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Cultural characteristics of the Russian-Norwegian business relationship in the seafood industry

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Master thesis in International Fisheries Management (30 ETCS)
November 2015



Abstract

This study examines the cultural differences between Russia and Norway as a barrier for Norwegian seafood companies to do business with Russia. The main focus will be put on the role of personal relationships and personal contacts in the process of business exchange between Norway and Russia in the seafood market. Geert Hofstede's theory on cultural dimensions will be used as a main framework for data analysis. The present study attempts to employ theory on cultural dimensions to investigate the role of personal relationship in specific industry through culture specific perspective. Personal interviews with representatives of seafood industry in Norway become the source of information for the study.

Acknowledgments

First, I would like to thank my supervisors, Melania Borit and Petter Holm, for the help provided during the writing of the thesis, for the effective dialogue, incredible patience and wise advice. They have helped me to find my path through the mass of ideas and thoughts.

I want to thank my classmates in the International Fisheries Management master program during 2012-2014. I have really enjoyed our time together.

I am thankful to the teacher and academic staff of the faculty of Faculty of Biosciences, Fisheries and Economics for assistance in program.

Thanks to all my amazing friends in Tromsø for their support. I also want to thank my fiancé for being beside me in hard times.

Finally, I would like to thank my family both in Russia and in Norway. It has become possible to finish this project because of their belief in me. I am incredibly thankful to my dearest mother for everything good that I have in my life.

In memory of my beloved grandmother and grandfather.

Tromsø, November 2015

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Chapter 1. Introduction

1.1. Background

Rapidly increasing globalization of the world and internalization of business lead to the situation when business actors have to find means to discover new strategies in order to stay effective in business exchange. However, when dealing with specific business relationship in a particular culture, business people most often can refer to their own cultural values and communication strategies, that can differ dramatically from the ones' from another country (Zhu & Nel 2006:320). This situation can potentially complicate or even interrupt a business exchange.

Extensive research has been done in business relationship building. A lot of research on intercultural business relations is conducted from a comparative perspective, which aims to compare two or more cultures within organizational context. However, existing literature gives little attention when examining a culture-specific perspective on communication strategies for building business relationship between countries. Theory on dimensions of national cultures proposed by Hofstede (2001) employed within comparative perspective could enlighten the understanding of different communication strategies and its specific elements used in particular cultures to establish business relationship (Zhu & Nel 2006:320). In this present research the focus will be on the issue of personal relationship as an element of communication strategy in Russian-Norwegian business relationship in seafood industry.

The Russian-Norwegian context has been chosen because of several factors. Both Norway and Russia are among the largest players in the world's seafood industry. Russia, as a neighbor country with huge market for seafood products, is attractive for Norwegian companies for potential sales. Liberalization of the Russian economy, which happened after the desolation of the Soviet Union, brought to Western businesses many potential opportunities to develop a new and promising market (Butler & Purchase 2004:34). Despite the large opportunities presented by the Russian market, evidence suggests that doing business in Russia and/or with Russians can bring many challenges. It goes without saying that knowledge on institutional and legal systems is important, but also knowledge and understanding on cultural differences between Western and Russian cultures could be essential.

Moreover, Norway and Russia have a long history of successful neighborhood and cooperation dating back many centuries starting with the Viking times, continuing through the Pomor trade in 17th century and the Soviet period (1917-1991) until now (Voldnes 2014). Even if the Soviet Union trade with outside world was rather limited, the state gave special permission to a few companies to sell cod and shrimps to foreign harbors, some of the Norwegian ones were among them (Voldnes 2014). Even in times of cold war Russia and Norway managed to cooperate, especially on regional level along the Northern border. Barents Sea and successful management of fishery resources illustrate this statement¹. After the collapse of the Soviet Union the new impulse of international development occurred opening new opportunities and markets for seafood trade for both countries.

Thus, until August 2014 when the import ban on Norwegian seafood products was put by Russia, Norway was the biggest supplier of seafood to the Russian market with regard to farmed Atlantic salmon and herring. On the other hand, the Russian seafood market was considerable for Norway as well, as it was the second most important market for Norwegian seafood industry in terms of export value (Elvestad & Nilssen 2010:274). After the dissolution of the Soviet Union, the Norwegian fish export mostly involved pelagic species including herring and mackerel. However, with a consolidation of economy the demand for more valuable species such as salmon increased (Voldnes 2014). By 2011 Russia has become one of the most significant markets in terms of export of Norwegian seafood. In 2013, Norway exported 295 thousand tons of seafood to Russia. The value of this export constituted NOK 6,5 billion, compared to NOK 5,9 billion in 2012 (Figure1).

¹ Management cooperation between Norway and Russia was institutionalized through the Joint Norwegian-Russian Fisheries Commission in late 1970s.

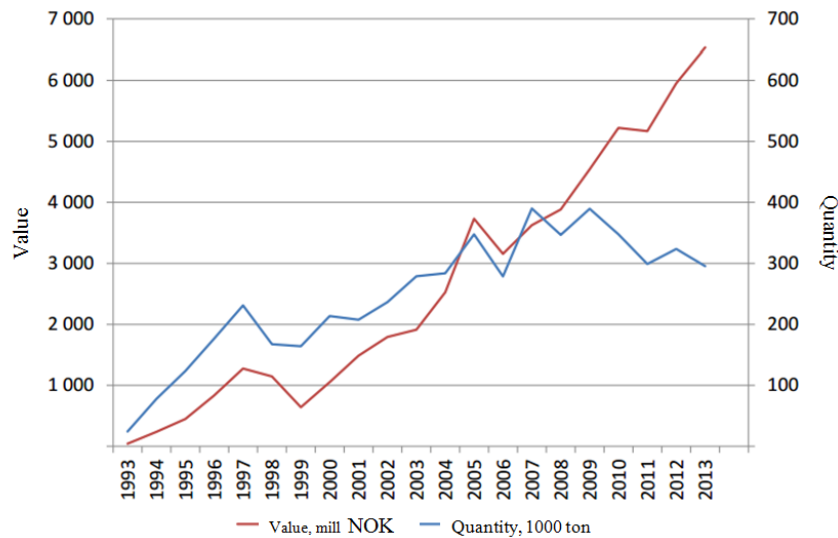


Figure 1. The Norwegian export of seafood to Russia from 1993 to 2013 (Voldnes 2014).

1.2. Research questions

The present research aims to study cultural differences between Russia and Norway as a barrier for Norwegian seafood companies to do business with Russia. The main focus is put on the role of personal relationships and personal contacts in the process of business exchange between Norway and Russia in the seafood market. Personal contacts are considered to be in many ways at the heart of business interactions. Some researchers see an individuals' role in actual business interaction as central. That is why, the issue of management and control over personal interactions also becomes relevant.

In the present research personal relationships are considered as an important tool to establish good communication between business partners. The purpose of this study is to examine the role of personal relationships in cross-cultural business context through that case of Russian-Norwegian relations in seafood industry through the following research questions:

1. What are the cultural differences in the Russian-Norwegian business relationships in the seafood industry?

2. How are cultural differences influencing the Russian-Norwegian business relationships in the seafood industry?

3. What role do personal relationships play in the Russian-Norwegian business relations in the seafood industry?

In order to answer these research questions, I decided to use the findings from Natalia Shawn's doctoral thesis *"The role of cultural differences between Norway and Russia in business relationships. Application to strategic management in Norwegian companies"* (Swahn 2002). The aim of that research was to find out what are the most important differences between Russians and Norwegians that complicate the business exchange. Swahn has built the research on data collected from thirteen interviews with Norwegians working for Norwegian companies in Russia and two Norwegian researchers who had previous experience in business working with Russians. Since my research covers the issues related to personal relations in business context, I extracted several points from Swahn's key findings that are relevant to my topic.

These are the key statements derived from Swahn's study and are connected with the role of personal relations in business that I wanted to validate in seafood industry:

1. "Russians expect personal relationships with the business partners".
2. "Existence of personal networks in Russia can complicate business activity, especially for a foreign company - an outsider".
3. "Rules can be both very rigid and very flexible, depending on the personal relationship with person in authority in Russia".
4. "Unless there are relations of mutual trust at the personal level between the parties, business relationships are difficult and little predictable in Russia".
5. "Norwegians businessmen will face a necessity to develop and maintain personal relationships in the official and business sphere in Russia".

Thus, the goal of my research is to explore if these outcomes are relevant in the seafood industry and, if it is so, what potential challenges they may cause for Norwegian companies willing to do business with Russia.

1.3. Significance of the study

The present study is considered to be important in many ways. The thesis attempts to employ theory on cultural dimensions to investigate the role of personal contacts in a specific industry, seafood industry in this case. No previous research has been done in the field of seafood industry comparing Russia and Norway in the frames of cultural dimensions. Even if, a lot of concessive research has been done to describe national cultures applying Hofstede's framework of cultural dimensions, existing literature has given little attention to cultural differences inside a certain industry.

1.5. Structure of the thesis

Chapter 1 gives a general overview of the topic of the research including background information, research questions and significance of the research.

Chapter 2 deals with a theoretical framework where main theories will be presented such as theory on culture, cultural dimensions and cultural clusters. Moreover, the theory on business networks and personal contact will be given.

Chapter 3 presents a study case of Russia and Norway giving a general description of cultural peculiarities of both countries, general historical background in relation to business culture. Moreover, Norwegian and Russian culture will be presented through the prism of Hofstede's theory on cultural dimensions - Power Distance, Individualism, Masculinity and Uncertainty Avoidance. Then difficulties analyzing Russian culture applying Hofstede's research will be discussed.

Chapter 4 deals with methodology of the present research describing the process of participant selection, interviewing process and challenges facing during interview.

Chapter 5 is based on fieldwork findings and interview data. The analysis of obtained data will be done to find out to what extend Swahn's findings are relevant in seafood industry.

Chapter 6 is a summary of the thesis.

Chapter 2. Theoretical framework

This chapter will give a general overview of the theoretical framework the present thesis is built on. First, the concepts of culture and cultural dimensions will be explained, followed by the concept of cultural clusters. Then the concept of business culture and its components - business and personal networks will be presented. This will be followed by the concept of personal contacts. Moreover, the phenomenon of personalized relationship in business exchange will be discussed in the last section of the chapter.

2.1. Defining the concept of culture

The concept of culture is very broad and refers to a complicated phenomenon. There is no single, agreed upon definition of the concept (Voldnes 2012:1083). Originally it has been borrowed from anthropology, "where there is no consensus on its meaning" (Gordon 1991:396). Some definitions emphasize the leading role of shared values and beliefs, others put stress on regulating role of culture on behavior through accepted rules, norms, and practices. The diversity is so large because the concept of culture has been studied within numerous scientific fields. Every discipline brings up and emphasizes one or several particular elements of the concept (Kuh 1988:5), and these have often employed different terminology (Gordon 1991:396). In social anthropology, for instance, *culture* is the way of thinking, feeling and acting. It entails the basic norms of behavior accepted in certain environment: greeting, eating, expressing feelings in different situations, keeping a certain physical distance from each other, and etc. (Hofstede 2010:5).

However, one of the most influential theories of culture nowadays is the one developed by Geert Hofstede in early 1980s from a social-psychological perspective. Hofstede defines culture as "the collective programming of the mind which distinguishes the members of one group or category of people from another" (Hofstede 2010). This definition is widely used in international business literature. Moreover, an overwhelming majority of all cross-cultural studies have been touched by the influenced of Hofstede's concept of culture by a varying degree. Hofstede's framework is seen as a dominant culture paradigm in business studies nowadays. According to Nakata, Hofstere's work is more cited in the Social Science Citation Index than other theories of culture (Nakata 2009:3).

Geert Hofstede's landmark study, *Culture's Consequences: International Differences in Work Related Values* published in 1980, with updated editions later on, is considered to be

the largest survey of work values involving more than 70 countries world-wide. Hofstede introduced a new conceptualization of culture, supported by measurements and indexes, based on the survey data (Sørnes 2004). Since his work is considered as a fundamental study and superseded other cultural paradigms, it has been chosen as a main theoretical framework in this present research.

According to Hofstede's reasoning, every one of us belongs to a certain social environment where assigned patterns of thinking, feeling and potential acting exist. We learn these patterns throughout our life. These patterns are transferred from generation to generation and become a part of learning process where one grows up and collects one's life experience. This knowledge is absorbed by the individual in family, at school, in sport groups, at work place and in the living community (Hofstede 2010:5). This is the way how an individual gains his/her identity within a social environment. It is important to highlight that cultural norms and values play crucial role in shaping people's perceptions, predispositions and patterns of behavior (Voldnes 2012:1083).

