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í viðskiptafræði**

Icelandic Culture
From the Perspective of Foreigners

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Foreword

This thesis was written as a BS-degree thesis in Business Administration at the Department of Business, University of Iceland. The thesis is considered to be 12 (ETCS) credits. My supervisor was Svala Guðmundsdóttir, adjunct in Business Administration at the University of Iceland. I would like to thank her for her honest opinion, her good advice and instructions.

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May 2012

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Preface

The development of globalization initiated an increase in international business relations and cross-cultural communication. Both depend on cultural factors, at a national and business level. However, a lot of managers lack the knowledge or ability of how to arrange a base of good communication which diminishes misunderstandings. The Icelandic nation is a very small nation, with approximately 320.000 inhabitants in 2012. Its smallness has been a reason why there were less studies and estimations on the Icelandic culture. A lot of researchers have been developing methods to estimate and analyze culture to increase cultural intelligence. Well known are David C. Thomas and Kerr Inksson for their model of cultural intelligence, Edward T. Hall for studies of communication in management, Fons Trompenaars and Charles Hampden-Turner for their model of seven orientations in culture and Geert Hofstede for his model of cultural dimensions. The few estimations which exist about the Icelandic culture all relate to Hofstede's model of cultural dimensions. To enable the comparison of the results, this study focuses on the use of a transformed questionnaire (VSM94), which was originally designed by Geert Hofstede. The study was anonymous and respondents were found by convenience, at the University of Iceland, University of Reykjavik and several companies in Iceland. The purpose of this research is to measure the Icelandic culture from the perspective of foreigners who live and work/study in Iceland and are able to compare Icelandic culture to their own culture. Their point of view gives Icelanders an idea about how others see or understand them, and enables the opportunity for a better understanding of cross-cultural communication and work processes in Iceland.

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Abstract

Cultural factors influence international business relations and communication daily. Culture is something that is automatically learned or taken for granted, and hides in observable and unobservable behaviours. Misunderstandings take place when different cultural parties meet and work together, but do not understand one another properly. Culture has intangible characteristics which are difficult to measure and, as a result, difficult to handle. Many researchers have developed a method to estimate cultural dimensions. One of them is Geert Hofstede, who has been using a standardized questionnaire (VSM 94) and managed to estimate national cultures in a way that makes it possible to compare cultures and understand the meaning of cultural differences and its influence. The purpose of this research is to clarify different models of cultural estimation and to analyze the Icelandic national culture in specific terms. Icelanders have been estimating their own culture in a certain way, but foreigners who work and communicate with Icelanders daily understand them in another way. A total of 135 respondents from 32 countries measured Icelandic culture with quality characteristics of low power distance (PDI), high individualism (IDV), with an average masculinity (MAS), but low uncertainty avoidance (UAI) and very short term oriented (LTO). The study intends to contribute to Icelanders' knowledge about these factors and offers the opportunity to work with it, to increase the value of cross cultural relationships and communication.

1 Culture

The word “culture” is very common and nearly everyone can describe what it is. But the factors that stand behind the meaning go deeper and contribute more to everyday life than most people are aware of. “Culture is values, attitudes and assumptions about behaviour that are shared by people in specific groups (Thomas & Inkson, 2003, p. 39).”

Culture is shared between the members of a group. Children that grow up among these members adapt unconsciously to this culture by learning it. Our culture teaches us how to behave and influences our behaviour in other cultures. Some aspects may be exactly defined while other rules are more open and not so strong defined. But in general, most cultural aspects are in people’s minds, or according to Thomas and Inkson: “embedded deeply inside us (2003, p. 22)” and therefore invisible to others.

Trompenaars and Hampden-Turner introduce a concept to understand the meaning of culture better. They split culture into three different layers that start with the explicit products on the outside and end with the implicit product inside the core. Getting to know culture can be described as unwrapping an onion where every layer must be removed for reaching the core meaning.

The outer layer (1) contains artefacts and products that are existing and observable things, like language, fashion and art, which show typical and traditional cultural characteristics. The middle layer (2) contains norms and values. Norms can be written laws or social control and values determine the ideals that a group shares. In other words, the mutual feeling of right/wrong or good/bad, used by this group. The core layer (3) finally contains the basic assumptions formed by the will to survive in the existing environment, in which the group is placed (Trompenaars & Hampden-Turner).

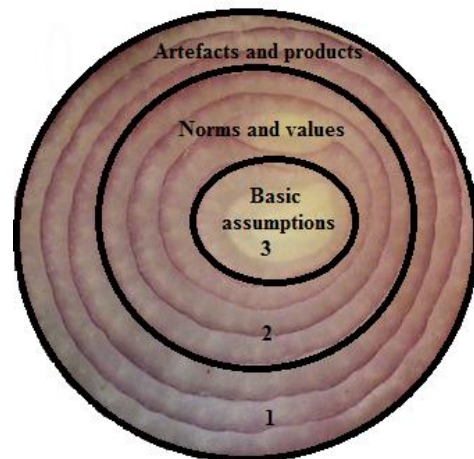


Figure: 1 Cultural layers

Currently 196 countries exist in the world and almost every country has its own culture or holds even several cultures. Often a nation's culture differs between areas in the country and is connected to different behaviours and local artefacts. The most known

example for a country with several cultures is the Republic of South Africa, where black, white, colored and Asian people live together and cultivate their cultures.

Because of the fact that people naturally grew up with their cultural patterns and learn them, they often take their own culture for granted. They think of other cultures as the “wrong way”, because the “right way” is how their own culture displays and suggests. The fact that other people may see the situation the other way around is very often not even considered, because everybody expects the other person to be like themselves.

Corruption in culture

The influence of politics on organizations and culture varies from country to country. It depends on cultural differences or similarities in attitude and assumptions about issues of ethics and responsibility. Corruption can be described as the misuse of authority for personal or private gain of resources or facilities which do not belong to the individual. Corrupt practices include bribery, nepotism, extortion, embezzlement, utilization and also sexual harassment (Schneider & Barsoux, 2003).

In some countries, corruption and bribery is seen as an unavoidable method in businesses, while in others it is seen as unethical and heavy punishments are given to fraud (Browaeys & Price, 2008). John Plender describes that almost every nation sees and accepts bribery and corruption as wrong, but that the way of interpreting and defining corruption and bribery differs between nations (Browaeys & Price, 2008).

It is hard to tell the difference between a bribe and a gift and ethics are in some way subjective. Most countries contend that corruption is also classified as such, when one party reaches an advantage by causing harm to another party. Some companies set corporate ethics policies or codes of conduct that offer guidelines for ethical and correct behaviour to avoid pollution and fraud.

