HÖGSKOLAN KRISTIANSTAD

Scandinavian management style in Hong Kong

How is the Scandinavian management style affected

by the Chinese culture?

Kristianstad University   Authors: Jenny Helbrink
Department of Business Administration & Economics   Elina Kudule
International business
Bachelor dissertation   Tutors: Christer Ekelund
FEC 685, November 2006   Lisa Källström

Acknowledgements

This Bachelor dissertation is the final assignment of our three and a half years studies at Kristianstad University. By this dissertation we summarize the knowledge received during the years as international business students. The ten weeks given for this dissertation has been rewarding in many ways, however, it is with frightening enthusiasm that we now hand in our dissertation.

We would like to dedicate special thanks to all assistance, support and valuable information that we have received from our tutors, Christer Ekelund and Lisa Källström. Furthermore, we would also like to thank Benjamin Chan and Angie Cheung, working at City University of Hong Kong, who has been very helpful with contact information and criticism regarding Hong Kong business environment. We would also like to thank the helpful and flexible managers that afforded time to participate in our interviews, Eva at Swedish Chamber of Commerce for polite treatment and assistance with useful information and last but not least, Annika Fjelkner at Kristianstad University for all help and guidance through the English language in this dissertation. Without these persons this dissertation would not have been possible to accomplish.

Kristianstad, November 2006

_____   _____
Jenny Helbrink   Elina Kudule

Abstract

In all aspects of life culture has a deep impact on how we react and relate to different situations. In understanding the meaning of culture it is vital to distinguish between national culture and corporate culture. National culture can be found in all different human interactions and organizations, whereas corporate culture can be related to the environment within business organizations. We believe that there are a number of collusions when a manager from one culture interacts with persons living in a totally different one. The purpose of this dissertation was to find out how Scandinavian management style practiced in Hong Kong, would be affected by the Chinese culture. To understand if or in which ways the Scandinavian management style had been affected, we studied some existing theories and tested them to the reality. To make this possible we concluded the main contents from the theories, in total six hypotheses, which we later used as a foundation to our questionnaire. The result of the questionnaire indicated that most of our hypotheses were accepted, however, due to the low answer frequency, we felt that the result from the questionnaire needed some complementation. In addition to this, we decided to take the research one step further, through semi-structured interviews. Thereafter, we compared the results from our questionnaire to the results from our semi-structured interviews and made a comparison to the hypothesis. The outcome of this comparison became the final conclusion of our dissertation, which indicated that the Scandinavian managers would adapt their management style to a certain degree to the Chinese culture.

Keywords: Chinese culture, Scandinavian management style, Hong Kong management style.

Table of contents

List of figures

List of tables

1. Introduction

More and more managers are choosing to work abroad which means that different cultures have to cooperate to be able to reach a common goal. In addition, this is creating other, new problems that would not exist in their separate cultures. As an expatriate manager, to be able to gain respect and create a good work environment, we believe that the managers will adjust their management style to the new culture. In this chapter we will describe why we chose the specific subject of this dissertation, what the purpose is and our possible limitations.

1.1. Background

In our rapidly changing business environment and increasing outsourcing, international managers have to be able to adapt and adjust their management style to the cultures they work in. One of the most popular areas at the moment for outsourcing is Asia, this is much due to different important factors such as cheap labour, economic growth and an increasing market. As the Asian culture differs a lot from the Western culture, it is foreseeable and obvious that the Western companies and managers will face many cultural collisions in Asia. For this reason research within international management and culture has been a popular area for many researchers. However, we have experienced that there is a lack of research done within the field of how Scandinavian management style practiced in another culture will change when practiced in a new culture.

Our interest for management styles in different cultures was firstly developed during an exchange semester from Kristianstad University in Sweden to City University of Hong Kong. During this semester we took a course called Intercultural

Communication in which we compared different cultures and management styles. Furthermore, by living half a year in Hong Kong, we got an insight in a new culture for us with totally different beliefs, norms and values. In addition to this, the purpose of our dissertation will be to see how Scandinavian management style, practiced in Hong Kong, is influenced by the Chinese culture.

As our focus is going to be on culture and management style, we started out by reviewing some researchers and their theories, for example Hofstede, Trompenaars and House, this to get as much knowledge as possible relating to the purpose of our dissertation.

1.2. Problem

Most of the existing research within Western and Eastern culture and management style is comparing United States to China/Japan. The problem in our dissertation is that there is not much research done on how Scandinavian management style might change when practiced abroad, even though more and more Scandinavian managers are choosing to work in another country. This indicates that research within this field could be useful for the Scandinavian managers planning to work abroad and prepare them for a possible need of adjustment of their management style. For this reason we would like to conduct research within this area.

1.3. Purpose

The purpose of our dissertation is to see if there are any signs of how Scandinavian management style, practiced in Hong Kong, may be influenced by the Chinese culture. After reviewing our secondary data on culture and management styles we will try to develop some hypotheses and later test them. We will continue the research study with a survey, where we will try to analyse the result and see if the hypotheses differ or if they are somewhat coherent to the reality.

1.4. Research questions

1. How is the Scandinavian management style defined?
2. Which major characteristics of Chinese culture can affect the Scandinavian management style?
3. How and in which ways is the Scandinavian management style influenced by Chinese culture when practiced in Hong Kong?

1.5. Limitations

Our dissertation is going to:
- ignore the differences in management style among Scandinavian managers (Danish, Norwegian and Swedish).
- focus only on the Scandinavian management style practiced in Hong Kong.
- be limited to Chinese culture in Hong Kong.

1.6. Outline

To sum up this chapter we are presenting the final outline of our dissertation.

Chapter2 In this chapter the specific method, chosen for this dissertation, is presented through explanation of the most appropriate research approach, strategy and time horizon. Moreover, an interpretation of the words validity and reliability is done.

Chapter 3 This chapter will cover background information relating to the purpose of the dissertation, such as Chinese and Scandinavian history and give a description of management styles practiced in Hong Kong respective Scandinavia.

Chapter 4 We will in this chapter present our theoretical framework. This chapter is divided into two parts, the first part covers theories on culture and the second part covers theories on corporate culture.

Chapter 5 The fifth chapter will place Hong Kong and Scandinavia in a theoretical framework and see where these two regions differ.

Chapter 6 This chapter will present our empirical method for example our research strategy, the questionnaire, the semi-structured interviews and limitations that we may come across.

Chapter 7 In this chapter we intend to present the analysis of both questionnaire as well as the result from semi-structured interviews.

Chapter 8 The final chapter is summarizing the outflow of the dissertation and later present the final conclusion of this dissertation.

2. Method

When writing a dissertation it is crucial to have a thorough plan of how the structure of the work process will look like. In addition to this, this chapter will specifically focus on the outline of the dissertation and cover the research approach, research strategy, time horizon and give explanation of validity and reliability.

2.1. Research approach

The research approach for this dissertation started with an exploratory study, more specifically with a search of existing literature to get more insight in specific characteristics of Scandinavian management style and description of main values and norms of Chinese culture. To get a clearer and more specific view of how the Chinese culture might affect Scandinavian management style practiced in Hong Kong, we continued with a field study to be able to get a deeper understanding. This implies a deductive approach, usually used in exploratory study, an approach that starts in theory and in that way tries to explain the reality (Saunders, Lewis and Thornhill, 2007). In our case we studied different theories and later, when analyzing our research study, the theories helped us to explain the reality.

The plan for our research strategy is to use a questionnaire, more specifically an internet-mediate questionnaire. One disadvantage with using an internet-mediate questionnaire is that usually the numbers of responses are relatively low. Therefore, in case of low response rate of the internet-mediate questionnaire we will continue with a small number of semi-structured interviews, this in order to receive more thorough information of how and in which ways the Scandinavian management style will adapt to the Chinese culture when practiced in Hong Kong. If the response rate proves to be relatively low and since we only have limited time to do semi-structured interviews we feel that a generalization of the final result might not be possible to

achieve and instead the emphasis in this dissertation is to try to see indications on how the Scandinavian management style is affected by the Chinese culture when practiced in Hong Kong.

2.2. Research strategy

We started our exploratory study by reviewing secondary data; this sort of data is data that is already collected for other purposes and that can be re-used for other research. The disadvantage of secondary data is that it is collected for other purposes and not always entirely useful for your specific research (Saunders et al, 2007). In our case we used the secondary data to get useful knowledge about the subject that would later assist us in our future research study.

In contrast to secondary data, primary data is especially collected for a specific research project and by the researcher himself. Different ways of collecting primary data is by using questionnaire, experiments, case studies, observations and interviews (Saunders et al, 2007). We felt that the most appropriate way to start our exploratory study will be by using a questionnaire, more specifically an internet-mediated questionnaire. An internet-mediated questionnaire is frequently used to answer questions of "who", "what", "where", "how many" and is usually used in similar kind of research as ours, videlicet exploratory research. Furthermore, an internet-mediate questionnaire is highly cost efficient and takes limited time for the respondents to answer. The disadvantages with an internet-mediated questionnaire are normally that not everyone has access to Internet, it is hard to find an existing register of specific respondents and the answer frequency is normally relatively low (Saunders et al, 2007). In our case, we thought that the disadvantage that would give us most problems with an internet-mediated questionnaire would be the low answer frequency, however, we will try to increase the response rate by sending a reminder.

If the answer frequency still proves to be a problem we will continue our exploratory study with semi-structured interviews with Scandinavian managers that have great knowledge both of the Scandinavian and Hong Kong business environment and Chinese culture. Interviews can be useful to obtain valid and reliable data that are relevant to the research questions and objectives of the specific thesis. Also the collected data from the interviews is useful to reveal and understand the "what", the "why" and especially place a lot of value on exploring the "how". One example how to perform an interview is by using semi-structured interviews, most commonly used when the researcher has a list of themes and questions to be covered. The order of the questions in semi-structured interviews may vary significantly in each interview performed, hence, all depends on the flow of the conversation (Saunders et al, 2007).

Secondary and primary data can be divided into two approaches: quantitative and qualitative data. Quantitative data is based upon qualitative judgments that can later be described and manipulated numerically. The advantage with this sort of data is that it is easier to standardize and analyze by using for example diagrams and statistics. Qualitative data, on the other hand, is data that includes virtually any information that is not expressed in numbers and that gives a deeper insight for example by using in-depth interviews and direct observation (Saunders et al, 2007). We will start out by using a questionnaire that will provide our research with quantitative data. However, as we are aware of the possibility that the response rate can be relatively low, we will continue our research with semi-structured interviews to get additional information for our analysis. This will give us a deeper insight, more specifically, provide us with qualitative data. From the data received we will continue with an analysis and see if our empirical data can provide us with some other information than the information received from secondary data.

2.3. Research time horizon

There are two types of time horizons that are used in time descriptions. One is cross-sectional study that is based on describing phenomena at the present time and the other is longitudinal study which examines and measures the change of a research subject over a longer period of time (Saunders et al, 2007). We found that the most appropriate study for our dissertation would be cross-sectional relating to the limited time and our specific research purpose.

2.4. Validity and Reliability

To be able to create a credible dissertation it is important to have in mind two important aspects, validity and reliability. Validity is defined as a measurement for something that is relevant to the context whereas, reliability is about if the measurement is done in a trustworthy way (Saunders et al, 2007). Our aim throughout this dissertation is to try to reduce the risk of creating a misleading research. To be able to do this, we have tried as far as possible to have as valid and reliable data as possible.

3. Background information

Eastern and Western culture have always been described as opposites. In our third chapter we are describing the different background components, Chinese and Scandinavian history and culture. When studying culture, it is important to be aware of the differences between national and corporate culture. National culture can be found in all different human interactions, whereas, corporate culture can be related to the environment within business. In addition, in this chapter we will explain typical characteristics of Hong Kong and Scandinavian management styles, which will later assist to a deeper understanding of our theoretical framework.

3.1. Culture

During the past century trade barriers has been lowered world wide, much due to globalization of markets and growth in international trade. This has created new business opportunities, but in order to conduct business abroad and be successful, one needs to understand the new environment. Although business operations have become much more internationalized, national and local traditions still remain the same (Grzeskowiak, 2001). This is where the importance of culture needs to be considered, as culture is a hard thing to define and the explanations are many. Project Globe describes culture as "shared motives, values, beliefs, identities, and interpretations or meanings of significant events that result from common experiences of members of collectives and are transmitted across age generations" (House, Hanges, Javidan, Dorfman and Gupta, 2004). Furthermore, Grzeskowiak claims that one will probably never know a particular culture as well as one's own, but deeper knowledge will help to develop closer, more successful relationships (Grzeskowiak, 2001).

3.2. Hong Kong

To be able to understand a certain person one needs to understand the culture he is from and to be able to do that it is important to have some historical knowledge (Helgesson, 1996). In addition, we thought it would be useful to study the ancient history of Hong Kong.

The area known as Hong Kong became an important trade region and a significant strategic location for the Chinese mainland already during the Tang and Song dynasties (618–906 AD and 960–1279 AD). However, before 1840 this territory was sparsely populated with a few farms, fishing villages and a pirate base or two. In the 19th century when Britain ceded the area after the Opium Wars, 1843, Hong Kong became an attractive region and traders began to settle on Hong Kong Island. During 1970s, Hong Kong started to develop its financial and banking economy which led to great growth and Hong Kong quickly became one of the wealthiest territories in the world (Iexplore, 2006).

On July 1st, 1997, the whole territory of Hong Kong became the Hong Kong Special Administrative Region of the People's Republic of China (PRC). In the Joint Declaration, the PRC promised that under the "One Country, Two Systems" policy, the socialist economic system in Mainland China would not be practiced in Hong Kong, and Hong Kong's previous capitalist system and life-style would remain unchanged for at least 50 years, or until 2047. Hong Kong would enjoy a high degree of autonomy in all matters except diplomatic affairs and national defence (Grzeskowiak 2001).

For many years Hong Kong has been seen as a gateway for China to the rest of the world (Lafayette De Mente, 1995). It has provided Chinese businessmen with an opportunity to face western culture without leaving Chinese traditional, basic values and beliefs. Simultaneously, Hong Kong has functioned as a training area for foreign

companies that later planned to move some of their business to Mainland China (Fang, 2005).

Hong Kong is a city that still today is highly influenced by Chinese culture but since it was colonized by the British, Hong Kong has adapted many of the ideas and values within the business environment from Western culture. In Hong Kong, Chinese and Western culture intermingle in the way of doing business but still today there has not been sufficient adaptation from both cultures to create a new way of doing business, a sort of mix culture (Lafayette De Mente 1995).

The Hong Kong population consist of 98% Chinese and the other 2% are British, Indian, North American, Filipino and other Asian or European citizens. However, only 60% of the population is of Hong Kong birth (Grzeskowiak 2001). Moreover, since the British handover to China, a new group of immigrants from Mainland China has increased the ethnic diversity in the territory.

The majority of Hong Kong's population practice Confucianism, but there are also large groups of followers of Buddhism or Taoism. Although freedom of religion remains true in Hong Kong, it remains a volatile issue for many, as any threat will have lasting implications for the perceived freedoms in Hong Kong.

The Hong Kong Chinese view themselves as Westerners in comparison to Chinese people from Mainland China, but still their priority lays very similar to the Chinese of Mainland China, with values consistent with Confucianism, Buddhism and Taoism (Grzeskowiak 2001). That is why we are in this dissertation focusing on the Chinese culture and its impact on the management style in Hong Kong.

3.3. Chinese history and culture

China is almost as old as India and Mesopotamia, where one of the oldest civilizations grew. In none of the other old civilizations there existed such a defined norm system as the one in China. Obviously, there was some kind of similar system in India and Japan, but China ethics and rituals have always been seen as the most important factors of an individual's life, which has led to extra strain for the survival of the culture.

The highest divinity in Chinese culture is cosmos, which is cold, harsh and totally insensitive towards human beings. One cannot love it, copy it, and can not be excited about it. Confucius has said: "The cosmos is the symbol of highest order" (Oldstone-Moore, 2003).

As mentioned earlier, the faith to the religion was formed in the early development of China and special attention in Chinese culture is paid to philosophic systems, created by ancient writers and philosophers, that later turned to religion, for example Confucianism.

In Chinese culture there is great emphasis on the worship of ancestor due to the strong influence of historical religions. The religions that have the most followers in Chinese society are Confucianism, Buddhism and Taoism. In addition, to understand the culture and what values that are important to the Chinese society one needs to be aware of the basics of these three religions (Littleton, 2003).

3.3.1. Confucianism

Confucianism is a complex ethical and philosophical guide of how a follower should answer different aspects in life such as moral, social, family, business life and politics. Confucianism is not so much a religion, as a system of politics, good order, and social ethics (Cyr, 2002). Confucianism was repressed within the twentieth

century by the Chinese Communism, but soon retrieved great support, and today Confucianism has great impact on the every day life in Mainland China, Vietnam, Korea and Japan, but also within territories like Hong Kong and Macau and Taiwan.

Confucian beliefs are built on the idea that a man should become a man of learning and good manner. The main belief is that the perfect man is equally described as a saint, well educated and behaves as a gentleman. The founder of Confucianism is Kung Fu Zi, later renamed as Confucius (Littleton, 2003).

Confucius claims that a virtuous man stands for no religion, but with an ethical belief of how one behaves in ones present life, will affect ones status in the next life. Confucius had nothing to say about hell, but more to say about punishments and awards of the present life based on all seeing heaven. He claimed that to please a God or many Gods you should show great respect for your immediate family, neighbours and also the whole society.

In the beliefs of Confucius, the nature of man is fundamentally good. Every man should strive for the ideal life by living in a virtuous way. Confucius claimed that society is built on five building blocks; the relationship between husband and wife, of parent and child, of elders and youngsters, of Ruler and Minister and the relationship between a friend and a friend. Relating to these relationships, Confucianism claims that the perfectly governed state is attained when all five building blocks are active in life and society performs its duties correctly (Oldstone-Moore, 2003, Littleton, 2003).

