

UNIVERSITY OF LJUBLJANA

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MASTER THESIS

MANAGING CROSS-CULTURALISM WITHIN A GLOBAL COMPANY

– THE CASE OF JOTUN PAINTS

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INTRODUCTION

Problem Description

Managing cross-cultural teams is becoming an increasingly popular topic. It is present wherever the team is consisted of members who live and work in different cultural environments. Tsui, Nifadkar & Yi Ou (2007, p.426) remind that saying ‘we live in a global environment’ is surely a cliché nowadays, where more and more workforces, teams, companies and various organizations experience cross-cultural context on a daily basis. The same happens when the markets become more and more global, so the need for dealing cross-culturally is increasing. The economic interconnectedness is constantly growing, so the local economic conditions are no longer a pure result of strong domestic influence. As many authors state, the geographical barriers to do the business will virtually disappear over the next few years or decades. There lay great opportunities. These are seen as an easy access to the best resources the world has to offer: the most talented labor, the most extensive customer markets, the most advanced technology, the lowest-cost highest-quality suppliers of goods and services, etc. That ensures creative business people to go as far as their imagination and intelligence do.

In such business environment, managers will do utmost to succeed – they will struggle hard to outperform competitors. Even if the basic aim of a company is not to compete globally but rather locally, in many cases this would not be feasible since the main competitors may be truly international players. The new business framework tends to change the way of doing business.

We will try to observe how the managers cope with these issues. Steers, Sanchez-Runde and Nardon (2010, xv) propose that when faced with the present global challenge, managers have two choices. First in international transactions, they can assume that they are who they are and the world should adapt to them (‘I’m a Dutch manager with Dutch traits, and everybody should understand this and make allowances’). Or, second, they can work to develop greater cross-cultural competencies that allow them to either adapt to the others where possible or at least understand why the others behave as they do (‘I’m a Dutch manager who is working to understand the cultural context in which my counterparts operate’). There is no rule which one will work and which one will not, since it depends on a variety of other factors. However, the second strategy of work to develop increased cross-cultural competencies clearly shows greater concern for engaging in cross-cultural matter.

Operating cross-culturally may be rather complicated. It is a process of understanding, and successful managers are ready for long-term development. A good example could be found in any field concerning a number of companies which were marked as ‘superb’ but are not in the business anymore. Namely, it is not likely to believe that researchers have

made a mistake marking them as ‘superb’, neither that their business has changed overnight which made them suddenly fail. We would rather say it is about them –their world has probably changed but they have not. It could be that business environment has shifted significantly globally and the companies were not ready to manage any competition outside their domestic regions.

The main topic of this research is the ability of the successful management of a world-wide company in an increasingly complex and global environment, with reference to culturally different workforce. We will try to understand the influence of culture in various contexts. More, we will try to see which managerial skills and practices are important in order to cope with challenges based on culture, because ‘one’s own way of life is simply human; it is the other people who are ethnic, idiosyncratic, culturally peculiar’ (Eagleton, 2000, p.26-27).

Therefore, understanding culture is essential for the success of the company, even if all the work takes place in the home headquarters. Talking about leading cross-cultural corporations, we see people from a variety of ethnicities, cultural backgrounds and personal styles, all playing an important role for the overall success of the company.

This work will be based on the case study of one of the global leaders in paints business, Norwegian cross-cultural company Jotun. Paint is the product that can be characterized as standardized. The same technology and the same raw materials are available everywhere. For a company spread worldwide, engaging in cross-cultural matters is an every-day task. We will focus on it and try to research managerial practices important to operate such a company.

Let us consider the following example. We assume that the customer is an international shipping company which regularly transports goods between US, Asia and Europe. The company has several ships in its fleet, and these ships need to be repainted every two years. Because of the nature of the business and the other factors, the ships are usually painted in different shipyards, in this example in the various ports in US, Asia and/or Europe. The shipping company is loyal to its paint supplier, so it expects to have the same quality, no matter where its ships are. The crucial issue is how to successfully collaborate within a global paints company, which has such a different workforce, to ensure the same-quality product will be delivered everywhere. Are the managers, facing the intense cross-cultural issues, fully aware of different perceptions within cultures among their international colleagues? Are they familiar with culturally different points of views and do they perceive each other correctly? This work is about trying to find solutions to these and similar cross-cultural problems which international cross-cultural companies regularly face.

Purpose of the Master Thesis

The objectives of the thesis are to (1) research a process of managing cross-cultural workforce within a worldwide company which make a standardized output and (2) determine the most effective management practices. We would like to understand some of the common theoretical approaches implemented into real-life examples. However, different cultural and business backgrounds do not allow implementation of the same practices in managing different cross-cultural workforces, and we should be careful which variables to include.

The idea is to research how to organize and manage a global company producing the standardized output with a different workforce. For the analysis we will mainly use the data based on research of one of the worldwide leaders in producing paint – Jotun Paints, Norway. Jotun is a growing, truly international company, with business activities on all continents. The company has production centers, agents, branch offices and distributors in more than 80 countries across the globe. The workforce within the particular country is usually domestic and homogenous, but facilities are mixed in different regions (some countries have only agents; others have production centers and distributors, etc). The coordination between various regional and global Jotun centers is essential.

Similarly, in numerous cases Jotun customers are the same international companies operating in different parts of the world. Wherever they are, they expect the same Jotun quality. Naturally, customers do not care about in-house policy about managing diverse workforce – they simply require the same quality everywhere. Therefore, **which management practices and skills are important to collaborate successfully with workforce across the globe within the same company, in order to produce the same output in different regions?**

By using case study model (Yin, 2012), we will try to determine which are the most common practices used for successfully managing a company which tends to have **the same output** in many different parts of the world, done by culturally **different workforce**. We find case study method appropriate for our work because of several reasons, where one of them is our main research question which is a descriptive question.

We have tried to do it by giving it meaning concerning the key tasks that it is researching. The aim of our case study is to come with conclusion(s) which will be proven and transparent with the case reality, considering eventual disadvantages and gaps present. Finally, literature states that the case study is about inducing and comparing opinions and noticing from similarities and differences (Ellet, 2007; Gomm, Hammersley & Foster, 2000; Yin, 2006). The goal is to draw valuable conclusions which will bring something new and that is what we try to reach.

Structure of the paper

In the section 1 we present the main idea of this work, which is pointing out methodological issues and presenting them in concrete examples of individual situations. We find the case study method appropriate for our work because of several reasons, where one of them is our main research question which is a descriptive question. To perform the study, we have tried to use as many data sources as possible.

In the section 2 we will get familiar with numerous theoretical definitions from acknowledged authors in the field of multiculturalism. We start our theoretical approach with defining the very broad term of ‘culture’. Going further, we see different approaches to the cross-cultural management; try to observe different points of views from different cultures and understand how to build strong and successful international cross-cultural relationships.

In the sections 3 we try to evaluate information that we have gained during our research. During our case study outcome, we analyze theoretical approaches from acknowledged authors with the primary and secondary data that we have got from various Jotun centers worldwide. Being aware that each situation in the case study has its own logic helps us read cases more efficiently, perceive and discuss them more effectively and finally write about them more precisely. As in every case study model, we should be able to correctly analyze the case. We have tried to do it by giving it meaning concerning the key tasks that it was researching. Finally, the aim of our case study is to come with conclusion(s) which will be proven and transparent with case reality, considering eventual disadvantages and gaps present. Literature states that the case study is about inducing and comparing opinions and noticing from similarities and differences. The goal is to draw valuable conclusions which will bring something new and that is what we try to reach.

1 CROSS-CULTURAL MANAGEMENT

1.1 Theoretical Definitions

Before talking about cross-cultural problems, we should ask ourselves what the culture is. The term of culture may be perceived very differently, so we find extremely important to get familiar with it. Since there is a myriad of definitions, we will mention some of them that we find interesting for our work, offered by well know experts in this field.

Trompenaars & Hampden-Turner (1997, p. 3) see it as the shared way in which groups of people understand and interpret the world. For Ting-Toomey (1999, p.10), culture is a system, a complex frame of reference that consists of patterns, traditions, beliefs, values, norms, symbols, behavior and meanings that are shared to varying degrees by interacting members of a 'community'. Coron (2011, p.25) adds that the system is of unquestionable logic to its players.

Hofstede (1984, p.21) says that culture is the collective programming of the mind which distinguishes the members of one group or category of people from another. Hofstede offers that every person posses its own patterns of thinking, feeling and potential acting, which are learned during lifetime, with much of it acquired in the early childhood. However, as soon as certain patterns have been established within a person's mind, (s)he must unlearn these before being able to learn something different. Unlearning is more difficult than learning for the first time, concludes here Hofstede.

In terms of organization, Schein (1985, p.4) offers that culture is a set of core values, behavioral norms, artifacts and behavioral patterns, which govern the way people in an organization interact with each other and invest energy in their job and in the organization at large.

Overall in management literature, the definitions of culture usually refer to national or ethnic grouping, including summations of characteristics with reference to distinctive management or negotiation styles which are culture-specific. What is much expressed are special qualities of an organization, which are usually researched under the issue of corporate culture. In addition, definitions of culture in management literature often refer to mental attributes, as in Hofstede's definition above. What can be derived from these definitions is that common experiences and common meanings are important determinants of cultural group. Recognized cross-cultural researches focus on shared cultural values as the main source of differentiation between different cultural groups (Tsui et al., 2007, p.430).

Going further, we will try to understand the meaning of cross-cultural management. Adler (1991, p.32) states that the cross-cultural management seeks to understand and improve the interaction of co-workers, clients, suppliers and alliance partners from different

countries and cultures. Schneider & Barsoux (1997, p.18) see the cross-cultural management as fostering cross-cultural learning and participation. Different views of cross-cultural management can be seen in Table 1.

More broadly, the cross-cultural management (Browaeys & Price, 2008, p.16):

- Studies the behavior of people in organizations around the world
- Trains people to work in cross-cultural organizations and environments
- Describes and compares organizational behavior within countries and cultures
- Builds on cultural differences, not neutralizing or containing them is not so much about operation across cultures, as through them, by means of them

Table 1: Different views of cross-cultural management

Cross-cultural management could be seen as:
<p>1. International management and business Comparison of managerial behavior in different countries, differences in doing business, etc</p>
<p>2. Organizational theory and behavior Impact and/or connection of culture on different organizational functions, such as HRM and organizational development.</p>
<p>3. Culture theory / cultural studies Comparison of work-related value orientations in different countries</p>
<p>4. Management communication and communication studies Impact of culture on verbal and non-verbal communication, comparisons of communication styles in different countries, international negotiations, etc</p>

Source: M.-J. Browaeys & R. Price, Understanding cross-cultural management, 2008.

In management disciplines, the cross-cultural management could be seen in several ways (Sinnassamy, 2011, p.12). Literature offers 3 different approaches: (1) Foreign national approach, which could be seen as one-country approach. It is basically about understanding national cultures; (2) Comparative international approach, which is two or more countries approach, where we try to understand differences between several cultures; and (3) International interaction approach, which is interaction within and between organizations that have members from two or more countries. In this approach we would try to understand the synergy of culture.

Some of the most influential authors in the field of the cross-cultural management offer several theories about the dimensions of culture. Hofstede's model (1984, p.19) offers 4

dimensions of culture: power distance, uncertainty avoidance, individualism – collectivism and masculinity – femininity. Hofstede also offers long term vs short term orientation, as well as low and high distance cultures (see Table 2). Trompnaars' and Hampden-Turner's model (1997, p.26) offers national cultures from 3 perspectives: relationship with other people, relationship to the environment and meaning of time. Hall's model (1976, p.101) is about monochronic and polychronic time orientation, high and low context communication and personal/physical space.

Table 2: Low & High power distance cultures

Low power distance cultures
Israel, Austria, Scandinavia, Holland, Ireland, United Kingdom, Australia, North America, Germany, Switzerland, South Africa, Spain, Belgium, Portugal, France, Latin America, Japan, India, China, Arabic countries, Malaysia
High power distance cultures

Source: G. Hofstede, Cultures and Organizations, Software of the Mind: Intercultural Cooperation and its Importance for Survival, 1996.

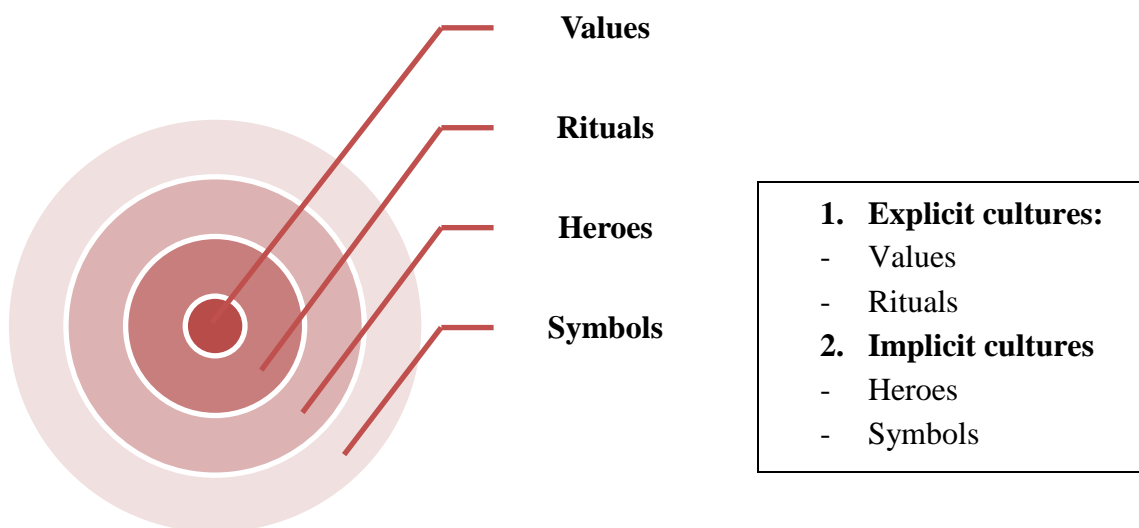
Furthermore, Brewster, Sparrow and Vernon (1999, p.11) point out important facts when dealing cross-culturally. They offer that the key factor in increasing the internalization of workforce is having in mind cultural differences between nations. Lately, authors state, there is a high amount of research evidence showing that different nationalities do have different values and these affect the way people behave, organize or manage work. These cultural values may highly affect the usual human-resource activities in cross-cultural companies, such as recruitment and selection, development, performance appraisal and others. Thus, even fully aware of the threats of stereotypes, that these norms may indicate real and general truths for particular nations, the authors conclude.