Hofstede points out that *culture* is a collective phenomenon. Each of us lives and belongs to a certain group or society. There we learn a certain way of thinking and acting in one or another situation together with the members of this particular social environment. Thus, culture is not inherited, but learned by the individual. Each of us simultaneously belongs to different groups and categories depending on his/her level of education, range of interests, social role etc. This corresponds to different levels of culture². Cultural differences become evident at different levels through: symbols³, heroes⁴, rituals⁵ and values, and these four

² According to Hofstede there are six levels of culture: 1) national level defined according to individual's country, 2) a regional/ethnic/religious/linguistic – most nations are composed by culturally different groups, 3) a gender level - a person was born as a man or as a woman, 4) a generation level – separates different generations from each other, 5) a social class level – associated with educational opportunities, person's occupation or profession, 6) an organizational level or corporate level defined according to a pattern of social behavior within organization which is common for employees of the company. This level refers to a specific culture within a particular organization which reflects organizational history, values, symbols, rituals and strategies in business (Swahn 2002).

³The words and jargon of language, gestures, dress, pictures, objects and etc. Symbols are not permanent and might be transformed or disappear very easily. They are less significant when comparing culture.

⁴ People, dead or alive, real or imaginary, endowed with a set of skills and features which are esteemed by members of certain nation.

⁵ Activities which are sometimes considered socially essential but might be not necessary to the achievement of organizational goal.

concepts make up a phenomenon of culture (Hofstede 2010:7). In Figure 2 these layers are represented as of an onion around a core that consists of values, (Hofstede 2001:11).

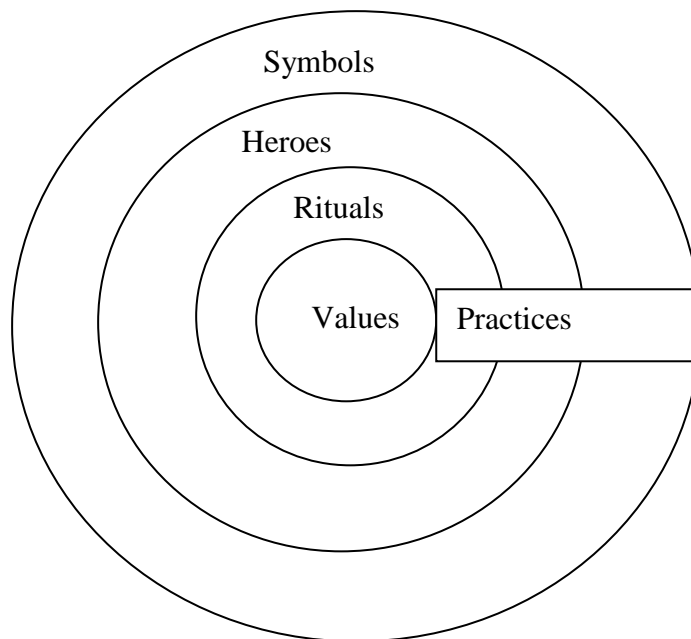


Figure 2. The 'onion diagram': manifestation of culture at different levels of depth (Hofstede 2001:11)

According to Hofstede, the first three concepts are practices that are observable and visual to an outsider, and thus they might be measured and compared to practices in other cultures (Sørnes 2004:4). Values is the most hidden layer of culture. Rokeach defines a value as a state when a person "has an enduring belief that a specific mode of conduct or end-state of existence is personally and socially preferable to alternative modes of conduct or end-states of existence" (Hofstede 2001:5). Values represent the perception of certain nation about the world or by other words, how things 'ought to be'. Values are nonretional because they are programmed early in our lives and determine our subjective definition on rationality (Hofstede 2002:6). Values differ between cultures and make a significant difference to the way societies are organized and how the various organizations within societies work (Wursten 2002). Hofstede argues that values strongly influence the behavior pattern prevailing in the society (Sørnes 2004:4). Wursten (2002) underlines that difference in cultural values are often underestimated. As a result, business practices and strategies

applied by a foreign actor that go against deeply rooted beliefs and values, will not work in a long run.

2.3. Levels of culture: seafood industry

As it was mentioned before, each of us simultaneously belongs to several different levels of culture. Hofstede argues that if national culture is more associated with values, while organizational level of culture is closely connected with practices. It happened because we learn organizational culture consciously through practices in our adulthood when all basic values of the society we belong to have been already formed involuntary and unconsciously in our childhood. Hofstede explains the differences in the value/practices balance by different place of socialization and learning for values and practices. Values are learned in our early years mainly in our families and later at school. While organizational practices such as symbols, heroes, and rituals, are acquired through socialization at the workplace (Figure 3)

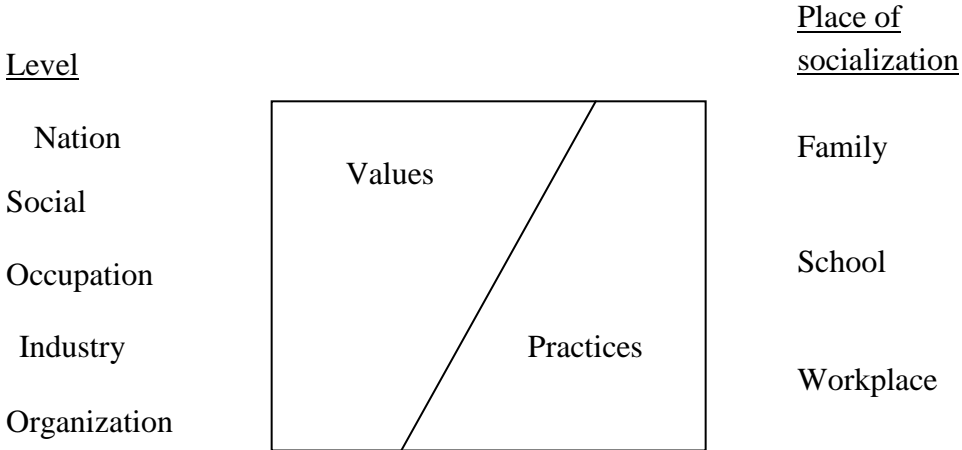


Figure 3. Balance of values and practices depending on the level of culture (Hofstede 2002:394).

As Hofstede underlines, national culture and organizational culture are phenomena of different order (Hofstede 2001:394). Figure 3 illustrates the balance of values and practices depending on the level of culture: at organizational level cultural differences are found mostly in practices and less in values. Becoming a member of a certain organization employees have to adapt their personal values to the organization’s needs, however the

values of employees cannot be changed by an employer, because they were acquired when the employees were children (Hofstede 1994:9).

Thus, it becomes possible to trace the relationship between industry characteristics and organizational culture. Gordon argues that characteristics of the industry in which company operates strongly influence the organizational culture - symbols, heroes, and rituals. He underlines that " ...industries exert influences that cause organizations cultures to develop within defined parameters. Thus, within industries, certain cultural characteristics will be wide spread among organizations, and these most likely will be quite different from the characteristics found in other industries. Consequently, companies within an industry share certain cultural elements that are required for survival" (Gordon 1991:396). Thus, it can be assumed that seafood industry also carries a multitude of specific characteristics that can influence the formation of certain practices and, to a less degree, values of individuals involved, and, respectively a pattern of behavior and a way of thinking and handling different situations.

2.4. Theory of cultural dimensions

Since a large diversity of national cultures across the globe and frequent cross-national interactions require diverse knowledge about cultural aspects, it is very important to understand and take into consideration cultural differences in order to build business communication more efficiently and succeed in business activities. The model of national culture described by Hofstede implies tools which help to measure cultural differences between countries - cultural dimensions. According to the definition given by Naumov (2000:710) by cultural dimension Hofstede means:

"... the ability to define how a culture's patterns of behavior solve a given problem".

Cultural dimension is a specific aspect of a culture that can be measured relative to other cultures. Hofstede suggests to characterize cultures by means of four dimensions: power distance (from small to large), individualism versus collectivism, masculinity versus femininity, uncertainty avoidance (from weak to strong)⁶.

⁶ Hofstede's original work (1980) describes four dimensions; however later in 1991 he added the fifth dimension *long/short term orientation* or Confucian dynamism. This dimension shows how societies maintain their own past while dealing with present and future challenges. Long-term orientation values focus more

Hofstede introduced the concept of four cultural dimensions conducting the research over a six-years period involving 120,000 IBM workers from 72 countries speaking 20 languages all over the world. The respondents were asked to answer 33 questions in total. A five point scale ranging from "of utmost importance" to "of very little importance" was developed to evaluate the results. As Hofstede limited his research to IBM staff, he was able to obtain and compare matched samples. In other words, he got a chance to compare workers of the same categories in various countries, "bookkeepers with bookkeepers, technicians with technicians, middle managers with middle managers and so on" (Wursten 2002). Hofstede found the consistent difference between matched groups of employees from different countries based on value scores (Sørnes 2004:9). The four main dimensions of national culture differences were constructed by applying both statistical analysis (correlation and factor analysis) and theoretical reasoning on each country mean score. Each dimension index was design to vary from 1 to 100, and most of the countries fall into this interval; however some of them score slightly above 100. This may be explained by the fact that they were added to the list after the formula had been fixed (Hofstede 2010, Swahn 2002, Sørnes 2004).

Thus, Hofstede argued that even though national culture is a multidimensional and complicated phenomenon (Hofstede, LaBahn, Herich 1997), it is possible to measure it with numbers, which make it possible to compare national cultures with each other to find out similarities and differences. In practice, these four dimensions are believed to be very useful for predicting success or failure of among other things management techniques and leadership style, they predict the way people are motivated, communicate and manage in a specific culture (Wursten 2002). In the next section the description of these four

towards future engaging different resources to prepare for the future challenges, while short-term orientations focus more towards the past and present maintaining time-honored traditions and norms and viewing societal change with suspicion (The Hofstede's Centre, Hofstede 2010:239). This dimension was derived from Chinese value survey and was aimed to reduce "western" bias of the theory (Swahn 2002). The sixth dimension - *indulgence vs. restrain*, was presented for the first time in Hofstede's book *Cultures and Organizations. Software of the mind* (2010) as following: "Indulgence stands for a tendency to allow relatively free gratification of basic and natural human desires related to enjoying life and having fun. Its opposite pole, restraint, reflects a conviction that such gratification needs to be curbed and regulated by strict social norms" (Hofstede 2010:281). However, as Hofstede points out, this dimension is truly new and deserves more study. Long/short term orientation and indulgence vs. restrain dimensions will not be discussed in the present research because these two dimensions are considered to be relatively new, they do not belong to Hofstede's original study (1980) and they need more research.

dimensions will be given, moreover it will be highlighted how each dimension is applied in organizational context.

2.4.1. Power distance (PDI)

Power distance deals with the issue of human inequality, and the way this inequality is perceived in different societies on different levels (in general, in families, educational institutions, working places). It measures to what extent the less powerful member of a certain society accepts and expects that power is allocated unequally (Hofstede 2001). Power distance shows the level of subordination (level of dependence/interdependence between employee and superior (boss)). In small power distance countries such as Austria (11 points), Israel (13), Denmark (18) subordinates feel free to approach and contradict their bosses. A boss and employees are on the same level of hierarchical structure and a leader is just a formal role. On the contrary, in large power distance countries such as Guatemala (95 points), Philippines (94), Serbia (86) subordinates prefer dependence on their bosses and very unlikely to contradict their superiors directly (Swahn 2002:69).

2.4.2. Individualism (IDV) vs. collectivism

This dimension reflects the degree of interdependence among individuals within a particular society and the “I/We” concept. In individualistic countries the social ties between individuals are loose. People are expected to take care about themselves and their close families only. On the contrary, in collectivistic countries social bounds are tight and individuals are expected to take care about relatives and other in-groups. Consequently, unquestioning loyalty is given in exchange (Hofstede 2001:209-211).

In organizational context, in individualistic societies the relationships between employer and employee are considered to be exclusively professional and do not cross the boundary of personal interactions. In other words, poor performance of the employee or a better paid offer elsewhere leads to the termination of the working agreement. In collectivistic societies, the working relations are more complicated and have many pitfalls. For example, poor performance of the employee does not necessarily cause dismissal but most likely refocusing on other tasks. Furthermore, employee feels obliged towards employer and cannot leave the organization so easily even if he gets a better paid contract somewhere else. According to Swahn, “management in individualist societies is management of

individuals, while management in collectivist societies is management of groups” (Swahn 2002:72). The USA score high on individualism with 91 points together with Australia (90), the United Kingdom (89) and France (71), while South Korea with 18 points Vietnam (20), Costa Rica (15) and Columbia (13) belong to collectivistic countries.

2.2.3. Masculinity (MAS) vs. femininity⁷

Allocation of roles between two genders influences values in the society. According to distribution of and a priority given to values (feminine or masculine), a culture considered masculine or feminine. Masculinity stands for achievement, material success, heroism, assertiveness is rated higher than modesty, and aggressiveness is regarded as a positive feature. Status is important to show success. While femininity stands for preference for relationships, modesty, caring of weak and the quality of life (Swahn 2002: 73). In masculine cultures there is large role differentiation between males and females, in feminine cultures there is small role differentiation (Wursten 2012:3).

Masculinity and femininity values apply also to the organizational context. In feminine cultures managers are more “close to employees”, bringing social interactions into work place, they are less visible and strive to seek consensus rather than escalate contradictions. Scandinavian countries (Sweden 5, Denmark 16, Finland 26) are considered as feminine societies together with Latvia (9), Costa Rica (21) and Netherlands (14). On the opposite side, managers in masculine societies are decisive, assertive and perhaps aggressive in their behavior (Swahn 2002:73). Japan (95), Austria (79), Hungary (88) score high in masculinity.