3.3.2. Buddhism

Buddhism was introduced in China from Northeast India during the third century B.C when rulers of China sent missioners to learn more about the land and religion far away. The mission was very successful and Buddhism soon became a central religion among monks and scholars in China (Hewitt, 1995). However, in the early

introduction of the religion, the inhabitants of China showed great resistance towards the new religion, since the thought of Buddhism stood in complete opposite to the ancient traditions of Confucianism.

In a general point of view, Buddha is considered to be a person who discovered the true nature of reality through years of spiritual cultivation, investigation of various religious practices of his time and meditation. It is first after discovering the true nature of reality and awakening of ignorance within life, that a person can be named Buddhi. Furthermore, you can only reach awakening if you live a virtual, moral life and keep striving for a pure mind. The general aim of Buddhist practise is to put an end to every day stress. To achieve the state of the end of stress, called Nirvana, followers train and purify the mind by following the text of The four noble truths and the Noble eightfold path (Littleton, 2003).

3.3.3. Taoism

Taoism is the third religion that has affected Chinese culture. In the sixth century B.C., when Kung Fu Zi became known as Confucius, Lao-Tze was expounding the doctrines that later became known as Taoism (Cyr, 2002). It is said that the founder, Lao-Tze, created these doctrines when searching for a way to avoid war and other conflicts (Littleton, 2003).

Tao in Taoism means path, a path that should be experienced. A central point of Taoism is a mix and balance of two natural forces yin and yang. Another important factor is "Wuwei", which means doing something without intermediation (Wikipedia, 2006).

If you compare Taoism to Confucianism, Taoism is not authoritarian and instead points out freedom and spontaneity (Littleton, 2003).

3.3.4. The relation between Confucianism, Buddhism and Taoism

The three mentioned religions have in today's Chinese culture become more or less united in the Chinese culture. A first step towards a unity was when Buddhism was introduced in China and the monks that translated the Buddhist ideas, used Taoist terms, as there were no other Chinese words for the specific words. As a result, people began to relate Buddhism to the existing Taoism tradition. It was only later on that the Chinese came to fully understand the teachings of Buddha.

Many forms of Confucianism have, however, declared their opposition to the Buddhist and Taoist belief systems, despite their importance and popularity in Chinese tradition. However, the relation in between Buddhism, Confucianism and Taoism to one united religion has been developed during the last decades. Moreover, in our background information review we found that Confucianism has had most influence on Chinese culture compared to the other two religions described above. Confucianism is still today seen as an important element in the Hong Kong business environment and the basic ideas on profit seeking, family relations and saving "face" is something that is taught from generation to generation however, this is slowly fading as companies in Hong Kong are becoming more westernized (Lafayette De Mente, 1995).

3.4. Scandinavian history and culture

Scandinavia is a region in Northern Europe that usually is mentioned to include Denmark, Norway, Sweden and occasionally Finland and Iceland, however, in this dissertation we have decided to focus on the first three mentioned countries as these countries have very similar history and culture.

Concerning religion, the Scandinavian region has belonged to Christianity since the 10th century and it is from this century the three countries have been seen as one

united region. In 1397 Danish, Norwegian and Swedish kingdoms were united in Kalmar Union but because of different interests, the Union was dispersed in 1536 (Sundberg,2002). After the Napoleonic wars during 1799 – 1815, Scandinavia was divided in two different unions:

1. Denmark and some parts of Norway.
2. Sweden and rest of Norway.

However, these two unions were dissolved in the early 1900s and since then the three countries have been governed as separate kingdoms (Larsson, 2003).

As mentioned before, the Scandinavian region is influenced by Christianity, more specifically the Protestant view of Christianity, and still today, in the 21st century, the most common religion in the Scandinavian region is Christianity. Christianity is today the largest existing religion with over1.7 billion followers. The religion considers Jesus Christ, as an individual and his accomplishments. The faith is based on two doctrines, the Old and the New Testament, which have to be accepted to be considered as a true Christian. This has naturally affected Scandinavian culture in many ways, for example the high valuation on social welfare and equality in society (Bonniers, 1995).

3.5. Corporate culture

There are many definitions on how corporate culture can be explained. Some define it as "the commonly-held and relatively stable beliefs, attitudes and values that exist within the organization" (Williams, Walters & Dobson, 1993). "The way we do things around here", the way a company carries out its decision making, resolves its problems, negotiates etc. (Hall, 1995, p. 25) is another common definition.

In the constantly changing global economy companies must do everything possible to remain competitive. Understanding leadership and leader effectiveness is necessary in order to understand how to motivate employees and, thus, achieve organizational goals (Hersey, Blanchard and Johnson, 2000). Many researchers believe that the readiness and willingness of subordinates to perform tasks are important aspects that contribute to a leader's effectiveness. A well-known researcher, John Roberts, describes the manager's task within an organization as "Managers can create the formal aspects of the company, but they can not control networks and culture" (Roberts, J., 2004, p. 284). The situational leadership theory, created by Hersey, Blanchard and Johnson, discussed in the next chapter, argues that leadership style and influence should only be initiated after a leader has successfully gauged the readiness of his/her employees to undertake a specific task. Leadership adaptability means that a leader must adapt his or her leadership style to suit both the situation and the degree of readiness to undertake a specific task shown by subordinates. Flexible leaders can be considered those leaders who can choose the appropriate leadership style for the specific situation (Hersey et. al. 2000).

Researchers such as Abrams and Hogg have explained how different corporate cultures can be developed. Abrams and Hogg speak of the psychological connection between an individual and a social group or community to which he/she belongs. Hence, an individual can have several identities derived from several organizations that he/she simultaneously belongs to. In addition, an effective cross-cultural manager, should be guided by his/her insights, and be able to understand what identities define an individual at a given moment in time (Abrams and Hogg, 1999).

3.6. Hong Kong management style

As said in chapter 3.2., Hong Kong is highly influenced by Chinese culture therefore the typical characteristics for the Hong Kong management style are built on central ideas of Chinese culture, however with influences of Western philosophies.

The core values within the business environment in Hong Kong are firstly, that a merchant is seen as the lowest class of the society. According to Confucianism, the merchant is ranked lower in class than any other profession, for example farmers and workers. This critical belief is due to the Confucian ethic to avoid profit-seeking activity as far as possible. To Western culture this may seem odd since any business environment is based on a profit-seeking activity. In addition to this, Confucianism distinguishes the gentleman (the man of success) and the small man (man of poverty) by his attitude towards profit (Cyr, 2002). The main reason, in the view of Confucianism, to avoid profit-seeking activity is the fact that profit-seeking will break the social harmony within the state. However, the important issue when trying to achieve in the business world, according to Confucianism, is that there is nothing wrong with achieving wealth and high status, as long as wealth is obtained in a correct and in a virtue way (University of St Thomas, 2006). The ethics of Confucianism accept business activity only if the man takes the business one step further to create greater welfare within the society as a whole (Littleton, 2003).

Secondly, another significant element related to Hong Kong management style is the importance of "Guanxi". The word literally means "relationships", and stands for any type of relationship within human life. When doing business within a Chinese culture it is important to be aware of the mentality "If you scratch my back, I will scratch yours". Furthermore, "Guanxi" is never based on money; it starts with the trustworthiness of the manager and his company, to always treat someone with decency, regular contact in between and to underline the value of dependability and reliability. "Guanxi" is a sort of business and information network, and many claim that businesses with wide spread "Guanxi" often has much higher performance than

companies with little or no "Guanxi". As an expatriate manager, regardless of how well you perform business in your home county, in Hong Kong, consistent with Confucian values, the right "Guanxi" is of most importance to achieve success (Helgesson, 1996). To be able to create a strong and healthy "Guanxi" takes a lot of time and effort, however this is vital if you want to succeed in a Chinese culture. In recent years, relating to the internationalization process and the diminishing role of interference of the Chinese state, the value of the word has "Guanxi" somewhat declined (Los Angeles Chinese Learning center, 2006).

Thirdly, one of the most cultural differences that exist between the East and Western culture is related to the Chinese concept of "to give or lose face". Westerners may emphasize the value of the heart, whereas, the Chinese emphasize the value of the face (Hoon-Halbauer, 1994). The word "face" is built up on two different components, Lian and Minzi. Lian, stands for the confidence of society in a person's moral standards, whereas, Minzi stands for the person's social perceptions of prestige. To lose face with reference to Lian, result in a lack of trust in a social network, whereas, to lose face according to Minzi, result in a decrease in authority. Moreover, in order to conduct business in a Chinese culture it is important to be aware of the expression, "never to lose or give face", as face represents power and knowledge, as to insult, embarrass, yell or in any other way demean a person, makes this person "lose face"(Grzeskowiak, 2001).

From these three core values based on Confucianism you can see a pattern in the existing corporate culture in Hong Kong. In addition, Hofstede has created some guidelines of general characteristics of Hong Kong corporate culture, based on his research within culture:
- The managers make their decisions in an autocratic point of way.
- Hierarchic power is related to existing differences among the society.
- Managers are not in favour of individual achievements, the best result is when it comes from the group.
- The society propaganda of discipline.

- The subordinates are often scared of disagreeing with their superior.
- Social status is primarily based on age.
- The level of trust is very low both between managers and superior to subordinates within an organization. To be able to come across this problem the supervision is valued positively from the subordinates and their supervisors.
- The Chinese manager is known to be highly flexible and to have high adjustment ability. They are fast to adjust with reference to financial success and they have high respect to the learning process and are open to new ideas.

Regarding Hofstede´s last guideline, one thing that may limit the Chinese managers' strength to be able to be flexible and open to new ideas, is the Chinese autocratic value of parents and seniors in society, based on the ancient Confucianism values. In the Chinese society age is followed by success, age is not only providing useful wisdom but gives the seniors the authority to give orders. In the beliefs of Confucianism respect of seniors are of important value (Bjerke, 1998).

Another important factor to consider is that different types of ownership in the business community in Hong Kong have great impact on what sort of management style is practiced. Overall there are four major types of ownership which largely determine the management style. These are:

1. Companies owned by mainland Chinese capital, such as the Bank of China and China Resources. These companies mainly practice a Chinese management style.

2. Companies owned by traditional Chinese families. Many of these families came to Hong Kong either before or right after World War II. Some examples of these companies are Cheung Kong Holdings, Hutchison Whampoa Ltd. and New World Development. Typical management style used in these companies is Chinese management style with some influence of Western management, which they picked up during the colonial years.

3. Companies owned by foreign capital mainly by the United Kingdom and United States of America, companies such the Hong Kong Bank, Standard Chartered Bank, Mc Donald's, Microsoft, Dell and IBM. Another major investor is Japan with companies such as Mitsui, Mitsubishi, Sharp and Toyota. These companies usually practice a Western or other management style besides the traditional Chinese management style.

4. Nowadays in Hong Kong the small and medium local companies owned by the younger generation of local educated people are increasing. Some special examples of such companies are Li and Fung Co. Ltd. and these usually practice a mixture of Chinese and Western management style.

Based on the categorization above, the Chinese style management style can largely be seen in Mainland Chinese companies and in companies owned by traditional Chinese families but also to a smaller extent in companies owned by the younger educated generation in Hong Kong. Furthermore, it is important to underline that companies owned by foreign capital practice a Western management style that can be somewhat similar to the management practiced in Scandinavia (Chan, 2006). Relating to our dissertation it is this category that is going to have the most significant value, since most of the companies that we are in contact with are with some kind of foreign background.

3.7. Scandinavian management style

Scandinavian management style is described by many as one distinct management style due to the fact that Denmark, Norway and Sweden have been developing in more or less the same way. The most important difference from other management styles is perhaps the emphasis on equality of all human beings in society. Furthermore, the Scandinavian managers are rated as one of the most "soft" and

feminine management styles in the world. Specific feminine attitudes are interpersonal relationships and nurturing of the weaker link within society.

Scandinavian multinational corporations have a close relation between their foreign subsidiaries and their Scandinavian headquarters, more specifically the relationship is usually seen as less formalized compared to other countries. To foreign managers these structures can be seen as ambiguous, unclear and often frustrating.

More specifically, Scandinavian managers are not in favour of giving straight directions. The managers usually prefer to introduce the employee to the visions and values of the corporation and expect the employee to take his/her own responsibility. This often makes the decision process fairly diffuse and as named earlier it can be hard for a foreign manager to understand. Furthermore, the managers are typically less formal, and they interact with their subordinates in the decision making process. More specifically this means diminished centralization and lower organizational pyramids (Hofstede 1984, Trompeaars 1995).

Relating to Hofstede´s "Four dimensions of culture", more specifically dimension individualism versus collectivism, typical Scandinavian culture rate high on individualism. This means that a Scandinavian individual put a lot of effort in individual freedom, challenges and individual success (Hofstede, 1984).

The status of the manager is achieved by previous success in life, not on family background. Leadership is something you obtain, not something that is given to you with reference to seniority. According to Hofstede (1984), based on his research on culture, typical characteristics for the Scandinavian corporate culture are:

- Most companies are very decentralized and horizontal.
- Emphasizing a corporate culture with low power distance.
- The value of privacy and the fact that everyone has the right to their personal opinion is seen as highly important.

- Acknowledged to have high trust between the superiors and subordinates within an organization.
- The idea to work less than to get more paid is emphasized (Bjerke, 1998).

In the negotiation part of a business deal in Scandinavian countries a lot of emphasis is put on the formal contract, created on agreements between the two counterparts. The high trust in formal contracts is based the value of the law within the states. If a contract is written, there is a significantly low risk that any of the counterparts will back out when the deal is closed (Helgesson, 1996).

The majority of Scandinavian managers share the basic ideas of how to become successful in once business career. Firstly, an important aspect is to formulate applicable, and goals which later will give directions to what way one organization should be managed. Secondly, great concern should be placed relating to the welfare and happiness of ones subordinates. The emphasis on behaving as an informal superior that carefully listen, takes suggestions and ideas under deep consideration given by the subordinates. One should be aware of that the most valuable asset is the knowledge and strength of once subordinates. Therefore it is highly important to motivate, support and inspire once subordinate to be able to create a team spirit which will hopefully later on create an overall good organizational performance (Tollgerdt-Andersson, 1996).

4. Theoretical framework

With reference to the purpose of our dissertation, how the Scandinavian manager, when working in Hong Kong, will be affected by the Chinese culture, we will in this chapter study some of the most well-known researchers and their theories relating to both national culture and corporate culture, hence, it is most important to distinguish between these two to be able to understand the behaviour of a new culture.

4.1 Theories on culture

During the past decades, culture has become a more and more popular area among researchers to conduct research on. Ideas of how a culture should be managed have been widely discussed. Different theories have different assumptions of what is claimed to be the best way. In addition, to be able to get a clear and somewhat correct approach to our dissertation, we have selected research theories that in our opinion could be most useful for our further research.

4.1.1 Four dimensions of culture

One of the most well-known researchers within the area of culture is Geert Hofstede. Hofstede created a theory called "Four dimensions of culture", one of the many research theories that he developed during the 20th century. This theory is trying to explain how values in a workplace are influenced by culture. "Four dimensions of culture theory" is based on a study conducted between 1967 and 1973 and focus on explaining people's values within the IBM Corporation in more than 70 countries worldwide. Hofstede identified four specific dimensions of culture:

1. Power distance.

Hofstede defines power distance as "the extent to which less powerful members of institutions or organizations within a country expect and accept that power is distributed unequally"(Hofstede, 1997, p.28) .The relation to power distance is learned early on in life, for example through upbringing, school experience and personal relationships.

 In cultures that rate high in power distance inhabitants are expected to be obedient and show respect for the elder generation and for those with wealth and power in society. In countries with high power distance, the power and influence is concentrated to a small group of individuals and these countries tend to be more authoritarian in their leadership style. On a business perspective countries that rate high on power distance tend to have a relatively unequal relationship between superior and subordinates. The power within companies is often centralized and gap between salaries is often very wide. Also within this dimension Hofstede found some associations to power distance:

- **Geographic latitude**: higher latitudes on the world map are associated with a lower rate in power distance.
- **Population**: countries with a large population often rate high on power distance.
- **Wealth:** a wealthy nation often rate low on power distance.
- **History**: countries based on Confucianism beliefs often rate high on power distance whereas countries with a history of Germanic language (German, English, Danish, Swedish and Norwegian) score low on power distance.

2. Collectivism versus Individualism.

This dimension refers to how people define themselves and their relationship towards others. The big difference between a collectivistic and individualistic society is who is taken into consideration when goals are set. In individualistic societies goals are set

on the emphasis of the individual and its immediate family whereas in collectivistic societies the emphasis is on the welfare of the group.

In countries with high collectivism, people are integrated in strong groups for life, for example family, friends, religion, and can rely on absolute protection in exchange for loyalty (Hofstede, 1997). An individualistic society, on the other hand, has the interest of the individual in focus. Ties between different individuals within the society are generally loose. People are most concerned about their immediate family and friends.

With reference to business environment, in individualistic society the superior and subordinates relation is established by contract and promotions based on personal skills and regulations, whereas, in a collectivistic society the relationship between superior and subordinate usually is perceived in moral terms, as some sort of family link.

Individualism and collectivism may also be associated with direct and indirect communication, more specifically the way speakers reveal intentions through verbal communication. In the direct communication style which can be connected to individualism, the wants, needs and desires of the speaker are embodied in the verbal messages. Direct communication on the other hand can be connected to collectivism, the wants, needs and goals of the speaker are not obvious in the verbal message to the receiver. Hofstede developed some associations related to the collectivistic versus individualistic dimension:

- **Wealth of the nation**: there is a connection between a nation's wealth and individualism.
- **Geography**: countries with a colder climate tends to rate higher on the individualistic score.
- **Birth rate**: societies with a high birth rate tend to have a more collectivistic approach.