Considering above-mentioned, cross-cultural issues could be used as a huge source of competitive advantage if understood and implemented correctly. At the same time, each one could be hidden pitfall, if at any time, international managers forget that they are working internationally. We may consider a Ford's example from mid-20th century, when the company was launching a new model called Ford Pinto into particular markets

of South America (Felton, 2007, p.115). Aldo a successful model Pinto was doing well in US and expansion to other markets was a logic move, Ford’s managers ‘forgot’ to consider that word ‘pinto’ in the slang language of some South American countries has a pejorative meaning. The launch turned into the huge failure and Ford was urged to change the name of the car as soon as possible. This real-life example shows that improvidence about small, hidden cultural symbols could be a source of failure in cross-cultural business environment, despite the pure quality of a product.

Awareness could be the important concept. Edward Hall’s famous statement from 1959 pointed out the importance of awareness in the cross-cultural environment, where he states that ‘culture hides more than what it reveals, and strangely enough what it hides, it hides most effectively from its own participants’ (Hall, 1959). Even Hall’s dedication at the beginning of the book says: ‘to my friends and colleagues from foreign countries who taught me so much about my own culture’ (Hall, 1959). Geert Hofstede’s Onion Analogy may help us understand explicit and implicit cultures which influence our behavior. The explicit culture is presented by behavior and artifacts, and is shown as the ‘layers on the top’. The implicit ones are the core and consist of basic assumptions, norms and values. These form the most invisible and hidden layer of culture, which strongly influences behavior. Hence, how do we become aware of *our* implicit culture? Without knowing some of the basic theoretical concepts about dealing cross-culturally, being aware is far from easy. Therefore, many argue that intercultural competence could be seen as a chain of awareness – knowledge – self assessment & adjustment – implementation.

Figure 1: G. Hofstede’s Layers of Culture



Source: Based on G.Hofstede, *Cultures and Organizations, Software of the Mind: Intercultural Cooperation and its Importance for Survival, 1996.*

Training the workforce on cultural intelligence has a significant meaning in today's companies, which are (like it or not) in a great amount international or global. Plum, Achen, Dræby & Jensen (2008) define cultural intelligence as the ability to make oneself understood and the ability to create a fruitful collaboration in situations where cultural differences play a role. The idea is to train own employees to be able to have a different angles from which they look when approaching other cultures. Cultural intelligence should bring some practical approaches to find the solutions with the intangible concept of the culture. The authors offer that the same cultural dynamics is present whether we speak about professional, organizational or national differences. Based on this point of view, the transfer of the cross-cultural experiences from one field to another is widely possible. Therefore, the concept of cultural intelligence is based on the dynamic concept of culture, which sees culture as a dynamic and socially constructed phenomenon rather than a fixed set of rules, while suggesting the ways how to benefit from cultural differences using them as advantages (ibid).

1.2 Cultures and points of view

In the following section, we will try to analyze the phenomena of different cultures which have very different points of view. Managers should always have in mind that the same thing does not mean the same in different cultures. This may be the very starting point when managing the cross-cultural team. What are the reasons for huge differences in perceptions? Where does it come from and how does it influence doing business cross-culturally? We will try to analyze below, based on studies by prominent authors in this field.

We can start with East Asians and the Westerners, who perceive the world and think about it in very different ways. The joint project from US professor Richard Nisbett and Japanese professor Takahiko Masuda provide us with some interesting examples of basic, unconscious differences (Nisbett & Masuda, 2003). The Westerners tend to observe the focal object, analyze which rules drive its behavior and focus exclusively on the object. East Asians, on the other hand, perceive the broad perceptual and conceptual field, noticing relationships and changes. They tend to group objects based on family resemblance rather than category membership (ibid.). The motive may be in social factors presented in these cultures. Living in complex social networks is a characteristic of East Asians, while Westerners live in less constraining social world.

The idea of different perceptions is something that goes far in the past. Philosophers, psychologists, historians and others have long argued if the basic determinants of perception and cognition are universal and the same for everyone in every culture, or not (Cromer, 1993; Lloyd, 1990; Namakura, 1964). We have observed an example between ancient Greeks and Chinese, where the authors suggest that thoughts of ancient Greeks

could be described as analytic where the focus of attention was some salient object, whereas ancient Chinese thought was holistic, where relationships among objects were noticed, but specific object properties were of little interest. More examples are listed in the table below.

Table 3: Example of different perceptions between different cultures

Fundamental assumptions of the nature of the world	
Greeks	Chinese
<ul style="list-style-type: none"> - Focus on the object - Explain its behavior with reference to its properties and categories it belongs - Aristotle’s explanations about properties of ‘gravity’ and ‘levity’ (when placed in water – stone’s falling and wood’s floating, accordingly) - See stability in the world 	<ul style="list-style-type: none"> - Action occurs in a field of forces - Understand much about magnetism and acoustics - Recognize true reason for the tides - See the world as constantly changing

Source: Based on Nisbett, R.E., The Geography of Thought: How Asians and Westerners Think Differently, and Why 2003; Nisbett R.E., Peng, K., Choi, I., & Norenzayan, A., Culture and systems of thought: Holistic vs. analytic cognition, 2001.

We can also find interesting examples in the researches done among North Americans and East Asians. When asked to describe the self, Americans and Canadians tend to tell about their personality traits and attitudes more than the Japanese do (Cousins, 1989, p.125). North Americans also tend to overestimate their distinctiveness and prefer uniqueness in them and in their possessions. Kim and Marcus (1999, p.791) present a study where Americans and Koreans were given a choice of differently colored pens to have as a gift. Koreans chose the most common color, whereas Americans tended to choose the rarest color. Another research which Fernald & Morikava (1993, p.653) have presented, showed that when American mother play with their children, they tend to focus their attention on objects and their attributes (‘see the truck; it has nice wheels’), whereas Japanese mothers emphasize feelings and relationships (‘when you throw your truck, the wall says ‘ouch’’).

Considering differences in cultures and points of view, we will try to focus on the international managers in a cross-cultural company which is willing to manage its workforce to produce and offer the same type of product (paint, in this case) to its customers across the world. Cross-cultural work necessarily includes cross-cultural interaction, thus it is necessary to put emphasis on objectiveness and correct judgment. What can help us explain this phenomenon is so called ‘iceberg theory’ (Hall, 1976, p.115). People tend to perceive and to judge others based on what they see from person’s behavior, which is usually only the ‘top of the iceberg’. What one usually forgets when

evaluating others is the invisible part. These are customs, beliefs, values, assumptions, which come from one's cultural background. All of these, and many other attributes, determine the way how a person will behave in public. Therefore, if we tend to judge based on visible behavior only, we may be well wrong, as the complete picture may not be presented. Furthermore, we continue our analyses more deeply.

1.3 Cultural differences and development of effective international relationships

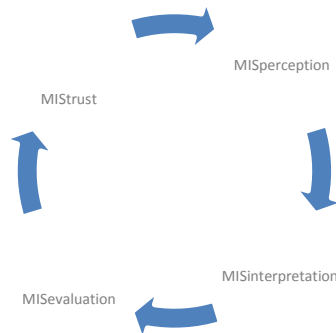
When a team consists of colleagues from different cultural backgrounds, we should think about what the work patterns look like for them. Also, we should try to understand how they socialize outside the work, whether they accept the same gender-appropriate behavior or not and if the concepts of right and wrong are equally perceived. Further interest is in researching if the members have the same perception of the problems and disagreements and if they behave in the same way when handling them. Finally, we should be aware if our international colleagues have the same communication and meeting styles and whether the interaction between leaders and subordinates is to be performed in the same way (Trickey & Ewington, 2006). There is myriad of cultural influences which tend to form complete picture of a person. Observable behavior is always useful to notice, but what may be more useful is trying to understand the basic driving forces. Observable behavior may be just the external presentation of one's own personal driving forces. Therefore, what is meaningful in one's life will highly affect one's external behavior, which will be observable and visible to others. Now, if we as cross-cultural managers consider only the external behavior, we will almost for sure find ourselves in a huge 'cross-cultural problem'.

As we see, the sources of misunderstandings in the cross-cultural teams are numerous. Trickey & Ewington's case study (2006), 'A world of Difference - Working successfully across cultures', points out these problems. It shows how not-recognizing cultural differences in cross-cultural business environment affect building an effective international relationship. As mentioned in the introduction section, dealing cross-culturally is an everyday task for international and cross-cultural companies. What has attracted our attention is the following question – if a company expands and brings experts from different subsidiaries around the world to work together, does it mean that their expertise will guarantee success in the new culturally different team? The answer is no.

Trickey & Ewington's case (2006) presents how colleagues from different cultural backgrounds may have different approaches to basic business factors, such as time, communication, trust, planning, leadership and relationship building. The researchers have also shown how first impressions may have important impact on the ability of the

team to achieve its task together. Further, the underlying values that are impacting the situation are usually not perceived correctly. It is well known that the first impressions that team have of each other may have a huge impact on the ability to achieve its task together. Various authors argue that it can be very useful to understand so called ‘MIS Factor’, which may affect the conclusions. As we can see on the graph below, MIS Factor is shown as a ‘circle’ of MIStrust, MISperception, MISinterpretation and MISevaluation.

Figure 2: The MIS Factor



Source: Based on Trickey, D., Remote multicultural project teams – the issues, challenges and possible responses, 2005.

Levels of behavior may vary due to very basic factors. We may imagine a pyramid to understand them. We may observe the widest part of the pyramid as the common run of mankind. It is universal and expected from the whole population to behave in this way. If we go narrowly, we note the cultural level with specificities which are characteristic for different cultural members. We may expect members from different cultures to behave differently from each other, but in line with own cultural standards. Finally, at the top of the pyramid lays personality. This individual level of culture, which varies from one’s own personal level of culture to another’s, shows that every single individual behaves in line with own cultural standards.

1.4 Cross-cultural vs uni-cultural teams

When we say a ‘cross-cultural team’, first we may naturally think about the team members from different nationalities, while in opposite we would usually consider a ‘uni-cultural team’ as the one consisted of team mates from the same country or region. This is definitely not the complete picture.

In fact, we would make fewer mistakes if we consider all teams as cross-cultural. The term ‘culture’ is wide, so are the factors which determine one’s cultural background. Different social factors, such as gender, religion, social class or ethnic group are of huge importance for one’s personality. The same is with ‘professional’ culture, such as

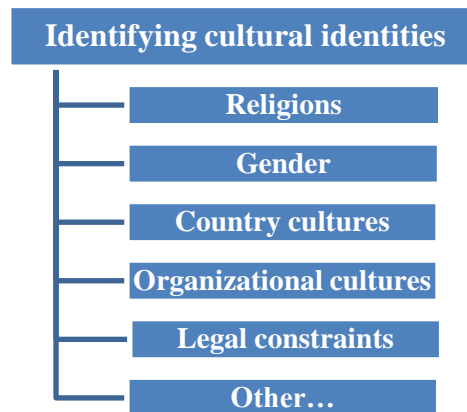
education, organization, function, etc. These ‘identities’ may be of huge importance for team members and may have significant influences in particular situations at particular time. While determining which national category a member belongs to, we should also determine which social category the member fall into and which professional category is interested in. For example, an employee may be not only ‘Italian’, but also a ‘master of agriculture’ and a ‘female’. Some companies argue that it is harder to manage a team of professionals from the same nationality but with significant difference in age, than the team from all the different nationalities which belong to the same generation. Also, five medical doctors from five different countries may be easier to manage than the team of five Russians from different professions or different generations. Therefore, defining one’s cultural identity is quite demanding, since it should be considered as multiple, interactive and dynamic. Trickey (2005, p.1) argues that uni-cultural teams tend to solve the problem connected to ‘external adaptation’ to the new global business environment, while cross-cultural teams have problems of ‘internal integration’. The author states that typical issues which make cross-cultural team challenge even more complex are a creation and development of trust, a sense of common purpose and identity, and of course ability to communicate which affects making effective decisions. If we add issues of geographical distance and time-zones, the complexity becomes even more expressed.

Having in mind all of that, one may wonder if engaging in the cross-cultural team is worth comparing to the use of a homogenous structure and avoid all of these issues. However, Brett, Behfar & Kern (2006, p.1) offer that deep knowledge of different product markets, customer service which is culturally sensitive and 24-hour work rotations may be some of the advantages which international companies should benefit from. Furthermore, benefits of strong cross-cultural teams could be found in many other fields. Some of them are stated below:

- Effective marketing. Shows that positive working relations among different cultures may be an important acquisition for a company, in terms of forming new customer bases, possible creation of niche markets, etc. Fully understanding of new markets will be of more quality if views of culturally different colleagues are present.
- Having a competitive edge. We have already mentioned that the cross-cultural team is likely to offer a wider range of problem solving solutions. Therefore, openness to various perspectives is a key issue in enabling colleagues to offer much better solutions. We will be back to this issue later on.
- More creative solutions. Similarly, higher diversity in a group will bring more creative solutions.
- Attracting the best talent. It is common opinion that organizations with better reputations are able to attract higher quality workforce. As we have stated in the introduction, workforce selection is rather global than local anymore, so the best companies are able to employ the best workforce that global market has to offer.

We find important and useful to determine team members' cultural identities. Tajfel (1972, p.31) argues that individual's awareness of membership to certain social group is linked to forming individual's social identity. In addition to emotional and evaluative significance of that membership, this may highly affect his/her cultural identity. Observing and evaluating which cultural issues have the greatest influence on one's personality will ensure becoming more familiar with colleague as a part of the team and a part of the organization. In addition, it will help colleagues getting to know each others; will help them understand their similarities and differences, note the potential for improvement and both-side complementarities. Evaluating together some of the contextual factors, such as religions, gender, country cultures, organizational cultures, legal constraints and many other may help to early notice the potential sources of conflicts.