The use of stereotypes

The reason why people try to avoid discussing cultural differences might come from the fear of stereotyping. Stereotyping offers a way to describe cultures by building a representative image and categorizing them. Stereotypes often include the information that distinguishes one nation from another and it can form the image in a negative way by telling about negative attitudes. Furthermore it ignores the fact that not all people from the same culture act in the same way (Trompenaars & Hampden-Turner, 1997). People

who receive a negative image of another group of people and tend therefore to use prejudices against them might be less open to getting to know them.

People like to be special, valuable and like to distinguish themselves from the crowd. Putting people into a 'box' which has only certain characteristics diminishes their ability to step out and indirectly decreases their value. Often people do not see themselves fitting into a certain stereotype and get angry that others see them like that.

Culture in an international business environment

Marshall McLuhan predicted during the 1960's that the world is changing towards a "global village" where everyone would look alike and act alike by the year 2000 (Schneider & Barsoux, 2003, p. 3). His hypothesis is partly true because the globalization affects our everyday life and the development of transportation services and social media brings the world closer together than ever before. Incidences that happen in the world make a lot of nations hold their breaths due to news that travels fast around the world and connects people, their responses and their feelings. But even though the world is connected through media and travelling, people are not becoming the same, because their habits remain so different (Schneider & Barsoux, 2003).

With globalization comes new trade agreements, increasing immigration, increased use of modern information media and communication knowledge. There are a lot more factors that affect the international business environment and need people and managers to react, because business is not only business. Businesses that were locally tied are now entering the international market, moving their manufacturing facilities to the places of the lowest production costs and get therefore in touch with other cultures than their own. Almost every company has the opportunity to become global and enter the international business environment. But the growing internationalization of organizations demands a greater knowledge of cultural habits and patterns. Managers have to face "Glocalisation" because they have to think in 'global' dimensions while acting 'locally'.

Alike to Darwin's theory, "survival of the fittest" for animals in the natural environment (Le Page, 2008), the theory can be reflected on the international business environment where a lot of factors need to be considered to make a company survive and, what is more important, to be competitive on the global market and wise about the use of available resources. Furthermore, the adaptation process includes human resources, the views and habits of employees and how to treat them. This environment is rougher and more complicated than simply staying 'at home.' Everyday relationships in

international business include interaction with people from different nations and different cultures (Thomas & Inkson, 2003). Today's business communication is executed with the help of electronic technologies, like phone or email, without even meeting business partners. That can also be a trap that leads to misinterpretations and misunderstandings.

The process of managing across different cultures starts with the recognition that culture matters. Cultural knowledge is one of the main keys for successful business relationships. It starts with knowing the partner's business behaviours or patterns, the ability to speak his language fluently towards the adaptation to and understanding of his culture. According to Schneider and Barsoux (2003), the failure of not paying enough attention to culture can trigger disastrous consequences.

2 Introduction to cultural models

The following section introduces the main anthropological concepts about cultural aspects in international business and management. To understand these concepts and models is helpful for the evaluation of cultural aspects and differences and gives an overview of what needs to be considered for successful multicultural communication.

2.1 The concept of cultural intelligence and adaptation

The process of adapting to another culture takes time and knowledge. Reading about the other culture can be informative but the real knowledge is learned while interacting in it and especially while making mistakes that trigger complicated situations or even conflicts. People who are not that closely attached to their own culture can have it easier to adapt to another culture, because of the ability to observe and absorb behaviours (Earley & Mosakowski, 2004)

Thomas and Inkson (2003) measure the knowledge of cultural factors in the form of cultural intelligence (CQ), just like the intelligence quotient (IQ) and the emotional quotient (EQ). Their approach shall help international managers to develop an understanding of culture (CQ) and consist of three elements: knowledge to understand culture, mindfulness to observe and an adapting behaviour to interact (Thomas & Inkson). Cultural intelligence is in the body, the head and the heart, and differs from manager to manager, depending on the amount of each part that is learned (Earley & Mosakowski, 2004).

According to Thomas' and Inkson's concept, it is possible to reach a high cultural intellect by running through five certain stages:

The first stage, "reactivity to external stimuli" describes people who act automatically as their culture tells them and do not recognize any differences in other cultures.

During the second stage, "Recognition of other cultural norms and motivation to learn more about them," new information is processed and curiosity developed. People try to find a rule for how to handle the new information.

In the third stage, the adaptation process slowly begins by "accommodation of other cultural norms and rules in one's own mind." People show an understanding for the other culture but have to think about what they are doing while the adaptation is still unnatural.

The fourth stage describes an alignment of diverse cultural norms into alternative interactions. The interaction with the other culture is effortless and the person develops a range of appropriate behaviours.

The fifth and final stage describes a level where people are highly culturally intelligent or “proactive in cultural behaviour based on recognition of changing cues that others do not perceive.” The person is able to make connections between different parts of information and knows how to behave in the right way when needed (Thomas & Inkson, 2003, pp. 66-68).

People who are stuck on the first stages might never develop a cultural intelligence and can therefore only hardly or not at all adapt to different cultures. Others who are motivated and enthusiastic are able to learn CQ and adapt. They have the greatest potential to reach a high cultural knowledge, because adaptability is the most important factor or the key element (Thomas & Inkson, 2003). On one hand, this kind of intelligence develops over time through social interactions. But on the other hand, not necessarily every person develops the knowledge to personally adapt, just by having a lot of experience in another culture.

A person that understands their own culture very well has a greater understanding of how he behaves in another culture and can use this knowledge to observe behaviours of others. If the person is open minded they are also more open to other cultures and more open to learn them. A robust person that offers a lot of courage can easier deal with exposed stress situations and cross-cultural interactions.

2.2 Edward Hall and the study of communication in management

The US anthropologist Edward T. Hall was one of the first who studied the role of communication in management. He looked at the time, language and space, which differs from culture to culture, and developed three basic concepts (Browaeys & Price, 2008):

- 1) Monochronic versus polychronic time perception
- 2) Low context versus high context communication
- 3) The definition of personal space

Monochronic versus polychronic time perception

In cultures with monochronic time perception, people experience time in a linear way, like to do one thing at a time and use schedules to keep up their activities. For this reason, relationships with others are not a priority or can often not be recognized because of the priority to follow the schedule that leaves no space for deviance. Furthermore, the focus is on information, not other people, and on short-time orientation. Monochronic people show difficulties with adapting to new situations, changes in processes, but often develop a vision or a mission to go after. The company's values and reputation are very important.

Polychronic time perception includes the ability to deal with several tasks at the same time and a high involvement with other people. Schedules are made but they can be changed at any time and focus is on long term and private relationships. People are more flexible and can improvise if necessary (Browaeys & Price, 2008). Long range goals, benefits and objectives are seen as desirable.