- **History**: countries with ancient Confucianism values tend to rank high in collectivistic.

3. *Femininity versus Masculinity.*

Hofstede found that the women's role in society varied less than the men's role from culture to culture. Furthermore, he labelled that men in a masculine society strive for a maximal difference in workload between genders. Masculine societies stress assertiveness, competition and material success, whereas, feminine cultures permit more overlapping roles of gender and stress quality of life, interpersonal relationship and concern for the weaker individuals in society (Hofstede1980). Related to this dimension Hofstede founds two associations:

- **Geography**: countries with colder climate tend to be of a more feministic culture.
- **Birth rate**: in feministic cultures the women have more to say concerning number of children.

4. *Uncertainty avoidance.*

The dimension of uncertainty avoidance deals with the way countries react to ambiguity and uncertainty. Hofstede explains uncertainty avoidance with the way the feeling is expressed, either in nervous stress and constant need for predictability or for written or unwritten rules (Hofstede, 1997).

In countries with high uncertainty avoidance, uncertain situations are avoided by strict rules and codes for behaviour. Moreover, such cultures usually are active, aggressive, emotional and security seeking, whereas, cultures with weak uncertainty avoidance usually are relaxed, acceptable of taking personal risks and relatively tolerant.

Furthermore, related to the business environment, in countries with high uncertainty avoidance there is a constant need for employees to work hard, to apply to specific

rules, precisions and punctuality. On the contrary, employees that work in a culture that has low uncertainty avoidance work hard when needed, do not follow rules more than necessary and the ability to be punctual have to be learned. Related to the dimension of uncertainty avoidance Hofstede found some associations:

- **Religion**: Protestant Christian societies usually have low uncertainty avoidance, whereas, the Eastern religions or philosophies have medium to low uncertainty avoidance.
- **History:** cultures that are built on the philosophy of Confucianism often score lower on uncertainty avoidance.

After some additional research Hofstede, with the assistance of Michael H. Bond, later on added a fifth dimension based on a study among students in 23 countries. In this study, Hofstede and Bond added a dimension called long term versus short term orientation that is based on the values of Confucianism. This dimension includes values such as thrift, persistence, sense of shame and is highly focused on the importance of relationships. Furthermore, it refers to motivated, responsible and well educated individuals that have a strong sense for loyalty, identity and that emphasize tradition and the value of not losing face. Countries that generally have a long-term orientation are Japan, Hong Kong, Singapore, South Korea and Taiwan (Hofstede, 1984, Hofstede1997).

4.1.2. Seven dimension theory

Another well-known researcher within the research field of culture is Fons Trompenaars. He described culture as "A fish only discovers its need for water when it is no longer in it. Our own culture is like water for a fish. It sustains us. We live and breathe through it. What one culture may regard as essential, a certain level of material wealth for example, may not be so vital to other cultures" (Trompenaars,

1995 p.21). Together with Charles Hampden-Turner he identified and created a model that described national culture differences alongside corporate culture. The research theory, "Seven dimension theory", is mentioned by some other researchers to have some similarities to Hofstede´s "Four dimensions of culture", based on the fact that both research theories includes a number of similar dimensions (Onepine, 2005). The seven dimensions Trompenaars and Hampden-Turner identified are:

1. Universalism versus Particularism.

In a universalistic culture, the inhabitants believe that the importance of codes, rules, values and formal systems go far beyond particular needs and desires of ones family and friends. Furthermore, the people believe that same rules are applicable to everyone no matter of wealth or power. In contrast, in a particularistic culture, the inhabitants feel strongly for human relationships and extraordinary achievements. In these cultures "the spirit of the law" is more important than "the letter of the law". Naturally, there are rules and regulations in particularistic societies as well but these are often mainly related to the way people relate to each other.

Some specific examples of universalistic countries are the United States, Australia and Germany, whereas, Venezuela, Indonesia and China are countries with a more particularistic approach.

2. Individualism versus Communitarianism.

In a culture that emphasizes individualistic behaviour the individual person is put in front of the whole society. The general success is set by the individuals' fulfilment, happiness and welfare. People that live and act in an individualistic society are supposed to conquer problems that they may come across mainly on their own and only take care of themselves and their immediate family. On the contrary, in a collectivistic culture people are supposed to place the whole community in favour of the individual. It is the personal responsibility of the individual to act in ways that serves the community. The quality of life is measured in the way the individual takes care of his fellow man, even at the cost of the individual freedom.

3. *Specific versus diffuse.*

People in specific cultures start with analyzing separate components of life and later put them back together again. The different components are different events and problems in a person's life that can only be analyzed one at a time. In these cultures the public sphere of individuals is much larger than the private one. Generally, it is relatively easy to enter the public sphere in society; however, it is more difficult to enter the private sphere where individuals, that have different life cases, are met in one common case. Specific characteristics that are emphasized in a specific culture are contracts, standards and hard facts.

Diffuse cultures are completely the opposite, here the individuals start with analyzing the whole and see each component as a part of something bigger. All components are seen as related to each other. The relationships among the components are claimed to be more important than each separate on their own. On the contrary, diffuse cultures have a much larger private sphere than a public sphere. Although a large private sphere exists, it is generally hard for newcomers in the society to enter. However, when allowed to enter the private sphere, the person is admitted to all layers of the individuals' life. Specific characteristics that are specially cherished in a diffuse culture are style, ambiance, trust and understanding.

4. *Neutral versus affective.*

Countries that rate high on the neutral score generally stand for not showing one's emotions openly in public, whereas, in affective countries the emotions are expressed openly. In affective countries it is not seen as necessary to hide one's feelings and to keep them to oneself, which is the complete opposite to the idea of neutral countries. Countries like Mexico and China are examples of affective cultures whereas Japan, Britain and Singapore, on the other hand are highly neutral.

5. Achievement versus ascription.

In achievement oriented cultures social status is recognized from achievements. In comparison, in ascription oriented cultures social status is recognized by a person's age, experience, social connections and/or gender. Countries like Australia, The United States, Switzerland and Britain are ranked among the highest on the scale of achievement orientation. Example of countries that are on the opposite end of the scale, ascription oriented, are Venezuela, Indonesia and China.

6. *Sequential versus synchronic time approach.*

Every culture worldwide has developed its own opinion of time. Generally the time dimensions may be divided into two aspects; the relative importance cultures gives to past, present and future and the approach to how time is structured. Related to the first aspect, different cultures may be divided into three different approaches to past, present and future time.

- **Past oriented cultures** generally are predominantly oriented towards the past; the future is seen as a repetition of past experiences. Great respect is given to ancestors and collective historical events and revolutions.
- **Present oriented cultures** will not ponder about past experiences or future prospects. The importance is placed on events in the day-to-day life.
- **Future oriented cultures** emphasize most human activities that are contributed to future prospects of society. Generally, the past is not considered to be significant to future states of affairs. Planning is seen as an essential activity in future-oriented cultures.

Related to the second aspect, to how time is structured, the sequential time approach expect time to move forward, minute by minute, hour by hour, year after year in one straight line, whereas, the synchronic time approach expect time to move in circles of minutes, hours and years. Individuals living in a sequential culture usually do one thing at a time with core values of planning, schedules, efficiency and segmentation. This is a typical Scandinavian approach since everything is planned in every little

detail and punctuality is very important. Typical characteristics of a synchronic time culture are that several things happen at the same time.

Countries with a synchronic time approach do not believe in planning and schedules, they prefer to see it as the individual is an essential part in everything that happens. Individuals within these cultures tend to emphasize flexible and spontaneous approach of life. The Chinese culture is a typical example of a culture with synchronic time approach, constantly striving to be as flexible and available at possible.

7. *Internal versus External*.

Every culture has their separate opinion of the value of nature. The way one approach the idea of what specific value the nature has on one's survival may be related to the way one seek control of one's life and destiny. Inhabitants in internal cultures have a mechanistic approach to nature. They equalise the nature with a machine and claims that the machine only can be controlled if you have the right knowledge. Internal cultures generally have little faith in luck or predestination. Inhabitants in external cultures, on the other hand, have a more organic view towards nature. Human being is seen as one of the components in nature that should live and operate in harmony with the other components of nature. The view of destiny is that it can never be shaped by the individual himself, but claimed that "nature moves in mysterious ways" (Trompenaars, 1993, Trompenaars, 1995).

4.1.3. Four dimensions of culture versus Seven dimension theory

There are a lot of similarities between Hofstede´s "Four dimensions of culture" and Trompenaars, Hampden-Turners "Seven dimension theory". To underline the differences between these two theories, Trompenaars and Hampden- Turner have developed the following table that provides clear examples of where the two theories really differ.

Hofstede assumes	Trompenaars assumes
Cultures are static points on dual axis maps.	Cultures dance from one preferred end to its opposite and back.
One cultural category excludes its opposite.	One cultural category seeks to "manage" its opposite.
"Independent" factors account for "dependent" variables.	Value dimensions self-organize in systems to generate new meanings.
Established statistical procedures are culture neutral and value free.	Established statistical procedures are culturally biased and value full.
Cultures are linear with "more" or "less" of a fixed quality.	Cultures are circles with preferred arcs joined together.
Data derived from IBM is superior to ideas drawn from academic research and reflects management's convictions.	Data derived from IBM are but pale imitations of academic research and reflect management's compliance.
Hofstede by thinking inductively derived his categories from IBM data and originated his own scales.	Hofstede by thinking inductively reinvented the scales from which IBM had plagiarized their questions.
No better place to be on the quadrant maps and no answer to the questions "so what?" and "where should we move?"	No better place to start on the seven dimensions but moves to integrate and reconcile values lead to superior performance.

Finally, anticipating what is probably coming ...

A priori concepts like "dilemma" are metaphysical constructs with no basis in empirical research and with no testable validity or means of verification.	Dilemma has been part of culture from Classic Greek Tragedy, from the Primordial Opposites of the Tao, through Shakespeare to the binary codes of anthropologists today
All cultures are different although those differences can be expressed as positions of relative salience on four variables.	All cultures are similar in the dilemmas they confront, yet different in the solutions they find, which transcend the opposites creatively.

Table 4.1 Comparison of Four dimensions of culture and Seven dimension theory
(Trompenaars and Hampden-Turner, 1997, p. 156)

As one can see in the previous table, Hofstede describes his dimensions as more stable variables in comparison to Trompenaars and Hampden-Turner who describes their dimensions as more dynamic factors.

4.2. Theories on corporate culture

As mentioned in the beginning of this chapter, the meaning of culture can be divided into two parts, national and corporate culture. For a manager, to be able to function in a new culture, both parts of culture are vital to understand. Therefore, as a compliment to the description of culture and the relating research theories on national culture, we are in the following part describing research theories focusing on corporate culture, more particularly, management style.

4.2.1. Situational leadership theory

The optimal way to organize or manage a company depends on different factors outside and inside the organization. Some examples of dependent factors are the size of the firm, differences among resources and operational activities, assumptions of superiors by the subordinates or the specific technologies that are used in the operational activity. Related to this, the researchers Ken Blanchard and Paul Hersey created a theory called, "The situational leadership theory", in 1960s. This theory is trying to explain which behaviour leaders should use to get the best result. The theory is partly based on earlier studies of leadership style, where two basic leadership styles were identified: the task-oriented autocratic style and the relationship-oriented democratic style. Subsequent research found that most leaders exhibited one of four combinations of task and relationship behaviours. Furthermore, "The situational leadership theory" suggests that a different leadership style should be matched to the level of maturity of the subordinates. Maturity is related to specific tasks in the work environment and can be divided into two groups:

- **Psychological maturity**: the level of self-confidence and ability to accept responsibility.

- **Job maturity**: subordinates relevant skills and technical knowledge related to the specific work assignment.

As the subordinate maturity increases in either of the groups, the superior leadership style should be more relationship-motivated than task-motivated. Related to the level of maturity of the subordinates, Blanchard and Hersey, in their "Situational leadership theory", defined four different leadership behaviour types, which are:

1. **S1, Telling leaders**. These leaders follow rules and give straight directions to the employees and then supervise them thoroughly, and have a communication that is mostly one way.
2. **S2, Selling leaders**. The leaders within this category will still follow the rules and give straight directions but is constantly seeking response and ideas from the employees. The highest decisions are still taken by the leader but the communication is more of a two way.
3. **S3, Participating leaders**. Generally these leaders prefer to hand over the responsibility of the daily control to the employees, however, they will still participate in the decision making process.
4. **S4, Delegating leaders**. These leaders are participating in the decision making and problem solving but the employees decides when and how the leader should be involved.

As mentioned before an effective leader should be flexible and able to adapt to the specific situation, however, one should keep in mind that every leader has his/her own natural management style and should be aware of it, when applying this model.

Furthermore, this model has been extended with four different types of employee categories that depend on level of maturity, this to be able to predict the attitude and performance of the employees.

The four types are:

1. **D1, Low competence, high commitment**. These employees lack specific skills, however, they are willing to learn and take directions.

2. **D2, Some Competence, low commitment**. Within this category employees have some relevant skills but can not do the job without the support of the leader.

3. **D3, High Competence, variable commitment**. Experienced and capable employees who lack the confidence and motivation to do the assigned job fast enough and good enough.

4. **D4, High Competence, high commitment**. In this category the employees are highly competent and sometimes more experience than the leader.

Similar to the leadership styles the maturity levels of the employees are situational depended. To coordinate the leadership style and development of the employees Blanchard and Hersey claimed that the special leadership style must be equivalent to the development level of the employees. Moreover, it is the leader who should adapt to the maturity level of the employee, not the other way around.

The strength of "The situational theory" is that it is relatively easy to understand and adapt to reality. One of the weaknesses, on the other hand, is that it provides the reader with a narrow picture of what leadership really is about, that is not just the decision making process. Moreover, the way leaders influence and inspire subordinates differ significantly from culture to culture (Hersey et al., 2000).

4.2.2. Five forms of power

French and Raven explained management power with five different variables of power in a now-classic study. The five different variables were reflecting the different bases or resources that power holders rely upon, these five variables are:

1. **Coercive power**. Coercive power implicates that it is possible to affect the behaviour of others simply by the fact that one is superior and have the possibility to punish subordinates in case the task is not well accomplished. In the long run this leads to a bad relationship between the superior and its subordinates and should be seen as a bad example of leadership.

2. **Reward power**. This variable of power explains the possibility to influence through tight control of reward systems. This includes the authority to divide bonuses, promotions, and even parking lots and offices. Use of this power may be an efficient way to influence the behaviour among subordinates. When applying this sort of power it is very important to be aware of what sort of rewards that are assessable and how they are valued by the subordinates.

3. **Legitimate power**. Legitimate power is based on the specific individual role within an organization. Usually it is the specific position within the organization that gives authority, not the individual itself.

4. **Referent power**. This fourth kind of power is built on the relation between the leader and subordinate who sees the leader as a mentor or as guidance and therefore it is highly important to be popular by the group.

5. **Expert power**. This last identified power indicates that knowledge represents power, with wide knowledge within a field of expertise it is possible to influence ones subordinates.

These categories of leadership styles can be used as a checklist to make expatriate managers more aware of the different types of power that are available within different corporate cultures (French and Raven, 1959).

4.2.3. The path goal theory

The third theory within the research field on leadership style and behaviour that we will discuss in our theoretical framework is the Path goal theory that was introduced by Robert House. He created this theory as an attempt to explain in which way a leader can affect the performance, satisfaction and motivation of a working group. House claims that leader behaviour can be divided into four different leadership styles, which are:

1. **Directed leadership**, more specifically the ability of the leader to give straight orders.
2. **Supportive leadership** means that the leader behaves in a friendly and polite way to interact with its subordinates and is concerned about the health and individual needs of subordinates.
3. **Participating leadership**, leaders share the problems that may appear with their subordinates, ask for their opinions and for their recommendations.
4. **Achievement- oriented leadership**, the leader has a very goal focused attitude and expects his/her subordinates to perform at their very best (House and Mitchell, 1974).

5. Hong Kong and Scandinavia in a theoretical perspective

As mentioned in the earlier chapters there are differences among cultures. To be able to adapt the previous mentioned theories to our dissertation, we have studied different theories and in the following chapter specifically compare the culture of Hong Kong and Scandinavia, according to the theoretical framework.

5.1. Four dimensions of culture

When considering Hofstedes "Four dimensions of culture" to the purpose of our dissertation it is important to understand the differences and similarities between Hong Kong and China as our focus is to see the influence of Chinese culture on the Scandinavian culture. In addition to this, we have added a table that compares Hong Kong to Chinese culture.
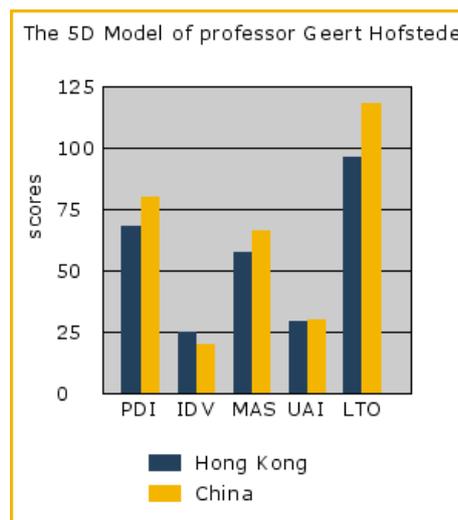
Figure 5.1. Five dimension model, Hong Kong versus China
(ITIM, 2003)

As seen in the table 5.1. on the previous page, Hong Kong and Chinese culture are very similar in all dimensions. The main differences are found in dimension of power distance (PDI) and long time orientation (LTO). After studying the literature, we believe that Hong Kong basic values are still very much built on the Chinese culture and the small differences can be traced back to the years when Hong Kong was a British colony.