Figure 3: Identifying cultural identities



Source: Own presentation

What we find as probably the biggest advantage of the cross-cultural team is the possibility to consider the problem from different perspectives and thus provide more creative, effective and innovative solutions (Tajfel, 1972, p.31). The cross-cultural team will bring different people together with variety of different experiences, skills, ideas and habits. Successful managers should be able to find ways to benefit from a cross-cultural group in order to maximize their performance. Team managers who ensure a strong sense of a team while respecting the presented cultural differences have greater chance to succeed. The cross-cultural team offers great possibility for personal development on various grounds as well.

Once the values, ground rules and sharing begin, the cross-cultural team can generate much improved solutions for a group or a company. For cross-cultural team managers, additional energy has to be spent in order to establish the team. As the group is consisted of members who are not homogenous in various fields, the aim is more difficult. Values which determine the group should be pointed out properly. It is important to build such a working environment where different points of view are understandable and do not force members to become reluctant to participate.

According to Bellard, Chevalier & Schneider (2001, p.2), the differences among colleagues in the cross-cultural team could be minimized or utilized. Minimization probably shows that the cross-cultural team is seen as a threat mainly. Fitting the existing corporate culture is a more important concept than being creative, innovative and open for new approaches based on the workforce of the company. Utilization means bringing all the potential from different perspectives on the table. This may be huge source of competitive advantage on the market, if used correctly.

The fact how the cross-cultural workforce diversity is perceived by the top management determines which concept is more supported. Neither of these two concepts is 'correct' nor the other one is 'wrong'. Both could be useful in various business conditions. For example, all the members should keep in mind that it is essential to know when it is appropriate to emphasize different perspectives and when it is important to stress out similarities. Undoubtedly, it is up to the top management to find the right mechanism to use the full potential.

Enhanced flexibility is the key concept, but the managers should be careful since if they lose ground, making the final decision may become an endless, time consuming process. The research shows that cross-cultural teams are either highly effective or highly ineffective comparing to homogeneous teams (Trickey, 2005, p.1). Thus, in order to maximize the effectiveness of the cross-cultural team, attention should be paid to the specific issues, some of which are mentioned further.

1.5 Meeting the challenge in managing cross-cultural workforce

The famous Cohen's statement says: 'we do not see things as they are; we see things as we are' (Cohen, 1982, p.15). One's frame of references constitutes a foundation which influences one's perception. We should always be careful, since appearances can be deceiving. Things may be very different from how we first perceive them. International managers should be fully aware of their filters – they have been working all the time and tend to influence perceptions. Kohl's DIE concept plays an important role here (Coron, 2011, p.43). DIE concept offers that before making a conclusion, one should learn to Describe first, then to Interpret and finally to Evaluate. Therefore, when we see - we should not make the conclusion straight away. This approach will help us not to jump into conclusions, to be as objective as possible and to try to fully understand our international colleagues.

When managing cross-cultural workforce, various challenges may often be presented. According to a management educator Nigel Holden (2002, p.XIII), the cross-cultural management is not to be seen as the management of cultural differences in popular interpretation. It must be related to the managerial activity in the new geo-economy with

its emphasis on global networking, organizational learning and knowledge management. The examples below represent some of the common challenges in managing cross-cultural workforce.

When Carlos Ghosn with his European colleagues moved from Europe to Japan to become CEO of Nissan, cross-cultural barriers were expressed in a high amount. European colleagues could not understand the Japanese way of doing business, while the Japanese were confused and kept asking them to follow some common practices that they were used to. The example of Nissan Case Study (Sinnassamy, 2011, p.44) indicates that at that time Nissan's managers knew how much time it takes to produce a car, but did not know how much money it costs. In addition to an extremely difficult economic position of the company, the cross-cultural team difficulties were enormous. In that situation, being aware of managing a cross-cultural team is the starting point. The quality that made a difference comparing to similarly failed attempts was the respect of cultural environment but extremely high orientation on business goals. The motto which was driving the whole team forward was: 'We are not here to change the Japanese culture. We are here to try to revive the company'.

A theory says that responding to these challenges could go in two directions: (1) to focus on goals regardless the pressure to compromise, or (2) to put energy into the flexible behavior which allows adjusting to a range of different situations (Fisher & Ury, 1981, p.40). The first approach is about pushing forward and staying strong and focused in stressful, unfamiliar circumstances, while the another one is about the openness and flexibility towards the way others see the world, pulling their world into yours and learning on the way. Considering this, so called 'push and pull' approach, there is no right and wrong; both of them represent key skills for working across cultures. Obviously, Ghosn was driven by a principle of 'being hard on problem and soft on people', which characterizes a try to implement solutions and build relations at the same time.

The examples of well-known cross-cultural business difficulties are numerous. Holden (2002, p.XV) reminds that the early years of Daimler Chrysler merger were characterized by engineer defections, differences of management styles and serious conflicts of opinions about mutual project involvement. General Motor's early acceptance of Japanese 'just-in-time' production schemes did not have the same approach to tactic knowledge. As a consequence, that led to confusion, conflicts, strikes and huge losses. Further, western consultants who were entering the Russian market were seen as arrogant, were perceived as ignorant of local conditions and were almost seen as spies. When Western companies started involving in the Chinese markets, domestic managers frequently failed to come to agreement over issues regarding business relationships and negotiations (Currie, 2011, p.5).

On the other hand, there are examples of companies which appreciated the input of knowledgeable outsiders from the very beginning in order to help them identify the future

trends, such as Nokia (Holden, 2002, p.XV). Same as in the Nissan case, Nokia has made English its official language at the early stage which is an important sign of international mind of the company. Particular companies have practice to send employees from the local base to travel or temporary work in the offices in other countries in order to ensure the flow of knowledge and values. These companies should be flexible and adaptable in order to be able to accommodate the upcoming cultural elements.

It is important to be aware that different business and cultural environments follow different values. Currie (2011, p.5) states that in the business environment of Latin America, which is 'relationship based', declining invitation because of 'task' reason could have impact on doing business overall. As we have mentioned earlier, there are many cultural, seemingly very small and unimportant, issues, which can, in huge amount, impact on doing business cross-culturally. Once again we would like to stress out that recognizing how cultural differences impact on the process of building effective international relationships is essential.

As companies operate in increasingly global environment, the challenges in managing cross-cultural workforce are growing. Strategic alliances, mergers and subsidiaries abroad become more common options. In such an environment, developing skills needed for getting the best out of culturally different workforce is not just an option, but rather a necessity. As mentioned before, we do not think only about national differences between people. The knowledge management, sharing innovations and creative problem solving are the issues which ask for cooperation across boundaries of different organizations, job functions, professions, etc. These activities require employees' ability to be a part of culturally different business, politic or statutory environment. And not only that, these require people's ability to work with colleagues who think, act and perform differently.

As the examples above may show, the cultural challenges in the companies are the way too different than it used to be a few decades ago – it is not anymore just about preparing individuals to be able to talk or visit the others who are from another country. Today's knowledge-intensive global companies (even the ones which do not have a streaming goal to become global but become global because of the whole business environment they are operating in) meet challenging cross-cultural complexity, which includes many key people in home bases, joint ventures abroad or subsidiaries. In that sense, not only high-positioned managers are the ones with the challenge; the whole workforce works and cooperates with business partners from different cultures and organizations.

As we have said in the introduction, the global business tries to get the best ideas from everywhere. However, new knowledge is not always adapted to translating into new ways of behaving. Numerous cases reflect these shortcomings with respect to understanding the complexity of embedded cross-cultural knowledge, notions of trust, dealing with uncertainties, lack of personal connectedness or relationships, and geographical as well as cultural distance.

1.6 Management and leadership skills important to operate cross-cultural workforce

As the world globalizes, people from different countries are brought closer together than ever before. When starting to engage in cross-cultural relations, many employees are just beginning to experience the same phenomena that the others have grown up with. We should be aware of this. Understanding this concept may, for example, help international managers to understand the reasons for the success and failure of expatriates. The symptoms and consequences of culture shock that is described in the cross-cultural literature may widely differentiate among people, depending of one's early childhood, growing up and the whole cultural background. In her scientific paper, Tung (2009, p.10) talks about the differences in coping with the new environment among people who have already been experiencing such symptoms and consequences and the others who have not. As she states, what is usually amazing to conclude, is, when one notes, that there are actual theories, concepts and constructs about the things that one has already experienced as a child.

Among the variety of skills important to successfully manage cross-cultural team, cross-cultural communication skills may be crucial. Communication across the worldwide company necessarily includes cross-cultural communication. Simply, the cross-cultural communication can be described as a communication which occurs between members from different cultural perspectives. According to Coron (2011, p.34-42), some of the most important tasks within cross-cultural communication are perceptiveness, listening orientation and transparency. We will just briefly describe each of these below.

Perceptiveness should be attuned – highly focused on picking up the meaning from indirect signals such as intonation, eye-contact and body language. International managers should adept to observing these signals of meaning and reading them correctly in different contexts – almost like learning a new language. A usual characteristic of successful managers is reflected awareness – very conscious of how they come across to others; in an intercultural context it's particularly sensitive to how their own 'normal' patterns of communication and behavior are interpreted in the minds of international partners.

Listening orientation, where active listening undoubtedly should be present. It imposes checking and clarifying, rather than assuming understanding of others. This is done by paraphrasing and exploring the words the participants use and the meaning they attach to them.

Transparency is shown by clarity of communication. It is conscious of the need for a 'low-risk' style that minimizes the potential for misunderstandings in an international context. Ability to adapt 'how' a message is delivered (rather than just 'what' is being said) will help to be more clearly understood by an international audience. By exposing

intentions, international managers should be able to build and maintain trust in an international context by signaling positive intentions and putting needs into a clear and explicit context.

A theory says that up to 80% of communication is affected by body language (B. Pease & A. Pease, 2001, p.45). Many state that international (and not only international) business meetings should be followed by a written report in order to close after and avoid losing the information. We find some roles extremely important for successfully dealing cross-culturally, with some of them stated below:

- **A clear definition.** In the cross-cultural environment, it is essential that there are no logic conclusions. We have already mentioned that what is logical for one, may not be logical for another. Perceptions are different and if not interpreted correctly, may lead to undesired outcome. Having a clear definition is the starting task and probably the most important one.
- **A description of the activities.** It should lead to setting the objective that may be required to clarify things. The complete description of the activities usually makes job meaningful, people know what they do and why they do it.
- **To clarify objectives according to the SMART process** – Specific, Measurable, Attractive (Achievable), Reachable (Realistic), Temporary (Pederssen, 2011, p.3).
- **Improving the existing skills of a sales force.** The goal is to stimulate motivation and improve quality of organization.
- **Supervising the work.** It is not a pure checking just at any moment. It also means stating clearly what the people will be rewarded for and using incentives trying to stimulate creativity.
- **Having the framework required to achieve the desired tasks.** It is important to have an under control both for the workforce and the management so that everybody performs the task as required.
- **Delegating the right work to the people that have the right skills.**

Jandt (2004, p.263) argues that the key issue for successful interference is adapting the new practice to the receiving culture. The same as we have already defined the very wide term of culture, here the cultural perspectives may include the whole range of differences, from gender or age differences to different departments within the same organization. Where the cross-cultural communication is present, miscommunication is very likely to happen. Stringer & Cassiday (2009, p.X-XI) offer six primary sources of cross-cultural miscommunication:

1. Assumption of similarities. It has to do with the Iceberg theory, where ‘invisible part’ forms the impression that how we behave and how we communicate is how everybody does. If we feel someone does that way – we think he/she does right. If someone behaves differently, we usually judge it as negative.

2. Language differences. Potential misunderstanding in a non-native language communication is pretty clear. What is more interesting to note is that even people speaking the same language can feel miscommunication, because the same words do not mean the same in different areas. Stringer & Cassiday offer example of word 'stuffed', which in US generally means that someone has had too much to eat, while in Australia it usually means that someone is pregnant. These small language differences may cause large (mis)communication impacts.
3. Nonverbal misinterpretations. In every-day communication, people send many nonverbal signs, such as body language, eye contact, facial expression, etc. The authors argue that even clothing style can send non-verbal messages about someone's current stage, relation to speaker, etc.
4. Preconceptions and stereotypes. Our cultural background forms the way we see the world. When we judge based on too simple data, preconceptions and stereotypes are more likely to occur.
5. Tendency to evaluate. More about this has been said in DIE concept. To iterate, we often tend to interpret the message, action or behavior through our own cultural filters, without understanding the real intent.
6. High anxiety. Our anxiety can be expressed if we do not understand what is appropriate or expected. Therefore, being in an anxious state can directly lead to miscommunication.

We find that a successful management is characterized by proper usage of different abilities as complementary, with judicious selection of rules between people and tasks. In that sense, various managerial activities, such as hiring, promoting and measuring managerial performance, are based on ability to successfully interact with others. Through relevant literature, the 4 main competences of successful international managers are (Poncelet, 2011a, p.4):

- Self awareness – recognizing self emotion, controlling and handling them.
- Self management – ability to handle emotions in the appropriate way.
- Social awareness – sensitivity to others' emotions, as we are a part of the team.
- Social skills – ability to manage others' emotions.

We may add the ability to channel emotions to the ultimate goal as the fifth competence, although this could be seen as the overall goal. Besides these, the authors state, we may go more in detail with the evaluation of the competences and present the list of characteristics which are determining emotional competence inventory (ECI). These are listed in the table below. As we can notice, these are presented in 4 different rows, suggesting that the characteristics are in accordance with 4 main competences. Although all of these are seen as extremely important determinants of international manager's success, further research has shown that trustworthiness turned out to be the most important in respect to colleagues. Recall to chapter 1.4., we see that Trickey (2005, p.1)

sees creating and developing of trust as one of the most complex challenges in cross-cultural teams. Obviously, trustworthiness is the starting point here.

Table 4: Emotional Competence Inventory

20 items ECI (Emotional Competence Inventory)			
- Emotional self awareness	- Self control	- Empathy	- Leadership (persuasiveness)
- Accurate self awareness	- <i>Trustworthiness</i>	- Organizational awareness	- Influence (Oral) Communication
- Self confidence	- Conscientiousness (attention to details)	- Developing others (coaching)	- Change catalyst
	- Adaptability (flexible + achievement)	- Service orientation	- Conflict management
	- Achievement (efficiency orientation)		- Building bonds
	- Initiative		- Team work & collaboration

Source: Based on Mayer, J.D., & Salovey, P., Emotional Intelligence, 1990; Goleman, Emotional Intelligence: Why it Can Matter More Than IQ, 1996.