2.4.4. Uncertainty avoidance (UAI)

Hofstede defines uncertainty avoidance as the extent to which the members of the certain culture feel threatened by uncertainty or unknown situations (Sørnes 2004:10). Such an intention to avoid uncertainty initiates a desire to control surrounding settings by making everything more predictable and reduce the ambiguity. This aim is reached by establishing

⁷ It is important to distinguish *femininity* from *feminism*. Feminism is about competition between the genders. Femininity/masculinity is about a redistribution of roles inside and outside the home. It is about complementarity between the genders (Hofstede 1998:19).

different rules, which might be formal or informal. This situation is typical in cultures with high uncertainty avoidance index - Malta (96) Poland (93), El Salvador (94), Serbia (92) and Uruguay (100). Moreover, societies with high UAI maintain rigid codes of beliefs and behaviours and they do not tolerate deviant persons and ideas. On the other hand, according to Hofstede, in cultures with low UAI index Denmark (23), Jamaica (13), Singapore (8) practices counts more than principles and societies are more open to something new and deviance is more easily tolerated (Hofstede 1984:83). People are less stressed especially in unknown and unusual situations.

In the organizational context, according to Swahn, people from high uncertainty avoidance societies tend to keep themselves busy in the working place, they show less tolerance to different and innovative ideas and they feel a strong need for rules to organize themselves better. Perhaps these rules are not necessarily followed. On the contrary, in weak uncertainty avoidance countries, there are fewer rules, but they are more respected and followed (Swahn 2002:72-73).

2.5. Cultural clusters: the combination of cultural dimensions

Until now four cultural dimensions were described separately one by one. But what happens when these dimensions are considered together? Every single culture and society shows a unique combination of scores within each dimension discussed above. Consequently, it is possible to assume that national cultures world-wide fall into cultural clusters, which are formed by the numerous combinations of indexes within cultural dimensions. Moreover, it was found that there was a direct relation between Hofstede's dimensions and the *mental images* people from various cultural clusters had about organizations and organizational cultures. According to Wursten (2002) mental images are :

"...fundamental social structures that we all have in our heads. They transcend all types of activity and go deeper than differences in an organization culture. As a result, people from the same culture have a similar image of the way society works".

Thus, combination of various indexes within each of Hofstede's dimension affect the mental image people have in their heads about themselves and others, and it results in the way people construct their institutions, organizations, which is reflected in behavior pattern in business sphere as well. In total the six mental images are investigated by Huib Wursten: the contest model, the network, the pyramid, the solar system, the family and the well-oiled

machine. Each mental image is characterized by a certain cultural context. In Table 1 the short characteristic of each mental image is presented highlighting the cultural dimensions which are considered the most important in forming each cultural cluster.

Table 1. Description of mental images developed by Huib Wursten based on Hofstede's study on cultural dimensions (Wursten 2002)

Mental image	Determinative cultural dimensions	Example of a country
The contest model	Low power distance High individualism Masculinity Low uncertainty avoidance	The UK, the USA, New Zealand, Canada, Australia
The network model	Low power distance High individualism Femininity	Norway, Sweden, Denmark, Finland, Iceland, Netherlands
The pyramid	High power distance Low individualism High Uncertainty avoidance	Arab countries, Latin American countries, most Asian countries, Japan, Portugal, Greece, Russia
The solar system	High power distance High individualism High uncertainty avoidance	France, Belgium, Spain, Poland
The family	High power distance High collectivism Low uncertainty avoidance	China, Singapore, India, Indonesia, Hong Kong, Philippines
The well-oiled machine	Low power distance Low individualism Masculinity High uncertainty avoidance	Germany, Austria, Hungary, Czech Republic

Thus, it is obvious that there is a great variety of different clusters of countries world-wide formed by various combinations of indexes in cultural dimensions. That is why, sometimes it seems that people from neighboring countries engaged in business together, having

common historical background and trying to reach a common business goal, “speak different languages” and cannot find consensus to succeed in business.

2.6. National culture and business.

Globalization of the world and permanently increasing number of international interactions between actors belonging to different cultures has resulted in growing interests to cross-cultural business issues. Culture is a key component in business and has an impact on the strategic direction of business, (The Passport to Trade 2.0 project). No doubt that for people involved in business interactions with foreign partners understanding of cultural differences is a crucial factor for successful long-lasting and profitable business cooperation. However, very often not enough attention is paid to these issues. Voldnes emphasizes that usually a home-country culture is taken for granted, leading to less understanding and acceptance of difference between business partners, and it is regarded as a great challenge to address culture and cultural differences (Voldnes 2014:16). Indeed, misunderstanding between business partners due to cultural differences may result in a conflict situation between actors and even destroy relationships (Voldnes 2012:1083).

During last several decades, the influence of national culture on business activities has become recognized worldwide. Culture affects management, decisions and all business functions from accounting to production. Business culture develops in frames of national culture and includes building of networks, meetings, negotiation, formalities, social media use, internships and work placements and other elements (The Passport to Trade 2.0 project). In order to be successful in collaborating with business partners from other countries, knowledge of culture and cross-cultural differences is needed. This is an essential element of business strategy and it has to be incorporated into managerial practices (Svennevig & Isaksson 2006:1).

According to Hofstede, business culture⁸ is one of the levels of culture. National business culture reflects values of a specific national environment which define the way of doing business. Business culture includes a large range of the same features as national culture in terms of economic, political and educational characteristics. In other words, business culture implicates all the aspects associated with business operations such as management style,

⁸ Very often in literature business and corporate culture are perceived as synonyms and are not differentiated.

business etiquette, relationships with business partners, the style of negotiations. Swahn emphasizes that certain management practices and methods applied successfully in the home country, might not work in the others (Swahn 2002:41).

Since national business culture comprises features of national cultures, it is possible to analyze it in frames of Hofstede's cultural dimensions, and fetch out a certain pattern of business behavior (style) attendant to a certain country. Applying the theory of cultural clusters, it is possible to see how different countries fall into different clusters according to combination of four cultural dimensions.

Since one of the goals of this study is to analyze the role of personalized relationship and personal contacts in business relationship, it seems important to investigate the role of social bonds in business interactions. In order to do this, it is important to understand how social ties are incorporated into business exchange and how this affects ongoing business process.

2.7. Social bonds in business exchange

During the last few decades the importance of social relationship between business actors has been recognized and gained much attention in scientific and business literature (Axelsson & Agmdal 2000, Bjørkman & Kock 1995). According to a network approach to markets, companies tend to build exchange relationship with other companies, and through these become connected to broader networks of business relationships (Salmi 2000:1375). Bjørkman & Kock (1995:519) emphasize that over the time various interpersonal contacts that include the technical, planning, knowledge, social and other bonds emerge between organizations engaged into business networks. In this project an attempt to investigate the role of social relationships and personal bonds in the context of business network will be done. With the help of Hofstede's theory on cultural dimensions we will see how cultural values of certain society can explain the importance of social relations and bonds in business exchange.

2.7.1. Business networks

One of the elements of business culture and its instruments is a business network. Business network is a set of two or more connected business relationships. Meye & Skak (2002:181) describe business network as long-standing relationships between legally independent firms

that exploit mutual complementarities and exchange information. Business networks are coordinated through interactions among partners based on mutual trust and/or common long-term interest.

The content of business network might be characterized in terms of three components: actors, activities, and resources. Among actors participating in network it is possible to identify the following – companies, departments, groups and individuals. The smallest element here is individuals, they form a social network based on interactions consisting mostly of social exchange and include such actors as family, friends, acquaintances, and employees. Thus, business network is regarded as a variance of social network where most interactions emerge in a context of business activities (Bjorkman 1995:520).

Cultural values attributed to a certain society predetermine the character of business network. For instance, if we look through the prism of Hofstede's theory of cultural dimension, we will see that it is possible to divide social networks according to strong and weak ties adjusting it by country position in Individualism/collectivism dimension. Strong ties, for instance, implicate often family or friendship relationships which are usually characteristics of collectivistic societies. Whereas, weak ties are more likely to be solely business or customer contacts and attribute high individualism (Meyer 2002:181, Witkowski 1999:316).

Bjorkman & Kock argue that any business network consists of two elements. First of all, it is personal network which is composed by specific individuals connected with each other by concrete contacts and bonds. The second element is a cultural component which is wider and which implies embedding of the individual actors. Largely speaking, the cultural component is of a great importance if we want to understand why people communicate and interact in a specific way in a certain social network. Peoples' values, attitudes and behavior patterns come to the forefront when we try to understand a network (Bjorkman & Kock 1995:521). Generally, the cultural context is a determinate factor of interaction among actors in a certain business network. Thus, behavioral pattern of individuals engaged in a certain business network determines by cultural values of this society and can be examined through the prism of cultural dimensions.

2.7.2. Personal relationships and trust in business network

As it was mentioned above, personal contacts is one of the components of business network. What is a role of personal contacts in business relations?

Researchers suggest that the development of personal contacts is a result of business exchange. Personal bonds are an important part in international business activities. When firms operate globally, they unavoidably come across with cultural barriers appeared between parties representing different cultures. And in this case, close ties between partners is a useful tool to overcome such problems and succeed in business. They help to improve a partner's credibility, built mutual trust, and help both parties to gain better knowledge about market. Moreover, personal bonds can simplify information exchange and help both partners to respond better to new opportunities and challenges in international market (Witkowski 1999).

In the initial stages of interactions business parties act within their organizational roles, and only over time personal relations might become part of business context. The focus of many studies has been on the positive features of personal contacts. Personal contacts in international and cross-cultural interactions and cooperation might reduce the cultural distance between partners and increase an efficiency of business communication. However, it is important to mention that personal bonds may also have a negative effect on business development (Halinen 2001:3).

However, the role of personal relations in business interactions depends a lot on the cultural context. Witkowsk & Thibodeau argue that social relations might play a crucial role in the initial stage of any business cooperation as well as in other stages. Some societies put a great effort to know their business partners and invest considerable time and effort in it (Witkowski 1999:315). For example, in the Chinese and Russian context, personal relationships often are prerequisite to business relations, and personal contacts plays an important role in business development. Moreover, personal bounds accompanies the process of business interactions (Halinen 2001). In contrast, in some cultures, establishment of personal relations is undesired or unnecessary component of business exchange. For instance, in Norway it is common to separate business and personal relationship (Swahn 2002).

There are number of difficulties managing personal contacts. For instance, they either can be built systematically or they emerge spontaneously. Moreover, individual qualities of managers play important role in this process (Halinen 2001).

A concept of personal relations is closely connected with a concept of trust. Voldnes argues that trust between business partners is crucial for a successful relationship. Trust can play a role of an instrument to minimize the uncertainties related to differences in cultures, differences in legal systems, differences in financing and banking systems and etc., that emerge usually in cross-national business relationship. Trust is defined as "the belief that the partner will perform actions that will result in positive outcomes for the firm and not take unexpected actions that may result in negative outcomes" (Voldnes 2012:1082). What is more, cultural differences among business partners may influence their ability to build trust and perception of what is important for trust building (Voldnes 2014:12).

In this study, an attempt to trace the role of personal relationships through the analysis of Hofstede's cultural dimensions applied to a certain cultural context will be done in order to find out to what extend these aspects affect business exchange between certain countries. Since business networks are built according to cultural values attributed to a certain society, the importance of personal relations in business network varies from country to country. Depending on a country rank within each of four dimensions and a combination of the scores in each dimension, we can discuss the role of the personal bonds for every country.

Chapter 3. Russia and Norway in business

In previous chapter it was mentioned that there is a difference between Russia and Norway when it comes to business practices. The aim of the present chapter is to find out these particular differences between Norwegian and Russian business cultures applying Hofstede's theory on cultural dimensions. The discussion on the topic will be held in terms of national culture but mostly within organizational context. A brief overview of historical background of both countries will be given in order to understand what factors have been influencing the formation of the basic cultural values that are important for the analysis.

3.1. Historical background and cultural values

3.1.1. Soviet heritage and Modern Russia

In order to understand the business environment in modern Russia, it is important to look several decades back and evaluate the Soviet heritage that the Russian state took after its predecessor. However, it is important to remember that national culture is transferred from generation to generation, it is a long-lasting process (Swahn 2002). Generally speaking most of its features go back much further than the history of the Soviet Union does. Thereby, it seems essential to elaborate that even if the Soviet system has been settled on communist ideology, it was implemented and developed within the traditional Russian culture. On the other hand, we cannot underestimate the influence of harsh Soviet command system governing society for seventy years with a main goal to destroy existing traditional values and build a brand new soviet human with nested communistic values. "People in the Soviet Union were strongly influenced by propaganda about sovereignty of the Soviet Union and at the same time were bombarded with negative information about foreigners..." (Voldnes 2012:1084). Thus, propaganda and ideology tools were establish in the most efficient way in order to change people's perception of the world. In the present work, it is assumed that most of characteristics of modern Russian society go back to pre-Soviet times and are based on cultural values rooted deep into traditional culture, but at the same time some features inherited from the Soviet ideology drive the modern Russian business environment and society nowadays (Swahn 2002, Voldnes 2012).

