Hofstede or Harmony of Schwartz, Schwartz interpreted Sweden as high Harmony culture which extremely contrasts with Hofstede’s and our study. Therefore, using two models of both Hofstede and Schwartz as a complement to each other is much effective than focusing on one particular framework since they can describe cultures from various perspectives.

However, using only these established frameworks of Hofstede and Schwartz to analyze what cultural differences that need to be adapted to Thai culture are not enough for IKEA to increase its organizational effectiveness. It also needs to understand the barrier of various languages within the organization or the corporate language since we found that language is an additional factor that both Schwartz and Hofstede missed to count it in their studies even this factor is also an important part of culture which can lead to miscommunication and obstacle in working with foreigners. Moreover, “Language is the principal means by which people behave their social lives” (Kramsch, 1998, p.3). It relates to culture in various ways when it is used in communication event. The common experience can be referred to what people talk, they share and express facts, ideas and knowledge each other to reflect their own attitudes and beliefs. Thus, it can be seen that “language can express cultural reality” (ibid.).

Furthermore, language can be seen as a system of signs to reflect its own cultural value. People identify themselves and others by the use of language as a symbol of social identity. Therefore, it can be mentioned that “language symbolizes cultural reality” (ibid.). Additionally, the communications within organizations need the understanding of language to
support and develop intensive knowledge for effective work designs. Conversation and activity use the language in creating the meaning, particular words and form of speech to continually develop ways of talking and acting among people as a medium to represent one’s own objectives (Wittgenstein, 1974) as referred in Boland, Jr. and Tenkasi (1995).

Therefore, it is crucial to include “language” in the studying of cultural difference so that the company can learn to cope with the cultural problems which may occur from different languages. It can be said that the problem of different languages results from the diversity of corporate language and national languages within one multinational organization.

Moreover, adding the aspect of “language” in our study can help us realize that “language” is also a part of culture. Then, involving this factor in our study can help us to increase the effectiveness of our conceptual framework in order to fasten solve the current problem of the organization or be able to practical use in the real life as the perspective of Kilduff et al (2011) and Lambrechts et al (2011).

To conclude, using problematization methodology of Alvesson and Sandberg (2011) by questioning the existing theories can help us shape the framework more effectively that lead to an interesting finding of language which missed in the most popular analytical models of Hofstede and Schwartz.

7.3 Further studies
In this research, we focus on the cultural difference between IKEA’s corporate culture and Thai culture in the workplace in order to figure out what adaptation that IKEA needs to do to increase the organizational effectiveness which mainly studies only the cultural adaptation within the workplace. Thus, it would be useful if the further studies will focus on the broader area and use this research as a guide for study. The studying in cultural adaptation towards Thai customers is also interesting for further studies since the understanding in Thai culture can enable IKEA in adapting its marketing strategies to maximize the profit for IKEA and also satisfy the need of Thai customers.
Chapter 8: Recommendation

This chapter presents our recommendation based on the concepts gathered from literatures review section and empirical data.

According to the results from our study, IKEA needs to focus more on the adaptation to Thai culture in the dimension of Uncertainty avoidance of Hofstede or Harmony of Schwartz since there is the difference between IKEA and Thai culture as mentioned earlier in the analysis chapter. The recommendation for IKEA regarding the adaptation to high uncertainty avoidance culture (Harmony) can be given based on the concepts from the chapter of literatures review and empirical data.

Adapting to high uncertainty avoidance culture like Thailand, IKEA needs to concern more about intrinsic and extrinsic rewards to increase work motivation of Thai employees since Thai people need the rewards which can increase their security or stability in work which included psychological comfort and the duration of work. In other words, Thai employees need the security in work to reduce their uncertainty. Although most of IKEA employees have been working for the company for 10 to 30 years due to their preference in the corporate culture, it may not happen in Thailand if the strategies, which attract, maintain and motivate employees, are ineffective when implementing in high uncertainty avoidance culture.

Moreover, IKEA can learn and understand about Buddhist principle which widely respected and accepted as a root of Thai culture. Most of Thai people try to follow and use it as their principled ways of life. Good leaders or managers are expected to behave in the proper way of Buddhism or called “the middle path” which the company can further study in the section 5.4 as examples of Buddhist principles related to the working style of good leaders given by Nakata (1986).

Besides all of the above mentioned, the barrier in language is also an important factor that IKEA needs to recognize and learn to solve. We recommend IKEA to encourage all employees to study and use English as minor language. Since Thai is used as officially language in the company, it can lead to the barrier in communication in such an international firm. The training in English course organized for IKEA staffs is also recommended.
Reference

Book


Online Book


Journals & Articles


**Website**


Appendix I: IKEA Background

IKEA, the leading home furnishing company was firstly found in 1943 by Ingvar Kamprad in the Southern part of Sweden. The name of IKEA is from Ingvar Kamprad’s initial (I.K.) and the first letters of Elmtaryd (E) plus Agunnaryd (A) that are the places where he grew up. Ingvar established the company when he was 17 by starting selling pens, wallets, watches, picture frames, jewelry and nylon stockings at low prices. Afterward in 1948, IKEA furniture was introduced and added to IKEA range in order to expand more product lines, which could lead to the development of IKEA by its first opening showroom in Älmhult, Sweden in 1953. The showroom display could demonstrate its functional products with high quality and low prices which the customers could have direct experience with the products before they decide to buy them. Moreover, the first IKEA store was opened in Älmhult in 1958 which was also the largest furniture display in Scandinavia during that time. (Inter IKEA Systems B.V., 2011).