Figure 5.2. Five dimension model, China

Figure 5.3. Five dimension model, Scandinavia

(ITIM, 2003)   (ITIM, 2003)

Tables above, 5.2 and 5.3., provide a visual picture on what dimensions Chinese culture and Scandinavian culture differ. As seen, according to Hofstede´s cultural dimensions, the Chinese culture have a much higher score on power distance (PDI) compared to the Scandinavian countries. In the ordinary day to day life this indicates an unequal relationship between Chinese individuals, whereas, in Scandinavia, the ordinary day-to-day life is based on equality, humanity and democracy.

Related to the second pile in the tables above, individualism versus collectivism (IDV), Chinese culture has a relatively low score on individualism. This emphasize, that the degree to which individuals are integrated in to groups is rather high. People are integrated from birth into strong cohesive groups, often extended families. On the

other hand, the Scandinavian countries have one of the highest individualistic scores in the world and ties between individuals are loose: everyone is expected to look after him/herself and his/her family.

The third pile describes, on what level Chinese and Scandinavian cultures are placed related to femininity and masculinity (MAS). As seen above, the difference between these two cultures is significant, similar to the previous two piles. Hence, Chinese culture is placed rather high on masculinity compared to Scandinavian culture that is one of most feminine societies in the world.

The fourth pile explained is uncertainty avoidance (UAI). In this dimension, Chinese and Scandinavian culture are quite similar, placed somewhat in the middle of the scale. This indicates, that either of the countries avoids uncertain situations by strict rules and codes for behaviour nor are they ignorant of specific rules in society.

The fifth and last pile, low power distance (LTO), is limited to Asian countries and therefore, it can not be compared to Scandinavian countries.

5.2. Seven dimension theory

Related to the seven dimension theory, created by Trompenaars and Hampden-Turner, there are some significant differences between the Chinese and Scandinavian cultures. To start with the first dimension, universalism versus particularism, Chinese culture rate high in particularism, whereas, Scandinavian countries rate high in Universalism. Second, considering individualism versus communitarianism, our conclusion after studying this theory is that Chinese culture is a clear example of a communitarianistic culture in contrast to Scandinavia that is highly individualistic. Third, in the dimension, specific versus diffuse, Asian countries generally rate high

on the specific dimension. On the other hand, Scandinavian countries that probably belong to white/Caucasian culture will rate high on the diffuse dimension.

In the next dimension, neutral versus affective, Chinese culture is ranked among the highest in the world in affective orientation, whereas, the Scandinavian countries are among the countries that rate highest in the world in neutral orientation.

Related to the achieved versus ascribed status dimension, Chinese culture is placed high on the scale of ascribed status compared to Scandinavian countries that are placed high on the achieved status dimension.

Sixth, the sequential versus synchronic time dimension, describes Chinese culture as a culture that prefer to get things done simultaneously, more specifically, to have a synchronic time approach while Scandinavian countries are described to prefer to get things done one thing at a time, a sequential time approach.

Last, the internal versus external orientation, Chinese culture is claimed to be a typical high external orientation country, whereas, Scandinavia has a relatively high value in internal orientation, more specifically, comparing the nature to a machine, that can not be controlled without knowledge.

5.3. Situational leadership theory

"Situational leadership theory" may be applied to describe what underlines the specific characteristics of Hong Kong managers in comparison to the characteristics of Scandinavian management style. After studying this theory, our opinion is that Hong Kong managers generally may belong to following two different types of leadership styles, S1, telling leaders and S2, selling leaders. This due to a more authoritarian and centralized corporate culture, whereas, the Scandinavian managers

generally belong to S3, participating leaders, this related to a democratic, decentralized corporate culture.

With reference to the maturity level of each employee, the opinion is that most Hong Kong employees belong to D1, low competence and high commitment group or D4, high competence and high commitment group. Most certainly, this depends on which position the specific employee has. Furthermore, this can be related to the strong emphasis on basic values of Confucianism that underlines the importance of commitment to family and welfare of the society.

5.4. Five forms of power

Regarding the objective of this thesis, when studying this theory, we believe that a typical Hong Kong manager is mainly practicing a coercive and/or reward power to manage their subordinates. This may be connected to the high level of hierarchy and masculinity within a Chinese society, while the Scandinavian manager on the other hand is mainly practicing a referent and/or expert power influenced leadership style. This may be related to the high level of femininity that emphasizes equality between individuals.

5.5. The path goal theory

This theory may be connected to our dissertation in describing how Hong Kong and Scandinavian managers may differ in their leadership styles. Hence, we believe that Hong Kong managers are generally practicing a directed leadership style, related to their low level of trust in subordinates, and also as mentioned in earlier theories, the authoritarian and hierarchic corporate culture. Scandinavian managers, on the other

hand, practice a more participating leadership style, that emphasizes close relations and a level of high trust between the superior and subordinates.

5.6. Research model

Hence our intention is to show how the Scandinavian management style, when practiced in Hong Kong, is affected by the Chinese culture, we created the following research model. We built this model based on the background and theoretical studies, more specifically, we found the specific characteristics that define a typical Scandinavian management style and explain the different elements of Chinese culture. We believe that these are the main characteristics that will create some kind of change in Scandinavian management style much due to the fact that the characteristics are of the complete opposite of each other.

Democratic
Decentralized
Low power distance
Individualistic
Feminine
Status by achievements
Sequential time approach
Participating/ Delegating leader
Referent/ Expert power

Scandinavian management style

Chinese culture

Authoritarian
Centralized
High power distance
Collectivistic
Masculine
Status by age and connections
Synchronic time approach

Hong Kong

Outcome

Figure 5.4. A description of our research model.

In the following subchapters we will explain more thoroughly every characteristic of the model.

5.6.1. Scandinavian management style

Our first variable in our model is Scandinavian management style. We believe that the typical Scandinavian management style can be seen as:

- **Democratic.**

  The high democratic view commonly used in Scandinavian countries, originate from beliefs of Christianity, which emphasize high humanitarian values and an overall equality within society.

- **Decentralized.**

  As the Scandinavian society is highly democratic and equal, the organizations are built in the same way. The organizational pyramids are diminishing more and more which leads to more decentralized organizations (Hofstede, 1984, Trompenaars, 1995).

- **Low power distance**.

  Because of the decentralized organizations, the Scandinavian manager is used to work in an environment with low power distance. That is, in an environment with a relatively equal relationship between the manager and its subordinates (Hofstede, 1997). Moreover, the manager normally prefer to introduce the employee to the visions and values of the corporations and expect the employee to take his/hers responsibility. Furthermore, the managers are less formal, more delegating and are interacting with their subordinates in the decision making process (Hofstede, 1984, Trompenaars, 1995).

- **Individualistic.**

  The Scandinavian manager put a lot of effort in individual freedom, challenges and individual success. Furthermore, they prefer to work individually compared to group-oriented assignments. In addition, the Scandinavian culture score high in individualism when implicated in both Hofstede´s, "Four dimensions of

culture" and Trompenaars and Hampden-Turner´s, "Seven dimensions of culture".

- **Feminine.**

  Scandinavian management style is claimed to be one the most feminine management styles in the world. This is identified by interpersonal relationships and equality within society. According to Hofstede´s, "Four Dimensions of culture", Scandinavian countries are rated lowest in the world within masculinity (Hofstede, 1984).

- **Status by achievements.**

  Important aspects of achievements are that Scandinavian management style typically ranks achievements by performance and not on family background (Bjerke, 1998).

- **Sequential time approach.**

  The Scandinavian manager is very dependent on planning, scheduling and punctuality in all business activities. This is a typical example of sequential time approach within an organization, one thing happens at a time and everything is planned in smallest detail.

- **Participating and /or delegating leader.**

  The managers prefer to hand over some of the responsibility of the daily control to the subordinates; however, he/she still prefer to take part in the decision making process.

- **Referent and/or Expert power.**

  As mentioned under Low power distance in this very chapter, the Scandinavian managers usually sees their subordinates as equals and tries to interact with subordinates in an informal way. Furthermore, status within organization is identified by personal achievements. Relating to different power alternatives, this implicates that Scandinavian managers are practicing referent or expert power according to "Five forms of power", created by French and Raven.

5.6.2. Chinese culture

The second variable in our model is Chinese culture and after studying different culture and leadership theories, our conclusion of typical characteristics of Chinese culture are:

- **Authoritarian.**

  The authoritarian approach to life mainly falls back on ancient believes of Confucianism's building blocks that implies that people are ranked differently in a society, for example the relationship between elders and youngsters and ruler and minister (Littleton, 2003).

- **Centralized.**

  This can be connected to the previous point. When organizations are built on different building bocks of a society, in this case Confucianism, the society is often authoritarian and emphasize a centralized, hierarchic corporate culture.

- **High power distance.**

  People in high power distance societies often emphasize obedience and respect of elders, similar to respect of wealthy and powerful (Hofstede, 1997). This point can also be referred back to Confucianism and its building blocks within society for example a younger individual must always show respect for an elder individual.

- **Collectivistic.**

  According to Hofstede, Chinese culture is seen as highly collectivistic. In collectivistic societies, people often are integrated in groups for life which in exchange for loyalty gives one an absolute protection (Hofstede, 1997). In any type of assignment people in high collectivistic societies prefer to work in groups

instead of working individually, in addition, they place group achievements before individual achievements.

- **Masculine.**

Some of the specific characteristics of Chinese culture are competitiveness, material success and assertiveness, labelled by Hofstede as typical characteristics of a masculine society (Hofstede, 1997). These masculine elements originate from early ideas of Confucianism which still are important in the Chinese culture of today.

- **Status by age and connections.**

In favour of Guanxi, one of the important aspects in Chinese culture to achieve success is the importance of relationships, networks, both personal and loyal.

- **Synchronic time approach**.

According to Trompenaars and Hampden-Turner, Chinese individuals emphasize flexibility and a spontaneous approach to life. More specifically, this leads to preference of practicing several tasks simultaneously, implicating a synchronic time approach.

5.6.3. Outcome

The outcome of this dissertation is to see how Scandinavian management style, when practiced in Hong Kong, is affected by Chinese culture. In conclusion, our research model assisted us to explain specific characteristics of Scandinavian management style, which might be affected by the characteristics of Chinese culture. In addition, we believe that the influence of Chinese culture will lead to a change in the management style practiced by the Scandinavian managers in Hong Kong. When combining the different characteristics in our model, our assumptions of how Scandinavian management style will be affected are:

- H1: The Scandinavian manager will become more authoritarian in their management style.

According to "Situational leadership theory", the manager will have to adapt his/her management style to the new work environment, this to be able to reach success and respect. The manager must adapt to the different maturity level of subordinates, as the specific management style must be equivalent to maturity level (Hersey et al., 2000).

Since the organizations differ significantly between Scandinavia and Hong Kong, from decentralized to centralized, the Scandinavian manager will no longer have as informal relationships with his/her subordinates as before and, therefore, the power distance will increase. This will lead to a change in management power practiced in the new organization. The Scandinavian manager will no longer practice referent or expert power, described in "Five forms of power theory", instead he/she will practice a more authoritarian power, most likely referent or even a power close to coercive power. However, the Scandinavian manager will not practice a pure coercive power approach as the manager will still have his/her basic national cultural values on how to treat another individual.

- H2: The Scandinavian manager will emphasize group achievements more than when working in Scandinavia.

The strong influence of Chinese culture in the Hong Kong organizations indicates that the Hong Kong managers prefer to place group achievements before individual achievements. Furthermore, both Hofstede and Trompenaars and Hamden-Turner explain in their separate research theories that Hong Kong is seen as collectivistic/ communitarianistic, a highly group-oriented society, whereas, the Scandinavian countries are seen as individualistic, a society that emphasizes individual achievements. In addition, the Scandinavian managers will need to tone down their emphasis on individual achievements to be able to fit in the culture and corporate culture of the new organization.

- H3: The Scandinavian manager will become more masculine.

The high level of masculinity in the Hong Kong culture leads to that Scandinavian managers will be forced to adapt to a more competitive and assertive management

style. In Scandinavia, the managers prefer more free time compared to Hong Kong managers, who prioritize to work more which leads to higher material success (Bjerke, 1998). The Scandinavian managers will change their attitude to be able to fit in the new corporate culture.

- H4: The Scandinavian manager will place higher value to "Guanxi".

Hence, the great value in "Guanxi" in the Chinese culture, it is of importance for the Scandinavian manager to show respect for ancient values and beliefs of how to attain business in a Chinese culture. The best and, according to Chinese customs, the only way to do business is through close relationships both inside and outside the organizational sphere (Grzekowiak, 2001).

- H5: The Scandinavian manager will adapt to a more formal leadership style.

According to the Path Goal Theory, the Hong Kong manager usually attain a directed and/or achievement oriented leadership style, whereas, for the Scandinavian manager the most natural leadership style is participating and/or supportive. Furthermore, another example of how a formal leadership style is through distribution of power within an organization. In Chinese culture power is practiced either in a coercive or reward approach, that implicates a highly formal relationship among superior and subordinates, whereas, in Scandinavian countries a more common power distribution is a referent and/or expert approach which implicates, on the contrary, a highly informal organizational structure. In addition, the Scandinavian manager must adapt his/her leadership style to a more formal approach to be able to gain respect and obedience from his/her co workers.

- H6: The Scandinavian manager must adapt to a more synchronic time approach.

In the Chinese culture a normal way to approach events and problems within society is to precede several tasks simultaneously. Therefore, the Scandinavian manager can

not approach the problems that he/she may come across in the normal Scandinavian way, which is doing one thing at a time. In addition, to be able to keep up with co-workers, the manager will need to adapt his/her approach to precede task in a synchronic time approach, which is to precede tasks simultaneously (Trompenaars, 1995).

6. Empirical Method

This chapter will present our empirical method which includes our path from choosing the most appropriate way to perform the research study to the creation of the questionnaire, a template for the interview and selection of participants. Further, we will discuss the advantages and disadvantages of our choices of method.

6.1. Research strategy

As mentioned in chapter 1, the purpose of this dissertation is to see if there are any changes in Scandinavian management style when it is practiced in Hong Kong. To be able to find the different factors that might affect the Scandinavian management style we used an exploratory study and a deductive approach. We endeavoured to obtain correct information from existing secondary data and based on the knowledge received, we compared Scandinavian culture to Chinese culture and Hong Kong management style to Scandinavian management style which later led to the creation of a model. This model could more easily explain the different factors within Chinese culture that might have an impact on the Scandinavian management style when it is practiced in Hong Kong.

From our model we could develop six hypotheses that described how the Scandinavian management style might change when interacting with Chinese culture.

Our hypotheses were built on five pre-selected theories within culture and management style, relevant to our research questions. In order to test these six hypotheses and receive primary data we started by creating an internet-mediated questionnaire and later continued with semi-structured interviews that could provide us with more thorough information, as the low response rate to the internet-mediate questionnaire did not give us the wanted amount of information.

6.2. The questionnaire

To be able to test our six hypotheses and get primary data, we decided that the most appropriate way to achieve the wanted result was to use a survey, this considering our research strategy that consisted of an exploratory study with a deductive approach (Saunders et al, 2007). A survey can be executed in many different ways, however, we found the most appropriate way for our research would be an internet-mediated questionnaire. One of the reasons we chose to work with an internet-mediated questionnaire was that the advantages of this kind of survey outweigh the disadvantages, more specifically geographical closeness worldwide, cost and time efficiency versus limitation to find a register of respondents, low answer frequency and accessibility to Internet more thoroughly explained in chapter 2.3. As most managers do not have a lot of spare time, to be able to get as much responses as possible, we had to limit our questionnaire to questions that would not take longer than 5-10 minutes. We created the questionnaire on an internet site, specifically focusing on internet-mediated questionnaires, www.SurveyConsole.com , which we found after thorough search and critical revision of different internet sites focusing on internet-mediated questionnaires.

Relating to the disadvantages of an internet-mediate questionnaire, the first disadvantage was diminished by creating a register of possible participants. This sample collection was created by contact with the Chambers of Commerce and Trade Councils of Denmark, Norway and Sweden. These organizations had a current register of Scandinavian companies and persons located in Hong Kong. In this way we obtained a register of 91 email addresses to potential respondents. This sort of

sampling procedure is called self-selection sampling. Self-selection sampling is relevant when you allow the respondents voluntarily to take part in a research and collect data from those who respond (Saunders et al, 2007).

The second disadvantage, low response rate, we tried to diminish by posting our first message on a Sunday night Scandinavian time, Monday morning Hong Kong time, since the chance to get a higher answer frequency is greater in the beginning of the week (Saunders et al., 2007). Moreover, a reminder was posted three days after the original message. We are aware of the fact that, normally, it is recommended to send the first follow-up a week after emailing the first questionnaire; however, due to our time limit we found that one week would be too long in order to perform our analysis in time.

Although we sent a reminder, the answer frequency still was relatively low due to the fact that more than half of the messages sent were never viewed, this most likely due to the fact that some of managers were out of office or that our e-mail was categorized as spam mail in the respondents´ inbox. However, a low response rate is not surprising as the normal response rates for internet-mediated surveys usually are 11% or lower (Saunders et al, 2007).

The last disadvantage mentioned in our case regarding accessibility to Internet, was minimal since the companies in our register list all had access to an email address.

To be able to see if the questions in the questionnaire were clear and easy to understand, we decided to do a pilot test before sending out the questionnaire to the participants. A pilot test was used to increase the validity and reliability of our questionnaire. That is to find out if we are measuring the things we intend to measure, and to see if the respondents interpret a question in a way we want him/her to interpret the specific question (Saunders et al., 2007).

We pre-selected a New Zealand manager that is currently working in Sweden, to pilot test our questionnaire. The reason that we chose a New Zealand manager was because his fluency in English could help us correct grammar and syntax. He also had

previous experience of working as a manager in different cultures. Important to underline is that his answers will not be part of our analysis since he is from New Zealand and not Scandinavia. The pilot test was very successful and led to some adjustments and corrections of grammar and syntax.