Besides the emotional intelligence concept, there are other types of intelligence which are determining the overall quality of an international manager. These are kinesthetic intelligence, musical intelligence, spatial intelligence, interpersonal intelligence, naturalist intelligence, logical intelligence, linguistic intelligence and others. These could be seen not only as determinants of a successful international manager, but also determinants of person as a whole.

According to Holden (2002, p.XVI), in the cross-cultural context knowledge work requires the style of management which is more magnanimous or generous, which focuses more on coaching and encouraging, comparing to ordering and directing. One has to use the resources offered by the organization to set up projects and coordinate real actions. Developing networks inside and outside organization was essential 20 years ago – it is essential now.

2 Case study of cross-cultural management in Jotun

2.1 Methods of Analytical Approach

A case study of Jotun Paints will be the primary method of this work. One of the key purposes of this case study is to describe a process of an intervention when such an intervention affects several different parties (Kohn, 1997, p.3). In addition, we will try to explain the complex phenomenon of managing cross-cultural workforce with the aim to ensure the similar output within the same company in different business cultures.

As Yin (2012, p.5) states, good case studies use various sources of data collection, with the Table 5 showing some of the widely used ones.

Table 5: Six common sources of data collection in doing case studies

1. Direct observations
2. Interviews
3. Archival records
4. Documents
5. Participant-observation
6. Physical artifacts

Source: K.R. Yin, Applications of case study research, 2012.

The main focus of the study is to determine how the differences within the various (homogenous) teams affect the global, cross-cultural company in producing the standardized output across the world; which managerial skills are the most important to manage successfully such an organization. In order to be able to do it, we will try to point out the following from our research:

1. The cultural point of view of the company.
2. Different orientations which may help us interpret particular business behavior.
3. Variety of openness to different perspectives among the different cultures.
4. Factors which affect cross-cultural communication the most.

We are using the secondary data collected from various literature sources of well-known experts in this field, such as Hofstede, Hall, Solomon & Schell, etc. The aim is to follow the common theoretical approaches and try to compare them to the implemented cases from real-life of a successful, emerging, worldwide company.

Concerning the case study, the data are collected from various representative companies in different countries. Primary data are collected by questionnaires and interviews, where we have to be very careful in forming a proper questionnaire (see Appendix 2 and 3), since its design may affect the response rate. In order to make more sense in the work, questionnaires are not the only way of survey, but are supported by interviews. Having open-ended interviews may bring various benefits if used correctly. Thus, rather than answering to our pure research questions, participants have a chance of thinking and forming various situations.

The target group is the personnel from mid-management to top-management level, since cross-cultural issues are generally presented at these levels. As the surveys are submitted in different countries, we have to be able to compare the data collected from different cultural, business and political backgrounds. More precisely, primary data are collected from Jotun headquarters in Norway, as well as from Jotun UK, Jotun France, Jotun Greece, Jotun Spain, Jotun Montenegro. It is on purpose why we have contacted exactly these centers. Contacting Jotun Norway is a logical move since the headquarters are engaged in cross-cultural matters on a daily basis. Furthermore, Jotun UK represents one of the biggest centers of Jotun paints business in Europe. Despite being a very big market for itself, Jotun UK has production facilities, which supply many of other European centers. Jotun France covers one of the biggest markets in Europe and represents a very important market for protective and marine paints business. Headquartered from Paris, it does not have any production facility, but is supplied mainly by Jotun UK and Jotun Greece. Jotun Greece is one of the most important regional centers in Europe in the field of marine paints. It has its own production facility, with the regional headquarters based in Piraeus (Athens) and supplies the majority of South-European centers. Furthermore, many European subsidiaries and agents/distributors regularly send their workforces for paint-advising trainings in Greece. Jotun Spain is one of the most important European regional centers in decorative paints. It is based in industrial area of Barcelona, where it has huge production facilities of decorative paints. It supplies the whole area of southern-Europe and some regional centers in other parts of Europe as well. Jotun Montenegro is based in the coastal area and is represented by the agent who is active in the field of marine, protective and decorative paints. Because of engaging in the variety of paints segments, Jotun Montenegro is cooperating on a daily basis with several regional centers in Europe, such as with Jotun Greece, Jotun Spain and Jotun UK.

Secondary data from written materials are used as well, where we put focus on Jotun China, Jotun India and particular centers in the Middle East as some of the most important centers worldwide. Secondary data from Jotun Annual Reports and other written material, as well as from various books and articles covering paints business are collected as well.

Generally, concerning primary data collection by interviews and questionnaires, one of the most important issues is whether to use open or close questions. Both can bring

advantages and disadvantages; however it is up to a researcher to form an accurate proportion. Bryman & Bell (2003, p.275) outline common advantages and disadvantages of both open and closed questions, which are listed in Table 6. The literature research shows that researchers usually prefer to use closed questions. The main reason may be hindering complicating processing of answers. We have used a mix.

Therefore, we should always have in mind several tips when preparing a research, which will allow us do it better. Some of them are very simple – we should try to see ourselves in respondents shoes and ask ourselves – how we would answer those questions. Other general rules of preparing good questions allude that knowing the main research question should always be on our mind, as well as being aware of what we want to know from them. The advantages of using secondary data are well known, but we can mention a few of them – cost and time, high-quality data, more time for analysis, and others, while basic limitations are in terms of unfamiliarity with the data, no control of data quality, absence of variables that may be the key for our research, etc (Bryman & Bell, 2003, p.324).

We may find many examples of criticism of the case study research method in the literature. Remenyi, Willians, Arthur & Swartz (1998, p.162) mention some of them. Namely, the case study can be seen as less desirable empirical research method than, for example, experiment or survey, with main argument being the incomplete evidence. However, this can be likewise in any other research method, including experiments or surveys. Another very wide objection is that case studies are too much time consuming, too much expensive and require too much documentation. However, Yin (2006, p.5) argues that the case study can be performed without leaving the library, performed on a low-budget basis and using a telephone. Furthermore, usual accusation is that nothing can be concluded from the single case study. This objection, obviously, neglects the fact that case studies could show generalization of particular problem and could be used to form theoretical propositions. We have mentioned several common criticisms of the case study method on purpose, since we want to point out possible weaknesses and stress the importance of being well-advised to conduct the significant work. Flick (2009, p.12) argues that reliability of the case study require that statements by participants and interpretations by the researcher should be clearly distinguishable. Finally, Gray (2004, p.19) concludes that the main focus of a research is to understand the ways in which people act and account for these actions.

When writing reports out of research we have conducted, we should always have in mind that our work has to persuade and convince our reader. No matter how strong the data collection have been conducted, our rapport has to be significant enough to bring the value that it is willing to.

Table 6: Advantages and Disadvantages of open and closed questions

OPEN QUESTIONS	
Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Respondents can answer in their own terms ▪ Unusual responses can be derived ▪ The questions do not suggest certain kinds of answers ▪ Useful for exploring the new areas ▪ Useful for generating fixed-choice format answers 	<ul style="list-style-type: none"> ▪ Time consuming for researcher ▪ Answers have to be ‘coded’ (this is also time consuming) ▪ Require greater effort from respondents ▪ Usually are to be taped – not suitable for noisy environments, time consuming processes and brings additional cost
CLOSED QUESTIONS	
Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ It easy to process answers ▪ Enhance the comparability of answers ▪ May clarify the meaning of a questions to respondents ▪ Easy for both interviewers and respondents ▪ Reducing possibility of variability in interpretation 	<ul style="list-style-type: none"> ▪ Loss of spontaneity in answers ▪ Can be difficult to make forced-choice answers mutually exclusive ▪ May be variation among respondents in the interpretation of forced-choice answers ▪ May be irritating to respondents ▪ Large number of questions may make it difficult to establish the rapport

Source: A. Bryman & E. Bell, Business Research Methods, 2003.

2.2 The broader research context: Paints and coatings industry

From several aspects, painting is not as it used to be a few decades ago. The processes characteristic and common for painting various types of substrates used to be uniformed and very simple comparing to today’s point of view (Levinson, 1992, p.42). For example, for painting industrial steel structures, the process consisted of wire brushing, putting oil primer followed by two levels of final coat gloss paint. That was the standard and official procedure for painting major structures, even for such structures as the new power stations. This system was cheap and foolproof. However, major limitations were in terms of durability, where for the given example durability was usually 4 years for exterior usage. The process could be easily repeated and it did not require much expenses, troubles or risks. However, today’s paint processes put little doubt if the slow drying, for example, would be inappropriate.

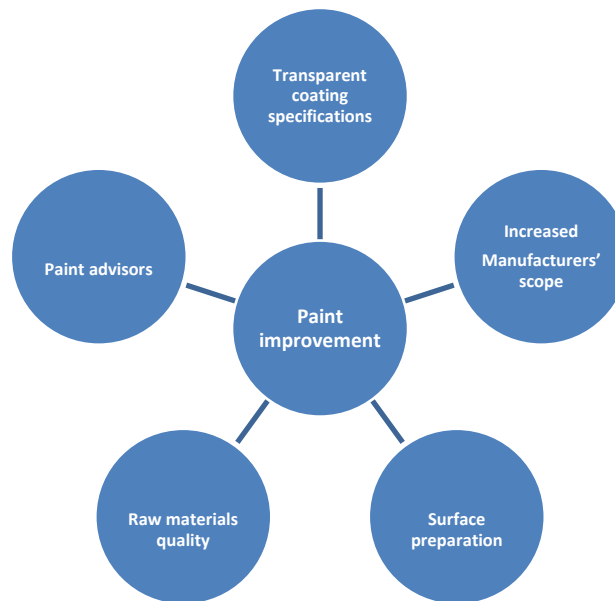
Literature states that the paint revolution has probably started in the first half or the previous century, when the epoxy resins were invented. As the inventor was not able to fully exploit the innovation, it had passed at least a decade since these materials started to be commonly accepted (Bayliss & Deacon, 2004, p.2). Other variations were following, but basically urethanes and epoxies were the bases which led to many of them. In the last decade of the twentieth century, concerns about health and environment control were expressed more than ever. That led to the requirement for a lower VOC (Volatile Organic Compounds) compliant coatings. Further, that imposed an important change in the coating technology, since variety of proven products with the proven durability had had to be replaced because of toxicity problems. As a result, there came the substitution with new material and methods of application, which not everybody were familiar with. Logically, newer and more modern paint systems called for different, and more improved surface preparation methods. For example, blast-cleaning surface provided a considerably greater durability compared to hand cleaning.

We should consider that not all paint systems bring the same way of preparation and application. Some of them are much more dangerous in terms of using flammable, toxic and explosive materials (paints for industrial use, corrosion protection paints, etc), comparing to the others (decorative paints for house interiors). Surface preparation is also different in terms of exposure to toxicities, propelling hard particles into the atmosphere, etc. During the application process, the exposure to hazardous substances is not the same for different type of paintings as well. All these issues and more are important in forming the health and safety regulations which are nowadays common worldwide. In the majority of worldwide markets, in the commercial organization involved in construction industry, there should be at least one person who is responsible for the health and safety issues.

The paint improvement has considerably grown comparing to a few decades ago. Bayliss & Deacon (2004, p.1) and other authors offer the following reasons of particular importance:

- Coating specifications are more transparent – what is written should be accurate and what is accurate should be written
- Manufacturers' scope has increased – recommendations about their products treatment should be followed as precise as possible for obtaining the maximal potential
- Raw materials should have consistent quality
- Preparation of surface should be optimal – to obtain the best quality of painting, surface should be no more nor less prepared than it is required
- The role of paint advisors is essential – they should provide the optimal painting process, since the performance should highly vary because of even minor differences in preparation and/or application.

Figure 4: Paint improvement factors



Source: Own presentation

2.2.1 Jotun – general overview and key facts

In the past decade, Jotun has evolved from a Norwegian company with operations abroad to a truly international organization. By trying to ensure global sustainable growth, Jotun is willing to make a difference as a global player in the coatings industry. During the last years, the growth of the company has been very rapid. In a constantly changeable global environment, this brings many challenges. Therefore, the idea is to take a more structured approach to managing its rapid growth, to be constant in its efforts to enter new markets and work to improve continuously its sustainable performance. In order to make its growth as sustainable as possible, the environmental issue is getting more important. As the company continues to add more personnel, build new factories and invest in new markets, Jotun impact on the environment and the communities in which it is active has increased. To ensure the growth of the company to remain consistent in its values, Jotun has stepped up its commitment to operate an economically, socially and environmentally sustainable business (Jotun Annual Report, 2009, p.12).

Jotun is one of the biggest world-wide players in global paints and coatings industry with 70 companies and 38 production facilities which are located on all continents. Moreover, its agents, branch offices and distributors are present in more than 80 countries worldwide. According to Jotun Annual Report (2010), yearly operating revenues in 2010 were 1.987 billion USD with operating profit of 222 million USD (Appendix 4). The Jotun Group consists of four divisions, each with specific products, segments and

geographical responsibilities. These are: Jotun Decorative, Jotun Paints, Jotun Coatings and Jotun Powder Coatings (Jotun Annual Report, 2010, 4-9).

Jotun Decorative has a segment responsibility for Jotun's decorative paints, stains and varnish deliveries to the trade and Do It Yourself (DIY) markets in Scandinavia (Norway, Sweden and Denmark). The paint market in Scandinavia is seen as a mature market, with a number of competitors from both local and international paint companies. Our research in Norway has shown that Jotun is considered as one of the most reliable brands in the country, both from the multi-paint agents and stores and from the final customers as well. However, as the competition is fierce, as the market is mature and as the room for significant growth is limited, the main ideas of the company are to try to develop sustainable paint-business solutions which are hardly copied.

Jotun Paints has segment responsibility for decorative paints in all markets outside Scandinavia. The division also sells marine and protective coatings for selected markets in the Middle East and South East Asia. The deeper analysis shows that decorative paints are in the phase of extension in different world-wide markets; protective paints are relatively vulnerable and the marine paints segment has a continuous trend of stability. As the division of Jotun Paints is responsible for around 20 countries in different regions, the overall performances are highly influenced by regional markets forces. The market in the Middle East has great potential in terms of volume, so this market is extremely interesting for Jotun.