Nowadays, IKEA is the world’s largest home furnishing company, which currently operates more than 316 stores in 43 countries over the world, including franchises (Inter IKEA Systems B.V., 2011).

Figure 12: The distribution of IKEA stores in 2010 (Inter IKEA Systems B.V., 2011)

IKEA continues to expand its stores in other countries and plans to open its first store in Bangkok, Thailand in November 2011 by franchising (Bangkok Post Business, 2009). Inter IKEA System B.V. is the owner or franchisor of IKEA worldwide, the company will operate IKEA in new countries, where there is no IKEA currently present and the company will evaluate franchisee’s a long term strategic plan for future growth of business. The criteria of selecting IKEA franchisees are evaluated from retail experience, extensive local market knowledge, strong financial ability in investment as well as organizational culture and values. (Inter IKEA Systems B.V., 2010).
A joint venture between Siam Future Development Public Company Limited (SF) and Ikano (Thailand) Limited, those who has franchise rights to operate two IKEA stores in Singapore, one in Malaysia and another upcoming store in Thailand. Siam Future Development is “the leader of open air shopping centers in Thailand, specialized in real estate, property services, development, management and consultancy of shopping centers in Bangkok and key metropolitan areas” (Siam Future Development Plc., 2011) while Ikano is “an international company, owned by Kamprad family group, which operate businesses in asset management, finance, insurance, real estate and retail” (Ikano Group, 2008). The two companies have invested 10 billion baht to develop home furnishing centre of IKEA in Thailand at Mega Bang-Na, a shopping centre over 40,000 squares – meters in the outskirts of Bangkok. About 40 million visitors are anticipated to visit IKEA annually to generate revenue 1.4 billion baht in the first year. Moreover, the two more IKEA stores in Thailand are also planned to open at the large complex in the next 10 years. (Bangkok Post Business, 2009).

**Vision and business idea**

The vision of IKEA is to “create a better everyday life”, a wide range of IKEA products are offered with well-designed and function at prices so low that as many people as possible can be able to buy them. The company is trying to create products and do things based on simplicity concept. IKEA is doing everything a little simple and better but with more efficiently and cost effectively (IKEA Thailand, 2011) Moreover, the business idea of IKEA is based on the partnership with customers. Most IKEA’s products are flat-packed in order to save logistics and transportation cost from the suppliers’ premises to IKEA’s outlet and lowering the products price. It allows the customers to purchase and easily take the products home as well as assemble themselves without increasing the prices to cover cost from these process which customers can do on their own. Thus, both the company and customers can together save money for the better everyday life. (ibid).
Appendix II: Interview questions for IKEA Thailand

Part I: General information of interviewees

1) Please tell us about your current position and main responsibilities at IKEA Thailand, why do you work for this company?

2) How long have you been working for IKEA? Please specify clearly if you had worked for IKEA abroad before working at IKEA, Thailand.

Part II: Questions related to IKEA Thailand

3) Does IKEA Thailand operate under franchise by Siam Future Development and Ikano? If so, the corporate culture of IKEA Thailand is influenced by IKEA or Siam Future Development and Ikano?

4) In case, the corporate culture of IKEA Thailand is influenced by Ikano and Siam Future Development, please describe the differences between the culture of these two companies and IKEA company.

Part III: Questions related to cultural difference

5) In your own opinion, are there any differences between Swedish and Thai working style in terms of managerial style, decision making, power distance between managers and employees?

6) Is IKEA’s corporate culture different from Thai domestic companies’ culture in your point of view? And in which way?

7) Does IKEA provide the flexibility in work for employees? If yes, please clarify, and do you think that those implements can satisfy Thai employees?

8) Can employees express their own ideas or opinions in any company’s issues? If yes, will IKEA bring these opinions into consideration? And how?

9) Is there any distance between managers and employees in IKEA (for example, the use of power and the respect of each others)? (Please answer in comparison between Swedish and Thai managers) If yes, do you think that these differences can lead to the difficulty in management? Please explain.

10) In IKEA, do you found any difference between Thai and Swedish people in the perspective of time? If yes, do they lead to the problem in working? And how?

11) How does IKEA do to maintain employees? Do you think those are enough to reach the expectation of Thai employees? And Why?
12) How does the role of women, compared to men in recruitment, promotion and job level at IKEA, Thailand? In your opinion, do you think that women are treated equally in the company?

13) What is the official language used in IKEA Thailand? Are there any obstacle for the communication among managers from various countries and the communication between managers and employees?

14) Do you have any concern towards the cultural difference within your workplace? And how?

15) Is there any cultural adaptation implemented in IKEA Thailand?