Low context versus high context communication

Different ways of communication exist in different cultures. In a low context way of communication, most of the things that are intentioned are said, and very little is read between the lines. The language is information-based and very little information needs to be settled in the listener him/herself to reach a good way of understanding the other. People like to make clear contracts for decided plans as a way of insurance and are task driven.

In a high context culture the message is often hidden and needs to be read between the lines. Situations of information exchange hide a lot of information that needs to be decoded to understand. Therefore the listener needs to have a basic understanding of the

meaning of things and behaviours in his culture. Job descriptions are not implicit and need to be understood according to the context. Plans are less detailed. A lot of information is expected and people that use low context communication will often not understand properly what is expected of them.

The definition of personal space

The space around a person is defined as the personal space. In western cultures, there are unwritten rules about this space and entering another person's personal space depends on the relationship between people. Touching someone you do not know seems mostly inappropriate and people will not allow it. In some cultures, touching another person is a taboo even if they are closely related to each other. In the opposite culture, people can get offended when their listener stands too far away during a conversation (Browaeys & Price, 2008).

Edward Hall's studies give information on cultural differences that are in particular learned by each culture. His concept gives an overview about rules that are not written down but that need a lot of recognition to understand how other cultures differ, and which behaviour is appropriate. With dividing and estimating people's behaviour into these three dimensions, Hall offers a summary of the most complex and interwoven differences, and makes them measurable.

2.3 Geert Hofstede and the model of cultural dimensions

Geert Hofstede is a professor of Organizational Anthropology in Maastricht, the Netherlands. His research and writings on the matter of culture in international business have been path-breaking and have been used as an example for managers to solve cross-cultural conflicts. In his book "Cultures and Organizations" Hofstede describes culture as the 'software of our minds' and calls the process of learning culture 'programming'. With his words: *"It is the collective programming of the mind which distinguishes the members of one group or category of people from another"* (Hofstede, 1991, p. 5)."

Hofstede researched the values of people in over 50 countries for the large multinational company IBM. Out of the whole interwoven concept of culture, he refined four dimensions to measure cultural values which build the four-dimensional (4D) model of differences among national culture:

- 1) Power distance (from small to large)
- 2) Collectivism versus individualism

- 3) Masculinity versus femininity
- 4) Uncertainty avoidance (from weak to strong)

The results of the research and questionnaire result on statistical relationships which occur in a certain culture. This means that there is not a single answer for a certain culture, but there are some trends that appear again and again and make it possible to evaluate a repeating value for this particular culture. Later in his research Hofstede added the fifth dimension to his model which describes the time-perception of a culture: long-term orientation versus short-term orientation (Hofstede, 1991). The classification of gender, generation and class are excluded from this research because these factors describe no groups, but categories of people (Hofstede, 1991).

The power distance index (from small to large)

The power distance index measures the inequality in society and gives us information on the dependence relationships between people (Hofstede, 1991). This especially describes the situation at the workplace and the relationships between employees and their supervisors.

Small power distance

According to Hofstede, there is less dependence in small power distance countries and employees tend to consult their supervisors for questions. A small emotional distance allows people to be interdependent. People consider each other as equal and roles can rotate. In organizations the management style is often decentralized and employees receive a comparable salary payment. If the boss is the one that makes the final decision, employees would expect to be consulted.

Large power distance

Large power distance is defined by authority of bosses who differ very well from their subordinates. The large emotional distance between people makes them counter-dependent, where they choose their position that shows that they do not depend on others. Respect between one another is shown by formal behaviour and centralization in organizations. People receive wages in very varying amounts and subordinates are not consulted for final decision making (Hofstede, 1991).

Collectivism versus individualism

Hofstede describes collectivism and individualism as opposite poles between the dimensions of culture (Hofstede, 1991). On one hand individualism exists in countries where the relationships between people are loose and each person needs to take care of oneself. On the other hand stand the values of collectivism, where people are born, grow up and live in a strong group or family which protects and is loyal towards its members.

Collectivism

In collectivist countries, work goals are, to have training opportunities of skills, to have good physical working conditions and to be able to fully use the skills at work. Collectivist countries tend to be poor, people are not focused on getting rich as soon as possible but to earn enough to take care of their families and see their boss as a father figure. Collectivist people are careful to not make anyone 'lose face' (to be embarrassed by others) with complaints and do not discuss problems in public. Silence is enjoyable, because it is the impression of respect for each other. Children are expected to stay silent and students are only supposed to speak up when they are addressed personally. An employee is employed according to the reputation of his group/family and a lack of skills is no reason to fire someone.

Individualism

In individualist countries, it matters that people get enough personal time, have their freedom at the workplace and that the work is challenging. People are often focused on themselves, their interests to reach high goals, as to get rich. This is connected to an increasing economy which causes those countries to be richer. Individualist people learn to tell the truth, even if it hurts someone else, to cope with conflict, to communicate effectively and to discuss feelings. Silent moments make people feel uncomfortable, and make them start a conversation. Children are expected to ask questions and to speak up for themselves, and feel personally addressed when a general question is asked. Employees are employed for their ability of skills and according to their reached assignments and status. A lack of ability can be a reason for dismissing someone from his job.

Masculinity versus femininity

Masculinity and femininity are synonyms for gender roles. A male person can act or think in a feminine way, without a lack of masculinity and a woman can behave and

function in masculine ways without being considered abnormal. Children grow up and learn to behave in a certain way. Very often this behaviour is connected to the sex. Men need to take care of the achievements outside the home, while women bear children and are supposed to take care of them and the home. These basic values are somewhere deep inside the human mind and for some cultures they still matter more than for others.

Masculinity

Masculine values are related to men's fields of interest and thinking. Men prefer to be able to earn things, get recognition from others, like to be able to advance to a higher position and see work as a challenge (Hofstede, 1991). Men tend to dominate in politics, community affairs or work and like to do jobs that offer wider career opportunities. Masculine values are such things as money, things, success, progress or dealing with facts, never failing and fighting out conflicts. The image of masculinity is being assertive, tough and ambitious and to live in order to work.

Femininity

The female basic interests are about being able to manage and have a good relationship to the people around them, being able to cooperate, live at a desirable place and have a secure employment (Hofstede, 1991). For women it often matters more that the topic of the job will be interesting, because they work for their living. In the values of femininity, it is fine to be under the average of students, failing is human and does not diminish one's own value. Everybody should be modest and equal, take care of the weak, show solidarity and resolve conflicts by negotiation and compromise (Hofstede, 1991).