Jotun Coatings has global segment responsibility for marine and protective coatings. The division also sells decorative paints in selected local markets in Europe and markets in Asia. Within this division, marine segment counts for almost 70% of the business. Newbuildings market is very important for marine and therefore the whole Jotun Coatings segment, but the latest trends in newbuildings are not as positive as they used to be. The analysis shows that Jotun Coating is very sensitive to the overall maritime industry. That is why a good relationship with shipyards, especially in the emerging markets, is of great interest for the company. Protective segment is making the best results in emerging markets, while in mature markets such as Europe or US, its grow is rather limited. The response of the company lays in the constant innovation and development, to retain its own customer network and enlarge as much as possible. Finally, decorative paints market is increasing in the majority of markets, with the biggest struggle currently in China.

Jotun Powder Coatings has global segment responsibility for powder coatings. The product portfolio caters for the architectural, functional and industrial market segments. Even if the raw material prices have increased during the last few years, this segment remains with very well performance. Particularly, architectural segment, which is very important within Jotun Powder Coatings, recorded rather good results in all markets. Jotun management states that, despite various market conditions, the success mainly depends on the quality of the workforce in this division of Jotun.

2.2.2 Jotun sustainable growth and development

In the last 20 years Jotun has recorded significant and rapid international growth. The company has been able to successfully extend into new markets, reach a broader customer base and be one of the biggest subjects in the global paints industry. But as we have stated earlier, in today's paints business health and safety regulations play a very important role. The development has helped drive profitability, but such a growth cannot go without additional responsibilities. Therefore, Jotun has accordingly recognized that their most important asset is their people and through their health and safety program they do the utmost to protect their employees, wherever they are.

The concern for health and safety is going in parallel with the paints development. As we have already mentioned above, the changes in these sectors could highly impact the whole paints business. The research shows that Jotun personnel is aware and are consciously trying to establish the policy of the company with a strong respect to the health and safety issues. These are essential for obtaining global sustainable development. Since the company is still growing across the world, the importance is even higher.

For Jotun, managing successful cooperation with its suppliers is essential. We find that the greatest points of interests are in terms of raw material supply, the implementation and following various health and safety rules. Ensuring the standardized quality of raw material supply is basic for ensuring the same type of paint to be produced in various production facilities across the globe. Regional Jotun branches are encouraged to find supplying partners and initiate cooperation, but Jotun headquarters have the final word – they have to approve the selected raw material supply in order to be sure the same outcome will be obtained worldwide. In terms of workplace safety for employees, Jotun and its suppliers have to follow global trends continuously and cooperatively. The company has been achieving various ISO standards, but this must be in cooperation with the suppliers all over the world. There are several ways to achieve this, such as audit programs for suppliers, Jotun personnel's visits to suppliers and ensuring them to operate in accordance with the standards of the company, etc. Implementing the adequate standards is continuous process and thus the commitment in making the improvement with primary focus on safety and environment is crucial.

As suppliers are extremely important in following the global standards of the company, Jotun is putting an additional energy to build relationships. According to Jotun Annual Report (2010, p.18), the company has formed 4 different groups of suppliers, regarding standards of doing business: (1) suppliers operating in accordance with Jotun standards; (2) suppliers who have minor issues which could be fixed easily; (3) suppliers with serious issues but ready to adapt to improve; (4) suppliers with serious issues but who are not ready and/or not willing to change (see Table 7). The overall policy of the company is to build strong and honest relationships even with underperforming suppliers by giving

them chance to improve and meet the necessary quality. On the other hand, this policy is preventing the company to cooperate with the ones who are not able to meet its standards.

By implementing such a policy has resulted differently with different partners. Some are glad to hear suggestions for improvement, perceive them as suggestions rather than critics and are willing to cooperate, while, on the other hand, there are some who react negatively. By behaving this way, Jotun is trying to get closer to its suppliers, to improve relations and widen the scope of the business. The experts from the field of international business purchasing agree that these examples of improvement relations between partners brings lower costs for both sides, ensuring less time for sickness or injuries, provides improved overall business performances, etc.

Following the logic in creating strong and sustainable business, paint companies, logically, try to build strong relationship with its customers as well. For example, in Marine Paints business it is of the core interest to have strong relations with both shipyards and ship-owners, which, in this case, represents the key business sector. The idea is to establish the trusted network of partners and a strong network of existing and new clients worldwide. Since newbuildings in the shipping industry are getting very important, the established relation with shipyards and clients worldwide helps company getting these valuable businesses.

Table 7: Different groups of Jotun's suppliers

Group of suppliers	Standards of doing business
In accordance with Jotun standards	Excellent
With minor issues	Good
With important drawbacks, but willing to change	Satisfactory, improvement needed
With important drawbacks, but not willing to change	Unsatisfactory

Source: Based on Jotun Annual report, 2010.

2.2.3 Jotun as an international company

With production facilities and offices on all continents, Jotun represents a modern worldwide company, producing and distributing paint for a wide range of different markets. What is more interesting for this work is the ability to successfully manage such a different workforce in presenting the standardized output as it is paint. We must note the difference between producing the paint and presenting the whole product which Jotun

offers to its customers. Namely, the core process of paint production is rather standardized worldwide. Machinery is available everywhere. Choosing raw materials is standardized as well. However, the knowledge of various specific issues has to be transferred. More, Jotun offers own paint advisors to its customers to be present on site to advise, to perform and/or to control the paint process. Therefore, we can roughly conclude that Jotun product stands for the proper combination of capital sensitive and labor sensitive parts. Therefore, we note that the labor force has extremely important role within the global player in the paints industry. In today's intensive competition worldwide, it is not enough only to produce the paint. For example, it is obligatory to provide the paint advisor who will always take care that the painting process is performed as planned and to be available to the customer whenever is needed. The cooperation with an international customer who purchases the paint across the world includes the international and cross-cultural collaboration. In-house, Jotun has to provide technicians who travel all over the world to maintain the machines for paint production. Jotun has to ensure the perfect cooperation between its different subsidiaries, agents and distributors, in order to present the same final output to its client.

We consider paint as a standardized product, with particularly same characteristics on different markets. For example, we have Jotun Coating division which is responsible for marine and protective coatings. Thus, Jotun protective coating should have the same characteristics on different markets because of the customers who are worldwide companies and obviously expect the same Jotun quality, no matter which country they operate in. Of course the paint produced for Norwegian market may differ from the one produced for Saudi Arabia because of specific market needs such as the average outside temperature or the shape demanded, but basically the production process and production technology are equally available. The goal is to produce, distribute and sell the paint for local or regional markets. Customers expect the same quality. Therefore, we want to research what is important in managing the system with such different workforce, which at the same time obtains the same business goals. We want to study what the important practices and skills of the global paint supplier are in order to be sure that Norwegian, Greek or Indian workforce will produce the same product with the same quality. We recall again, the product is not just the paint, but the whole service which Jotun offers to its customers.

The example from the Chinese market may help us better understand the solutions to these issues. In 2000, the Jotun staff in China was as numerous as 130 people. Today, that number exceeds 1.400 employees but not only that. The idea of the recruitment process is to recruit out of the regional technical schools. That approach ensures a relatively young workforce, probably in the best ages for learning new skills, which guarantees that the training by the principles of Jotun could be as efficient as possible. The average age of Jotun workforce in China is 27. At the global level, Jotun is trying to ensure an extremely good education process for its new employees. With such a dynamic and young

workforce, effective technical training and competence, development is critical to ensure the company can retain its quality brand.

The process of building a brand new facility in India in 2008 was very demanding as well, since it has been planned to be one of the company's most ambitious efforts in constructing a facility at that time. The idea is to ensure a safe and healthy work environment and to improve efficiency at the same time. Even though this project is capital intensive, the company has repeatedly stated that the most important issue is the workforce. Besides all the necessary efforts in various segments, the company has been struggling to build a new culture. As the Managing Director of Jotun India states, Jotun India is very proud of building a state-of-the-art factory, but what Jotun is more proud of is the success of the company in building a culture of safety and efficiency. For example, new employees are subject to rigorous training seminars before being allowed on the site. Existing employees participate in frequent training exercises in an on-site conference room. Some workers familiar with the safety and efficiency systems in Jotun already implemented in another facilities are encouraged to join the new site – for instance, the workforce from Jotun in Dubai has joined the new factory and has played a valuable role in building a culture of safe efficient operations. As the people from Jotun India state, building the factory has taken about 18 months, but building a strong culture is a continuous process.

Jotun, as a global company, operate within different markets. Not all the markets react in the same way on different market conditions. For example, usual characteristics of mature markets (there are exceptions, of course) are a fierce competition, relatively high-price labor costs, relatively stable market demand and strong regulatory environment. In such unstable economic conditions present in the last few years, it has been quite challenging for the global company to establish its strategy in the right direction. Analysis of Jotun Paints shows us some very different approaches for different markets. In its 'home market', in Europe, which is considered to be a very stable and mature market, Jotun was forced to close two factories in Norway in 2009. The idea is to build a new factory in Norway with a greater capacity. Further, nine of European markets in Jotun have already been supplied with the paint produced in UK. By considering this example, we may notice that the company has a long term plan in Europe to have a fewer sites which will serve broader markets. That shows that the goal in Europe is to obtain strong economies of scale and scope effects.

A considerable growth in performances worldwide is related to its strong presence in emerging markets. The Middle East, India and China are markets of a huge interest. Even if the market shares in these markets are not as 'stable' as they are in Europe, business activities in terms of volume highly exceed other markets. In that sense, the goal of the company is to build and develop sustainable system of providing a workforce able to follow the high-growth trends. The example of China, above, is the model which the company is trying to impose. An interesting example should be mentioned about the

Chinese market to show how important the Chinese workforce is within the company today, as distinguished from only a few years ago. Namely, even if Jotun is a Norwegian company, the Chinese workforce within Jotun is more numerous than the Norwegian workforce. In terms of workforce, China is surely one of the most important markets for the company. That may be one of the reasons why in the Board of Directors of Jotun (positions which are traditionally reserved for Norwegian managers) there is a member from China

2.3 Cross-cultural management within Jotun

It is an every-day reality to find someone or a group of people difficult or frustrating to work with a person from another culture. If one is about to describe the person in a few words, it is very likely to make a critical incident. It may be rather difficult to have an objective description, interpretation or judgment of this person/group. The impact on cultural differences may affect the nature of one's judgment. Now, the question is how hard it is to remain objective and how hard is to change the judgment.

Below is the presentation of our findings, which is very specifically oriented to the main questions which drive this research. Writing a research report can easily end-up as a failure because of several factors, where Murray (1994) warns, for example, that the reports are too often written in a too private language, which excludes people who may actually have responsibility in the assessing of the research. Therefore, we keep it as simple as possible.

2.3.1 Communication across the worldwide company

We find that an awareness of similarities and non-similarities does not seem to be a great problem within Jotun. Members from a variety of countries have consciously acknowledged the different ways of doing business from their culturally different colleagues. They have stressed out that the feeling of doing business differently, which is the case of their culturally different colleagues, does not affect the issues of major concerns in cross-cultural relations, such as international communication or providing standardized output internationally.

Foreign languages are seen as one of the major concerns in the international communication within Jotun. Although communication within Europe is rather balanced, the communication between European and some of the Far-East Asian centers is affected by high language barriers. Several European Jotun centers have stressed that they find the biggest problems in communication with Chinese and/or Korean colleagues. To cite the

Managing Director of Jotun France: ‘we feel we don’t speak the same English’. Another issue of great importance, which is not mentioned by Stringer & Cassiday (in the section 2.6.), but is stressed directly by Jotun colleagues, is religion. However, it is important to note that all these issues are not seen as hindrances in doing business; if perceived and acknowledged accordingly as it seems to be within Jotun, they lead to the higher level of awareness.

Classical nonverbal misinterpretations on a daily basis, such as facial expressions or body language, are more expressed in local communication, since the majority of international communication is done via e-mail. We have noted some stereotype addresses, which occur because of judging based on too simple data, but this is definitely not in a high amount, having in the mind size of the company. The tendency to evaluate is for sure one of the greatest determinants of cross-cultural miscommunication and Jotun is not an exception. We find that it is almost impossible to establish the system completely free of this issue; however it is up to the top management of headquarters and regional centers to be aware of importance of the tendency to evaluation.

The top management is experiencing an international communication much more than the mid-management or the lower-management level. That is one of the reasons why all the Jotun regional centers pointed out that they prefer to employ domestic workforce for lower positions. When asked if they prefer domestic or international workforce when employing new colleagues, Jotun UK has offered the most precise answer: ‘97% domestic and 3% international’. Understanding domestic and regional culture, language, the way of behaving and doing business are of primary interest in forming the team. However, Jotun is organizing meeting and training sessions across the world on a yearly basis for all the levels of management. In that way, they raise international awareness for its employees at all levels.

It is a common statement that one of the strongest forces towards globalization is a significant development of information technologies. It has a great impact on the international scenery. Multinational companies are encouraged to use information technologies in various shapes on every-day basis. According to our respondents, Jotun worldwide offices use telephone, e-mail and videoconference on daily, weekly and monthly basis. The cost-saving by using video conferences instead of intensive travel is significant. The whole personal-visits approach is having another dimension comparing to the one it used to have few years or decades ago. Nevertheless, members from different centers across the globe share a pretty much common statement that the factors which affect the cross-cultural communication the most are: understanding cultural differences, language, religion, different behavior styles and some others.

Here we come to an interesting point to observe – is the great development of informational technologies really advantage or disadvantage for the cross-cultural communication? Some of the main advantages are significant cost-saving, easier

grouping of colleagues from different countries or continents and simpler meetings scheduling. On the other hand, Skype conferences instead of personal meetings will hardly help culturally-different colleagues to understand each others better. And it is them who have stated that intercultural understanding is the most important issue within the cross-cultural communication. Obviously, the two are not in accordance.

According to our research, Jotun members are very satisfied with the cross-cultural communication at the moment. As this kind of answer is socially-desirable one, we should be careful here. However, Jotun UK offers strong arguments, stating that ‘good networking is the best communication tool’ and Jotun manages it very well at the moment. Jotun UK would like to keep it as it is and do not see any room for any improvement at the moment.