6.3. The interview

Hence, the response rate of the questionnaire turned out to be rather low, a possible risk that we were aware of, we proceeded with interviews. In general, interviews are used to collect valid and reliable data that are most relevant to the research questions and objectives. Research interviews can be executed in several forms of interviews, such as structured, semi-structured or unstructured interviews (Saunders et al, 2007).

Relating to the purpose of this research study, we found the most appropriate form of interview would be semi-structured interviews as we already had a list of themes and questions that needed to be thoroughly explained. Moreover, semi-structured interviews are mainly used in order to better understand "why" but also "what" and "how" of a specific topic (Saunders et al, 2007). The intention with semi-structured interviews is to try to see if the weak indications that we received from the internet-mediate questionnaire could be somewhat more thoroughly described, which could help us to make a more reliable analysis of the collected result.

In order to obtain deeper knowledge of the actual situation and business environment in Hong Kong we chose to contact other Scandinavian managers than the ones participating in the questionnaire. To get in touch with different Scandinavian managers, we used personal contacts. This sort of sampling procedure is called purposive sampling as it enables the researcher to use his/her judgement to select most appropriate people that can answer to the researcher's questions and objectives (Saunders et al, 2007). All in all, this led to a sampling frame of a total four Scandinavian managers who agreed to participate in our research. The reason that we

only interviewed four participants was the limited time left for the exploratory study. The selected managers all have had personal experience of Chinese culture or/and of working in Hong Kong as an expatriate manager.

When considering the performance of the semi-structured interviews, we found that the most appropriate way to conduct interviews was by using telephone, as the managers were in different geographical locations and because of the time efficiency that a telephone interview provides, as the managers had very tight schedules. Furthermore, telephone interviews are claimed to be rather cost efficient. Some other ways of conducting an interview could be face-to-face interviews and internet-mediate interviews (Saunders et al., 2007).

To be able to do a thorough and fair interview, we as interviewers tried to structure the planned interview beforehand, that in order to keep the pace and be able to conduct the data of importance to our dissertation (Saunders et al., 2007). We started with some opening questions to get a clearer picture of whom we were interviewing and thereafter we selected the questions that were most appropriate to each interviewee but still kept an overall general topic.

6.4. Research limitations

Most certainly our research has some limitations. As mentioned in chapter 1.5., one limitation, both in the internet-mediate questionnaire and semi-structured interviews, is that we generalize the differences in management style among Scandinavian managers and that we see Danish, Norwegian and Swedish managers as one group. Furthermore, we focus only on Scandinavian management style practiced in Hong Kong and what effects Chinese culture has on the original Scandinavian management style. As we mentioned earlier we have chosen to work with the Chinese culture and its influence on the Scandinavian management style practiced in Hong Kong. From our literature review we could see that Hong Kong national culture is described to be

highly influenced by the Chinese culture and that the possible change in management style would come from the priorities of Chinese culture.

Another limitation we came across during our collection of total sample frame to the internet-mediate questionnaire, was the accessibility of contact information to Scandinavian managers, as the Chambers of Commerce and Trade Councils of Denmark, Norway and Sweden only registered voluntary members and therefore do not register all Scandinavian managers located in Hong Kong. As we inquired the Scandinavian managers to take part in our questionnaire we used self-selection sampling which can be a limitation since the whole population is not represented.

Regarding the collection of sample frame to the semi-structured interviews, we chose interviewees based on personal contacts, which was described earlier as purposive sampling. Purposive sampling is based on the fact that the researcher can select a sample that is most appropriate to the specific research questions and objectives and therefore can be seen as a limitation to this exploratory study, as similar to the internet-mediate questionnaire, the sample frame is not representative for the whole population (Saunders et al., 2007).

6.5. Validity and reliability

As mentioned in chapter two, a high validity and reliability is crucial to be able to provide a trustworthy dissertation. As validity connects different variables to one final outcome it is important in our dissertation to use the research questions to create a model and hypothesis, which later leads us to an outcome that is as far as possible consistent with the reality (Saunders et al., 2007). Therefore, to be able to collect valid data, we tried to explain our intention with our thesis in introduction part in both questionnaire and interviews to diminish, as far as possible, the risk of misinterpretation of our research area.

Reliability on the other hand, implicates that the result achieved by one researcher would be similar when done by another. There are four different threats that affect reliability: subject and participant error, more specifically errors due to inconsistency in the respondents' normal behaviour patterns which may lead to false data, subject and participant bias, biased answers due to distortion of the result (Saunders et al., 2007). Relating the meaning of reliability to our thesis we tried to diminish the threat of participant error and bias by sending out the questionnaire simultaneously to all respondents and promise total confidentiality of the answers of the survey.

Regarding the interview, validity refers to the extent the researcher gains access to participants´ knowledge experience (Saunders et al, 2007). To increase the validity while interviewing we have tried to be as objective as possible; explain thoroughly and according to our secondary data, this to be sure that the interviewees understood each question and that we got access to their knowledge and experience. However, it should be kept in mind that some variation in interpretation of each question might exist and that the respondents might have different level of knowledge of each topic.

A threat to reliability in the interviews might be participant bias, distortion of given answers due to answers were adjusted to what the respondents believe is requested to answer. However, we do not think that the interviewees were affected to such extent that it would affect the final result, hence, we as interviewers tried as far as possible to be objective and overall the interviewees gave the impression to be very open, answered without any hesitation and seemed to have great knowledge about the topic.

6.6. Generalisability

Generalisability is to which degree the outcome can be generalized. Since the response rate from our questionnaire was rather low and we only conducted four semi-structured interviews, the result is based on a small number of cases and cannot be generalized to a larger population (Saunders et al., 2007). However, when combining the answers from our questionnaire and interviews we can only see some

weak indications that hopefully may give the reader deeper understanding of how Scandinavian management style can be affected by Chinese culture. To be able to generalize, it would have been necessary to get higher response rate from our questionnaire as well as to conduct many more interviews, by doing that our research would have been more reliable. Moreover, our intention with this thesis is to explain how the Scandinavian management style might be affected by Chinese culture when working in Hong Kong and therefore cannot be applicable to other management styles and cultures.

7. Analysis

This chapter will cover the analysis of both the internet-mediate questionnaire and the semi-structured interviews. Furthermore, we are comparing the statistical data from the questionnaire and the outcome from the interviews to our hypotheses, developed earlier in chapter 5.6.3.

7.1. Introduction

The purpose of our exploratory study was to see how Scandinavian management style practiced in Hong Kong might be affected by Chinese culture. Beforehand, our assumptions were that the Scandinavian manager would become more authoritarian, prefer to manage subordinates in a more formal way and emphasize the work of the group in front of the individual, more than before. Furthermore, the Scandinavian manager would become more competitive, nurture and create stronger business relationships and prefer to handle different projects simultaneously. All in all, the Scandinavian managers would be influenced by Chinese culture to such extend that they would adapt their management style to some extent to the Hong Kong

management style, which means a sort of mixture between Scandinavian and Hong Kong management style. Furthermore, to be able to critically view our statistical data from the internet-mediate questionnaire, we have used SPSS to assist us with accurate tables of the collected result.

7.2. Response rate

Our register for internet-mediated questionnaire consisted of 91 Scandinavian participants. From these 91 participants, 10 replied that they could not take part of our questionnaire since they were not working in any leading positions or did not originate from any of the Scandinavian countries. We believe that this could be a reason why many more people from our register did not participate in our survey. All in all, 31 emails were viewed and from these only 9 questionnaires were correctly completed. The 50 non-respondents could be explained by the fact that this time a year many managers travel a lot, according to Chambers of Commerce and Trade Councils, and also that our email may have been categorized as spam mail. In addition, our result cannot be generalized; hence, the small number of responses is not representative of the total population of Scandinavian managers located in Hong Kong.

Our total response rate is 11.11%, this is calculated by total number of responses divided with total number of participants minus the ineligible.
9 / (91- 10) = 11. 11% = total response rate

Our active response rate is 29.03%. This number is calculated by the total number of responses divided with the total number of participants minus the ineligible and non-responses (Saunders et al, 2007).
9 / 91- (10+ 50) = 29.03% active response rate

We would like to underline that due to the low response rate it is not possible to draw any conclusions of the total populations´ view on how the Chinese culture has affected Scandinavian management style and we can only see some weak indications how the Scandinavian management could change.

Furthermore, we have excluded some of the result from the questionnaire in the following subchapters, as some of the questions were not of specific importance when the response rate was low. The original questionnaire, the excluded result and tables are presented later on in appendix.

7.3. Analysis of part 1 of the questionnaire

The first part of the questionnaire consisted of general questions such as gender, age, nationality and previous work experience. After viewing our statistical data of part 1, we came up with the following conclusions:

Only eleven of 91 completed the questionnaire. However, two of completed questionnaires were not of significant value as the questionnaires were not correctly completed, implying only nine correctly completed questionnaires. As mentioned in the previous subchapter, due to the fact that many of managers were out of office and that our questionnaire might have been categorized as spam mail, 50 persons from our register did not receive the questionnaire. Our assumptions of time taken to complete the questionnaire were 5-10 minutes and now viewing the final result we can see that the average time taken to complete is 8 minutes which implicates that our assumptions were accurate.

- Gender(Q1)

When starting our analysis we were hoping to see that there was a variation between genders since it would have been interesting to see if there was a difference in opinions considering if you were a male or female. However, when receiving the final

data of our questionnaire we found out that all of our nine respondents were male. This might affect the result, hence, male respondents might have different opinion than women relating to for example equality.

- Age(Q2)

In conclusion the average age of respondents was 48. 2 years. This may implicate that the respondents have another view of some of the questions asked due to longer work experience, which might lead to greater knowledge for different cultures and have for example another view on equality between elder and younger and also may have somewhat easier to adapt to new corporate cultures.

- Number of years in leading positions in Scandinavia(Q4)

In order to see if the Scandinavian manager had a correct interpretation of how the business environment and management style is practiced in Scandinavia, and later on be able to compare it to the business environment and management style practiced in Hong Kong, we believed that previous management positions in Scandinavia had significant value to the final outcome of our questionnaire. All in all, the average number of years in leading positions in Scandinavia among our respondents were 7.11 years; however, this was not equally divided as three of our respondents had no previous experience in leading positions in Scandinavia, two of respondents had over 15 years of work experience, whereas the remaining had between three to ten years of experience of working in Scandinavia. This is very varying and may implicate that those with more than ten years of work experience within Scandinavia have a clearer picture of the business environment in Scandinavia but may have had more difficulties in adapting to a new corporate culture.

- Number of years in leading positions in Hong Kong(Q5)

The intention with this question was to observe if our respondents have had long, previous experience of Chinese culture and corporate culture of Hong Kong, this could lead to a different way of looking at culture and management, as the basic values of Scandinavian management style might with time become somewhat diffuse

relating to the fact that the managers have been working in Hong Kong for a long time. To sum up, the average number of years in leading positions in Hong Kong was 8.56 years, which in our opinion is a relatively high number of years and indicates that the management style might been changing for a long time, and the basic values of Scandinavian management style might have become somewhat blurry.

- How many of the years in Hong Kong, have you had a leading position in a Hong Kong Chinese company(Q6)

Last question of part one, that we are going to present, was measuring if any of the respondents have been working at a highly Chinese influenced company, such as a traditional Chinese-owned company, a company owned by capital from Mainland China or a company owned by the well educated, younger generation of Hong Kong Chinese. As mentioned in chapter 3.6., the management style normally practiced in Hong Kong is strongly dependent on ownership of the specific company. From the result of the questionnaire we could see that only three of the respondents did not have any experience in a leading position in a Hong Kong Chinese company. This could be relatively useful for our further research since working in a Hong Kong Chinese company probably differ more significantly from working in a Scandinavian company located in Hong Kong and indicates that the respondents have great knowledge of different corporate cultures in Hong Kong and therefore can more clearly see the possible differences.

7.4. Analysis of part 2 of the questionnaire

The second part of our questionnaire consisted of questions relating to our six hypotheses. Our conclusion is that our first and fifth hypotheses is somewhat connected. This due to the fact that authoritarian management style is strongly connected to what degree of formality that exists within the company.

- H1: The Scandinavian manager will become more authoritarian in their management style.
- H5: The Scandinavian manager will adapt to a more formal leadership style.

In order to test our first and fifth hypotheses we developed four major questions that covered authoritarian approach and three major questions covering the degree of formality within the work environment. Furthermore, these major questions (Q12, Q15, Q16, Q17, Q18, Q21, Q22) were followed by four resulting questions (Q13, Q14, Q19, Q20). However, as we mentioned earlier, due to our low response rate, we can not analyze all of the questions in the questionnaire; it would not give any useful information and therefore we have excluded some of the questions in this analysis.

From the first hypothesis we could see that majority of the respondents found their company more authoritarian than their previous organizations. However, the managers did not find the authoritarian approach a problematic issue. This may be connected to the fact that all of the respondents have been working in different corporate cultures and due to this, probably have been in contact with several forms of leadership styles, for example a direct leadership style in Asian countries whereas a more participating leadership style in Europe.

When asked if the Scandinavian manager had to adapt his management style to a more authoritarian, the mean value was placed between agree and neutral, indicating that the Scandinavian manager felt that he had adapted his management style to a certain degree, however, it is hard to see any clear indications, since only six of the respondents answered this specific question. In addition, we feel that we want to explore this question even further in our semi-structured interviews to be able to see if the answers follow a specific pattern.

To be able to see if the manager can see any differences, in how management style is practiced in Scandinavia versus Hong Kong, we asked the respondents to choose one of four extremes of management styles. The four extremes of management styles

were created based on "Five forms of power". In the questionnaire the respondents should choose the most accurate management style, based on their previous work experience in Scandinavia versus Hong Kong. In our opinion, this was a useful way to see how/if the Scandinavian manager had adapted to a more authoritarian management style. The result of the question pointed out that our respondents described the Scandinavian manager preferred to use referent power in Scandinavia whereas the preference changed to reward and expert power in Hong Kong.

The outcome from our fifth hypothesis was that five of the respondents found the relationship between superior and subordinates more formal in Hong Kong than in Scandinavia. If our response rate had been higher this result would be supported by the findings of Hofstede´s "Four dimensions of culture", where Hofstede claims that Hong Kong have high power distance with a hierarchic organizational structure and formal business environment, whereas, Scandinavia have low power distance, more specifically, flat organizational structure and informal business environment. However, the respondents who did find it more formal, did not find the formality a problematic issue, nor in the beginning of the career or at the present time in Hong Kong, indicating that the managers have changed their way of working with their subordinates to a more formal approach.

Lastly, relating to formality between superior and subordinates, all respondents felt that they had a somewhat more informal relationship towards their subordinates than other managers within the same organization. However, they felt that they were forced to give more straight order to their subordinates when comparing to their management style in Scandinavia. To sum up, Scandinavian manager may to some degree keep the informal relationship towards their fellow-workers, which is one of the basic characteristics of Scandinavian management style.

- H2: The Scandinavian manager will emphasize more group achievements compared when working in Scandinavia.

Our second hypothesis was developed in order to see if the Scandinavian manager has adapted a more collectivistic approach. The collectivistic approach is the typical approach used in Asian countries according to Hofstede´s, "Four dimensions of culture" whereas, the Scandinavian approach is described as highly individualistic. In order to see if the second hypothesis was somewhat correct to reality, we created two major (Q23, Q24) and four resulting questions (Q25, Q26, Q27, Q28). Unfortunately we were not able to use these resulting questions in our analysis since, once again, the respondents were too few and widely spread within the frame of answers.

The two major questions that we felt could be useful to the analysis gave indications that Scandinavian managers saw themselves as one of the group among their subordinates. Furthermore, when asked how the overall preference of working in groups in Hong Kong versus working in Scandinavia, the respondents felt that the preference to work in groups were more or less the same. This might be of interest to explore more thoroughly in the semi-structured interviews, since this question might have been misinterpreted by the respondents. More specifically the respondents might have interpreted the question as a matter of cooperation, commonly emphasized in Scandinavian organizations instead of group thinking, a typical behaviour within Chinese culture.

- H3: The Scandinavian manager will become more masculine.

In the research done by Hofstede, "Four dimensions of culture" Chinese culture is described to have a highly masculine culture, that emphasize competition and material success whereas Scandinavian culture is described as feminine, emphasizing equality within society in general. To measure if the Scandinavian manager will be affected by Chinese culture and become more masculine in his/her management style, we created three major (Q29, Q30, Q31) and two resulting questions (Q32, Q33).

When considering equality majority of respondents felt that there exists equality between men and women and between elder and younger when working within Hong Kong business environment. Important to underline is that all respondents are male

and the average age is relatively high, which can lead to a somewhat narrow view of the actual corporate environment. However, the respondents were quite unanimous in the description of the corporate culture and the work environment of Hong Kong, describing it as totally different from the corporate culture of Scandinavia. The result relating to these questions is to some degree contradicting each other. The first question indicates equality within organizations in Hong Kong, something that is described as a core value in Scandinavian corporate culture and work environment, whereas the next question describes the corporate culture and work environment in Hong Kong as very different from the Scandinavian. Relating to this we see this as a highly interesting issue to explore more in the semi-structured interviews.

- H4: The Scandinavian manager will place higher value to "Guanxi".

Hence, the world "Guanxi" has paramount importance in Asian countries, we believe in order to gain respect as a manager within the Hong Kong business environment it is crucial to create and nurture relationships both inside and outside the business sphere. To be able to measure the possible change in valuation of strong relationships we developed two major questions (Q34, Q35).