Uncertainty avoidance (from weak to strong)

The uncertainty avoidance index helps to measure the intolerance of insecurity in a culture. People do not know what will happen the next day or in the future, but have to handle the situation anyways. People have different ways of dealing with these facts and that is where the uncertainty avoidance seems somehow visible. Hofstede describes uncertainty as a feeling, which is a subjective, non-rational experience, bound to a single person (Hofstede, 1991). Often the amount of uncertainty avoidance in the same culture can differ between people of different ages. Often younger generations are easier to convince to make changes or are more open for a changing environment.

Weak uncertainty avoidance

People with a culture that teaches weak uncertainty avoidance give the impression of being quiet, easy going, controlled or even lazy. For them, uncertainty is a normal part of life and there is a bigger acceptability for things as they are. It gives space for interpretation and people can consider by themselves how to behave in each moment. People make less difference between one another because the norms are not so tight and they do not care so much about other person's looks. A teacher that cannot answer a question does not count as unprofessional (Hofstede, 1991). Rules are only established if needed and it is normal to try to solve problems in an informal way. People are able to work hard, but in case there is no such an urgent necessity people stay relaxed and without an inner urge (Hofstede, 1991). Punctuality is not seen as a strength for nations with weak uncertainty avoidance.

Strong uncertainty avoidance

People who learn strong uncertainty avoidance are looking for a frame or structure in life that makes every day a little bit more predictable. When something unpredictable happens people can get stressed, nervous or act out of character, because they consider something unpredicted as something bad or dangerous. Rules are made to increase precision and punctuality, or give people an instruction on how to avoid unwanted situations. Furthermore, taboos are taught from one generation to the next. A lot of control is used to manage processes and rules tell how to act in a case of emergency. Students expect their teachers to have all the answers to their questions and appear as experts (Hofstede, 1991). Strong uncertainty avoidance makes people fear new ideas and closes them for changes or trying something new. Life is hurried and spending a lot of time means spending a lot of money (Hofstede, 1991).

Long-term orientation

Michael Harris Bond discovered this fifth dimension and added it to Hofstede's four dimensions.

Long-term orientation

Long-term orientated people are persistent and like to order relationships by status and observe this order. They develop a sense of shame and most often behave economically (Hofstede, 1991).

Short-term orientation

Short-term oriented people respect their traditions and use greetings, favors and gifts to interact with other people. They care for steadiness and stability and the protection of other's 'faces' or dignity (Hofstede, 1991).

The model of five cultural dimensions receives a lot of criticism, because Geert Hofstede analyzed the cultural horizons of employees in a single company, IBM. The employees who answered the questionnaire were evaluated according to their results and the countries were lined up on a scale in comparison with other countries. The results are easy to compare with each other and give one a basic understanding of how to handle different cultures according to their outcomes. On one hand the outcome could be easily biased by especially chosen employees that offer the skills that IBM needs to be successful, but on the other hand this model and research simply show a trend or recognized similarity and not a final result. Not all countries in the world were included in the research, because IBM did not have companies in every country in the world at that point in time.

2.4 Fons Trompenaars and Charles Hampden-Turner

Seven orientations in culture

Trompenaar and Hampden-Turner developed an extension of the cultural concepts that already existed and turned them into its own concept that is based on the idea that every culture has specific solutions for universal problems. Their concept tries to offer solutions for how to manage and organize multicultural companies, without offering "one best way" – which does not exist in reality. The concept describes different cultural orientations based on academic field research in several countries and includes the following seven dimensions:

Relations to other people:

- 1) Universalism versus particularism
- 2) Communitarianism versus individualism
- 3) Neutral versus emotional
- 4) Diffuse versus specific

5) Achievement versus ascription

Relations to time and environment:

6) Sequential versus synchronic time (monochronic/polychronic)

7) Inner versus outer control of the environment

Universalism versus particularism

This first dimension defines how people tend to judge the behaviour of others. Universalists apply rules and procedures universally to ensure equity and consistency, while particularists encourage flexibility by adapting to particular situations (Trompenaars & Hampden-Turner, 1997).

Universalists believe in a single truth, standing by their word and prefer rational or professional behaviour. They like to get straight to the point or down to business and like to use procedures that are consistent and uniform.

Particularists are focused on relationships instead of formal rules, respect several perspectives of a single subject and might end up discussing irrelevant matters. They prefer to get to know their business partners, build an informal network and treat every single case in a special matter (Trompenaars & Hampden-Turner, 1997).

Communitarianism versus individualism

Communitarianism and individualism describe the conflict between what a single person aims to and towards what the group of this person aims to.

Individualists encourage individual freedom and responsibility. That is why they are especially focused on their own interests and what they can reach personally. Therefore they tend towards quick decision making, having a clear plan or idea in mind, and holding a high self-esteem.

Communitarianists encourage individuals to work for consensus in the interests of the group, its prime orientation, goals and objectives. The feeling of 'We' is very common and people show patience for each other, consult with superiors, and aim to be a personality with authority within a group (Trompenaars & Hampden-Turner, 1997).

Neutral versus emotional

The relationships between people differ very much between different cultures. Affective behaviour shows emotions while neutral behaviour is more difficult to read and interpret.

People that are used to a neutral behaviour do not reveal their thoughts or feelings, and they feel comfortable with people who show a similar monotone behaviour. For them facial expressions or physical contact are often taboo or are seen as a lack of control. A cool and straight look is what people expect. The lack of expression does not mean a lack of interest.

Affective people tend to express their feelings and thoughts in a verbal and nonverbal way, which makes their intentions transparent. Strong facial expressions and vital communication diminishes tension between business partners. People appear warm and enthusiastic, which is not seen as a lack of control (Trompenaars & Hampden-Turner, 1997).

Diffuse versus specific

Diffuse and specific describes the way people blend engagement to others with their own lives and how far they get involved.

In a diffuse orientation, the quality of the relationship matters. People get involved in multiple areas of their lives and at several levels of personality. Meetings show less of a structure, but instead the title of a person, the age and background connections are highly respected.

Specific orientated nations care for the quality of a product. The use of titles is less necessary as long it is not part of the subject. Being quick, straight to the point and efficient is very important. Meetings are structured specifically in terms of time, intervals and agenda (Trompenaars & Hampden-Turner, 1997).

Achievement versus ascription

The last type of person related dimensions describes the difference between people who respect somebody's achievements (what he/she has reached or been doing) over his ascription (who he is and where he comes from), or the other way around.

Achievement orientated people need to reward people for what they achieve based on their personal skills. Titles, hierarchy and age matter only if they are relevant to the competence of the person. A highly competent person can be highly valued and respected even though he/she is younger than less educated employees.

Ascribed oriented people respect people for who they are based on their experience and origin. Manager positions are often filled by middle aged male persons because they are experienced by age and bring a certain power to the workplace.