A concept of business or business culture did not exists in times of Soviet Union due to its economic and political ideology. So it seems reasonable to talk about organizational culture

and how it transformed into business culture and how it influenced the development of business behavior after the collapse of the Soviet Union.

3.1.2. From Viking to modern Norway

Damman argues that Norwegian culture is rooted in severe climate and rugged nature and the Viking spirit of barbarous ancestors. Most foreigners view Norway and Norwegians in frames of these two categories. Moreover, even Norwegians refer to the Vikings and fjords and mountains when presenting themselves. Nature is associated with power, continuity and simplicity, and the Vikings represent what is crude, strong, genuine, but down-to-earth, equal and not searching for sophistication. Thus, when it comes to cultural key values such features as power, authenticity, equality and individual assertiveness come to the forefront. These values are also represented in the business context: continuity and trust, straightforwardness and non-discrimination (Damman 2008:2). Moreover, in contrast with Russia, Norway has not undergone so dramatic social and political changes as Russia did. All changes in political and social spheres might be characterized by evolutionary rather than revolutionary nature. That is why, Norwegians have little reason to distrust either their government or other people. It is reflected in business context as well: Norwegians are often regarded as being too trustful and even naive (Voldnes 2012:1084).

3.2. Difficulties analyzing Russian business culture in frames of Hofstede's research

The first thing that needs to be emphasized here is that the Soviet Union was not analyzed in Hofstede's original study⁹. Later on, in 1993 Hofstede provided the estimates for Russia based on national statistics, regional studies of culture, and archetypes found in literature and history (Naumov & Puffer 2000:710). More recent research conducted within Hofstede's theoretical framework was made by a French management consultant (Bollinger 1994) based on answers of 55 participants, show rather contradictory results. After the desolation of the Soviet Union several surveys were carried by other researchers to collect data in Russia (Hofstede 1993, Bollinger 1994, Veiga, Yanouzas, & Bochholtz 1995, Naumov& Puffer 2000). Thus, according to Bollinger research (1994) carried out in 1989, Russia shows high scores on PDI and very high scores on UAI, but rather low scores on

⁹ In the Hofstede's original study (1980) The Soviet Union was not mentioned because of impossibility to access and collect reliable data.

Collectivism and Masculinity. On the contrary, Naumov and Puffer (2000) carried the study in 1995-1996, and came out with different results where Russia scores considerably lower on PDI and UAI, and represents higher scores on Individualism and Masculinity (see Figure 4).

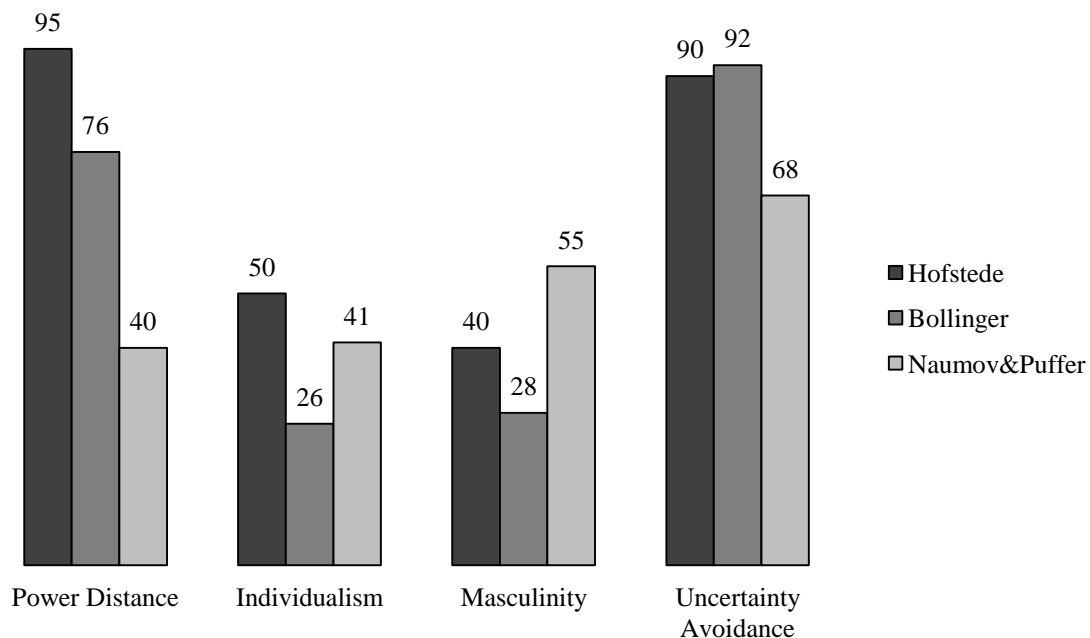


Figure 4. Comparison of the results on cultural dimensions for Russia made by Hofstede (1993), Bollinger (1994) and Naumov & Puffer (2000)

It can be assumed that one of the main reasons why numbers differs so dramatically can be the set of informants used: Naumov and Puffer based their research on 250 questionnaires from varied professional background, while Bollinger (1994) interviewed 55 managers and directors in his research. Secondly, the data for both researchers were collected in different time periods, Bollinger in 1989, Naumov and Puffer in 1995-1996. Svenning and Isaksson (2006:3) argues that the second reason can be very influential on the study results. Fast socio-economical and political changes, an enormous flow of information flooded into the country after the fall of the iron curtain undeniably impacted managerial practices. Thus, the shift in values from the Soviet to the post-perestroika generation is traced. However, this reasoning is considered to be very questionable. According Hofstede, national cultures are extremely stable over time (Hofstede 2001:34). Thus, it is feasible to argue that it takes

more than seven years for a culture and cultural values to be change and this argument is not taken into consideration in this research.

As it was mentioned before, every national culture is formed by a unique combination of scores in cultural dimensions. The following diagram (Figure 5) shows the results of the Hofstede's study for Russia and Norway.

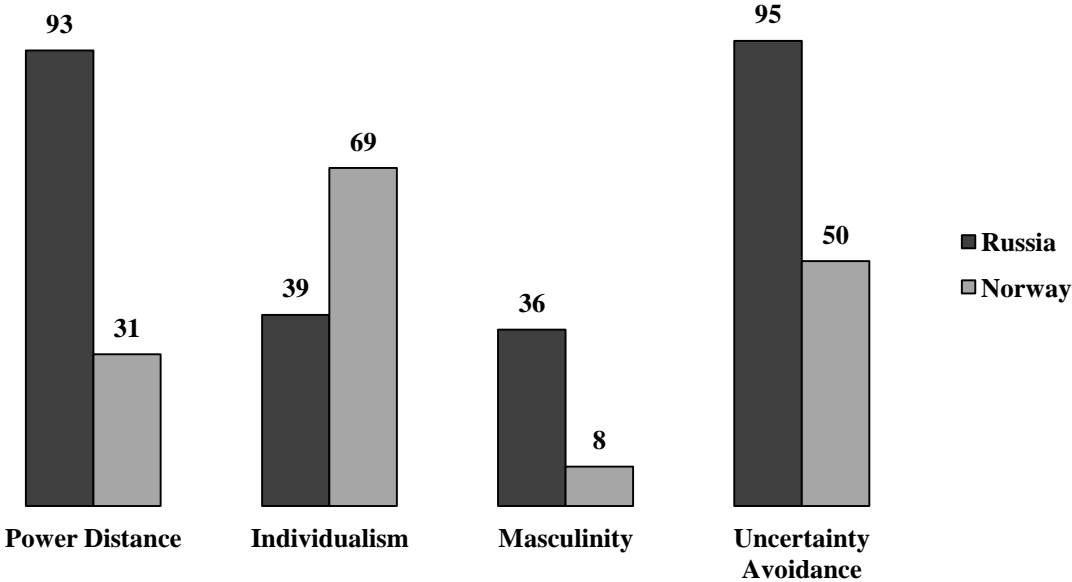


Figure 5. Russian and Norwegian scores on Hofstede's four dimensions (Hofstede 2001)

The scores on cultural dimensions for Russia in the present research have been obtained from Hofstede's research (2001). It is believed that in order to be able to compare scores of two countries, it is essential that we are consistent with data sources. Thus, the outcomes of the research will be valid and trustworthy. Data from countries other than Russia is obtained from Hofstede (2001).

3.3. National culture and business context

Russia

Before the discussion on the topic begins, it seems important to clarify what is meant by Russian national culture. In spite of the large territory of the country¹⁰ and its rather diverse population composition¹¹, the Russian national culture is rather homogeneous. One of the reasons for it is a strict national policy in times of the Soviet Union (SU) aiming to equalize people and create a solid universal Soviet identity. However, it seems difficult to argue about the homogeneity of such a large country. It is not an aim of the present research. Moreover, the study area of the present research is limited to the northwest and central part of the country, since most of the import of fish from Norway to Russia goes through these two regions (Cheremisina, n.d.). Consequently, in this project under the concept of Russian culture, we understand the culture of these areas and the results of the study are limited by these regions.

According to Hofstede's classification, Russia scores high (93 points out of 104) in the Power Distance dimension, which implies a complicated hierarchical system with power distance between the levels where authoritarian and paternalistic leadership styles are acceptable and preferable. Information is usually concentrated on the top level and delegation of responsibilities is not common. Managers are expected to motivate their subordinates by giving clear task descriptions and mandates (Swahn 2002, Voldnes 2014, Wursten 2002). Russia is considered a collectivistic country with 39 points (out of 100). Concepts of personal relationships, networks, and personal trust are in the core of Russian society. There is no strict border between family, colleagues, and friends in society and consequently different spheres of life (Swahn 2002). When it comes to Masculinity, Russia scores 36 points (out of 100). This represents a culture where people are motivated by competition, ambition, and making a career (Wursten 2002). When it comes to the Uncertainty Avoidance index, Russia scores high with 95 points (out of 112) and represents a culture with a strong need for formality in social interactions. According to the concept of cultural clusters, Russia belongs to a pyramid model with high Power distance, collectivism, and high Uncertainty Avoidance. Wursten (2002) underlines that this is the system of majority countries in the

¹⁰ According to the Federal Service for the state registration, cadastre and cartography by 1 January 2013 the total territory of the Russian Federation is 17 125 187 square km (<https://rosreestr.ru/site/en/about/>).

¹¹ According to the Russian Federal State statistical service by 1 Jan 2014 the population was 143 666 9 people including more than 180 indigenous and national groups (<http://www.gks.ru/>).

world. Many Asian, Latin American, Arab and some European countries fall into this model.

Norway

In spite of its strong and prosperous economy and intentions to develop international activities, there is not so much literature on Norwegian national business cultural traditions (Damman 2008:2). Territorially Norwegian culture is rather homogenous (Swahn 2002:49). Territorially, historically and culturally Norway together with Finland, Sweden and Denmark belongs to the group of countries which are known as Scandinavian or Nordic countries¹². Relatively close cultural, political and social development and common history make it possible to discuss these countries as a unit in frames of Hofstede's comparison of work-related values (Damman 2008:2, Svenning, Isaksson 2006:2). These countries form a rather homogenous group on several levels. According to Hofstede's classification, Nordic countries are characterized by strong values of social and gender equality as reflected by very low scores on the indexes of Power Distance (31) and Masculinity (8). In fact, these scores cluster in the very end of the ranking list. Moreover, Scandinavian countries score quite high on the Individualism index (69). They go just after the most individualistic countries - the Anglo-American countries. In individualistic countries people are raised with the idea that they must focus on themselves and the development of their own talents (Wursten 2002). When it comes to Uncertainty Avoidance index, which shows to what degree formal rules are important in the society, Nordic countries represent less unified scores. Nevertheless, they occupy the low part of the ranking, where Norway scores 50 (Damman 2008:19-20, Svenning, Isaksson 2006:2-3). Moreover, all Nordic countries falls into the network model of cultural clusters characterized consequently by low Power Distance, High Individualism and Femininity (Wursten 2002).

¹² Hofstede points out that according to the IBM studies, countries with shared history usually display similar score pattern on the dimensions. For instance, Nordic countries cluster in several dimensions, especially femininity/masculinity. It might be partly explained by historical circumstances which had been consolidating the region and constructing Nordic identity. For example, Hanseatic League, an association of peaceful trade which united the region of Baltic and Northern seas during several centuries (Hofstede 1998:26), or three personal unions which existed between Denmark, Sweden and Norway at different time periods beginning from the Kalmar Union 1397 until 1905 when Norwegian-Swedish Union was dissolved.

Chapter 4. Methodology

4.1. Doing cross-cultural research

Originally cross-cultural research has been widely used in anthropological disciplines and related science as social science, philology and others. Researchers within these disciplines have been focused to study people's behavior, cultures and societies across nations (Liamputtong 2008:3). From a business perspective, cross-cultural research facilitates a better understanding of international business market and ongoing processes within it.