2.3.2 Cultural preferences for decision making

In terms of cultural preferences for making decisions, we have made this research within Jotun worldwide using well known theoretical issues. The following analysis will provide an overview of Universalists vs Particularists views, Egalitarianism vs Status hierarchy views, Polychronic vs Monochronic cultural behavior and Group vs Individual orientation. We try to comprehend which cultural preferences affect making particular decisions, which should help us determine management practices and skills important to successfully manage the cross-cultural company with standardized product across the globe.

Our research has shown that both **Universalists** and **Particularists** views are presented within Jotun worldwide, while Particularists way is dominant. The main slogan of the company is ‘Loyalty, Care, Respect and Boldness’, which is just a good example that the obligations to particular people and special circumstances come before abstract rules in Jotun. It is interesting to note that almost all its representatives from different cultural backgrounds have mentioned, at least once, some of these four attributes. In the majority of situations, the relations are formed based on trust placed in the networks of relationships. The majority agrees that they treat colleagues based on respect rather than on authority and they expect to be treated in the same way. Its headquarters in Norway, for example, strongly state that respect ‘of course’ should come before authority. They suggest that colleagues should treat the others in the same way they expect to be treated and as a consequence they will be respected. Jotun Italy strongly believes that respect based on relationship will accomplish a much stronger effect.

In addition, orientation to customers is more flexible – we may say that customers approach is flexible rather than the core business-focus oriented. However, we can find clear determinants of both Particularists and Universalists ways of cultural preferences

present. Because of the specificity of the business in Jotun, customization and localization are considered to be as important as standardization and globalization are. By analyzing deeply, we conclude that, despite the aim of delivering the standardized product and service worldwide, certain level of customization at particular local markets is definitely needed. When we say local markets, we mean both considerable number of local customers and majority of local workforce. Therefore, certain level of localization is necessary in terms of products delivery time, payment terms, various business agreements, etc. On the other hand, Jotun delivers the product which is supposed to have the same quality everywhere. In order to secure the same output to be delivered in Spain and in Japan or in UK and in UEA, there are several parameters of standardization which are of the core interest, such as standardized paint advising service, standardized quality of supplied raw materials, etc. Universalists beliefs that common standards and rules should be followed and that everyone should be treated the same are highly present here. For a regular painting process in any shipyard worldwide, its customer expects to have equally educated paint supervisor provided by Jotun to ensure paint to be applied equally well in Montenegro or in Cyprus.

The literature provides an interesting example of comparing Universalists vs Particularists. The first view is presented as a black & white photo – there are facts which are convincing. On the contrary, there is an oil painting – it is not possible to make the conclusion based on facts but rather based on opinions convince (Trompenaars & Hampden-Turner, 1997, 231). Based on our research, we would say the worldwide picture of Jotun is rather an ‘oil painting’. The greatest concern to common standards and rules has been shown at the level of headquarters in terms of generally employing new workforce, where the cultural priority for decision making is more Universalists oriented. The common indices are that employers tend to make choices about recruiting new staff based on the fixed and carefully prepared rules and the best person for the job is found based on job descriptions and evaluation. We will be back to this issue with some reflections in the recommendation section.

Nevertheless, universalism, or presence of some common, strict, universal rules, is important within any company. Let us consider an example described by Hampden-Turner & Trompenaars (2000, p.14) of the following company rule: all employees with one year of work are allowed to buy the shares of the company at a 5% discount. This is a rule which should be equally applied to all members of the company. If, for example, CEO’s cousin is an employee of the company, he should follow this rule completely in the same way as any other employee. In case he has a special treatment, say a 10% discount, we talk about nepotism. That is an example of Universalism as an important issue in both legal and scientific terms within a company, which is present within Jotun as well.

We have also tried to observe the mutual perceptions of each other. Even if the culturally different workforce tends to have various perceptions of culturally different colleagues,

we could not find many negative examples within Jotun. In literature, Particularists usually see Universalists as simplistic, too linear, inhuman or with lack of creativity. In Jotun, however, we have got an impression that culturally different colleagues have expressed high level of understanding for the others. The respondents have stressed a very high level of awareness of cultural differences which they usually see as strong advantages rather than disadvantages of the company. However, we recall the reader to be careful here, since another type of answers may be inappropriate, so we may rather be reserved. Nevertheless, we believe that deviation from reality is not formidable.

Considering **Egalitarianism** vs **Status** hierarchy, the headquarters in Norway would like the same hierarchy view to be present everywhere. However, the subsidiaries in different countries do not have the same opinion. The main arguments are that everybody is not the same and that it is logical for different sites to have different organizational settings. What we find interesting is to note that all of them state they are very satisfied with current situation, both headquarter and various worldwide subsidiaries, even if they have different basic opinions.

Literature states that with Egalitarianism hierarchy organization, managers treat employees with respect and do not ‘pull rank’. The employees are entrusted with important assignments, while the blame is shared by the team rather than related to each individual. In particular cases, the blame may be accepted by the manager as well. Equality, egalitarianism and democratic behaviors are issues of interest and managers may socialize with employees. On the other hand, the Status hierarchy view is with a much higher power distance. Managers openly demonstrate ‘rank’ with authority; employees are not trusted with important assignments and may expect to take the blame when things go wrong. Furthermore, employees expect a clear guidance from ‘above’ level; the communication is downward, the respect is upward. Managers usually do not socialize with employees and class divisions in society may be accepted. Regarding G. Hofstede’s allegation about lower and higher power distance cultures (graph in the section 2.1), there is accordance with what we have found in the research of Jotun – the countries such as China, other Asian countries or Arabic countries are indicated to be with higher power distance organizational cultures, comparing to the countries such as Norway or Germany, which have shown low power distance cultural characteristics.

However, we have found examples where particular countries have dealt differently than we expected based on our literature research. Let us take a look at the example of Jotun UK – even if we expect behavior and business principles to be in accordance with low power distance culture, Jotun UK shows much greater concern for hierarchy, indicating that the blame is rather taken individually and the employees are expected to receive a clear guidance from the higher-level managers. Of course that the sample is not representative for the whole UK population, however, it reflects Jotun UK cultural preference.

Considering the dynamics and the intensity of the job, **Polychronic** cultural behavior is preferably represented comparing to **Monochronic** one. Due to the size of the company and the nature of the job, several ideas or projects are usually done simultaneously at various levels. Even if it is about strategic targets, various projects may be done at the same time under the coaching of central management. For these reasons, the policy of Jotun is to recruit and/or develop culturally polychronic workforce. By doing this, the company is trying to be open to new inputs at all times, to ensure value commitment to special people and to respond to changing priorities. Schedules do exist, but are more seen as guidelines than as compulsions. The differences are present and it is impossible to say that the same behavior is there in all the units across the world. What the company does is trying to encourage its workforce to behave in such a manner. In order to ensure a number of polychronic people within its company, Jotun is aware that investing time in people is essential. Following mentioned postulations, Jotun is valuing multi-task behavior and encouraging its workforce to behave in such a manner. However, it may be useful to note advantages and disadvantages of both Monochronic and Polychronic groups. For example, even if Polychronic cultural behavior brings flexibility and openness to several projects simultaneously, concentration to the particular project could be lacking. Monochronic behavior, on the other hand, brings maximal concentration to the project, since it usually does only one project at the time. Therefore, we find that, as in the majority of cultural or social areas, there is no way which is right and another one which is wrong. Based on this research, we have even more established our point of view that appropriate mix of both would be an ideal solution. Potential areas of synergy certainly do exist and it is up to the international managers to be able to recognize, evaluate and drive them.

Group vs Individual orientation is a very important issue for an international company; ensuring and managing the balance between individualists and collectivists within its team is essential. Some of the most acknowledged researchers such as Ting-Toomey and Hofstede offer the expressed characteristics of individualists and collectivists (see Appendix 1). Based on that, we have tried to observe the characteristics of individualists and collectivists within Jotun.

The problem may not be the core nature of the differences, but rather the mutual perceptions of each others. For example, collectivists may see individualists as obsessed with a short-term gain, as selfish or impolite. On the other hand, they are perceived by individualists as incapable of taking responsibility, overly concerned with appearances or unclear in decision making. The international managers should highly be aware of these commonly presented issues, since these may affect the intercultural cooperation by much. Other common (mis) perceptions of individualists are aggressiveness, insensitiveness to maintaining a group harmony, while the ones of collectivists are unwillingness to give personal opinions, suspicious of outsiders, lacking of independent judgment and others.

The research has shown that Jotun prefers to have a group oriented workforce, because of its type of business, international orientation, etc. Maybe the strongest indicator of emphasizing the group orientation can be found in its branding. The main slogan of Jotun is: Loyalty, Care, Respect and Boldness, while graphically Jotun presents its workforce as a family of penguins. It is well known that one of the first indications about penguins is that they live in groups. We may easily conclude that the company is trying to form a strong group-oriented perception worldwide. The main logo of the company is a significant indicator of its preference for group orientation – it consists of the penguin, the world and the word ‘Jotun’. The logo seems very simple, so let us analyze it briefly. We see that the word ‘Jotun’ in capital dominates the logo. On the left hand side, we can see an elliptical-shape symbol which represents the world. Jotun is the world-wide company, with business activities spread over all continents. Through the middle of the ‘world’, we note the ‘penguin’. We know that one of the first associations related to penguin is that they live in families. Jotun would like to see its members as a family of penguins and therefore would like its members to see each others as the members of the family rather than just colleagues. This symbolic approach may be a clear indicator of strong group orientation. In our research, we have heard symbolic conversation in this direction very often. For example, Jotun members in Montenegro state that if they start to do business individually, they will not feel ‘penguins’ anymore.

Figure 5: Jotun logo



Source: Jotun Annual Report 2006.

2.3.3 Encouraging openness for various perspectives

We find that obtaining full advantage of having cross-cultural team is possible only if the openness for various perspectives is encouraged. That way the company ensures having responses and solutions which may be more in line with needs of different contexts, which may not be visible from the single point of view. If the encouragement for new perspectives is not a legitimate principle in the organization, the differences within a cross-cultural team may be seen as sources of conflicts. The possible winning solutions may not be seen at all because of the desire for loyalty to the corporate culture.

During our research, we have found that differences between cross-cultural teams are not seen as sources of conflicts, which is starting point. Inversely, Jotun members tend to see their way of doing business as a correct one, but at the same time with full understanding

of doing business (in some aspects) differently from their culturally different colleagues, as it does not affect doing business of the organization. This probably originates from Jotun headquarters which base their management on a decentralized-business model and for the moment are satisfied with the result. Jotun is managed in a way of supporting culture of differences. A representative example comes from Jotun Greece – when asked about potential modifications in current relation between the headquarters and subsidiaries – Jotun Greece acknowledged that Jotun headquarter encourage standardization of culture through Jotun values, but at the same time they encourage local autonomy. According to them, this situation suits everybody and they would like to keep it as it is. It shows that even if Jotun produces very standardized product and even if a need for particular standardization rules are present globally, the winning solutions in different cultures will be fully met if openness for different approaches is upraised. In line with the importance of meeting external goals, the internal success of Jotun lays in the fact that differences among culturally different colleagues are not seen as sources of conflicts, but different approaches are rather encouraged. Considering Bellards, Chevaliers & Schneider's (2001, p.2) approach to minimization or utilization of cultural differences, we may conclude that Jotun is rather utilizing differences. By consciously doing this, Jotun is willing to meet as much potential from different perspectives as possible. To stress out again, what the international managers should pay special attention to is the appropriateness of situations when to emphasize differences and when similarities.

An interesting example comes from Jotun France. The Eiffel Tower has been protected and painted by Jotun for many years now. As it is a worldwide well-know symbol, the Eiffel Tower is present in many of Jotun catalogues, brochures and other marketing material in different markets across the globe. However, for Jotun France the very project of painting this famous building is not as important as the majority of others are, mainly in terms of volume, but not only that. Research showed that painting of the Eiffel Tower is more important for Jotun worldwide business that it is for the French market. The top management in France has even argued that painting of the Eiffel Tower is not the greatest project in terms of volume and it is not even used as a reference in the French market! On the other hand, some of the most important references on the global level for Jotun are the building Burj-el-Arab in Dubai, the ship Queen Marry II and of course the Eiffel Tower (in respect to type of paint program used). On the other hand, for Jotun in U.E.A. marketing aspect of painting Bur-el-Arab may be completely opposite. Actually, it is a great reference for further major projects in Dubai, which have been numerous during the last several years. This may be an example of different approaches to similar business issues. As variety of different factors affects making particular business decisions, encouraging openness for various perspectives may bring valuable solutions in accordance with particular needs.

2.3.4 Allocation of cross-cultural workforce

Various Jotun programs require different workforce. There are numerous countries and markets where activities are divided in Marine and Protective paints businesses. Clients for Marine paints are usually both domestic and international. There is a number of international companies and ship-owners that operate all over the world. Their ships are painted in shipyards across the globe. To keep these clients, Jotun must be aware that they expect the same quality no matter where they are - not only in terms of paint quality, but also in terms of Jotun staff they cooperate with. In that sense, the need for internationally educated workforce is significant. Therefore, usual requirements for Jotun employees in this sector are to understand intercultural cooperation, international communication skills, the knowledge of few foreign languages, etc. However, it is not necessary that employees on these positions are international.

On the other hand, Protective paint activities mainly require domestic workforce, because the clients are mainly domestic. What are the most important requirements of Jotun employees in this sector are perfect language of the region, excellent skills in the sector of activity (sales, marketing, etc), understanding local cultural, business and regulatory backgrounds, etc. Therefore, we may think that requirement for international workforce from the middle to low management levels is quite limited and insignificant because of the clients, who are mainly domestic. However, we can take the example of GE, which is a worldwide company and an important client of Jotun. When dealing with Jotun in Protective paints sector, GE expects to have the unique product specifications, the unique technical assistance, etc. no matter on which market they are.

Based on our research, the general conclusion is that for the positions of low and middle level in the majority of business activities within the company, it is much more desirable to employ domestic workforce. Jotun Norway clearly prefers to employ domestic workforce. Jotun UK prefers to hire domestic workforce in a high amount comparing to international. Jotun France also highly prefers to have domestic people in its team. If not domestic, new employee should speak perfect French – this is a more important requirement than any particular knowledge about paint industry. We have also seen the example of Jotun China, one of the most important Jotun centers – when they were expanding and building new facilities, they preferred to employ young Chinese graduates as people who had the greatest scope for learning and progress, and in that way build strong culturally-similar teams for the future. However, not all members share the same views. Jotun Greece states that there is no differentiation of cultural-differences in their network, so everybody has the equal chance to get the position which is published via the intranet of the company and is accessible to potential colleagues from everywhere. As Jotun Greece concludes, there is not any restriction to use domestic or international workforce as long as they cover the needs of the position and share the same values of the company.