Sequential versus synchronic time (monochronic/polychronic)

The sixth dimension in Trompenaars and Hampden-Turner's model describes the different time perceptions in cultures. In a sequential time orientation, time exists as a series of passing events, while in synchronic orientation, past, present and future are interrelated and past and future affect the present (Trompenaars & Hampden-Turner, 1997). The differences have already been explained by Hall's model of communication in management.

Inner versus outer control to the environment

The final dimension explains the different ways that people relate to nature or their environment. Internal control focuses on a dominating attitude and aggressiveness towards the environment. People most importantly want to win their objectives and care for their own interests. External control describes a flexible attitude, a willingness to compromise and to keep in harmony and balance with the environment. The focus is towards others and the maintenance of relationships.

2.5 Cross cultural teamwork

When people from various countries have to work together they often fight against problems that exist because of cultural differences, such as those explained in the last section. Only people who are aware of those differences can act appropriately and avoid conflicts within the groups. This approach needs a lot of patience and a high cultural intelligence. A group which has to fight with personal conflicts cannot contribute to the group's goal and is worthless in business. Group work is often a challenge, especially for people that are highly individualistic, because the freedom of decision making decreases and an accommodation of oneself to the group is necessary. Different types of team work exist and each involves a certain way of working together.

Thomas and Inkson differentiate between three main groups according to the use of cultural intelligence to resolve problems, the crew, the task force and the team.

The crew

A crew functions according to high routine procedures. These procedures repeat in different crews and at different places. The members of the crew focus on knowing the procedures, which is the reason why they do not need cultural knowledge as a priority to work with each other. Only single situations may ask for a higher use of cultural knowledge.

Task forces

Task forces are set up for certain projects and exist mostly for short time periods, until the task is fulfilled. The use of cultural knowledge can help in the working process, but is not needed to maintain long term relationships.

The team

Teams are built for long term work relationships and ask for the highest amount of cultural knowledge, adaptability and patience. Members of a team need to trust one another and need to be able to distribute responsibility. Virtual teams function just as normal teams, but rely heavily on the use of electronic media (Thomas & Inkson, 2003).

2.6 Corporate culture

Corporate culture is nothing but another dimension of culture. It is established and promoted for creating value for employees, which results in better or excellent work performance and results. It can provide inspiration, a corporate mission or a guideline that builds a company internal community that is, in the best case, easy to coordinate and open for integration. A corporate culture can affect the use of power and the flow of communication, and furthermore offer a better work climate where people feel valued and comfortable. With establishing the way of “how things are done around here”, employees might feel safer because of a decreasing uncertainty at the workplace. A corporate culture is deep interwoven with the national culture – wherein a company works and also on the characteristics of the service or product which is provided. In addition it is often influenced by the beliefs or values of the company’s founders. The impact of a company culture can be weaker, if the the mobility on the labour market is large or if high influence of other associations exists. Therefore it would make sense to connect the company culture close to the culture of the community. According to André Laurent, the national culture can shift very slowly from generation to generation, while organizational culture that affects a smaller and maybe changing community can be changed faster (Schneider & Barsoux, 2003).

The importance of corporate culture can be recognized very well when companies end in mergers and the differences of cultures promote misunderstandings or a lack of “cross cultural communication” (Schneider & Barsoux, 2003, p. 77).

Depending on the company, the kinds of corporate culture differ as well. According to Trompenaars and Hampden-Turner, three aspects of organizational structure the crucial factors for determining a corporate culture. These factors are 1) the general relationship between employees and their organization, 2) the hierarchical system of authority and 3) the general views of employees on their company and the personal commitment for organizational goals and purposes (Schneider & Barsoux, 2003). Those factors shape four basic types of corporate culture, which should be considered as simplified models or stereotypes: The family, the Eiffel Tower, the guided missile and the incubator.

The family

This form of model describes organizations that have a hierarchy, like in a family where a father has authority and experience. Employees often work more than they are supposed to because they care about their long-term relationship. A lot of context is often used which is understood like members of a family do. Relationships are diffuse and older employees are often left in charge when the “parents” leave the company and undertake the decision making. Employees are often assisted by their colleagues with private matters and everyone helps out if necessary.

The Eiffel Tower

The Eiffel Tower is a symbol of a very western and high bureaucratic division of labour. Each level has a clear function while obeying the boss’ instructions. Relationships are specific and status is ascribed to the role of the job. The rules that are set in the company are mostly many, rational and strict. The structure in this kind of model matters very much because it replaces strategies and avoids uncertainty for employees.

The guided missile

This model is driven by reaching the target, and being egalitarian. Employees work often in teams or project groups that are task-oriented and do whatever it takes to reach the goal. Everyone participates equally and acts in neutral culture. Groups are often split again after fulfilling its purposes and new groups are formed. Relationships are changing, just like the targets and loyalty are important between employees and towards the job. Employees are often paid by performance.

The incubator

A cultural incubator describes a company that can be small and innovative. Several people who want to be innovative meet and work together in an enthusiastic way, where people have to be honest, creatively and have a good relationship to each other. Incubator companies are often led by idealism and emotional commitment. The status is achieved, because people that have reached a lot can impress most. Conflicts can be solved either by dissolving the incubator or trying other options (Trompenaars & Hampden-Turner, 1997).

3 History of the Icelandic nation

The Icelandic nation is the youngest child in the family of European nations and also one of the smallest (Ísberg, 2008). Historical facts note that the first discoverers of Iceland were Irish anchorites that knew at the beginning of AD 800 or the 'Viking age' how to find the island. Archaeological records show that during the 9th century, Iceland was being permanently settled and graves and artefacts showed that the settlers were of Scandinavian or Norwegian origin. Written accounts from the 12th century and later, which were based on oral traditions, describe an accidental discovery by the Norwegian Ingólfur Arnason in 874.

Iceland offered rich fishing grounds, bird life and some vegetation which were most likely its main attraction (Nordal & Kristinsson, 1996). Farms were spread all over Iceland's coastal regions but no further villages were founded. An old Scandinavian tradition to assemble was also established in the southwest of Iceland at Þingvellir (e. thing place). The parliament, called Alþingi, might have been established around 930 and was the formal origin of the stateless society of Iceland (Nordal & Kristinsson, 1996). The institutionalization of the Roman Catholic Church happened through the influence of the Christian Vikings and the Christian king of Norway. With the first Icelandic bishop, Ísleifur Gizurarson, in 1056 the church began to develop an authority. During the 11th and 12th century, wealth and power were managed by church leaders and many farmers became tenants of wealthy landowners or ecclesiastical institutions (Nordal & Kristinsson, 1996).

The early inhabitants of Iceland were carrying weapons, followed warlike values and conflicts often escalated. During the 13th century, this political violence reached an unusually high level, which made political leadership a very dangerous matter (Nordal & Kristinsson, 1996).