Nowadays the business world faces a constantly increasing globalization of economic market. In these conditions the ability and competence to manage business exchange in cross-cultural context effectively have become one of the crucial factors to succeed in business (Johnson 2006). Since individuals are the main actors in international business relations, it is very important that people with different cultural backgrounds, value systems, different attitudes and styles of decision-making, problem-solving and negotiation process can understand each other and communicate efficiently in business related circumstances. Thus, cross-cultural research being a comparative can facilitate a better cultural understanding and minimize the impact of cultural shock and maximize intercultural experience as well as increase professional development and organizational effectiveness (Harris 2004:21).

4.2. Participant selection

Any cultural research faces methodological challenges. One of them is to gain access to an appropriate data source to obtain either primary or secondary data for the study (Saunders 2012:210). Liamputtong underlines that gaining access to research participants in cross-cultural research can be problematic because of involvement of cultural differences (Liamputtong 2008:9) and, hence, a lack of trust between researcher and participant. It can be even more problematic if the main tool of data collection is interview, which requires much communication between parties involved in interviewing (Saunders 2012, Bryman 2003, Ghauri 2010). Thus, when participant and researcher belong to different cultures, it can be very beneficial to be acquainted with these cultures, for instance, having some previous knowledge on culture and language, being aware of important cultural features.

For this present study, representatives of Norwegian seafood companies engaged into business exchange with Russia were chosen as responders to collect data on cultural differences between these two countries using an interview as a main tool for data collection.

During the data collection, I have interviewed five business people representing four different Norwegian companies engaged in seafood trade who were considered to have significant experience and knowledge in Russian-Norwegian business cooperation. I have chosen participants with both Russian and Norwegian national background in order to be able to see how differently they reflect on cultural differences. All the responders are representatives of seafood sector in Norway having various kind of cooperation and business exchange with Russia (Table 2).

It is important to emphasize that all Russian respondents have worked in Russia for some time and they have been working in Norway for a long time. That is why, in Chapter 5 where I analyze data collected during interviews, I use their opinions with regard to Russian realities based on both their experience working from Russia with Norway, and working from Norwegian side with Russians. I use their observation on how their Norwegian colleagues face the challenges working with Russians as well. Informants' names and companies are not mentioned in the research according to confidentiality issues.

Table 2. A list of respondents interviewed during data collection

Name	Norwegians	Russians
Respondent A	1 female	-
Respondent B	-	1 female
Respondent C	-	1 female
Respondent D	1 male	-
Respondent E	1 male	-

In the preparatory stage, finding people who would agree to participate in my study was very complicated task. Gaining access to business people is considered very challenging and time consuming (Voldnes 2014).

From the beginning, I was provided by my supervisors with a list of people who potentially could contribute to my research. However, I received just few positive replies to my letter of inquiry. Even some of those who agreed to meet me, changed their opinions. Access to business people is regarded as extremely complicated task for the researcher as they are usually busy with their primary duties at work. One of the main reasons usually for it is shortage of time (Eriksson 2008).

Thus, business people are considered to be a hard-to-reach group when it comes to recruiting strategies for conducting research. Voldnes (2014:145) argues that the respondents in international business research is often an elite person, thus it is appropriate to apply challenges with interviewing elites to the challenges interviewing business people. She points out that generally access to elites can be so difficult because they establish barriers that set their members apart from the society (Voldnes 2014:148). In such situation, Liamputtong (2008:10) suggests to use a snowball sampling as an appropriate strategy in cross-cultural research to reach certain 'hidden' population.

Snowball sampling as a technique for finding research subjects (Atkinson 2001). It requires the "*researcher to have a few participants and ask them if they know others who meet the criteria of the research and who might be interested in taking part in the research*" (Liamputtong 2013:17). In my research I used the snowball sampling technique to increase the number of interviewees involved in the study. In the end of each interview I asked my participant if she/he knew someone whom I can talk with on the topic of the study. In all cases people willingly gave me contact details of other potential participants. Several times receiving a negative answer to conduct interview, I asked a person if he/she could recommend someone whom I potentially can talk with. Thus, if a researcher faces a problem of finding relevant participants for the study when a limited number of potential responders are available, snowballing can be regarded as a very efficient technique with can improve the interview process and save a lot of time.

4.3. Primary data collection. Semi-structured interviews

For my research I used both primary and secondary data collection. Based on the topic of the present research and its qualitative nature, it was decided to choose interview as a main research method for primary data collection. According to Ghauri and Grønhaug (2010:99), "*one of the main advantages of primary data is that they are collected for the particular project at hand. This means that they are more consistent with our research questions and objectives*".

Ghauri and Grønhaug (2010:105) argue that qualitative research suits the best when the researcher aims to focus on uncovering person's experiences or behavior, or when we want to uncover and understand a phenomenon about which little is known. It is also emphasized that for exploratory study, which the present research is, qualitative methods are most useful, especially interview-based methods, because they allow to gain more accurate picture of a respondent's position or behavior, to obtain information or opinions or beliefs from another person, and to understand the context (Ghauri 2010:126, Saunders 2012:377).

Alvesson & Svensson define the qualitative interview as a conversation with a purpose, where the interviewer's aim is to obtain knowledge about respondent's world (Thorp 2008:118), in order to understand the latter's experiences and perspectives (Voldnes 2014:26). According to a commonly used typology, three major types of qualitative interviews are identified: structured, semi-structured and unstructured or in-depth (Ghauri 2010, Saunders 2012, Bryman 2003).

For the present study semi-structured interview was chosen for data collection. According to Bernard (2002), semi-structures interviews suit best to the situation when you will not get more than one chance to interview a responder. Also this type of interview works very well when your respondents are people who are accustomed to efficient use of their time (Bernard 2002:205). In my case, due to the fact that my responders were all representatives of the business world, and consequently very busy people, it was not possible to meet them twice. That is why I had to be well prepared and get the required information from the first meeting. This type of interview implies the use of an interview guide. Before starting with interviews I developed a list of questions and topics that needed to be covered during the interview. Interview guide helped me to build a conversation and lead it in a required direction. Moreover, it demonstrates that researcher is fully in control of what he/she expects from an interview (Bernard 2002:205). On the other hand, semi-structured

interview gave me a certain degree of freedom to step aside from the main questions to follow new leads asking qualifying questions if they appear during conversation.

4.3.1. Developing the interview guide

Interview guide was developed based on findings obtained from Natalia Swahn (2002) doctoral thesis (see Introduction for details). Several of Swahn findings cover the issue of the role of personal relations in business. Therefore I built the interview guide based on her findings with regard to my topic in order to check if these results are verified and can be applicable in the context of seafood trade industry. Moreover, I use Hofstede's theory on cultural dimensions and Wrusten's cluster theory in my research which also helped me to formulate questions. I had my first interview as a pilot one, which helped me to revise the interview guide and focus on the main questions as I had rather limited time for each interview session (Appendix 1. Interview guide).

4.3.2. Interviewing process

The data collection for this project was conducted in March-April 2015 in Tromsø and Oslo, Norway. The entire period for data collection is estimated to be four weeks.

Every interview was conducted individually through face-to-face conversations. All of them took place in offices of the participating companies during working hours and lasted up to an hour. Some of the interviews were rather formal, others were more informal and relaxed.

A lot of time was used for preparation phase before interviews. I tried to get as much information as I could about each company and each particular person before our meeting, in order to be well prepared and feel more confident. Ghauri (2010:125) points out that good preparation before the interview is a crucial step:

"To be able to run the interview efficiently and without any disturbance, the researcher needs to know the respondent, his background, values and expectations."

As a source of information I used web pages of companies where I could obtain general information about the company, its goals, partners and strategies.

Before each interview I had to prepare myself emotionally as well. Every conversation was stressful for me. Ghauri (2010:125) writes that each interview demands real interaction

between the researcher and the respondent. Before every interview I was not certain of how my respondent felt about the topic and how to convince informant that my research was important. Also I did not want to show any signs of my insecurity to my respondents.

Each interview I started with several important steps. First of all, I introduced myself, saying who I am, where I come from, what I am studying. Then I presented my research briefly, explaining why I thought their opinion and observations on a particular topic were important and how they could contribute to my research. During all interview I used a digital recorder. Before starting the conversation I asked my participants for permission to record our conversation and to take notes. I was aware of ethical issues before conducting an interview. Ghauri (2010:21) underlines that researcher has to be honest and open with the participant and convince them that their position will not be endangered. Saunders (2012:231) argues that interviewees should remain anonymous and the data they provide should be processed to make it non-attributable. That is why I assure my participants of anonymity and confidentiality issues.

In the introduction stage I also encouraged people to interrupt me during the interview with anything they thought was important. Face-to-face interview is a communication of two people and I believe that in order to make a smooth and fruitful conversation, it is very important to create a good connection between researcher and interviewee. That is why, I tried to be honest, open and "unthreatening" about my intentions with my participants, to make them feel comfortable responding my questions.

I started interviews with general questions on my topic, and then I moved to the prepared list of questions from interview guide. I tried to keep the conversations focused on a certain topic, however, I gave the interviewee a room to 'step aside' from the main discussion. As Bernard (2002:209) writes: "*Get people onto the topic of interest and get out of the way. Let the informant provide information that he or she thinks is important*". My goal was to let my respondents provide with maximum information with regard to their perception of the two studied societies and their interactions. I was interested in their experiences, thoughts and opinions. Sometimes that tactic led me to unexpected but interesting results opening new discussions with a respondent. On the other hand, I had to stick to prepared questions in order to cover all the topics of my study.

I tried to make a conversation less formal if it was appropriate and if I felt that my participant was relaxed and very interested in our discussion. Sometimes in such conditions

people shared with me very important and interesting information. However, they asked me not to include it into my research. From their perspective, the information was too sensitive, and they did not want to be cited and identified.

4.3.3. Interview techniques used

In order to extract as much important information from the conversations as possible, I used several different but equally effective interview techniques- probes. Bernard defines *probing* "as a tool to stimulate a respondent to produce more information without injecting yourself so much into the interaction" (Bernard 2002:210).

The first one is an *echo probe* that consists of simply repeating the last thing that a responder has said and ask him/her to continue. I found it very useful if I wanted to go deeper into some topic. I noticed that this technique shows that a researcher understands the topic and it encourages the informant very much to continue with the narrative.

The second technique is very useful if I asked a question which seemed too obvious to my respondent and I did not want to irritate her/him, but I needed an answer. In this case, I began a sentence with " *This may seem obvious, but...*". This technique encourage a respondent to provide me with more detailed information instead of a short answer.

The third one is *phase assertion* or *baiting* defined by Bernard (2002:214) as a way to act like you already know something in order to get people to open up. During the interview I gave a piece of information to my informant obtained from the previous one to get more information. Bernard (2002) point out that the more you seem to know that more comfortable people feel talking to you. People do not feel that they give away the 'secrets' of the group.

The fourth technique that I used is to give a purposely wrong statement to provoke a correcting response. It helped to get people to correct me and talk more on a topic.

The fifth technique is to ask longer questions that may induce a deeper and longer response. I noticed that this technique is very useful in the beginning of conversation. It helps to build trust between researcher and respondent, to break an ice.

4.4. Problems encounter during interviews

All my informants were very positive about the topic of my project, they were interested in sharing their opinions and knowledge. However, I have faced some difficulties collecting data for my research.

First of all, as Ghauri and Grønhaug writes (2010), one of the main disadvantages of primary data is that it can require a long time and cost a lot to collect. Since the targeted group for interviews was business people, I took me a lot of time to negotiate the possibility to talk to them because of their business and lack of free time. Moreover, on the initial stage of the data collection, it was difficult to get access to target responders who agree to become a part of my research, have ability and show a willingness to cooperate. There are many reasons why people may be reluctant or refuse to cooperate (Ghauri&Grønhaug 2010). The reasons behind it may include a lack of time of motivation participate in the research. People may also consider it a waste of their valuable time. It may be also a fear of any negative consequences if they are honest in their answers.

Sometimes people told me that they really did not know how they could help me with my research. I tried to assure them that their participation was very important and I explained how they contribute on my research.

Another disadvantage was a lack of time. Each interview lasted up to an hour. I consider it as very limited time. It was very challenging to squeeze all the questions in this time frame. That is why, a pilot interview as a good help. It gave me an orientation on how to manage time in order to cover all the question during one hour. Sometimes it was difficult to motivate an interviewee to produce more information. Bernard (2002) points out that some respondents are more talkative than the others, thus, they require very little prodding to continue with the flow of information. Others are more reflective and take their time to gather the thoughts, and interrupting them a researcher can easily kill that moment and an interviewee can lose an important thought. It was challenging for me to keep silent and wait. I was afraid to lose control over the conversation in these situation.

Moreover, one of the difficulties with primary data collection is that the researcher has less degree of control in data collection. As a result, unexpected factors may influence and interfere with efficient data collection. Thus, due to extreme weather conditions, I almost failed to reach one of my respondents.

4.4.1. Language

Language and communication is central to qualitative research. Language is particularly important 'cultural tool' that is central to the construction and communication of meaning (Broadfoot 2000:54). It helps to understand human behavior, social processes and the cultural meanings that inscribe human behavior (Hennink 2008:21-22). Liamputtong (2013:334) argues that language is crucial not only to the research process but also to the resulting data and its interpretation.