The result of this first question gave some useful indications, as six of the respondents shared the opinion that it was highly important to create and nurture close business relationships although, they had not experienced any difficulties in the business environment due to lack of "Guanxi". This could be explained by the fact that "Guanxi" has somewhat lost its value within the Hong Kong business environment but it could also depend on what kind of ownership that exists in each company, as the "Guanxi" might be of more critical value in companies owned by capital from Mainland China or Hong Kong Chinese families.

- H6: The Scandinavian manager must adapt to a more synchronic time approach.

Finally, in order to see if the different time approaches between Chinese culture and Scandinavian culture were of significant value, we created one major (Q36) and two resulting questions (Q37, Q38), this to be able to discover if the Chinese synchronic time approach, described in Trompenaars and Hampden- Turner's "Seven dimensions theory", that may have had an impact in the adaptation of Scandinavian management style when practiced in Hong Kong.

From these questions we could see that five of the respondents experienced stronger simultaneity in projects in Hong Kong compared to in Scandinavia. The result showed that simultaneity in projects was not seen as something that the managers found problematic not in the beginning of the career or later on in their present leading position in Hong Kong.

7.5. Analysis of semi-structured interviews

Due to the fact that the response rate of the internet-mediate questionnaire was relatively low we decided to take our empirical study one step further, by conducting semi-structured interviews in order to receive more thorough information. The form of interview that we found most appropriate was semi-structured interviews. The semi-structured interviews were conducted with four Scandinavian managers located either in Sweden or Hong Kong, all with great knowledge of either Chinese culture or both the Chinese culture and corporate culture of Hong Kong.

Our first interviewee is a consultant for a Swedish company specializing in mobile accessories, residing in Hong Kong for the past six years. The second interviewee is working as a manager in the process industry and was stationed in Hong Kong, between 1997 and 2000. The next manager interviewed was a manager working for a company active in the pharmaceutical industry and was stationed in Hong Kong for four years, to represent the company in the Asian market. The fourth of our interviewees is working as an international sales manager and has great knowledge of

Chinese culture and its business environment, as he is in regular business contact with China.

We started the telephone interview with a short presentation of the purpose of our thesis. Next, we asked the interviewees some general questions which were somewhat similar to the first part of our questionnaire. This to be able to get a clear picture of whom we interviewed and their previous work experience either abroad or in Scandinavia. Thereafter, we moved on to questions related to our hypotheses, somewhat similar to part two of the questionnaire, however, the questions were adapted to the knowledge of each interviewee and more concentrated on the specific meaning of the hypotheses. The full interviews are attached in the appendix of the dissertation.

- H1: The Scandinavian manager will become more authoritarian in their management style.
- H5: The Scandinavian manager will adapt to a more formal leadership style.

As mentioned in the analysis of the questionnaire, we strongly feel that authoritarian management style and formality is somewhat connected as a manager that practice authoritarian management style emphasize for example formal relationships and a hierarchic organizational structure. In addition, in our semi-structured interviews, we asked each interviewee to express his opinion on how he experienced the Hong Kong management style and the existing business environment and in which way they found it different to Scandinavian business environment.

The result from these hypotheses provided a rather clear picture, the interviewees were unanimous of the existing level of authority and formality in Hong Kong business environment and also that companies in Hong Kong generally are much more hierarchic compared to companies located in Scandinavia, however, not as hierarchic as the companies located in Mainland China. Moreover, the interviewees

had the opinion that most certainly authority and formality existed, for example expressed through titles, luxury cars and the great importance of business cards, nevertheless, in contrast to the result of our questionnaire, the interviewees did not find Hong Kong business environment as severely authoritarian and formal as some of our respondents in the questionnaire hinted in their responses. This might be explained by the fact that some of our interviewees have had more experience of some of the other Asian countries, for example Japan, where the authority and formality was explained to be of much more importance but also by the fact that our interviewees are/were working for Scandinavian companies in Hong Kong rather than Hong Kong Chinese companies located in Hong Kong, where the level of authority is claimed to be higher. Furthermore, the fact that the interviewees did not feel that the authority level was as high as in Mainland China, can be naturally be explained by the history of Hong Kong as a British colony and therefore has been influenced by Western culture.

- H2: The Scandinavian manager will emphasize more group achievements compared when working in Scandinavia.

Considering our second hypothesis, focusing on group orientation, described in Hofstede´s "Four dimensions of culture" as collectivism, we asked the interviewees to describe the importance of the group, moreover, if the managers experienced a need to act with the group in focus. Majority of the interviewees agreed that collectivism was not something that could be openly observed in Hong Kong. Although, the interviewees had different previous work experience in different companies and described collectivism differently, we could see that Hong Kong Chinese individuals were experienced, by our interviewees, as individuals who focus on their personal achievements and success and do not place emphasize on the success of the group as a whole. This was in our opinion an unexpected answer as Hong Kong is described by many researchers as a country rating high on collectivism.

- H3: The Scandinavian manager will become more masculine.

Our third hypothesis covers the level of masculinity that exists in Hong Kong. Based on the responses of the questionnaire we saw some hints that the work environment in Hong Kong generally was relatively equal between men and women as well as between elder and younger, however, the respondents felt that Hong Kong and Scandinavian work environment, considering equality, was quite different. Relating to this contradiction, we decided to explore this in our interviews as our assumptions were based on our secondary data that Hong Kong would rate high on masculinity, that is emphasizing competition, assertiveness and status within society, opposite of equality. When asked about equality in the interviews, the interviewees were asked to explain more in detail. The overall answer was that there existed equality between males and females. However, important to underline is that the respondents experienced the work environment as quite masculine relating to the importance of higher education, individual achievements and the importance of status within society.

Another aspect that the interviewees underlined to be important, considering masculinity, was the engagement in ones work and career. All interviewees mentioned the Hong Kong Chinese as very hard working, highly focused and career motivated individuals. Majority of our interviewees felt that there existed no limitations of how much the Hong Kong Chinese employee was willing to work to reach appreciation, wealth and success.

- H4: The Scandinavian manager will place higher value to "Guanxi".

Based on our secondary data, we could see that there still lies great importance in the value of strong relationships when conducting business in the Chinese culture. In addition, we felt that we wanted to explore the matter further and therefore we asked some questions regarding how business is done in Hong Kong, if it is any different from doing business in Scandinavia. We wanted to see if it was crucial to create strong relationships before interacting in business environment, when working in a Chinese culture. Overall, the interviewees did feel to some degree that "Guanxi" was importance when working in Hong Kong. Moreover, they felt that it was more critical

to live up to the promised commitments to the opposite part to be able to continue the cooperation between the different counterparts. Furthermore, two of our interviewees had stronger opinion regarding the importance of creating and nurturing strong relationships before being able to close up a business deal and felt that these relationships usually were created by important social games and events. To sum up, the result gave indications that "Guanxi" is still an important factor when conducting business in Hong Kong.

- H6: The Scandinavian manager must adapt to a more synchronic time approach.

To see how the interviewees felt relating to our sixth hypothesis, we tried to get the interviewees to express their opinions considering simultaneity among run projects. Oddly enough, majority of our interviewees felt that simultaneity among projects was somewhat similar to the way projects were run in Scandinavia but they were very careful with generalization of how projects were handled. Yet, one of the interviewees had more to say about the matter. He described the Hong Kong Chinese way of working as somewhat routine-oriented, which to a Scandinavian expatriate might seem inflexible. Although the employees performed the required task flawlessly and with great effort, in comparison to Scandinavian subordinates, the Hong Kong Chinese did not feel comfortable in changing the way of working. This conclusion was surprising to us; hence, according to our secondary data Hong Kong employees were described as very flexible.

 Finally, important to underline is that majority of the interviewees felt that it was crucial before going abroad, to have some basic knowledge of the culture he/she is expected to function in, both concerning the day-to-day life as well as the corporate culture of the new company. All interviewees felt that they to some degree had adapted their management style to the new corporate culture when working abroad and saw the adaptation as a natural step to be able to reach personal development and submit to a well functioning organization.

8. Summary and Conclusion

Our last chapter will first summarize the most important factors of the dissertation and present the analysis, second, present our conclusion and third present methodological criticism and future research.

8.1. Summary

The world wide globalization during the past decades has led to that more and more companies are choosing to relocate some parts of their organization to other countries. Relating to this, the meaning of culture has been widely discussed and highly noticed in research projects. However, it is important to distinguish between national culture and corporate culture when considering the meaning of culture, as national culture can be explained as behaviour and values interpreted in the minds of inhabitants whereas, corporate culture can be described as the specific practice existing within a organization, which may differ from the national behaviour and values of a specific country.

With reference to the purpose of our dissertation, how the Scandinavian manager, when working in Hong Kong, will be affected by the Chinese culture, we have studied some of the most well- known researchers and their theories relating to both national culture and corporate culture.

In order to distinguish which of the characteristics of Chinese culture that can be connected to either national culture or corporate culture and then later on analyze how these different elements may affect the Scandinavian manager, we started by reviewing background information of Scandinavian and Chinese culture and thereafter, we studied material within national culture, more specifically "Four dimensions of culture" and "Seven dimension theory". Furthermore, we studied

selected research theories within corporate culture, more specifically "Situational leadership theory", "Five forms of power" and "Path-goal theory".

Based on our interpretation of specific background information and selected theories to our dissertation, we created a research model, which purpose was to give a visual picture of specific characteristics of Scandinavian management style and Chinese culture. Our assumptions were that the specific characteristics of Chinese culture would affect the way the Scandinavian management style is practiced, when working in Hong Kong. Furthermore, based on our research model we created six different hypotheses, which later on were tested to the reality.

As the next step in our dissertation was to test the hypotheses to the reality we had to decide on research strategy. Hence we decided to do an exploratory study with a deductive approach we found a survey to be most appropriate to our research. We started out by reviewing different types of surveys and decided to use an internet-mediated questionnaire which we could send to Scandinavian managers working in Hong Kong. Unfortunately, the questionnaire´s response rate turned out to be low and did not provide enough answers to show any strong indications. The low response rate is mentioned by many researchers to be one of disadvantages with conducting an internet-mediated questionnaire; therefore, we decided to take our research one step further through semi-structured interviews. The semi-structured interviews were done on four Scandinavian managers that all had great knowledge and experience from working in Hong Kong or in the Chinese culture.

When summing up the result of the questionnaire and the semi-structured interviews we could only see weak tendencies and it was not possible to generalize as the response rate of the questionnaire was low and as we only had time to perform four semi-structured interviews. To be able to generalize the result we would have needed a much higher response rate and conduct several more interviews.

The result collected was following:

Starting with the first hypothesis, relating to authority within corporations, the outcome of the questionnaire and semi-structured interviews was unanimous. Majority of our respondents felt that the corporate culture of Hong Kong in general was more authoritarian than the corporate culture existing in Scandinavia, however, in comparison to Mainland China, the level of authority was experienced as much lower. Most certainly, the Scandinavian managers felt that they had to adapt to a more authoritarian management style, although they did not find the more authoritarian management style existing in Hong Kong as problematic. More specifically, the Scandinavian managers needed to adapt, in the way to manage power. In Scandinavia a normal way to practice management style is by using a so called, referent or expert power, described in "Situational leadership theory", however, when working in Hong Kong, the Scandinavian manager, according to the result of the questionnaire, will have to adapt to a more authoritarian management style, in this case, so called reward power.

Our second hypothesis assumed that the Scandinavian manager would emphasize more group-based achievements as Scandinavia and Hong Kong differ significantly relating to group/individual achievements, described in Hofstede´s "Four dimensions theory" and Trompenaars and Hampden-Turner's "Seven dimensions theory" as collectivism/communitarianism. The result of the questionnaire indicated that the Scandinavian manager was neutral and did not find the corporate culture in Hong Kong more collectivistic/communitarianistic than the group orientation in Scandinavia. However, we felt this was not what we had found out in the literature and therefore we decided to see if the specific question was answered similarly in our semi-structured interviews. Oddly enough, the semi-structured interviews gave similar result as the result of the questionnaire, more specifically, the interviewees described the Hong Kong Chinese as highly focused on individual achievements and success and in general did not find the Hong Kong corporate culture collectivistic/ communitarianistic. Conclusion of this hypothesis was that we received some hints

that the Scandinavian manager will not emphasize more group-based achievements as the Hong Kong corporate culture was not experienced as group oriented.

When testing our third hypothesis, we explored the level of masculinity that existed within Hong Kong corporate culture. Our assumptions of Chinese culture emphasizing masculine behaviour were based on Hofstede´s "Four dimensions of culture", in which Hofstede describes Hong Kong as highly influenced by Chinese culture and therefore as a masculine culture, emphasizing material success and competition. Scandinavia, on the other hand, is described as a highly feminine culture, stressing quality of life and equality within all individuals of society. To sum up, the result of our questionnaire and semi-structured interviews suggested that there existed equality in the work environment. However, majority of the Scandinavian managers felt that the Hong Kong Chinese employees were more concentrated on performing well on an individual level which led to higher social status in society, in comparison to the typical behaviour of Scandinavian employees, who stress balance between work and private life.

Considering our fourth hypothesis, regarding the Scandinavian manager's valuation of strong relationships within business environment, majority of our respondents were unanimous. Both the respondents from the questionnaire and the interviewees felt that strong relationships were highly important to be able to function in the Hong Kong business environment, yet some of the respondents/interviewees measured it to be more vital than others. However, in comparison to the Scandinavian business environment, in Hong Kong the emphasis seems to be placed much higher on strong relationships when conducting business. All in all, this indicates that the world "Guanxi" still has a lot of value; therefore, the Scandinavian managers need to place higher value on stronger relationships between the counterparts when conducting business in Hong Kong.

Our fifth hypothesis was covering formality within corporations and if the Scandinavian manager in general will adapt to a more formal management style when

working in Hong Kong. The outcome from the questionnaire indicated that there existed two major types leadership styles, reward power leadership style, meaning control achieved through bonuses, and expert power leadership style, control achieved through the managers expertise within the area. In order to be able to understand this division, we asked our interviewees to explain more thoroughly of their general opinion relating to management style practiced when working in Hong Kong. Overall, the Scandinavian managers interviewed, agreed that they needed to adapt to a more formal leadership style in order to gain respect, more specifically to submit to a well functioning organization. The Hong Kong Chinese employees were mentioned to normally obtain straight and strict orders from their superior and were not comfortable with the management style commonly used in Scandinavia, classified as referent leadership style controlling subordinates through strong relationships. In conclusion, the analysis of both the questionnaire and semi-structured interviews indicated that the behaviour of Scandinavian manager could be related to "Situational leadership theory", which claims that the manager is the one who should adapt to the maturity level of the employee and therefore the Scandinavian manager will need to adapt his leadership style from referent to a more expert or reward leadership style which is definitely a more formal way of managing subordinates.

Lastly, our six hypotheses relate to if the Scandinavian managers time approach has adapted to a more synchronic time approach. The time approach normally used in Scandinavia is a sequential time approach, this based on "Seven dimensions theory" created by Trompenaars and Hampden-Turner. In this theory cultures are described to have a sequential time approach, performing tasks one by one, or synchronic time approach, performing tasks simultaneously. In this theory, Chinese culture and Scandinavia is described as each others opposites. All in all, the summarized result of this final hypothesis was relatively diffuse, even if the result of the questionnaire gave implications that the Scandinavian managers to some degree agreed to the higher level of simultaneity in Hong Kong, the result of our semi-structured interviews indicated the opposite. For example, one of the interviewees felt that the Hong Kong Chinese subordinates preferred to perform one task at a time, and could be

experienced by expatriate managers as somewhat inflexible, however, important to underline is that the Hong Kong Chinese subordinates were not seen as inflexible due to lack of ambition but because of the importance to keep, in their opinion, well-functioning corporate culture.

8.2. Conclusion

Concluding our dissertation it is important to underline that a generalization was not possible, due to the low answer frequency and the number of performed semi-structured interviews; however, we can see some weak indications of possible changes in Scandinavian management style when it is performed in Hong Kong.

Based on the analysis of this thesis we could observe that the Scandinavian manager felt that he needed to adapt to the new culture, both relating to national culture and also corporate culture, however, the Scandinavian manager, will most likely practice a more "soft" management style, compared to Hong Kong Chinese managers. To sum up, based on the secondary and primary data, we could see weak indications that the Scandinavian management style may adapt to a more authoritarian, formal management style that emphasize competition and that the manager would emphasize more material success and understand the value of strong relationships in order to be successful in Hong Kong business environment. The characteristics that we predict would remain more or less the same in this case are individualism and the emphasis on performing one task at a time. This could somewhat be explained by the fact that the influence of Confucianism, has somewhat decreased in Hong Kong and its corporate culture. Furthermore, the existing theories that we have used as building blocks, were created during 1960s and 1970s and therefore, some of them may not give a correct picture of the environment today.

8.3. Methodological criticism

After concluding and reviewing this dissertation, we can look at the work done from a different angle. In addition, some aspects can be criticized. For example, the sample frame for the questionnaire consisted of persons and companies located in Hong Kong that were registered at Danish, Norwegian and Swedish Chamber of Commerce and Trade Councils. The registration at these organizations is voluntary and does not consist of the total population of Scandinavian managers working in Hong Kong. Although this might have given us somewhat distorted sample frame, this was in our opinion the easiest and most appropriate way of getting in contact with Scandinavian managers located in Hong Kong.

Second, due to the low response rate of the questionnaire, we decided to follow up our first sent email with a reminder. Unfortunately, due to our time limitation, we were forced to send out the first reminder only three days after the original email, which can be seen as too soon since the recommended period is one week after the original email (Saunders et al, 2007). Furthermore, we did not proceed with a second reminder, recommended in literature; hence, after re-contacting the Chambers of Commerce, we understood that many of the managers were out of office this time of year.

Relating to the semi-structured interviews we can criticize the fact that the selection of participants was done based on personal contacts and our personal judgement, described earlier as purposive sampling. Also the fact that all four managers were of Swedish nationality and of male gender, might have given biased answers and result, and therefore it can not be representative of the whole population of Scandinavian managers located in Hong Kong.