Under influence of Norway and Denmark

In 1262, the Norwegian king Hákon "the Old" got concerned with the Icelandic aristocrat Gizurr Þorvaldson and started to turn the Icelandic nation under his crown. The Icelandic lords showed subservience, accepted the royal taxation and lost their independence. But

nevertheless Iceland managed to deny military support and financial contributions over usual tax rates, and the Alþingi continued its function.

During the years under the Norwegian crown, the Icelandic government was formed with the administration of district officers, law officers and a governor. The Alþingi adopted a code law in 1281, which combined Norwegian models with the Icelandic tradition.

In the end of the 14th century, Denmark gained control over the Norwegians and the Danish royal administration in Iceland was very ineffective. English ships sailed to Iceland for fishing reasons and England started largely to control the poorly administered land (Nordal & Kristinsson, 1996). Political circumstances between the Danish and English kings prevented England from reaching more domination and, with the appearance of the Hanseatic League, Denmark gained its power over Iceland back. In 1550, the Danes finally managed to overcome all Icelandic resistance against the Lutheran reformation and the Lutheran order became established on the island. This time is recognized as the last time that Icelanders fought with an armed resistance against a dominating authority.

The 16th century brought big impacts on international trades, because the Danish king sold licenses for trading with Iceland and Danish merchants had all preferred rights. According to the lack of competition, trade was kept to its minimum. The trade monopoly isolated Iceland from contacting other countries and had the effect that Denmark's royal absolutism was formally accepted in Iceland by 1662 (Nordal & Kristinsson, 1996).

The conditions for fishing during the 17th to 19th century were still mostly quite primitive and changes in the climate made agriculture decline. The natural vegetation in Iceland was a good base for farmers to adapt to sheep breeding and wool and meat replaced trade with fish in several places. People had to work harder and survive with less available, while they continued to fight famine and epidemics.

In 1787, a new Danish philosophy caused the abolition of the Icelandic trade monopoly. Alþingi got replaced by a modern judicial and ecclesiastical institution in Reykjavík and new manufacturing stations established the base for the first community and the establishment of a town. Further struggles kept on while the Napoleonic War caused import shortages in Iceland (Nordal & Kristinsson, 1996).

During the first part of the 19th century, Denmark developed towards a nation-state which Icelanders were unable to identify with. Political Icelandic representatives were allowed in Denmark which led to the new assembly in Reykjavík 1845, named Alþingi, after the ancient institution.

The new Alþingi was the first step towards a democratic republic, with public elected authorities in 1872, but still belonging to the Danish crown.

The long period of the struggle for independence started for the Icelanders who already had a separate country with its own nationality (Nordal & Kristinsson, 1996). Iceland developed its economy with the industrial revolution in Europe and the upcoming better terms of trade. But the greatest part of the slowly but steadily growing population still lived on farms and continued the traditional division of labour. Compared to living standards in Denmark or Europe, Iceland was still considered underdeveloped at the end of the 19th century.

Then in 1886, Landsbanki (e. land-bank) was founded and state-owned, which had limited rights to issue banknotes. They then got competition in 1904, when Íslandsbanki was founded, which was owned by foreign shareholders. With the introduction of telegraph and telephone functions in 1904, the circumstances for international businesses in Iceland started to develop (Nordal & Kristinsson, 1996). New companies were founded and Iceland got more independent instead of depending on Danish companies and services. As a result of rich marine resources, the production technology and the lifestyle boomed. A basic education was common and it established the basis on which people learned to be adaptable to new circumstances and be compatible with modern production methods. In 1911, the University of Iceland was established and offered the base of higher education to those who did not go abroad for education.

Under influence of World Wars and independence

When the First World War broke out in 1914, Denmark declared Iceland as a neutral zone but protected the defenseless country with its royal army. Iceland demanded virtual independence and four years later, negotiations caused the establishment of the sovereign Icelandic state, a kingdom in loose union with Denmark. The economy slowed down during the years of war and Iceland had to fight lacks of imports and contractions in foreign trade. However, powerful nationalism kept the nation together. Different political parties developed and women also participated in political movements.

The Second World War had little impact on Iceland until 1940, when Britain occupied the country. Iceland offered a good base for fighting the Germans, but the Icelandic nation suffered under the lack of imports and the danger of fishing during the war. On the other hand, the military occupation increased living standards because of demand for work and increasing wages.

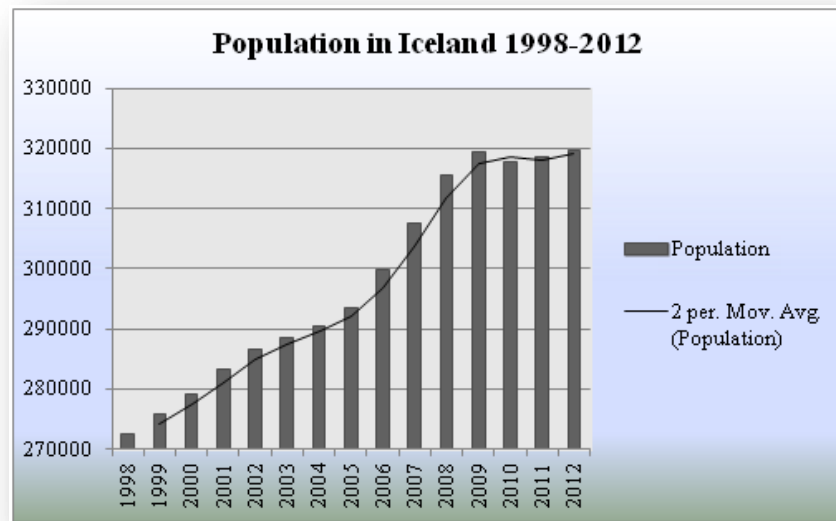
Still, during the continuing war, on June 17th 1944 the republic of Iceland was established at the traditional political place Pingvellir, where a festival was held. Alþingi declared the constitution and the first President was elected. With a population of approximately 130.000 people, Iceland was one of the smallest independent states at this time but the nation had restored its rights and showed commitment to maintain an independent economy.

The republic of Iceland joined the UN in 1946, reduced all military forces except the airport in Keflavik where the USA had built their station. In 1949, Iceland became a founding member of NATO. After the establishment of the Icelandic republic, the fight for resources continued, as the Cod War with Britain in 1961 demonstrated. Iceland entered a bilateral trade agreement with the EEC, now the European Union, to increase trade opportunities. The unemployment rate has since been much lower than in other industrialized countries until the beginning of the economic crisis in 2008 (Hagstofa Íslands, 2012).