In cross-cultural research the role and influence of language is even more complex. In cross-cultural studies there is usually a great distance between a researcher and participant of the study both culturally and linguistically. Hennink argues that a great amount of qualitative studies is conducted by researchers who are not familiar with the language and/or culture of study participants (Hennink 2008:22). It can complicate the data collection and influence the results of the study. Liamputtong (2013:334-335) underlines that when a participant and a researcher do not speak the same language, but communicate through a translator, it can be a potential barriers to collect reliable data, because different languages create and express different realities, one cannot understand another culture without understanding the language of the people from this culture. In such situations being a bicultural researcher helps to overcome these obstacles, since he/she share not only the language with the participants but also many aspects of their society and culture which can maximize research benefits (Liamputtong 2013:335).

According to my experience, it is a great advantage if a researcher and a participant speak the same language and have the same social and cultural background. It helps to avoid errors in interpretation of information and reduce the distance between actors. In my case, I speak both Russian and Norwegian languages. I consider it as a great advantage since I interviewed both Russians and Norwegians for my study. Even if I conducted interviews with Norwegians in English, sometimes when they used Norwegian words to clarify the meaning if they could not find equivalent in English. Moreover, I have been living in Norway for a long period and I am acquainted with Norwegian culture and work environment. That is why, it was easier for me to understand the context of some ideas that my participants shared with me.

On the other hand, with Russian participants I conducted the interviews in Russian language. In order to do it, I had to translate the interview guide into Russian and then to

translate the interview into English again when analyzing data. I had to be very careful and put extra effort in order not to misrepresent collected data.

4.4.2. My Russian nationality

I noticed that during interviews and data collection, my Russian nationality was both advantage and obstacle depending on the national background of my respondent. Conducting interviews with Russians, I felt that they were more relaxed and our conversations was less formal. I also felt that they were more open and honest answering my questions. On the contrary, talking with Norwegians, I felt the distance, my respondents were more formal and careful when talking about cultural differences. I felt that they tried to choose the 'right' words describing Russian business culture in order not to offend me or not to say something rude about Russians. However, I received the impression that they were honest to me with what they said and tried to contribute in my research as much as they could.

Chapter 5. Identifying the role of personal relationships in the seafood industry: Data analysis

This chapter will present the analysis of data collected during interviews. The discussion will be held around six main issues. First of all, I will discuss cultural differences between Russia and Norway in business context that emerge during interviews. Then I will focus on Swahn's research findings. Based on collected interviews with representatives of seafood business industry, I will check if Shawn's findings are verified in seafood industry.

5.1. Cultural differences between Russia and Norway

One of the first interview questions was a question about most important cultural differences between Norway and Russia that participants can observe in seafood industry. People point out that there are certain cultural differences between Russia and Norway when it comes to business practices. However, according to respondents, these differences are not tremendous and they do not complicate the business exchange, if both partners are aware of them.

"I think that Russians and Norwegians have a lot in common when it comes to cultural features. According my experience and what I see in seafood industry at least. I did not experience any considerable difficulties when Russian and Norwegian partners communicate" (Respondent B)

"...cultural differences are not so big that they can complicate our business. There are some misunderstandings sometimes, but it is easy to handle them. Norwegians and Russians are rather open to each other..."(Respondent D)

All respondents underlined openness of both parties and willingness to communicate and compromise in case of some misunderstanding.

A question about cultural shock and first impressions facing Russia and Norwegian cultures for the first time was discussed with interviewees. One Norwegian respondent said about Russia:

"There was a cultural shock or maybe not a shock, I can say frustration, but it was connected not to people, but to daily realities. Everything was so difficult, daily life was chaotic. (Respondent A)

By this respondent underlines that cultural differences between Russian and Norwegian cultures exist to some extent, even though she does not point out directly that difference in

people's behavior caused frustration, but it is possible to assume that "daily realities" are constructed by people - members of a certain society which carry a bunch of attributed cultural values.

However, in comparison with Norwegian respondents, Russian interviewees seemed to experience less cultural differences, if any, facing a business environment for the first time. They did not express any feelings of frustration with unfamiliar environment.

"...it is very difficult to say....I do not remember that I had any cultural shock or frustration." (Respondent C)

One of the respondents points out that there are two types of businesses behaviour in Russia. The first type, which is more international-oriented, is very similar to European business culture. The second one, domestic market-oriented, is very much specific.

"From one hand, business behavior of Russians can be very Western, international and global, similar with European business culture. On the other hand, the Russian business culture is very much specific. According to my experience, the Russian business culture becomes very much visible when it comes to the local level, it is more tough. When, for example, he/she wants to invest into business, he is trying to convince you, he is concrete, he does not show any weaknesses. In Norway it is different, more humble. In Russia I experienced many times at our meetings that we have communication not about the case, but about winning the discussion." (Respondent A).

According to Wrusten (2002), Russia and Norway belong to different mental images characterized by different determinative cultural dimensions. Russia represents the pyramid model with high PDI, low IDV, UAI and MAS. Russian culture is more masculine than Norwegian, where aggressiveness and achievement are regarded as a positive feature. While Norway represents the network model with high PDI, high IDV and low MAS. In fact, Norway belongs to the most feminine cultures that values modesty and humbleness. Thus, even though Russian international-oriented business tends to adjust to international realities, the mental image based on cultural values rooted deep in people's minds, influence the business style.

As I noticed, the first impression of people was very much dependent on the time of the first contact. The more years ago the first visit occurred, the more precise people are about the cultural differences between countries.

People with a long experience in seafood industry emphasize that the business behaviour in Russia has been changing over the time. There is a considerable difference between business practices applied 10-15 years ago and now.

"What I experienced 10 years ago is not the same as I see now. First of all, staff composition is changing in Russia. More and more young people come to workplaces. Even though they have grown with Soviet life views, they travel a lot, they often go on business trips and vacations abroad in Europe. They master English language. And they perceive the reality quite differently than their parents. 15 years ago when I started working, almost all of my colleagues were at the same age as my father. They have grown up in 60-70s. They did not speak English. That is why, all communication with foreign partners always occurred through an interpreter. Everything has been changed during last 15 years. Most of the Russian partners speak English, staff of the companies is getting younger and younger. And they do not have any considerable culture barriers to communicate with foreign partners." (Respondent B).

"When Norwegian partners come to Russia it is always big feasts and celebrations. Before it was even bigger. Russians wanted to show their best, to impress their partner to say it like this. It was very true 10-15 years ago. But now I feel that it is changing. Russians, at least those who work internationally, adapt to the more European way of doing business. They are still very hospitable, but without extremes." (Respondent D)

According to collected data, the image that Norwegians had about doing business with Russians has changed during 10-15 years as well.

"I believe that just those who have never been to Russia and read about it just in newspapers still think about this country in terms of vodka and bears. Those who have been to Russia many times, who have a direct connection with Russian buyers and have frequent business trips, have another perception about the country." (Respondent B)¹³.

The results of data collection show an interesting pattern. Norwegian respondents point out that there are some cultural difference between Russian and Norwegians, while Russians say that Russian and Norwegian cultural are very similar. Voldnes (2014) argues that this difference in perception of a foreign partner can be explained by the Russian lack of cultural

¹³ A respondent with Russian national background that has been working in Norway for a long time with Russian partners (see p.28).

sensitivity, a lack of awareness of cultural difference. She points out that "Russians tend to underestimate the extent of cross-cultural differences" (Voldnes 2014:6).

To sum up, respondents emphasize that there are cultural differences between Russia and Norway in a business-related context, but these differences are not considerable and can hardly complicate the business exchange. However, it was also underlined that the Russian business communication style has been changed since 1990s and has become more Western, at least in cooperation with international partners. Thus, it can be assumed that Russians learn how to adapt to present realities.

5.2. Russians expect personal relationships with the business partners

According to Shawn's findings (2002:145-146), Russians and Norwegians have different attitudes to work and private life. If in Norway people clearly distinguish different spheres of life, in Russia people tend to mix work and private life establishing strong social and personal connections. Russians want to learn about the people whom they cooperate with. Thus, the tradition to establish personal relations at work transferred to any kind of work context including cooperation with foreign partners.

When it comes to mixing work and private life, all my respondents agreed that such situation is possible both in Norway and in Russia. However, the boundary between work and private life is more explicit in Norway.

Since Russia is a collectivistic society (scores 69 on IDV), the feeling of togetherness and belonging to a group prevails in peoples' minds. Establishment of strong social and personal bonds with family members, friends and in-groups is a distinct feature of collectivistic societies. Russians tend to transfer such personal involvement in working environment as well. One of the respondents commented:

"Every time when I visit our Russian partners, I feel very welcome. Our business meetings usually end up in restaurant with very informal atmosphere.... They (Russians) always ask me about my family and children....in the beginning it seemed very strange, but now I think it is the way Russians show that they care about you and look at you more as a friend than just a business partner."(Respondent E)

As is clear from the citation, Russians assume that their partners participate in activities outside of professional work context. When the official part of the business is over,

Russians expect you to join less official part as dinners and drinking where atmosphere is more relaxed. They look at it as a chance to know their partner better. "*Russians talk a lot about their families, children, interests and problems. We in Norway are not used to talk so open about our private life*" (Respondant D). Hofstede (2005:90) points out that members of collectivistic societies tend to create family-like ties with person who are not biologically relatives but integrated in one's in-group. Thus, by involving an element of intimacy in relationship, Russians show that a person is accepted in a group and trust is granted.

As it was mentioned before, Norwegians see the borderline between work and private life more precisely. One respondent shared: "*When it comes to personal relations with colleagues, work is work, private life is private life. I do not have friends among my colleagues.*" (Respondent C)

However, respondents emphasised that, even though work and private life hardly overlap, Norwegians willingly participate in work activities with their colleagues such as social gatherings and celebrations, which help to build a good environment and team work spirit at work place.

"I have good relations with my colleagues from my previous job. If we meet in work-related context, we can seat at the same table and share the taxi to the hotel, but it is unlikely that I will invite them home for Charismas."
(Respondent B¹⁴)

Although my respondents agreed that personal relations are important for business both for Russians and Norwegians, the degree of its importance varies and it is difficult to estimate. Collected data show that both Norwegians and Russians see the importance of personal relations in business, but to different extents. Moreover, respondents emphasized different elements to be important for Norwegians and Russians. According to collected data, personal relations and in-group feeling become a precondition for business exchange in Russia.

"I think that it (personal relations) is very important in Russia. Personal relations help you to become a part of a group, and it can strengthen relations with your partner. If you refuse (to become a part of the group), people will not understand it... In Norway it is also important but in smaller degree."
(Respondent C)

¹⁴ A respondent with Russian national background that has been working in Norway for a long time with Russian partners (see p.28).

Becoming a part of a group is a key determining factor in collectivistic societies where a feeling of solidarity and belonging to a group or to a collective prevails. When members of the group include an individual into the group, he/she will become trustworthy. On the contrary, if a partner refuses to join outside work activities and does not want to reduce the distance, Russians can become suspicious towards a partner.

Norway, in turn, is included among the individualistic societies, that is why, importance of personal relations is lower. People look at themselves rather as independent individuals than a collective, where everyone has a right for privacy. Family and work life do not overlap, and partnership does not include intimate element in relations. *"In Norway it (personal relations) is not very important. To do business is not about to know people...when the deal is over you go your way."*(Respondent A)

However, respondents agreed that personal relations can be very helpful in business in Norway as well, though they do not necessarily include component of friendship or fellowship. *"...maybe it is not essential in Norway (to have personal relationship), you will survive without it, but I can say that it is very very helpful."* (Respondent E) It is important to emphasize that all respondents agreed that personal relations can be rather helpful to have in business exchange in Norway. However, it is not a determining factor which is crucial when it comes to business relations.

The general tendency shows that Russians tend more to develop personal relations with business partner than Norwegians. People connect personal relations with trust and in-group feeling. This peculiarity can be explained by the fact that Russia belongs to collectivistic cultures where strong social bonds to members of the group prevail. However, my responders underline that in the seafood industry personal relations can be very important because of the special character of the seafood industry, where long term cooperation is preferable, when you have to be able to rely on your partner and trust him/her. According to Hofstede (2001), people from different cultures having different cultural values adapt their behaviour according to industry where they work, but it does not imply that they change their values, just certain practices. Establishment and maintenance of personal relationship with business partner can be regarded as one of them for the Norwegian party.

5.3. Rules can be both very rigid and very flexible, depending on the personal relationship with the person in authority in Russia

Swahn (2002:142-143) argues that Russians and Norwegian have a different attitude to legal rules and regulations. The application of a rule in Russia will depend on whether the person subject to the rule, is a friend, a relative or another kind of relation, by other words it will depend on the personal relations with the person in power who has an authority to apply and interpret the rule. On the other hand, in Norway the rule will be applied to friends and relatives the same as to strangers.