Therefore, the majority of Jotun offices worldwide prefer to have domestic staff within the team. The awareness about the need for internationally educated workforce is highly presented and the examples below will show us the policy of Jotun about the intense education and ‘globalization’ of its employees, however for working within a particular country, Jotun representatives prefer to have domestic people. In that sense, we may conclude that Jotun worldwide offices prefer to have culturally similar workforce that is to be educated to operate internationally, rather than having culturally different colleagues who are to be educated to behave following certain ‘cultural rules’ within a particular market.

Among the requirements for employing new workforce, the top managers in Jotun from various centers across Europe have agreed in a few of them. For example, Managing Director of Jotun France noted that when employing new workforce to the middle-management positions ‘the most important requirements are perfect knowledge of domestic language and sales, marketing or other skills (respectfully to position)’. This can be applied to the majority of its other centers across Europe. Therefore, pre-knowledge about paints or some considerable cross-cultural qualities are not the issues of primary interest here. These qualities are to be trained by certain Jotun in-house training processes, in respect to its worldwide business and cross-culturalism.

According to the top management of the company, in order to sustain its business goals and further development, Jotun will have to hire between 6.000 and 8.000 new employees during the following decade. Considering the examples from 2011, when Jotun opened new facilities in Malaysia and Singapore, started building a new facility in Russia, continued to work on numerous projects in Norway, Brazil, China, UK, and all over Europe, we see that allocation of cross-cultural workforce may be a continuous process.

In that sense, Jotun has developed very strong in-house international training practices. Every year, there is at least one training session, where Jotun colleagues from different cultures attend and have opportunity to meet each other, to share ideas, thoughts or concerns, in one word to be up to date with the latest trends in the cross-cultural business environment. The intensity of the meetings varies from the positions, where the higher management has more events comparing to the lower management. However, we may note that the importance to internationally educate own workforce is present at all levels. As the international growth and development is planned to be very intensive over the following period, Jotun has even accelerated planned implementation of training systems in order to be sure its new workforce will follow Jotun values from the very beginning.

2.3.5 Summary of Cross-cultural management in Jotun and its performance / standardization implications

The research of the cross-cultural management within Jotun presented above has shown us that there are some cross-cultural issues within the company. However, in this kind of organization which is operating globally these issues are expected. What we find more important is that the majority of these subjects are acknowledged and are not seen as high barriers to do the business, but rather as usual and normal implications of cross-cultural operations. We sum-up several issues which we found of particular importance.

Communication, even if with some acknowledged issues, is seen as one of the strongest assets within the company. The biggest problem which we have noted may be in communication between European and the Far East Asian centers. Even if the overall atmosphere is rather positive, we draw attention to the importance of this. Furthermore, informational technologies present an important part of everyday communication, where the most expressed ways of communication on a daily basis are via email, telephone and video conferences, rather than personal visits.

We find the cultural preferences for decision making within the company as quite mixed. Based on the analysis above, the particularists view is more presented than the universalists view, however in some situations both are expressed. Regarding the hierarchical view, both egalitarianism and status hierarchy views are present. It may be interesting to note that in different Jotun centers the different points of view are presented but everybody notes that they are quite satisfied with the current situation. It drives to another subject that we find very important – being open for various perspectives regarding the same business issues. Furthermore, Jotun prefers to have polychronic people in its group rather than monochronic ones, which may be partly because of the nature of the job. Finally, Jotun is definitely an organization where the group orientation is more appreciated than the individual orientation.

What we find as one of the key facts is that Jotun offices are aware that their international colleagues do the business differently. Jotun members usually find that their own way of doing business is the correct one in the given circumstances, but they acknowledge doing business differently from their colleagues and they appreciate that. This point of view is important since differences may not be seen as the problems and sources of conflicts.

Finally, our analyses shows that the majority of Jotun centers prefer to have domestic workforce within its teams. Jotun representatives seem to be fully aware of the international dimension of the company they belong to, but prefer to have culturally homogenous group, which is to be trained in accordance to the international nature of the business.

3 Discussion and recommendations

Even if the core of this work is not researching paint markets, we find it useful to take a look at the characteristics of spreading rate within Jotun. The graph showing the geographical dispersion of Jotun is listed in the Appendix 5. As we can see, the market representation is highly unequal. According to our research, the paint market of North America is extremely difficult to penetrate in even for global players because of the high barriers to enter, a mature market with less growing potential (especially comparing to Jotun priority markets at the moment), a number of high-quality competitors, etc. The market of South America is also not represented in the bigger amount, but the company is planning to penetrate this market more seriously in the following period, with substantial growing potential as a leading force towards. We will not go further in the market analysis, but rather draw the conclusions based on the current status in respect to workforce.

For a company operating in more than 80 countries worldwide, cross-culturalism is presented on a daily basis. Below we discuss several issues which we find of particular importance for sustaining in active global environment. We recall that discussing about management practices and skills important to successfully collaborate with culturally-different workforce within the same company which produces the standardized output globally is a driving force of this research. Therefore, we will try to point out some of the most important findings in that sense.

3.1 Cross-cultural dimension of Jotun

Jotun should not neglect its own cross-cultural dimension. Our suggestion is that cross-culturalism within the company has to be seen as an issue of primary interest. Not only because of in-house peace, better performances and cooperation with cross-cultural colleagues, but also because of possibility to become a huge source of competitive advantage in the dynamic global market.

If we recall the graph in Appendix 5 showing the unequal dispersion across the globe, and link it with the desire of the company to strengthen its presence in some markets which offer great growing potential, we conclude that building and managing cross-cultural teams is a process which could be even more intense in the future. Consequently, we would like to stress out Trickey's (2005, p.2) remark that teams with higher levels of diversity and geographical distance between them and lower levels of mutual familiarity may require three times more effort in preparation for events than more homogeneous teams. Engaging in cross-cultural dimension for a company such as Jotun may not be an

option but rather a necessity; however it may not be seen as a threat but rather as an opportunity.

3.2 Foreign languages

Given that the company is operating in such a multilingual environment, knowing foreign languages is a starting point. If we see the graph above, we may note that more than 20 different languages are present in Jotun companies and production facilities across the globe. By adding distributors, agents, customers, suppliers and others, we may imagine how many different languages are active in Jotun business environment. Therefore, knowing perfect English should be one of the key priorities within its workforce, no matter where they operate in, or which business sector they are responsible for. Earlier we concluded that regional Jotun centers prefer to have domestic workforce. Having in mind (1) domestic workforce preference, (2) different constitution of clients (as per examples in section 4), (3) company's emerging aspect and even further developing plans - we can absolutely conclude that knowing foreign languages have to be the starting point. Regardless their desire to have mainly domestic people, the local centers have to pay attention to this problem, since it is inadmissible to have the basic language barriers in today's business environment.

3.3 Communicating cross-culturally

When communicating cross-culturally, colleagues should try to understand where the other colleague comes from, culturally speaking. Being able to notify a colleague's cultural identity can make a valuable advantage and prevent potential misunderstandings. We suggest to anybody operating in the cross-cultural business environment to be ready to Describe, Interpret and Evaluate, before making pure jumping into a conclusion. One colleague's point of view may not be the same as another's. Colleagues should try to understand not only what they converse about, but who they converse with, too. It may be useful to even periodically organize in-house trainings, with the lectures about DIE concept and similar issues of importance for the cross-cultural cooperation. That may help managers to avoid some of the major sources of cross-cultural miscommunication, such as the assumption of similarities, the tendency to evaluate or the preconceptions and the stereotypes. To recall from the theoretical part, the same thing does not mean the same in different cultures. Therefore, colleagues should always have in mind that different cultural backgrounds usually bring different approaches to basic business aspects. As Jotun is willing to enhance its presence in South America, the example of Ford Pinto may be a picturesque illustration of how important small cultural symbols are, since Jotun will present new product names, labels, packaging, etc.

We would also like to recall the discussion from section 3.3.1 about the informational technologies which affect international communication. Even if these will bring numerous advantages, which were mentioned above, the major limitation remains the absence of live personal contacts. At the same time, our respondents have emphasized that intercultural understanding is the most important determinant of the successful cross-cultural communication. This disharmony is certainly a point of interest for cross-cultural companies, therefore we find it extremely important for international managers to be aware of this phenomenon. As in the majority of other fields, the proper balance should be met.

Nevertheless, our opinion is that periodical visits to abroad-offices should still remain among priorities. Whichever the expense comparing to the conference calls in the short run, we find that personal visits to foreign centers bring only advantages in the long run. Being present in the office, manufacture or shipyard will bring the invaluable experience in terms of cross-cultural perception of these colleagues. We find that being a part of different cultural environment even for just a couple of hours or days cannot be compared to the office-to-office conference call in terms of the improvement of cross-cultural communication and cross-culturalism in general. The innovation of new technologies definitely brings some advantages, but we may not accept everything new. The ostensible advantages in terms of short-run cost savings may produce bigger long-run losses if these facts are neglected. We definitely appoint this as one of the key issues.

3.4 Recruitment

Let us observe the comparison regarding the general workforce recruitment issue. When employing new workforce, we usually think about two widely spread cultural preferences in decision making, both have been mentioned before – (1) the Universalists or (2) the Particularists views. In that sense, decision of recruitment will be made (1) based on contracts or (2) based on relationships; (1) based on working by the book, or (2) based on exceptions and specific circumstances; (1) based on rule book, or (2) based on personal networks. However, we have found that the very latest trend may be none of these. Let us consider Universalists cultural preference for a moment: if we are looking for an employee who should follow certain strict rules, there is great chance that we will not find the one fulfilling all the criteria. Then, we usually employ the one who fits the most or who we think may do so during the training period. However, this process is a clear indication that we want to form a person strictly based on our requirements. We find that by doing this way there is much of untapped potential of an employee. On the other hand, why do not we adjust (create) a job based on characteristics of the employee? The research through particular worldwide companies and professors dealing with worldwide students and companies, has shown that this may be the future. Certainly, the basic requirements will exist and the best person for the job will be chosen based on particular

criteria, but the idea is to maximally use the potential of workforce, to fully exploit their knowledge, skills and/or cultural qualities. Clearly, everybody wants to use the maximal potential of the workforce. The question is: how? We find that we may achieve this by forming the job around the employee rather than forming the employee around the job. This approach will ensure using the 'hidden' potential of employees, which is usually not required for a particular job. Does it mean that this is unnecessary? Certainly not. Everybody has different capabilities, skills or competences. By trying to form job around our people, we may make more of these potential being used. Never forgetting what the main point of the job is, we may make people perform beyond the basic requirements and even obtain a competitive advantage.

3.5 Our findings in the light of existing theory

Cross-culturalism within the international companies is a widely popular topic, not only because the cross-cultural issues have long been researched but also because of the constant increase of the internationalization of the companies. Therefore, this field is very strongly covered in terms of theoretical findings. During our research, we have been able to follow some of the major theoretical approaches and implement them into the real life analysis of the company operating globally. The representative example may be analyzing the cultural preferences within the company for decisions making. We have used the findings of some of the most acknowledged authors from the last century, such as Hofstede, Hall, Trompenaars, etc. However, at the same time we have also tried to use the ideas from the more recent works of the authors such as Trickey, Solomon & Schell, etc.

Doing business cross-culturally is a process which is constantly changing. Pure business needs are also changing with the time. The whole business community is changing and it constantly will. In that sense it is interesting to observe whether the classical theoretical approaches will still have the same value as they used to have. It may be interesting to compare the latest cross-cultural findings with the traditional theoretical ones and to discuss which approaches are more suitable for the current global business environment. Also, to observe in which direction further trends may go. Our research may arouse the interest of that phenomenon.

We have particularly tried to develop our thesis on the clear research question. The analysis has been done on the basis of the proper data. Furthermore, discussion founded on the well-know theoretical approaches gave us a general overview, while trying to fit the research data into this discussion framework. We have tried to argue the problem discussion as clearly as possible, while offering the possible answers to our main research question. During the whole work, we have paid attention to providing the smooth flow of thoughts in order for the work to be easy for reading.

3.5.1 Future research

Further research in the field of recruitment approaches may bring different values being of particular importance when employing the new workforce. That may affect forming the new trends. Since presently the world is experiencing difficulties in different business fields and is engaged in the global instability, these new approaches may positively affect forming of a new workforce level, ready to bring something new. It is particularly important in the cross-cultural business. As mentioned above, our opinion is that doing business cross-culturally is an issue which is constantly changing, therefore, the approaches for recruitment process should follow the forthcoming needs. We find that the following procedure: forming the job requirements and finding a person who will exactly meet the requirements does not exist in reality, and even less in the changing and challenging the cross-cultural business. Therefore, in order to develop in future, the further researches in that direction may be performed.

3.5.2 Readiness to change

Willingness to change is doubtable, especially with the systems which are successful at the moment. However, in today's active and dynamic global environment, the need for constant improvement, innovations and development is a reality. It brings a need for change in various aspects. In managing the cross-cultural workforce, this is even more expressed. We can recall Hofstede's idea that every single person has its own patterns of behavior which are learned contingent upon various factors, and in order to learn new ones, person has to unlearn the old. The conclusion is that unlearning is usually harder than learning for the first time. We link it with ability to change, where it is important to be ready (and able) to change before being stuck in a learned pattern. Even the most successful products, business models, or strategies may be copied in a short period of time. The new ones may be invented. The needs may be changed. Considering all of these, not being ready to change brings a huge risk for a long term business success. Cross-cultural managers should be aware of this.

3.5.3 Constant improvement

We find that constant improvement should always be the driving force. Particularly, there are some fields – such as cross-cultural communication – which we see as subject to constant improvement. It is hard to believe that there is absolutely no need for improvement in cross-cultural communication, as, for example, Jotun UK management states. Jotun UK argues that it is very happy with the cross-cultural communication at the moment and would not like to change anything. We drive the reader's attention to be careful here – such an answer may rather be the result of providing socially-desirable answer than the absolute reality. It is hard to believe that there is absolutely no room for improvement, in whichever field. Therefore, no matter how strong it is at the moment, we think that the constant improvement should be a continuous goal and not only for communication issue, clearly. In a fast-changing global environment, we find that basics for overall strategy should lay in the constant improvement.