8.4. Future research

When summarizing our dissertation we strongly feel that the purpose of it could definitely be worth exploring further. In our opinion, there are no limitations of how deep you can go to explore the meaning of culture, as different cultures are interacting more and more, this relating to the dynamic environment that exist in the global world that exist today.

Some examples of areas, relating to the purpose of our dissertation, that might be of interest to explore further are:

- Hence, the purpose of our dissertation focused on Scandinavian managers, it could be useful to do some further research on how the Scandinavian manager will react when returning to Scandinavia. More specifically, if the Scandinavia manager will have the same norms and values as before going to work abroad.

- Most certainly, it could be of interest to do similar research with the same purpose as our dissertation, but on a larger scale. This would lead to a possible generalization and an opportunity of creation of a complementary theory.

- Another point of view that could be of interest would be to see, to which degree the Scandinavian manager will adapt to other cultures, not only the Chinese culture.

Reference list

Books:

Abrams, D. & Hogg, M.A., (1999*), Social Identity and Social Cognition*,
Oxford: Blackwell.

Bjerke, B., (1998), *Affärsledarskap i fem olika kulturer*, Lund: studentlitteratur.

Chamberlayne, J. H., (1993) *China and its religious inheritance,* Great Britain:
Janus publishing company.

Cyr, D., (2002), *The Art of Global Thinking: Integrating Organizational
Philosophies of East and West,* West Lafayette, ID, USA:
Ichor Business Books.

Fang, T., (2005), *Att göra affärer i dagens Kina*(1 edn), Mölnlycke:
Författarna and SNS Förlag.

French, J.R.P., Raven, B., (1959), *The bases of social pow*er, Michigan: Cartwright.

Grzeskowiak, A., (2001) *Passport Hong Kong: Your Pocket Guide to Hong Kong
Business, Customs and Etiquette,* Novato, CA, USA: World Trade Press.

Hall, W., (1995), *Managing Cultures: Making Strategic Relationships Work*,
London: John Wiley & Sons.

Helgesson, T., (1996) *Culture in international business* (1 edn), Bjärred:
Akademia adacta.

Hersey P., Blanchard K.H. & Johnson D. E. (2000),
    Management of organizational behaviour, (8 edn), Engelewood Cliffs, NJ:
    Prentice-Hall.

Hewitt, C., (1995) *Buddhismen,* Stockholm: Bonnier utbildning.

Hofstede, G., (1984), *Culture's Consequences: International Differences in*
    Work-Related Values, London: Sage Publications.

Hofstede, G., (1997), *Culture and Organizations – Software of the Mind,*
    UK*:* McGraw-Hill.

Hofstede, G., (2001), *Culture's Consequences*: *Comparing Values, Behaviours,*
    Institutions, and Organizations across Nations, Thousand Oaks CA:
    Sage Publications.

Hofstede, G., (2004), *Cultures and Organizations: Software of the Mind.*
    London: McGraw-Hill.

House, R. J., Hanges, P. J., Javidan, M., Dorfman, P.W., & Gupta, V. (2004),
    Culture, leadership, and organizations: The GLOBE study of 62 societies.
    Thousand Oaks, CA: Sage Publications.

Jackson, T., (2004), *Management and Change in Africa: A Cross-cultural*
    Perspective, London: Routledge.

Lafayette De Mente, B., (1995), *Chinese etiquette & ethics in business* (2 edn),
    Chicago USA: NTS Publishing Group.

Littleton, C. S., (2003), *The sacred East,* London: Duncan Baird Publishers.

Roberts, J., (2004), *The modern firm*: *Organisational design for performance and growth*, New York: Oxford University Press Inc.

Saunders, M., Lewis, P. & Thornhill, A. (2003), *Reaserch Methods for Business Students* (3 edn), England: Prentice Hill.

Tollgerdt-Andersson, I., (1996) *Svenskt ledarskap i Europa,* Kristianstad: Kristianstad Boktryckeri AB.

Trompenaars, F., (1993), *Riding the waves of culture: Understanding Cultural Diversiy in Business,* Finland: Werner Söderström.

Trompenaars, F., (1997)*, Riding the waves of culture: Understanding Cultural Diversity in Business*, (2 edn), London: Brealey.

Williams, A., Walters, M.E. & Dobson, P., (1993), *Changing Culture: New Organizational Approaches*, London: Institute of Personnel Management.

Articles:

Hampten-Turner, C., Trompenaars, F., (1997), Response to Geert Hofstede, *International Journal of Intercultural Relations,* Vol. 21, No. 1, pp. 149 -159.

House, R.J., (1971), Path Goal Theory of Leader Effectiveness**,** *Administrative Science Quarterly*, Vol. 16, No. 3, pp. 321-339.

House,R.J., and Mitchell, T.R., (1974*, Path-Goal Theory of Leadership, Journal of contemporary business, 3 , pp.81-97.*

Robinson, Sorge, Hartman, Warner & Nicholas. (1983), Chinese values and the
search for culture-free dimensions of culture, *Journal of Cross Cultural
Psychology*, Vol. 18, 143-164.

Internet addresses:

Auxillium West. "Corporate Culture." (n.d.), Retrieved 25 Nov. 2006, from
http://www.auxillium.com/culture.shtml.

Changing minds. "Five forms of power."(2002- 2007), French and Raven´s Five
Forms of Power, Retrieved 1 Oct, 2006, from
http://changingminds.org/explanations/power/french_and_raven.htm.

Farlex Inc. "Lose face."(2006), Face (Social custom), Retrieved 10 Oct, 2006, from
http://encyclopedia.thefreedictionary.com/lose+face.

iExplore. "Hong Kong History." (2006), Retrieved Oct, 7, 2006,
from http://www.iexplore.com/dmap/Hong+Kong/History.

ITIM. (2003), Geert Hofstede Cultural dimensions, Retrieved 25 Sept, 2006,
from http://www.geert-hofstede.com/.

Los Angeles Chinese learning center. "Guanxi." (n.d.), Retrieved 14 Oct, 2006,
from http://chinese-school.netfirms.com/guanxi.html.

Onepine. "Organizational culture." (2005), Retrieved 4 Nov., 2006, from
http://www.onepine.info/mcult.htm.

Paul Herbig. "Confucianism." (1997), The Impact of Confucianism on Business to
          Business Marketing, Retrieved 14 Oct, 2006, from
          http://www.geocities.com/Athens/Delphi/9158/paper9.html.

University of St. Thomas, Houston, Texas. "Confucianism business ethics." (n.d.),
          Retrieved 29.Sept, 2006) from
          http://www.stthom.edu/academics/centers/cbes/jonachan.html.
University of Edingburgh. "Situational theory, Path-goal theory."
          (1997),Contingency models, Retrieved Oct,2006, from
          http7://www.see.ed.ac.uk/~gerard/MENG/ME96/Documents/Styles/conti.
          html#Topic2.

Wikipedia. "Face (social customs)." (2006), Retreived 10 Oct. 2006, from
          http://en.wikiedia.org/wiki/face_%28social_custom%29.

Wikipedia. "Taoism." (2006), Taoism, Retrieved 10 Oct, 2006, from
           http://sv.wikipedia.org/wiki/Taoism.

Wikipedia. "Path-goal model." (2006), Path-Goal model, Retrieved 1 Oct, 2006,
          from http://en.wikipedia.org/wiki/Path-goal_model

Wikipedia. "Power." (2006), Power, Retrieved 1 Oct, 2006, from
          http://en.wikipedia.org/wiki/Power_(sociology).

12 Manage. "Situational Leadership."(2006), Retrieved 30 Sept, 2006, from
          http://www.12manage.com/methods_blanchard_
          situational_leadership.html.

12 Manage. "Path-Goal theory." (2006), Retrieved 1 Oct, 2006, from
          http://www.12manage.com/methods_path_goal_theory.html.

Questionnaire

As our questionnaire was created as an internet-mediated questionnaire please observe that this is not the questionnaire sent out to the respondents. The questions are the same but the layout is different and depending on answer, the respondent was asked to either continue with resulting questions or move on to next major question.

Part one:
Q1. Gender

Male   Female

 Q2. Age

_____

Q3. Nationality

Danish   Norwegian   Swedish

Q4. Number of years in leading position in Scandinavia?

_____

Q5. Number of years in leading position in Hong Kong?

_____

Q6. How many of the years in Hong Kong, have you had a leading position in a Hong Kong Chinese company?

_____

Q7. Have you had any previous work experience abroad before your current position in Hong Kong?

Yes   No

              Q8. If yes, in which country/countries?

                   _____

Q9. Number of fulltime employees in your present company?

1-30   31-50   51-100   101-

Q10. Number of Scandinavian subordinates you are responsible of?

_____

Q11. Number of Hong Kong Chinese subordinates you are responsible of?

_____

Part two:
Following questions were answered trough ticking of the most appropriate alternative, on a scale 1-5,
1=strongly agree and 5=strongly disagree

Q12. When you started your present position in Hong Kong, did you experience the new company to be more

  authoritarian than previous organizations you have worked for?

    Q13. Did you find the authoritarian approach problematic?

      Q14. If you found it problematic, in the beginning of your current
      position, is it still a problematic issue for you?

Q15. Did you have to adapt your management style to a more authoritarian style, to be able to fit in the new
  organization?

The following questions were answered by ticking the most appropriate of four alternatives.

Q16. If you have to choose one of the following four extremes of management style, which one, is in your opinion, most accurate to the one practiced in Scandinavia?

- Subordinates are managed through the fact that they have to be obedient to their superior.
- Subordinates are managed through tight control of reward systems, i.e. through bonuses and promotions.
- Subordinates are managed through close relationships between them and their superior.
- Subordinates are managed through field expertise of superior who in that way influence the subordinates.

Q17. Which of the following four extremes of management style, is in your opinion, the most accurate to your

current management style?

- My subordinates are managed through the fact that they have to be obedient to me as their superior.
- My subordinates are managed through tight control of reward systems, i.e. through bonuses and promotions.
- My subordinates are managed through close relationships between me and my subordinates.
- My subordinates are managed through my field expertise, and in that way I can influence my subordinates.

Following questions were answered trough ticking of the most appropriate alternative, on a scale 1-5, 1=strongly agree and 5=strongly disagree.

Q18. Relating to subordinates, do you feel that the relationship between superior and subordinates in Hong Kong is more formal than in Scandinavia?

Q19. Was the formality between superior and subordinates, a hard issue to deal with when you started to work in Hong Kong?

Q20. Is the formal relationship between superior and subordinates still a problematic issue for you?

Q21. Do you feel that your relationship to subordinates, is somewhat more informal, when comparing to other

managers and their relationships to subordinates, in your organization?

Q22. Do you feel that you have to give more straight orders to your subordinates, when comparing to the management style, practiced in Scandinavia?

Q23. Are you as superior, seen by your subordinates as one of the group, solving appearing issues together?

Q24. Is the overall preference to work in groups, greater in Hong Kong, than in Scandinavia?

Q25. Was the preference to work in group, difficult for you to accept, in the starting process of

your present position?

Q26. Do you feel that you have adapted to the more group oriented work environment?

Q27. When reaching a set goal within your organization, is the main focus on what the group have achieved?

Q28. Do you find that team work is more efficient than individual work in your current organization?

Q29. Considering your work environment, do you feel that there exist equality between men and women?

Q30. Furthermore, do you feel that there exists equality between elder and younger?

Q31. Considering equality, if you compare to Scandinavia, is the work environment different?

> Q32. When starting at your position in Hong Kong, was the different work environment something that you felt uncomfortable with?

> Q33. Is the different work environment, considering equality, still something that you feel uncomfortable with?

Q34. Is it more important for you to create and nurture close business relationships inside and outside your organization in Hong Kong, compared to Scandinavia?

Q35. Have you ever experienced difficulties, relating to strong relationships, when doing business in Hong Kong?

Q36. Do you experience that there are more projects performed simultaneously in your present organization than when working in Scandinavia?

> Q37. Did you find the simultaneity in projects problematic, in the starting process of your present position in Hong Kong?

> Q38. Is the simultaneity still a problematic issue for you?

Supplemental information of the questionnaire

Table 7.1. Survey statistics

Viewed	31
Started	27
Drop Outs	16
Completed	11
Completion Rate	40.74%

Average time taken to complete survey: 8 minutes

- Nationality(Q3)

Among the respondents of our questionnaire, seven of the nine respondents were of Swedish nationality, one was Dane and one Norwegian. However, we believe that this will not affect our final conclusions since according to our secondary data, the management style of different Scandinavian nationalities do not differ very much from each other. The intention of this question was to limit our respondents to only Scandinavian managers.

- Any work experience in other countries(Q7,Q8)

In order to see if the respondents have had any previous experience of different corporate cultures, which could affect the adaptation process when changing to a new corporate culture, we thought it could be of significant value to ask this question. In conclusion of the result of this question, all of our respondents have had previous work experience abroad. As seen in the following table, many of the respondents have been working in completely different work environment compared to the typical Scandinavian. In addition, this might affect how the respondents interpret the questions of our questionnaire, for example if they have previous work experience in another Asian country this might lead to somewhat more neutral answers. Positively for our research is that only two of the respondents had been working in an Asian country before. This indicates that the respondents have low/none earlier work experience in Asian countries which may lead to a somewhat clearer view of differences between national and corporate cultures.

Table 7.2. Countries worked in

Participant	Countries worked in:
1	UK, USA
2	Several European countries and North America
3	Europe, North America, South America
4	Switzerland
5	Netherlands
6	Sweden, Finland, Norway, Denmark
7	Trinidad and Tobago, France, Norway
8	USA, Brazil, Japan
9	USA, Finland, England, Singapore, Japan

- Number of fulltime employees in your present company(Q9)

This question was of interest to our analysis in order to be able to measure the different opinions relating to size of the company. Hence, we have the assumption that it is easier to keep the original Scandinavian management style in a small foreign company compared to in a larger foreign company. An important factor to underline is if the manager is working in a small Hong Kong family-owned company, where there might be a strong influence of the traditional Chinese national culture and Hong Kong corporate culture the Scandinavian manager will need to adapt his/her management style due to the origin of the employees, furthermore to the maturity of the employees more specifically described in chapter 4.2.1, "Situational leadership theory".

Table 7.3. Number of employees

Nr subordinates	Nr respondents	Frequency
1-30	5	55.56%
31-50	0	0.00%
51-100	0	0.00%
101-	4	44.44%
Total	9	100%

n = 9

- Number of Scandinavian subordinates the Scandinavian manager is responsible for(Q10)

This question was asked in order to see if the Scandinavian manager is working in a corporate culture that is highly influenced by Scandinavian corporate culture, which could lead to a more or less similar management style as the management style the manager practiced in his/hers home country. The result

of this question was that only one of the respondents had a Scandinavian subordinate. In addition, we can draw the conclusion that all of our respondents are working in a highly Hong Kong Chinese corporate culture.

- Number of Hong Kong Chinese subordinates the Scandinavian manager is responsible for(Q11)

In order to see how the division of the companies is, we believed it to be vital to see how many of the subordinates that were of Hong Kong Chinese nationality. In addition, this might indicate that the business environment in each company is relatively influenced by Chinese national culture. Another factor to why we believed that this question had significant value is to later be able to measure the behaviour of the manager in part 2 of our questionnaire and see if the manager is the one adapting his management style, as according to Blanchard and Hersey´s "Situational theory", it is the manager who should adapt to his/her subordinates and not the other way around.

The average number of Hong Kong Chinese subordinates for our respondents are 65.33 persons. However, only two of the respondents are responsible for more than 51 subordinates which may lead to different management style since working with many Hong Kong Chinese employees might implicate that the manager were forced to adapt to a more Hong Kong Chinese management style.

- H1: The Scandinavian manager will become more authoritarian in their management style.
- H5: The Scandinavian manager will adapt to a more formal leadership style.

(Q12) Table 7.4. Authoritarian approach

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	agree	6	66,7	66,7	66,7
	neutral	1	11,1	11,1	77,8
	disagree	1	11,1	11,1	88,9
	strongly disagree	1	11,1	11,1	100,0
	Total	9	100,0	100,0	

(Q13) Table 7.5. Adaptation of authoritarian management style

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	agree	2	22,2	33,3	33,3
	neutral	3	33,3	50,0	83,3
	disagree	1	11,1	16,7	100,0
	Total	6	66,7	100,0	
Missing	System	3	33,3		
Total		9	100,0		

(Q16) Table 7.6. Management style used in Scandinavia

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	reward	2	22,2	25,0	25,0
	referent	4	44,4	50,0	75,0
	expert	2	22,2	25,0	100,0
	Total	8	88,9	100,0	
Missing	System	1	11,1		
Total		9	100,0		

(Q17) Table 7.7. Management style used in Hong Kong

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	reward	3	33,3	37,5	37,5
	referent	1	11,1	12,5	50,0
	expert	4	44,4	50,0	100,0
	Total	8	88,9	100,0	
Missing	System	1	11,1		
Total		9	100,0		

(Q18) Table 7.8. More formal relationships

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	3	33,3	33,3	33,3
	agree	2	22,2	22,2	55,6
	neutral	2	22,2	22,2	77,8
	disagree	2	22,2	22,2	100,0
	Total	9	100,0	100,0	

(Q21) Table 7.9. Informal relationships

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	1	11,1	14,3	14,3
	agree	5	55,6	71,4	85,7
	neutral	1	11,1	14,3	100,0
	Total	7	77,8	100,0	
Missing	System	2	22,2		
Total		9	100,0		

- H2: The Scandinavian manager will emphasize more group achievements compared when working in Scandinavia.

(Q24) Table 7.10. Priority of working in groups

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	1	11,1	11,1	11,1
	neutral	4	44,4	44,4	55,6
	disagree	4	44,4	44,4	100,0
	Total	9	100,0	100,0	

- H4: The Scandinavian manager will place higher value to "Guanxi".