Respondents commented that bureaucracy in Russia exists in every sphere of life. In spite of large number of rules, they are not followed very closely. One of the most cited reason for it is that rules are very often contradictory and tangled. Respondents underline that in the Russian seafood industry there is a large number of rules connected with custom service, border service, veterinary and etc., and to make matters even more complicated, laws and regulations tend to change very often, so it is difficult to follow these changes. One respondent commented:

*"There are no clear rules of game in Russia. There are many inexplicit laws and nobody knows how to follow them. For example, rules and regulations regarding Border Service of Russian Federation and Federal Custom Service can be different according the territorial location of their departments."
(Respondent B)*

Application of the rule in Russia is very inflexible as well. *"We have to be very careful with paperwork. If we miss one stamp, you have to start everything again"* (Respondent E). Swahn (2002) writes that since rules and laws are interpreted literally, they are very rigid, people try to avoid or break a rule to get things done in easier way. Personal relations with someone in power becomes a tool to do it. Such situation can be explained by the fact that Russia belongs to the pyramid model with low IDV and high PDI (Wursten 2002), where the one with power usually occupies a high position in hierarchy and is entitled to privileges because of the high status. Thus, such person is able to apply a rigid rule in favor of someone's in-group.

However, according to collected data and considering specific relation between Russians and Norwegians in the seafood industry, where Norwegians sell and Russian buy fish products, the Norwegian side cannot influence the application of regulations posed by

Russian authorities. That is why, it seems not to be possible to confirm if the application of rules and laws depends on personal relationship with a person in power in Russia. Interviewees underlined that it is Russian partners who deal with Russian authorities and regulations.

"For Norwegian side it is perhaps useful to know a Russian buyer who has some good connections in case if any problems occur. But as a Norwegian seller or importer you cannot do much." (Respondent A)

The respondent underlines the importance of network in business relations with Russians. Even if a Norwegian company does not have an opportunity to establish a wide complicated network of personal relationships with many Russian agents, it can be useful to know some Russian who is a part of network and who is able to assist a Norwegian side in business exchange.

When it comes to Norway, respondents commented that *"... laws and regulations are clear and everybody follows them." (Respondent B)*. Rules exist to assist people, and thus, application of the rule is flexible and depends on the specific situation but always in legal frames. No one will have any preferences in front of the law, and personal relations with person in power cannot change this order (Swahn 2002). People are more loyal to the laws and regulations imposed by the state and follow them precisely. *"Even though you know someone in power, it is certain that nobody will break a rule or a law in order to assist you. There is a clear and very simple legislation structure in Norway. There are certain rules of the game and we follow them. (Respondent B) "*

This situation is an indicator of a culture with lower UAI and low power distance characteristics. Norway is a country with rather flat social system, where inequality is considered undesirable (Hofstede 2005).

Collected data indicate that there are different attitudes to laws and regulations in Norway and Russia. First of all, respondents emphasized that in comparison with Norway, there is a great amount of tangled and contradictory laws in Russia. This can be explained by high UAI; Russia scores 95 in this dimension. According to Hofstede, a numerous amount of formal and informal rules is a mechanism to reduce the ambiguity of the future. High UAI together with high collectivism bring it to situation when in Russia personal relations with someone in power are considered a tool to overcome difficulties posed by ineffective formal

system. Thus, collected data does not confirm directly that personal relations with the person in authority in Russia can facilitate business exchange, but having a good relations with some Russian who has a network of personal relationship with someone in authority can be useful for Norwegian side in seafood industry.

5.4. Existence of personal networks in Russia can complicate business activity, especially for a foreign company - an outsider

Swahn (2002:142-144) writes that all aspects of life, including business activity, are personalized in Russia. If a social exchange in Norway is regulated by means of legal, economic and other formal systems, in Russia the network of personal relationships that built on trust based on friendship, acquaintance or through the third party play this role. This situation is illustrated with example from one of the respondents.

"Once we had a seminar and I wanted one particular person to participate and hold a speech. But I did not want to call him personally because I knew that it would not be appropriate and I knew that he would not understand what I meant and he did not know me....and he would be kind of negative from the beginning. But ... if I asked someone else whom he knew to explain that we have a seminar and we would like you to come. And then he would for sure say yes".(Respondent A)

Hereby, we can see the network mechanism in action. An access to some service or goods can be gained through some acquaintance or fellowship. Since Russia is a collectivistic country, one's in-groups can receive a special treatment then out-groups.

Swahn (2002) argues that one of the reasons why network of personalized relationship exists in Russia is a lack of legal, economical and other regulations in all spheres of life. That is why, personal networks are more important for Russian then for Norwegians, especially in business sphere where you have to trust your partner due to the weaknesses of a legal system. Swahn underlines also that the concept of personal networking is rooted in the collectivistic nature of Russian society and closely connected with a concept of trust. This situation is explained by low IDV and high UAI that Russia has in Hofstede's cultural dimensions.

Voldnes points out that a set of economic, political, and social circumstances have influenced Russian motivation and attitudes for behavior. She writes: "Experience from the Soviet past when neighbors and even relatives revealed sensitive information about each

other to the state, made Russians both suspicious and distrustful". Thus, lack of trust to the Soviet State and distrust to each other among Russians, led to the situation when creation of informal, personal networks for the exchange of personal favors and protect in-group interests (Voldnes 2012:1084).

In Norway with its high IDV and low UAI, where rules and laws are imposed to assist people, personal networks exist as well, but their nature is different. Moreover, if we look back to history, Norwegians have a different historical background than Russians do. As Voldnes highlights "Norwegians have had a little reason to distrust either their government or other people" (Voldnes 2012:1084). Thus, personal networks do not usually include an intimate aspect of relations in Norway, they have a professional character. One respondent commented:

"I think it is good to know someone in Norway, maybe more than we are aware of. But I think it is not much needed. Because it is not supposed to be like that, you supposed to manage (in business) yourself. Probably relationships are less important in Norway." (Respondent A)

Some of the respondents emphasize that for Norwegians it is not necessary to become a part of Russian network to do business with Russians. One of the main reasons for it is specific nature of relationship in seafood industry. For a Norwegian seller it is good to have a good relationship with their direct Russian partners, and Russians will use their network to get things done if it is need for this.

"I do not feel that Norwegian companies have a goal to become a part of any personal network in Russia. I think that they do not need it. I do not think that it is even essential. Everything that happens in Russia is duties of the Russian side. For Norwegian company it is enough that they have good relationship with their Russian buyer. For example, if I know you and you have good network and/or contacts with Russian public offices, I hardly will need also become a part of this network. On the territory of Russia Norwegian company does not have any power, Russia is too big country. It is enough to have good relationship with Russian partner, and the rest is a duty of Russian side. It works the other way around also." (Respondent B)

Hereby, a respondent emphasizes that it is not necessary (if even possible) to become a part of Russian network which could potentially simplify the business formalities, but it could be worth to be in good relations with someone who is a part of this network.

" In Russia if you have a good communication and good relations with someone who you can call and ask questions, and who can give you information, who would probably tries to help you... it helps to avoid difficult situation, to solve the complications, it makes your life easier." (Respondent A)

Though respondents did not confirm directly that Norwegians need to build a personal network with Russian to succeed in business, analysis of the interviews suggests that existence of such networks can be advantageous. According to definition, business network is set of two or more connected business relationship. Thus, an actor does not need to have more than one functioning connection to be involved into business network.

Moreover, none of the responders emphasized that existence of personal networks can complicate the business exchange with Russians. *"No, I don't think that it is (existence of personal networks) an obstacle. It is good to have a long-term relationship and even friendships, but I don't think that it is an obstacle." (respondent A)*

Thus, according to collected data, it is possible to assume that, even if Norwegian company does not have a network of personal connections with Russians, a successful business exchange is still actual.

All respondents emphasized that due to the specific character of Russian-Norwegian business relationship in the seafood sector, where Norwegians sell and Russians buy fish and fish products, importance of establishment of wide personal networks with Russians is not crucial, if even possible. However, it could be an advantage to have a good relations with a Russian partner that has a personal network in Russia and who could potentially assist a Norwegian side through it if any complications arise.

According to collected data, companies involved into fish trade business with Russia are interested in long-term relationship with their partners in both countries. Secondly, due to the fact that there are just several main importers of seafood products in Russia and demand for fish is high, Russians often first seek the contact with Norwegian companies. Thus, according to collected data, it might be possible to assume that, even if, personal networks find place in Russian-Norwegian business cooperation, it is seldom complicates business activity between Russians and Norwegians in seafood industry.

5.5. Unless there are relations of mutual trust at the personal level between the parties in Russia, business relationships are difficult and little predictable

Swahn (2002:142-144) points out that in Norway trust between business partners is based on mutual recognition and respect of the terms of agreement, it is very much dependent on rules regulating the societal system. Thus, to trust a business partner, one does not need to establish personal relationship to support business exchange. On the contrary, in Russia trust in the society is not a trust in a formal system, but a trust in people that one knows personally. Once the personal relations are established, the business deal takes also a form of moral agreement that is more difficult to break.

According to collected data, trust is connected with personal relations and considered to be very important for both Russians and Norwegians in business exchange.

"I think that personal relations are important because you can trust your partner then. In seafood industry, when it comes to sales, for example, people discuss the price for 5 minutes, and other 15 minutes they have small talks. It helps you to understand your partner better. It is important if you want to continue cooperation. You need to understand your partner's interests, how does business go, what is a political and economic situation in his country. "
(Respondent B)

However, the way to build trust in Russia and Norway seems to be different. In order to build trust Russians have to know their partner personally. Russians build their trust on people in the company. While in Norway you build your trust on the company itself, not on particular people (Voldnes 2012). It can be explained by the fact that Russians did not have a trust on their legal system, and replace it by trust to a particular person. Low IDV and high UAI are indicators of this. On the contrary, Norway scores low in UAI and is regarded as individualistic country. That is why, Norwegians believe in legal system and do not feel a need to search for other sources such as personal relationship to build trust with partner.

It was emphasized during interviews that personal relations can be regarded as a tool to build trust between partners. It was highlighted by responders that in seafood industry is it significant to trust your partner. This statement can be illustrated by the following: *"In seafood industry everything is based on long-term planning. I cannot just call to random company and say: "You know, we have 30 tons of fish, do you want to buy it?" I'm not talking even about the prices. The market is very much dynamic, everything is changing so*

fast. So you have to rely on your partner. Seafood business is based on long-term dialog with your partner. (Respondent B).

According to interviewees, existence of long-term relationship and trust between parties make the business more predictable. One have to be able to rely on partner in such turbulent market. This situation is applicable for both Norwegians and Russians. It was underlined by respondents that it is always important to trust your partner, but one does not need to build personal trust to do business together.

The analysis of collected data does not demonstrate any evidence that having personal relations and mutual trust with Russian partner, business relationship are easy to handle and more predictable. One of the respondent underlined that, even in long lasting business cooperation with Russians, business deals might be sometimes unpredictable.

"Usually everything that has been discussed even without any signed contracts is followed and accomplished by our side (Norwegian). Even in situations when the market was not stable and prices fluctuated, we did not change what has been agreed on. On the other hand, the Russian side was not as precise." (Respondent B)¹⁵

To sum up, according to collected data and data analysis it seems possible to assume that in order to have smooth and predictable relationship with Russians, Norwegians have to build trust with the Russian partner. However, importance of trust, which is built on mutual recognition and respect of the terms of agreement in business relationship, was underlined to be important for both parties. On the other hand, importance of trust based on moral obligations, was not mentioned as necessary condition to facilitate business activity with Russians. It was also emphasized that seafood industry is a specific sector where mutual trust is important to make a deal. However, existence of trust between partners does not necessarily guarantee the fulfillment of a business deal.

¹⁵ A respondent with Russian national background that has been working in Norway for a long time with Russian partners (see p.28).

5.6. Norwegian businessmen will face a necessity to develop and maintain personal relationships in the official and business sphere in Russia

In Shawn's study (2002:142-144) it is highlighted that existence of personal relationship between parties and, as a consequence, a trust between partners can potentially increase a chance for long and stable business relationship. That is why, it can be important for Norwegians to develop and maintain personal relationship with Russian partners.

As my respondents underline, one of the special features of business in seafood industry is long-term orientation of relationship with a partner.

"In my opinion, seafood business is based on personal relations between partners. Moreover, long-term partnership is a key element here. It is extremely difficult to plan business when it comes to fish. A sort of uncertainty exists in this business - a fishing quota can be reduced, the weather can be bad, it is always something...that is why, it is very important to know your partner good and to trust your partner. You have to be sure that your partner will do his best. For example, when you have large volumes, you have to trust your partner that he will be able to buy them, to process it. Everything is based on long-term cooperation." (Respondent B)¹⁶

Analysis of interview data reveals that existence of trust based on good personal relationship might potentially contribute to stable business exchange. As it was underlined by the respondent, fish business can be rather unpredictable, and in such dynamic environment it is important to trust a partner that the business deal will be fulfilled.