3.5.4 Awareness

We find awareness to be the key concept. One should be aware that operating the team of cross-cultural members should be the starting point for a successful manager. Being aware that they are members of cross-cultural team should be the starting point for every member of the cross-cultural company. Being aware that they cooperate with cross-cultural colleagues from other companies should be the starting point for every colleague engaged in the international business. By being aware of being a part of cross-cultural society, participants in the cross-cultural management will have more chance to succeed. It may help them to recognize how cultural differences impact on the process of building quality international relationships; to identify specific areas of cultural diversity and to understand it; to agree on how to work best in cross-cultural teams; to help them manage the distance factor; to identify and develop particular personal qualities useful for working effectively cross-culturally. We have already mentioned that it may be an everyday reality to find someone from another culture difficult or frustrating to cooperate with. The principle of cross—cultural awareness should prevent the colleagues from jumping into conclusions before actually being able to judge correctly. It should improve the understanding and ease the collaboration. More deeply, we tried to contribute to the understanding that the increased awareness will help the cross-cultural colleagues to build-up cross-cultural relations based on objective descriptions, interpretations and judgments. Without it, it may be hard to remain objective and the most tempting issues may affect creating the wrong picture at the particular moment. Therefore, we should always be aware of impact of cultural differences on the nature of our judgment.

As Sharma (2006, p.220) states, every success starts with culture. The author argues that when we talk about companies, its rivals may always be able to copy good products, they may copy good services, branding as well, but they cannot be able to copy the culture of the company – this is something which is unique – this is the thing which sets and drives its standards of behavior. If the Jotun ‘family of penguins’ wants to survive in the challenging global environment, they have to be strong among themselves first. To be able to be so, every member of the society should be aware that he/she operates cross-culturally.

Conclusion

Cross-cultural dimension of Jotun is significant. We have shown that by presenting the key facts of the company, such as worldwide dispersion, various business divisions, geographical responsibilities, etc. We remind that in this Norwegian company there is more Chinese workforce than Norwegian. During the research we got convinced that Jotun is a modern global company with cross-culturalism as an important factor in its development. If we recall its main slogan: ‘Loyalty, Care, Respect and Boldness’, we see that it points out the importance for both own workforce and international customers to be a part of huge cross-cultural family.

We can consider producing paint as a standardized issue; the procedure which can easily be copied or transferred to any part of the world. Besides pure quality of the paint, the thing that differentiates global players among each others in paint industry is the whole scope of the service they offer. Given that the production process is standardized, the biggest source of differences lays in its workforce. That is the reason why we stressed out the importance of ability to manage well own cross-cultural workforce across the globe in producing the standardized output in different regions. The aforementioned skills and practices could be a huge source of a competitive advantage if implemented and used correctly.

Overall, with a real-life example of a successful international cross-cultural company, which actually faces many of the cross-cultural issues, we have tried to research how to achieve common goals while managing differences across the different regions. We have tried to observe different approaches to the same points of interests, such as managing tasks, hierarchy, openness for differences, group and individual orientations, and some other cultural preferences which affect decision making. We hope that our analyzes above may help international managers to draw conclusions and find the root cause of the problems which occur in dealing cross-culturally since it will impose selecting appropriate strategy for solving them. We find that managers who are open to new perspectives, who try to engage as many members of the team as possible and who see challenges as the effects of culture not personality, are more likely to solve culture-based

problems on the long run. And not only that – it may help them overtake the ones who are not able to deal with in-house cultural diversity.

Finally, despite our wish that this work may be interesting to a neutral reader, we hope that Jotun colleagues may also drive valuable apprehensions out of it for its present issues and the future cross-cultural projects.

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Namen študijske naloge je bilo prepoznati upravljalvske prakse in sposobnosti, ki so pomembne za uspešno sodelovanje z različno delovno silo po svetu znotraj istega podjetja, z namenom proizvodnje enakega izdelka v različnih regijah. Raziskava temelji na norveškem podjetju Jotun, ki je v svetu med vodilnimi na področju proizvodnje barv. Dejavnost podjetja predstavlja proizvodnja barv in zagotavljanje tehnične podpore strankam po vsem svetu.

Delo temelji na metodi študije primera z glavnim raziskovalnim vprašanjem opisnega značaja. Primarni podatki so bili pridobljeni z anketnimi vprašalniki in intervjuji z raznimi reprezentativnimi podjetji v različnih državah. Sekundarni podatki so bili zbrani iz različnih literarnih virov znanih strokovnjakov s tega področja.

Raziskava je pokazala prisotnost nekaterih medkulturnih vprašanj znotraj podjetja, vendar pa je bila večina teh zadev prepoznanih in jih niso razumeli kot pomembne ovire za poslovanje, temveč kot običajne posledice medkulturnih aktivnosti. Komunikacija je bila kljub nekaterim zaznamim vprašanjem prepoznana kot ena najpomembnejših sredstev podjetja. Vseeno študija ugotavlja, da si kulturne preference pri poslovnem odločanju med seboj niso popolnoma skladne. Vsebinsko je najbolj podrobno predstavljen vidik skupin, ki so ciljno usmerjene v poslovne odločitve. Družbeno mnenje o mednarodni primerljivosti odločanja je predstavljeno zgolj v omejeni meri. Z vidika hierarhij sta predstavljena egalitarizem in statusna hierarhija. Polikromičen sistem dela se v nalogi kaže kot učinkovitejši od monokromičnega, prav tako se usmerjenost v skupinsko delo preferira pred individualnim pristopom. Raziskava ugotavlja, da večina Jotunovih centrov preferira domačo delovno silo znotraj svojih ekip.

Jotun bi moral svojo multikulturno dimenzijo izkoristiti kot priložnost namesto kot nujno zlo. V medkulturni komunikaciji mora biti med zaposlenimi prisotna več želje po medsebojnem razumevanju. Mednarodni projektni timi morajo jasno razumeti socialno ozadje sogovornikov oziroma njihove kulturne prioritete in ne le osrednje teme pogovora. Da bi Jotun sledil izzivom mednarodnega okolja, bi moral začeti iskati primerno obliko dela za vsakega zaposlenega, ne pa primarno iskati primerne ljudi za v naprej sistematiziran tip dela. Končno je potrebno poudariti, da je zavedanje ključni koncept, pri čemer naj mednarodni menedžerji ne zanemarjajo dejstva, da delujejo v multikulturnem timu.

Ključne besede: enak končni izdelek, različna delovna sila, mednarodno podjetje, kulturne preference, komunikacija.

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APPENDIXES

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Appendix 1: Table showing Individualists vs Collectivists characteristics

Individualists	Collectivists
<ul style="list-style-type: none"> ▪ Values of freedom, honesty, self-actualization ▪ ‘I’ identity ▪ Individual goals ▪ Look after yourself and immediate family ▪ Distinguish own priorities and opinions from others in the group ▪ Conflict is inevitable and if well channeled can lead to positive outcomes ▪ Control through personal guilt ▪ Low sense of in-group/out-group, individuals form groups based on common interests or tasks; low sense of personal obligation to members of the group ▪ There is a basic right to privacy 	<ul style="list-style-type: none"> ▪ Values of harmony, face-saving, meeting in-group’s needs ▪ ‘WE’ identity ▪ Group goals ▪ Group loyalty provides security ▪ Do not distinguish own priorities and opinions from others in the group ▪ Conflict should be avoided as it disturbs group harmony and so motivation ▪ Control through group shame ▪ Strong sense of in-group/out-group, high sense of personal obligation to in-group members and low or no obligation to out-group members ▪ Private life is invaded by group

Source: Based on S. Ting-Toomey, Communicating Across Cultures, 1999 and G. Hofstede, Cultures and Organizations, Software of the Mind: Intercultural Cooperation and its Importance for Survival, 1996.

Appendix 2: Questionnaire to the Jotun's world-wide offices

QUESTIONS to JOTUN World-wide offices:

Office: _____

- Where do you feel you come from (culturally speaking)?
- What has been your main experience of working across cultures? Please describe it.
- If not possible both – would you prefer your managers to treat employees based on authority or based on respect?
- Is the blame more often shared by the team, or the employees may expect to take the blame when things go wrong?
- Would you prefer that the same hierarchy view as yours is presented at all Jotun subsidiaries?
- When employing new workforce – do you prefer to employ domestic or international workforce?
- Training process for new employees – is it planned by a regional center or by the corporate headquarters?
- Do you prefer to be recognized as (1) a company with particular cultural identity or (2) as a proud member of a successful global company or (3) as both?
- Which Jotun members (from which countries) do you see as the easiest for cooperation? Which ones as the most difficult? Why?
- Which modification in the current relation between headquarters and subsidies would you implement if possible?
- If you feel any differences when cooperating with Jotun colleagues from different countries, please provide an example (which countries).

- What do you see as more important when dealing with colleagues from different countries – building trust based on personal relations, or follow the formal agreements?

- Where do you see the most room for improvement about cross-cultural communication within Jotun?

- Which factors affect cross-cultural communication most, in your opinion?

- If significant changes on the market are happening, is it you or headquarter who make strategic decisions?

Appendix 3: Questionnaire to the Jotun's headquarter

QUESTIONS to Headquarter:

- Where do you feel you come from (culturally speaking)?
- What has been your main experience of working across cultures? Please describe it.
- If not possible both – would you prefer your managers to treat employees based on authority or based on respect?
- Is the blame more often shared by the team, or employees may expect to take the blame when things go wrong?
- Would you prefer that the same hierarchy view is presented at all your subsidiaries?
- Do you prefer working on one idea or project at the time, or you prefer to mix them and work on several projects simultaneously?
- When employing workforce in new countries – do you prefer to hire domestic or international workforce there?
- When generally employing new workforce, which way do you usually do it:
 - o Make choices from fixed but carefully researched rule book / Contracts / Working by the book / Job descriptions and evaluations help 'chose' the best person for the job
 - Or
 - o Make choices through trusted people within personal networks / Relationships / Exceptions and special circumstances / Best person for the job is chosen intuitively and informally
- In your home base, do you have a practice to hire the managers from particular cultural background to deal with Jotun centers in the countries where you may expect cultural similarity (for ex. To hire an expert from the Middle East to deal with Jotun representatives in Middle East)?
- If your managers have the obligatory movement to another country, in order to develop different culture awareness of your collaborators there, please explain briefly your requirements.

- Openness for various perspectives – do you feel there are differences from partners from different cultural backgrounds (for ex. Openness for offering problem-solving solutions, etc)?

- Which kind of communication do you practice with top management of subsidiaries across the globe on the monthly basis:
 - E-mail
 - Telephone
 - Video conferences
 - Personal visits

- Which factors affect cross-cultural communication most, in your opinion?

- What is the ratio between centralized and decentralized decision-making between the headquarters and the regional centers? If the company is expanding as planned, which changes may you undertake?

- Please explain how do you deal with poor managerial performances?

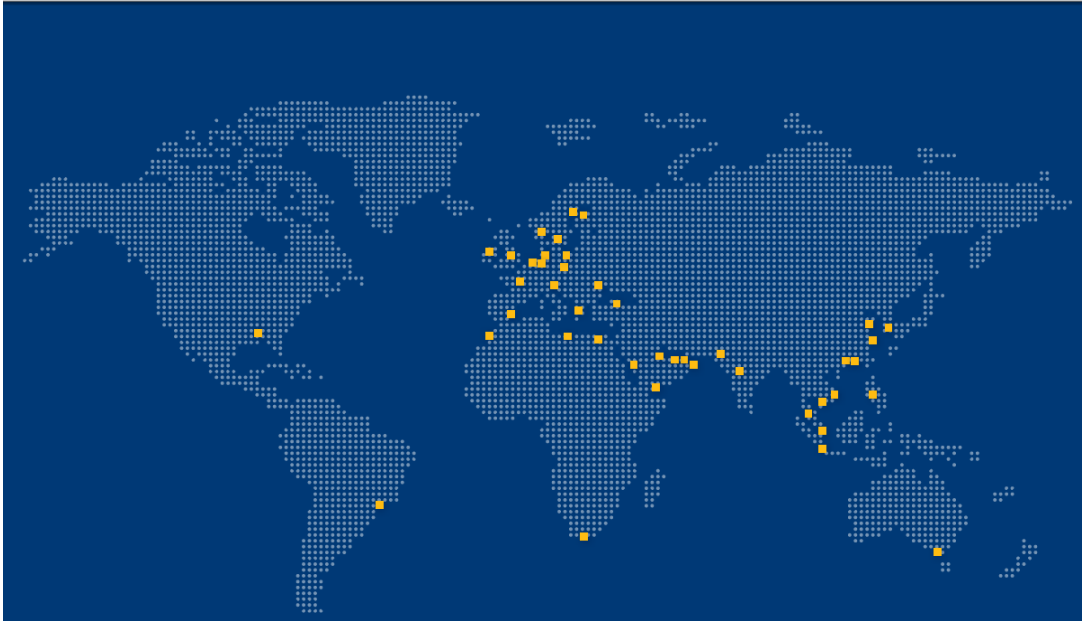
- What do you see as the main strength of your company:
 - Product
 - Number of Plants
 - Customers
 - Employees

Appendix 4: Jotun group key figures

Group key figures (figures include shares in joint ventures and are in USD million)	2010	2009	2008	2007	2006
Sales					
Operating revenues	1987	1786	1870	1514	1249
Operating revenues outside Norway in %	84	82	80	78	76
Profit/loss					
Operating profit	222	184	165	137	104
Profit before tax expense	216	174	157	131	94
Net cash flow from operations	103	236	4	118	72
Profitability					
Return on capital employed, in %	26.4	24.4	21.4	22.2	18.4
Operating margin, in %	11.2	10.3	8.8	9.1	8.3
Return on equity, in %	21.0	19.5	16.5	18.1	13.0

Source: Based on Jotun Annual Report, 2010.

Appendix 5: Jotun's geographical dispersion



Source: Jotun, Jotun Annual Report, 2010, p.4.