(Q34) Table 7.11. Importance of strong relationships

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	3	33,3	33,3	33,3
	agree	3	33,3	33,3	66,7
	neutral	3	33,3	33,3	100,0
	Total	9	100,0	100,0	

- H6: The Scandinavian manager must adapt to a more synchronic time approach.

(Q36) Table 7.12. Projects run simultaneously

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	1	11,1	11,1	11,1
	agree	4	44,4	44,4	55,6
	neutral	3	33,3	33,3	88,9
	disagree	1	11,1	11,1	100,0
	Total	9	100,0	100,0	

Semi-structured interview

Part one:

1. Name
2. Age
3. Position
4. In what way have you been in contact with Hong Kong/ the Chinese culture?
5. Have you had any work experience abroad?
6. If any work experience outside Scandinavia, in which countries?

Part two:

The aim for the in-depth interviews was to see what opinions, experiences the interviewees had related to the hypotheses created in the dissertation. In addition, we asked some simple questions relating to each hypothesis, and then encouraged the interviewees to speak freely about each hypothesis.

H1: The Scandinavian manager will become more authoritarian in their management style.

When working in Hong Kong, did you find the Hong Kong business environment more authoritarian than the business environment in Scandinavia?

Did you find that you had to act differently to gain respect from Hong Kong Chinese colleagues and to control your subordinates?

If you find the business environment different, was this something that you found difficult to accept?

Did you experience a stronger need to work longer hours compared to when working in Scandinavia?

Do you feel that the Hong Kong Chinese managers were more willing to express their feelings openly compared to Scandinavian managers?

H5: The Scandinavian manager will adapt to a more formal leadership style.

In what ways can you describe Hong Kong management style? formal- informal, hierarchic-democratic?

Do you feel that Hong Kong subordinates see their superior only as their superior or do you feel that there exist more informal relationships among superior and subordinates?

Do you have some experience/ opinion relating to what sort of relationship exist among superior/subordinates?

H2: The Scandinavian manager will emphasize more group achievements compared to when working in Scandinavia.

Describe how Hong Kong Chinese work; is the emphasis laid on working in groups or on the separate individual? Can you see any differences between Hong Kong and Scandinavia?

Considering acknowledgement, do the Hong Kong Chinese prefer to get praised as a group or as individuals?

H3: The Scandinavian manager will become more masculine.

What is your opinion relating to education, work ethics and moral within the Hong Kong business environment?

When comparing the work field in Hong Kong and in Scandinavia, are there any noticeable differences?

Considering your experience, do you feel that there exist equality between men and women, elder and younger when working in Hong Kong?

H4: The Scandinavian manager will place higher value to "Guanxi".

When doing business in Hong Kong, do you feel that you first have to build up a strong relationship before any business deal can be closed?

Can you compare the way of closing business deals in Hong Kong to Scandinavia?

When closing a business deal, do you feel that the importance is placed on contract on paper or trust the word of the mouth?

Overall, any differences between Hong Kong and Scandinavia?

H6: The Scandinavian manager must adapt to a more synchronic time approach.

When completing projects, do you feel that there exist any differences between the ways projects are done in Hong Kong compared to Scandinavia? (One task at a time versus several tasks simultaneously)

All in all, we are interested to see if there exist any differences in Hong Kong and Scandinavian corporate culture?

Is there any special norms or values that you felt problematic to accept when working in Hong Kong?

Detailed answers of interviews
Interview number 1

The first interviewee is working as a consultant at a newly established Swedish company that specializes in mobile accessories, and is situated in Hong Kong. He has been working and living in Hong Kong for the past six years. Before that the interviewee has been working in the United States, Finland, Great Britain, Singapore and Japan.

H1: The Scandinavian manager will become more authoritarian in their management style.

When working in a Hong Kong, did you find the business environment more authoritarian than the business environment in Scandinavia?

-Yes, most certainly the business environment in Hong Kong is authoritarian, but if you compare to Mainland China it is only to a certain degree. Making a comparison to the business environment in Scandinavia, the more authoritarian approach is clearly visible.

- Furthermore, a strong authoritarian management style is in my opinion, more visible in the manufacturing industry, where the owner or managers are seen as more or less like "Kings" by their employees. This is highly visible and to a foreigner this "King" like procedure can even be quit upsetting.

Did you find that you had to act differently to gain respect from Hong Kong Chinese colleagues and to control your subordinates?

- Unfortunally, I feel uncomfortable to make any comments on that since I only have been working as a consultant at different companies situated in Hong Kong, and not as a manager with subordinates.

If you find the business environment different, was this something that you found difficult to accept?

- As I mentioned earlier, of course the business environment is different, however, I did not see it as a problem or hard to accept and adapt to, when I started working in Hong Kong, since I have earlier been working in both Singapore and Japan where the business environment in my opinion is much more authoritarian compared to the business environment in Hong Kong.

Do you feel that the Hong Kong Chinese managers were more willing to express their feelings openly compared to Scandinavian managers?

- Since I have not been working as a manager for many years, I can only express my opinion relating to the daily life in Hong Kong, where most certainly Hong Kong Chinese are more in favour of expressing their emotions openly, no matter if they are at the subway, in the grocery store or in a social meeting.

H5: The Scandinavian manager will adapt to a more formal leadership style.

In what ways can you describe Hong Kong management style? formal- informal, hierarchic-democratic?
- In my opinion, Hong Kong management style can be described as a little bit more hierarchic than if I compare to the Scandinavian, however if I make a comparison to Mainland China and Japan, it is only to a certain degree. One example where it is visible is how elegant the managers' offices are compared to the rest of the companies facilities.

H2: The Scandinavian manager will emphasize more group achievements compared to when working in Scandinavia.

Describe how Hong Kong Chinese work; is the emphasis laid on working in groups or on the separate individual? Can you see any differences between Hong Kong and Scandinavia?

- - As a consultant, I am not working directly with Hong Kong Chinese employees, but relating to the Hong Kong Chinese employees my experience is that they place the importance of their work as a great part of their life. They have no problems working over time when asked, which could be more of a problem in Scandinavia, where I have experienced that private/spear time is very important.

Considering acknowledgement, do the Hong Kong Chinese prefer to get praised as a group or as individuals?
- In Hong Kong both relating to the business and day-to-day life, the Hong Kong Chinese prefer to get praised as a group, more specifically they prefer to take on challenges within the group or the family.

H3: The Scandinavian manager will become more masculine.

What is your opinion relating to education, work ethics and moral within the Hong Kong business environment?

- In my opinion, Hong Kong Chinese has very high expectations both from the immediate family and the society. A good education and work is seen as extremely important. Even though the way to success is extremely hard, the Hong Kong Chinese are prepared to work as hard as it takes to reach their set goals.

Considering your experience, do you feel that there exist equality between men and women, elder and younger when working in Hong Kong?

- Both in the business and day-to-day life, I experience that there exist equality, however, perhaps in a somewhat lower level than in Scandinavia. Although one thing that I noticed during my first year in Hong Kong was that alongside age comes respect and high influence. In Hong Kong the elders are named as extremely wise due to long life experience.

H4: The Scandinavian manager will place higher value to "Guanxi".

When doing business in Hong Kong, do you feel that you first have to build up a strong relationship before any business deal can be closed?
- Since I only work as a consultant in Hong Kong I feel that I am not qualified to make any comments relating to business relationships, however, in the day-to-day life, once a relationship is established it is experienced as a strong link that can not easily be destroyed, once establish a friendship it will last a lifetime.

H6: The Scandinavian manager must adapt to a more synchronic time approach.

When completing projects, do you feel that there exist any differences between the ways projects are done in Hong Kong compared to Scandinavia? (One task at a time versus several tasks simultaneously)
- The way I see it, project are done somewhat similar in Hong Kong and Scandinavia. Usually projects are preferred to be done one step at a time both in the day-to-day life and in the business environment.

- **Interview number 2**

The second interviewee is working as a manager at a company active in the process industry. During the years 1997-2000 he lived and worked in Hong Kong which was his first experience working abroad.

H1: The Scandinavian manager will become more authoritarian in their management style.

When working in Chinese culture, did you find the business environment more authoritarian than the business environment in Scandinavia?

-Yes, of course the business environment is more authoritarian, however, even though working in Hong Kong was my first work experience abroad, I did not find the more authoritarian approach problematic or uncomfortable.

If you find the business environment different, was this something that you found difficult to accept?

- The business environment is definitely different, in this case has a more authoritarian approach, but when you work/do business in another culture I see it natural that it is the expatriate manager who should adapt, not the other way around.

Do you feel that the Hong Kong Chinese managers were more willing to express their feelings openly compared to Scandinavian managers?

- Yes, for example a Chinese manager can openly yell at the subordinate no matter who can hear them while in Scandinavia this would be totally unacceptable.

H5: The Scandinavian manager will adapt to a more formal leadership style.

In what ways can you describe Hong Kong management style? formal- informal, hierarchic-democratic?
- Relating to the Hong Kong Chinese management style it is most certainly more formal and hierarchic, which for example is visible in titles, business cards and offices and also in strict rules and regulations on how things should be done.

H2: The Scandinavian manager will emphasize more group achievements compared to when working in Scandinavia.

Describe how Hong Kong Chinese work; is the emphasis laid on working in groups or on the separate individual? Can you see any differences between Hong Kong and Scandinavia?

-In my experience, since I worked in a rather small, close together team, the Hong Kong Chinese are not all that different from the Scandinavians. One example, were the Hong Kong Chinese and Scandinavians differ are relating to their focus on success. The Hong Kong Chinese are extremely career focused and place the value of status before hand satisfaction with a work position, whereas the Scandinavians place higher value on satisfaction with their work position than on titles.

Considering acknowledgement, do the Hong Kong Chinese prefer to get praised as a group or as individuals?
- As I explained earlier, the Hong Kong Chinese are highly focused on success. Therefore in my opinion, I experience the Hong Kong Chinese as rather individual focused. They place their own success in focus, in opposite to success of the group.

H3: The Scandinavian manager will become more masculine.

What is your opinion relating to education, work ethics and moral within the Hong Kong business environment?
-This question can also be related to my last explanation. Since the Hong Kong Chinese are highly career focused I experienced that they place high value in getting a good education, and see the only way to succeed is by working extremely hard no matter if it takes working a lot of overtime and effort.

Considering your experience, do you feel that there exist equality between men and women, elder and younger when working in Hong Kong?
- In my work experience in Hong Kong I felt that the equality between men and women where somewhat comparable to the environment existing in Scandinavia.

H4: The Scandinavian manager will place higher value to "Guanxi".

When doing business in Hong Kong, do you feel that you first have to build up a strong relationship before any business deal can be closed?
- In Hong Kong business environment relating to business relationships, I experienced it to be more crucial to live up to expectations and that it was more critical if one could not live up to once commitment compared to business relationships when working in Scandinavia.

H6: The Scandinavian manager must adapt to a more synchronic time approach.

When completing projects, do you feel that there exist any differences between the ways projects are done in Hong Kong compared to Scandinavia? (One task at a time versus several tasks simultaneously) - I think it is rather hard to generalize, however, I do not see any significant differences in the way projects are done in Hong Kong compared to in Scandinavia. All in all, I have never reacted to anything being different within the way projects are done. in the business environment things are done one step at a time.

- **Interview number 3**

The interviewee number three works as a manager at a company active in the pharmaceutical industry. His experience from Hong Kong is based on four years both living and working in Hong Kong. Before his time in Hong Kong he had been working in Great Britain.

H1: The Scandinavian manager will become more authoritarian in their management style.

When working in Chinese culture, did you find the business environment more authoritarian than the business environment in Scandinavia?

- The business environment in Hong Kong is most definitely more authoritarian compared to the business environment in Scandinavia, much more hierarchical organized.

Did you find that you had to act differently to gain respect from Hong Kong Chinese colleagues and to control your subordinates?

In my opinion, in Hong Kong the employees are not as self going as in Scandinavia. They need clear and straight orders of what they are expected to do and in what way. As a Swedish manager, I am used to explain the overall goal for the organization and that the whole staff work as a team and cooperate to reach the set goal for the organization. In addition, I need to change my original management style to be able to gain respect and succeed in my new position.

If you find the business environment different, was this something that you found difficult to accept?

- All in all, arriving to a new culture demands knowledge and an open mind. In conclusion it is you who must adapt to the new culture and not the other way around.

Do you feel that the Hong Kong Chinese managers were more willing to express their feelings openly compared to Scandinavian managers?

- In my experience Hong Kong Chinese managers practice a rather different management style compared to the Scandinavian. They have a sort of relationship towards their subordinates that can almost be compared to the relationship between parent and child.

H5: The Scandinavian manager will adapt to a more formal leadership style.

In what ways can you describe Hong Kong management style? formal- informal, hierarchic-democratic?

- As I mentioned in the first question, the Hong Kong management style is most certainly more authoritarian, hierarchic and formal compared to the management style in Scandinavia. The management style practiced in Hong Kong can be explained as highly detail oriented whereas the Scandinavian management style can be explained to be goal oriented.

H2: The Scandinavian manager will emphasize more group achievements compared to when working in Scandinavia.

Describe how Hong Kong Chinese work; is the emphasis laid on working in groups or on the separate individual? Can you see any differences between Hong Kong and Scandinavia?

- In my opinion the Hong Kong Chinese are highly individualistic and are driven by the longing for success. In their opinion success is reached by high education which later leads to a good work position. If I make a comparison to the business environment in Mainland China, the business environment in Hong Kong is much more based on individualistic achievements whereas in Mainland China the emphasis is placed on what the group achieves.

Considering acknowledgement, do the Hong Kong Chinese prefer to get praised as a group or as individuals?

- As I mentioned above, the Hong Kong Chinese strive to reach individual success.

H3: The Scandinavian manager will become more masculine.

What is your opinion relating to education, work ethics and moral within the Hong Kong business environment?

- The Hong Kong Chinese place great value in education and work extremely hard to succeed in life, work life. There are no limitations of how much and hard the Hong Kong Chinese are willing to work to obtain wealth and success.

Considering your experience, do you feel that there exist equality between men and women, elder and younger when working in Hong Kong?

- In my opinion, there do exist equality between men and women in Hong Kong business environment, however, when comparing to the situation in Scandinavia, where equality is seen as a building block in society, both in day-to-day life and in business environment, I believe it is hard to even make a comparison.

H4: The Scandinavian manager will place higher value to "Guanxi".

When doing business in Hong Kong, do you feel that you first have to build up a strong relationship before any business deal can be closed?

- Business relationships in Hong Kong are extremely important and take a lot of time and effort to build up. To get a well functioning and strong relationship within counterparts, trust is of most value, and is usually created before doing business in social activities and games.

H6: The Scandinavian manager must adapt to a more synchronic time approach.

When completing projects, do you feel that there exist any differences between the ways projects are done in Hong Kong compared to Scandinavia? (One task at a time versus several tasks simultaneously)

- In my opinion, when working in a company located in Hong Kong tasks are usually performed one at a time and in a specific order. The employees are preferring to do things the normal way and are rather reluctant to change the way projects are handled, which in my opinion although the Hong Kong

- **Interview number 4**

Subordinates: 10

He is doing business with China almost every day but is situated in Sweden. During the years he has created great knowledge of the differences between Chinese and Scandinavian culture.

H1: The Scandinavian manager will become more authoritarian in their management style.

When working in Chinese culture, did you find the business environment more authoritarian and formal than the business environment in Scandinavia?

-Yes, definitely.

Did you find that you had to act differently to gain respect from Hong Kong Chinese colleagues and to control your subordinates?

- I have no Hong Kong colleagues or direct Hong Kong subordinates.

If you find the business environment different, was this something that you found difficult to accept?

- The business environment is definitely different, but when you do business in another culture you have to adapt yourself.

Do you feel that the Hong Kong Chinese managers were more willing to express their feelings openly compared to Scandinavian managers?
- yes, for example a Chinese manager can openly yell at the subordinate while in Scandinavia this would be totally unacceptable.

H5: The Scandinavian manager will adapt to a more formal leadership style.

In what ways can you describe Hong Kong management style? formal- informal, hierarchic-democratic?
- The Chinese business environment is much more hierarchic.

H2: The Scandinavian manager will emphasize more group achievements compared to when working in Scandinavia.

Describe how Hong Kong Chinese work; is the emphasis laid on working in groups or on the separate individual? Can you see any differences between Hong Kong and Scandinavia?

- I´m not directly working with Chinese employees but I feel that Chinese workers are not taking individual responsibility and if as a manager you want to know something you have to ask because the Chinese workers will not tell you voluntarily. Although the employees perform the required task flawlessly and with great effort they do not feel comfortable in changing the way of working.

Considering acknowledgement, do the Hong Kong Chinese prefer to get praised as a group or as individuals?
- They want you to get to know everyone of the group.

H3: The Scandinavian manager will become more masculine.

What is your opinion relating to education, work ethics and moral within the Hong Kong business environment?
- A higher education is seen as a way to success. Before many wanted to work in Internationally owned companies as they were ranked higher and the salaries were better.

Considering your experience, do you feel that there exist equality between men and women, elder and younger when working in Hong Kong?
- The men I have worked with work a lot and there are many late nights, their wives normally are housewives and take care of the children during the days.

H4: The Scandinavian manager will place higher value to "Guanxi".

When doing business in Hong Kong, do you feel that you first have to build up a strong relationship before any business deal can be closed?
- It is much more important to build a strong relationship between the counterparts when conducting business. It is important to create trust.

H6: The Scandinavian manager must adapt to a more synchronic time approach.

When completing projects, do you feel that there exist any differences between the ways projects are done in Hong Kong compared to Scandinavia? (One task at a time versus several tasks simultaneously)
- As I do not work directly with Chinese, I can not say how the day to day projects are run.