However, respondents did not point that personal relations with partner is a guarantee of long-term cooperation. Also they do not confirm that Norwegians feel necessity to develop and maintain personal relations with Russians. *"I do not think that it is an obligation to maintain personal relationship with Russians. ... in our business everything is build on long-term relations..."(Respondent E)* Respondent underlines that a specificity of seafood business is long-term relationship between partners which can last years. That is why, according to respondents, Norwegian side does not need to put extra effort to establish and maintain relationship with Russian side since both partners are interested in long-term and strong relationship.

¹⁶ A respondent with Russian national background that has been working in Norway for a long time with Russian partners (see p.28).

However, respondents underlined that personal relationship can be a good advantage to have in seafood business.

"Good personal relations with your partners is absolutely an advantage for business. Most often it simplifies the process." (Respondent D)

Hereby, we can see that Norwegians admits that existence of personal relations with Russian can be helpful and reduce misunderstanding between parties in case if it happens. According to Hofstede, Russia is collectivistic culture with high UAI that means that members of the society tend to transfer the tradition to establish personal relationship at work to different kind of work context, such as cooperation with foreign partners. On the contrary, Norway is individualistic country where people do not tend to mix work and private life.

In my opinion, the element of personal relations is difficult not to include. Just on the initial stage this element is not included. The personal relations will emerge anyways if your cooperation is long-term." (Respondent B)

Thus, data show that personal relationship with business partner can be regarded as an advantage in seafood industry because of its specific character, and sometimes it is difficult to avoid to build them since in seafood industry the aim is to build long-lasting cooperation. Thus, it can be concluded that trust can potentially increase a chance for long and stable business relationship. However, it is not a precondition for business relationship, but more an outcome. In other words, Norwegians do not have to establish personal relation and develop trust with Russian partner in order to start business cooperation together. However, respondents underline that in long-term cooperation personal relations with a partner are hardly avoidable and are difficult not to include. The existence of trust based on personal relationship can be important but not determinative factor in business. According to collected data, none of respondents underlined that Norwegians face a necessity to develop and maintain personal relations with Russian colleges. However, they emphasize that personal relations in long-term cooperation is hardly avoidable and most often advantageous for business.

5.7. Some implications of the study findings

One of the goals of the present research is to trace the role of the personal relations in Russian-Norwegian business exchange in seafood industry by validating the key findings

from Swahn's research (2002). Table 3. presents the main results of the present research based on collected interview with representatives of seafood industry in Norway. A general comparison with main findings from Swahn's research is given as well.

Table. 3. Comparison of the Swahn's findings and finding of the present study regarding personal relationships in seafood industry.

Swahn's key findings	My findings applied in seafood industry
Russians expect personal relations with business partner.	Personal relations are important for both Russians and Norwegians, but Russians tend more to develop personal relations than Norwegians do.
Rules can be both very rigid and very flexible, depending on the personal relationship with the person in authority in Russia.	Good relations with some Russian who has a network of personal relationship with someone in authority can be useful for Norwegian side.
Existence of personal networks in Russia can complicate business activity, especially for a foreign company - an outsider.	Even if, personal networks find place in Russian-Norwegian business cooperation, it is seldom complicates business activity between Russians and Norwegians in seafood industry.
Unless there are relations of mutual trust at the personal level between the parties, business relationships are difficult and little predictable in Russia.	Smooth and predictable relationship with Russians requires existence of trust built on mutual recognition and respect of the terms of agreement between partners. Importance of trust at personal level, based on moral obligations, was not mentioned as necessary condition to facilitate business activity with Russians.
Norwegian businessmen will face a necessity to develop and maintain personal relationships in the official and business sphere in Russia.	Personal relationship with Russian partner can be regarded as an advantage in seafood industry, but it is not a determinative factor.

The main tendency shows that Swahn's findings are verified in seafood industry with some limitations. The research finding demonstrate an explicit connection between collectivistic

nature of the society, ways to handle uncertainty of the future and the role of personal contacts in business activity.

Chapter 6. Conclusion

6.1. Concluding remarks

This thesis focuses on Russian-Norwegian business relations in the seafood industry. The study is aimed to identify the main cultural differences between Russian and Norwegian companies operating in seafood industry and to what extent these differences can potentially impact the business cooperation between parties. The main emphasis is on the role of personal relationship and personal contacts in such interaction. Cross-cultural differences in international business have been studied extensively for several last decades. However, little research has been done to study the role of cultural differences between countries in the seafood industry. This study makes a contribution to this area of knowledge.

Analyzing data obtained from interview collected during fieldwork and applying theoretical framework, it was found that there are certain cultural difference between Russia and Norway. However, these differences are not significant or critical for business exchange between parties in seafood industry and can be overcome by partners if needed.

The research also shows that business behavior has been changing during the last fifteen years in Russia. Analysis of interviews reveals that two types of business behavior exist in modern Russia: international-oriented and domestic market-oriented. The first one is similar to Western business culture, while the second one reflects national cultural values to a larger extent and can be different from the Western business.

However, eventually business practices have been adjusted to present realities. The study reveals that the main reasons for it is intensification of international trade flows and frequent interaction with other cultures, which has led to the situation when Russian part has been learning the necessity to adjust business behavior according to cultural background of a partner in order to succeed in business exchange. Another reason for it is change in composition of employees in Russian firms: young people come to workplaces who master English language, travel a lot and can communicate with foreigners directly without help of interpreter.

When it comes to the role of personal relationship in business exchange, it is found that the role of personal relationship varies in Russian and Norwegian cultures. Collected data show that personal relationships are more important for Russians than for Norwegians. According

to Hofstede's classification, Russia is a collectivistic culture, where ties between members of a group are rather strong. The feeling of togetherness is very strong as well, (Swahn 2002). Moreover, collectivistic orientation of the society implies that group solidarity and security become the main motivational factors of group behavior, for instance privileges for one's family or in-group, (Svennevig 2006:3). Work and private life might interweave. Russians tend to establish strong personal and social relationships with their colleagues at work place. Often there is no clear boundary between personal and business life. Theory suggests that it is important for Russians to learn about a partner, his/her interests outside job, his/her personality and character in order to build trust with a partner, (Hofstede 2001, Swahn 2002, Svennevig 2006).

On the contrary, according to Hofstede (2001), Norwegian culture is an individualistic one, members of society value private life and look at themselves in terms of individuals. In Norway members of society look at themselves in terms of individuals and private life has a high value. Group spirit exists but people look at themselves more like individuals connected with the same goal than the separate unit. Normally the task prevails over any personal relationship, (Sørnes 2004:11). Nevertheless, the group might take a form of personal network, however it hardly ever becomes a part of private life, (Swahn 2002). The borderline between work and private life in Norway is much more distinct than in Russia. Personal and work life are much more separated. If people are involved in some sort of social activity with colleagues, it is usually planned and organized beforehand and do not encourage people to involve their family members or share their life details.

This difference between Russia and Norway can potentially cause misunderstandings and even conflict situations in business relations between partners. However, according to collected data, this difference does not prevent or complicate trade relationships between parties.

Another issue that can potentially be challenging in Russian-Norwegian business relations is personal networks. Collected data reveals that being part of a network doing business with Russians can be an advantage for the Norwegian side. It also can help to build trust with a partner.

As it was mentioned before, all sides of business relations in Russia are very personalized as a consequence of prevalence of collectivist values in the society. There is a tendency to mix private and professional life, bringing family and personal events into workplace and vice

versa, (Svenneving 2006:4). The importance of personal networks in Russia closely connected with the lack and/or haziness of legal, economical and other regulations. Basically the lack of legal reliability force people to search other ways to survive in everyday life. Thus, personal networking has become a solution in reducing uncertainties and risks in business, for instance providing access to resources and loans, and helping to increase profits and sales or helping with financial transactions, (Puffer, McCarthy 2007:3). Thus, personal network of social contacts becomes a tool to reduce uncertainty and anxiety of the future, especially in cultures with high UAI as Russia is.

On the other hand, Norway is an individualist society where interests of an individual prevail. In the business context, it means that the task is supposed to be prevail over any personal relationships, (Hofstede 2005:102). Collected data reveal that in Norway people entirely rely on laws and legal system and legal institutions which works well and which accepted by everyone, thus, Norwegians do not need to establish any special mechanisms to cope with complicated legal system and overcome bureaucratic barriers. Moreover, for Norwegians do not tend to mix business and personal life. Thus, privet networks of social relationship usually do not overlap with official one. When it comes to trust between business partners, Norwegians build it according to the results of business process, not based on personal relation with a partner.

Moreover, collected data show that a special nature of seafood industry might define the role of personal relations. Since fish business can be very unpredictable, mutual trust and good long-term relationship between partners are a key element to succeed in this business. Thus, it can be assumed that seafood industry might contain special characteristics that requires a special behavior pattern from partners involved, and personal relationship can be one of its distinctive.

6.2.Limitations and suggestions for future research

I encountered several limitation conducting this research. First of all, the number of interviews that I conducted with representatives of seafood business in Norway is rather limited. However, as it was mentioned in methodology chapter, I faced difficulties to obtain appointments with business people since they are very busy with their duties at workplaces and they are hard to access.

Secondly, I have interviewed business people working in seafood industry in Norway with both Norwegian and Russian national background. All Russian respondents have a working experience in Russia and they have been working in Norway for a long time. As it was mentioned in Chapter 4, I use their opinions with regard to Russian realities based on both their experience working from Russia with Norway, and working from Norwegian side with Russians. I use their observation on how their Norwegian colleagues face the challenges working with Russians as well. I can assume that an aspect of national belonging can play a certain role and influence the answers on interview questions.

When it comes to suggestions for a further research, I believe that it might be interesting to conduct the same kind of research but in Russia with Russian respondent working with Norway and Norwegians working in Russia in seafood business. Moreover, it could be interesting to compare several cultures engaged in seafood business to find out if culture of a particular industry can influence behavior pattern of agents involved.

To sum up, the present research reveals that in spite of cultural difference and different view regarding business practices, personal relations and trust building, Russia and Norway have managed to establish and maintained successful long-lasting relationship in seafood industry. Thus, it can be interesting to find out and study other factors that influence this cooperation.

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Appendix 1: Interview guide

1. General information:

- name, age, position
- Norwegian/Russian/Other

2. Background information

- For how long have you been working in Norway/for a Norwegian firm?
- Were you working in Russia before?
- When did you have first contact/business contact with Russians?
 - What was the main motive to initiate business contact?
 - When did you go to Russia for the first time?
 - How frequent were/are you visits?
 - What type of cooperation your company have with Russian company?(seller-buyer relationships, others)
 - Did you do any research on business culture before you went to Russia/started cooperation?

3. Cultural differences between Norway and Russia

- How can you describe you first impression of business culture in Russia?
 - Would you say you experienced cultural shock (frustration with unfamiliar environment, behavior, traditions, etc,) and how did you cope with it?
 - Do you see any differences between Norwegian and Russian cultures, and if yes, which? Can you give some examples?
 - Which of these differences (if they are) you think are the most crucial/important for business relations?

- Can you remember any business-related situations where cultural differences appear and bring misunderstandings/problems?

4. Russians expect personal relationships with the business partners.

- Compared to Norway, do people have a sense of group or rather they are independent in Russia

- Did you notice the tendency to mix private and work life in Russia?

- Compared with Norway, are personal relations important for business? To what extent?

- Do personal relations help to build successful business relationship in Norway and in Russia?

5. Norwegian businessmen will face a necessity to develop and maintain personal relationships in the official and business sphere.

- Do you feel that it is necessary to develop and maintain personal relationship in the official and business sphere in order to succeed in business in Russia?

6. Rules can be both very rigid and very flexible, depending on the personal relationship with the person in authority.

- To your opinion, compared to Norway are there many rules and regulations in Russia?

- Are rules usually followed closely or it is rather up to circumstances?

-Is it easy to change a rule?

-How is a change accepted?

-How can you describe an attitude to laws?

-Compared with Norway, how important is having personal contacts within the Russian firm when it comes to interpreting rules and follow them strictly?

7. Existence of personal networks can complicate business activity, especially for a foreign company - an outsider.

- Did you notice that if you want to simplify the business process in Russia, you have to establish private social relationship with your partner? Compared with Norway, how important it is?

- Is it difficult for an outsider (foreign company) to establish personal relationship with Russian partner? What are the obstacles?

- Do you think it is possible to establish successful business exchange with Russians without including personal component into communication?

- Did you experience that the only way to receive some services or goods (simplify the business process) is to know certain people in Russia? Or to know somebody who knows certain people and agree to help you? How often you have been in this situation?

- Did you contact first someone you know in Russia to be introduced to business environment in Russia?

-To your opinion, existence of personal networks in Russia can complicate business activity for a foreign company?

8. Unless there are relations of mutual trust at the personal level between the parties, business relationships are difficult and little predictable.

-Do you notice that it is easier to build business with Russians when relations of mutual trust are established?

-Does business exchange become more predictable?

9. Norwegians businessmen will face a necessity to develop and maintain personal relationships in the official and business sphere.

-Is it necessary for Norwegians to develop and maintain personal relationship with Russian partner?

- Do you feel that without establishment of personal relationship with Russians, Norwegians will not succeed in business exchange?

- Do you think that it is possible to build successful business relationship with Russians not including an element of personal relationship/