The last decade in Iceland – economical change and crisis

According to Eyjólfsdóttir and Smith, the Icelandic business culture is one of the youngest and has developed during one single century (Eyjólfsdóttir & Smith, 1997). Guðmundsson, on the other hand, says this development has happened during only 50 years, which is a very short time compared to most western countries with a similar development over approximately 300 years (Guðmundsson, 2009). Remarkably after all that, the development was quick and what was once a poor agricultural economy grew towards a developed economy that reached to be the fifth richest country in the world by 2005 (Guðmundsson, 2009). In November 2008, when the economy collapsed, the Icelandic government had to default. The amount of debt was approximately the amount of an annual budget, which made Iceland's standards return to the level of a developing country (Guðmundsson, 2009). The economy is in the adjustment process to different

shocks, as for example, the inflation of the currency and the change in the nation's living standards (Bjarnadóttir, 2011).



Picture: 1 Population growth Source: Hagstofa Ísland

The population in Iceland has been steadily growing until 2009 to 319.368. The crisis caused a lot of foreigners and Icelanders to leave the country and search for work in other countries. A decrease in population of approximately 1.738 was the consequence. The latest counting in January 2012 showed that the growth in population has recovered and has reached 319.575 (Hagstofa Íslands, 2012). During the last ten years, the amount of foreign citizens has almost doubled to 20.957, or 6.6% of the total population (January 1st 2012) (Hagstofa Íslands, 2012).

Table: 1: GDP per capita in ISK/€

Source: Hagstofa Íslands

Year	ISK	EUR, current exchange rate
1998	2.149.000	2.6963
1999	2.282.000	2.9565
2000	2.432.000	3.3493
2001	2.708.000	3.0949
2002	2.839.000	3.2936
2003	2.909.000	3.3545
2004	3.179.000	3.6480
2005	3.467.000	4.4368
2006	3.840.000	4.3774
2007	4.202.000	4.7969
2008	4.641.000	3.6409
2009	4.684.000	2.7128
2010	4.825.000	2.9801
2011	5.110.000	3.1656

The index of the Icelandic Gross Domestic Product shows clearly the effect of the economic crisis. A maximum index of 112.38 was reached in 2008 and decreased in 2009 to 104.73, a decrease of 7.65 in a single year. In 2010, the Index continued to decrease to 100.52, which is comparable to the average in 2005. In 2011 the Index number increased to 103.59 and is almost on the same level as in 2006 (Hagstofa Íslands, 2012). The table of GDP per capita (data from Statistics Iceland 2012) shows a steady increase of the amount in ISK, but in comparison to the €, the inflation of the ISK is cognizable.

Table: 2 Amount of unemployed people in Iceland from 2003-2012

Source: Hagstofa Íslands

Year	Unemployed
2003	5.700
2004	5.000
2005	4.700
2006	4.500
2007	4.400
2008	4.300
2009	10.800
2010	13.500
2011	14.000
2012	12.400

Unemployment was very low before the Icelandic economy broke down. In 2009, the unemployment rate boomed and increased more than twice as much as the amount in 2008 and kept increasing until 2011. Even though the crisis is not over yet, a lot of companies find their balance back and have started to increase employment.



Picture: 2 Amount of Unemployed Workers 2003-2012

The Icelandic language

The language that was used and spoken by the Vikings was “Old Norse,” also called “Danish tongue”. Old Norse was the basis for Old Icelandic and also remained with a few changes as the basis for modern Icelandic. This language was used to write sagas and church writings, which remained as written sources for the early times in Iceland (Byock, 2001). Christianity brought western European civilization and literacy to Iceland, and introduced the Latin alphabet (Nordal & Kristinsson). As a result, some Icelanders received a Latin education and the educational elite gained knowledge in theology.

As we can see today, the Icelandic language has so many sounds that extra letters were added to the Latin alphabet to make it compatible (Ö, Ð, Æ, Þ). Because of low adoption of foreign words and translation of new words into their direct meaning in Icelandic, Icelanders have managed to maintain their language and to keep it away of foreign influences.

4 Former research on culture in Iceland

The following section focuses on research which has been done on the Icelandic culture or business culture. The articles will be summarized and the main research results will be compared below.

4.1 Research on Icelandic business and management culture (1997)

In 1997, an article was published about the research results of Eyjólfsdóttir's and Smith's analysis of Icelandic business and management culture. The study examined Icelandic patterns of business and management in relation to the Icelandic national culture (Eyjólfsdóttir & Smith, 1997). Their theory states that a nation's success in creating wealth depends on the country's existing culture. They claim that in Iceland, a high degree of uniformity prevails between national culture and organizational culture, in contradiction to other countries with nations that are larger and more ethnically diverse.

The research is only qualitatively connected to the dimensions that Hofstede identified. Eyjólfsdóttir and Smith discuss that the late development of the Icelandic economy was caused by the trade monopoly by the Danish king and nature catastrophes that prevented the existence of merchants until the nineteenth century. After that, Icelandic trade had been subject to state control until 1989. The control formed collectivistic interests more than individualistic ones. The economy was mainly a fishing industry, which was very unstable due to changing weather conditions, fluctuations in fish stock and competition. This caused fluctuations in profitability and the need for planning on a day-to-day basis.

Eyjólfsdóttir and Smith used two separate questionnaires in their study. The first measured role conflict, role overload and role ambiguity and it was answered by 52 Icelandic business students at the University of Iceland. The second questionnaire measured how Icelandic managers handle daily work events and was answered by 52 Icelandic senior managers with an average working time of nine years at the same organization (Eyjólfsdóttir & Smith, 1997).

The main results were that Icelanders reach for an equal community where nobody has to suffer from discrimination, which is an outcome that is found in collectivistic cultures. A low power distance relates to the fact that skilled seamen tend to receive a

higher or similar wage than highly educated professionals. The differences between subordinate employees and managers were not clearly marked and the research indicated that Icelandic managers consulted their superiors, in a way that values them more as colleagues than bosses (Eyjólfsson & Smith, 1997). Notwithstanding there are collectivist characteristics, the study recognized increasing individualism, because people prefer initiative jobs. Furthermore, children are brought up very independent and people tend to have several jobs to be able to pay for the high cost of living and spending (Eyjólfsson & Smith, 1997). Eyjólfsson and Smith define Iceland as a country with high feminine values (like other Scandinavian countries), like “modesty in self-presentation [...] the search for consensus within organizations and acceptance of failure” (Eyjólfsson & Smith, 1997, p. 67). On the other hand, there are very high materialist values that keep Icelanders sticking to their high living standards. According to the factors named above, Icelanders are used to high uncertainty and tend to adapt to it by positive views on all kinds of situations, and behaving overly optimistic, which gives the impression of carelessness. The low uncertainty avoidance might be a reason for low self-discipline and delays, but on the other hand, a friendly and relaxed appearance.

The research indicates egalitarianism and informality as good factors concerning building long term relationships but explains on the the other hand, that they also limit business developments, because of a lack of efficiency, organization and future orientation (Eyjólfsson & Smith, 1997). According to Eyjólfsson and Smith, Icelanders high risk neutrality can be seen as a reason for the quick economic development. On the contrary, there stands the overestimation of abilities to manage a business on their own and a high probability of bankruptcy (Eyjólfsson & Smith, 1997). They declare that Iceland has a considerable competitive advantage in motivation and integrity, organizational commitment, cooperative ability, and overcome their isolation by the knowledge of modern information technology (Eyjólfsson & Smith, 1997).

4.2 Research on Icelandic culture due to cultural dimensions of Hofstede (2009)

The Institute of Politics and Administration published a scientific article (2011) about the research of Aðalsteinsson, Guðmundsdóttir and Guðlaugsson during 2009 at the University of Iceland, Department of Business Administration. The research questions were focused on finding the characteristics of the Icelandic national culture according to the cultural dimensions of Hofstede and in addition the results were compared in a scale with samples from four other countries (Aðalsteinsson, Guðmundsdóttir, & Guðlaugsson, 2011).

The research indicates that Hofstede's research has brought a lot of understanding into the science of management for other countries and that this research should therefore also be done for the Icelandic culture (Aðalsteinsson, Guðmundsdóttir, & Guðlaugsson, 2011). The questionnaire that was used to collect answers was the same which Geert Hofstede designed for his research on national culture (VSM 94). The questionnaire was translated into Icelandic and 427 students inside the department answered the survey online.

Aðalsteinsson et al. argue that the way of managing, decision making and human resource management are closely connected to the national culture (Aðalsteinsson, Guðmundsdóttir, & Guðlaugsson, 2011). They explain that the research of Hofstede had been criticized because of the use of only four dimensions (Power distance, Individualism, Masculinity, Uncertainty avoidance and Bond added long-term orientation later on) and his employment at IBM. But they also argue that because of globalization and emerging markets, Hofstede's model would be still appropriate in the current time and a good addition to the science of management.

The outcomes were calculated according to the appropriate method and showed the following results: PDI=38,8, IDV= 91,5, MAS=17,3, UAV=82,4 and LTO=52,5. The difference between answers which came from male and female respondents were not high, except in MAS where male results were 49,2 and female results 4,7. A possible limitation of the research was that the average of female respondents was 72,3%, which is a fact to recognize when making assumptions of the results.

Aðalsteinsson et al. show that their research indicates, compared with the results of other Scandinavian countries, that Iceland scores higher than other countries and differentiates in all dimensions except power distance. The research was conducted in the

beginning of the crisis in Iceland and the research points out that the study does not include an analysis of a possible affect that the economic crisis has on the Icelandic national culture (Aðalsteinsson, Guðmundsdóttir, & Guðlaugsson, 2011).

4.3 Research on business culture and economic crisis (2010)

The Journal of Business Ethics published an article in 2011 which deals with Icelandic culture in connection to the economic crisis in Iceland. The authors Vaiman, Sigurjonsson and Davidsson explain the hypothesis that the economic crisis was not simply caused by corruption but also by the society's weak business culture. The definition of weak business culture in this case is a lack of tradition and consideration towards rules which are used in Icelandic business interactions (Vaiman, Sigurjonsson, & Davidsson, 2011). They describe, in an overview, that the close relationship or symbiosis between politics and business and a high existence of nepotism lead to a disregard of common business ethics or standards and made regulation and control impossible. This lack of supervision enabled Icelandic financial institutions to make unsupportable expansions, which was the trigger to the crisis (Vaiman, Sigurjonsson, & Davidsson, 2011). The authors bend on the fact that through media, corruption was most often blamed for the collapse, but that on the other hand, Iceland never had a bad outcome in Transparency International's Corruption Perception Index (CPI) (Vaiman, Sigurjonsson, & Davidsson, 2011). In this article, Icelandic culture is in review according to Hofstede's dimensions, and an estimation of the anthropologist himself. In this estimation Icelandic culture scores with PDI=25-30, IDV=70, MAS=10 and UAV=40, while LTO is not considered (Vaiman, Sigurjonsson, & Davidsson).

Vaiman et al. present Cole's theory from 2007, which includes the fact that according to Iceland's small population, isolation and cultural aspects, people have less anonymity which would hinder people from doing questionable things without others noticing. But only one year later the economy collapsed and the authors claim that the especially close connection and expert opinion, the unique nepotism caused the atmosphere for unethical business practices (Vaiman, Sigurjonsson, & Davidsson). The bank privatization, which was supposed to attract international investors, focused on political interest and as a result, private banks were often donors for governmental parties. The Icelandic culture was not strong, open or transparent enough to delimit the strong connection between business owners and politicians. The largest business owners owned the majority of the largest corporations and cross ownerships built an economy which was caused to fail in

case of a failure in financial institutions. Registrations in other countries (like Luxembourg) made it easy to conceal information. This confirms that a lack of transparency and diversity ruled, which stimulated aggressive investments and risky strategies (Vaiman, Sigurjonsson, & Davidsson). The media and information system were influenced by the banks themselves due to shareholding. The authors call it an 'entity' which was responsible for business decision making, and regulatory institutions were not able to keep pace. As a conclusion, the authors clarify that corruption is based on acts of individuals and not on business cultures, but that probably a hidden and not detectable way of corruption caused the collapse of the Icelandic economy (Vaiman, Sigurjonsson, & Davidsson).

4.4 Research about Icelanders Self-presentational Behaviour (2011)

In December 2011, The International Journal of Selection and Assessment published an article about research on applicants' self-presentational behaviour across cultures. The researchers König, Hafsteinsson, Jansen and Stadelmann argue that applicants in some countries are less motivated to 'fake' in self-presentation than people in other countries depending on a varying unemployment rate. They explain that self-presentational behaviour exists in the following forms: exaggeration of positive attributes, concealing of negative attributes, pretending to be more interested in the job and fabrication of information. These forms are used to create or fake an appropriate impression of the applicant (König, Hafsteinsson, Jansen, & Stadelmann, 2011). König et al. published the hypothesis that creating this self-presentational behaviour could depend from country to country, because modesty is valued differently in different cultures. The use of creating a better impression is expected in the countries where modesty is valued less. The research was done in Iceland and German-speaking Switzerland, whose results were compared with research results from the USA. During the research process, Iceland and Switzerland had an unemployment rate of around 3% while the US rate was around 5%.

For data collection, the research was answered with the help of a randomized response technique (RRT), because respondents did not have complete trust in the anonymity and the technique helped to receive more honest research results. The results of the research were that Icelandic self-presentational behaviour was far smaller than in the US but comparable to the behaviour of respondents from Switzerland. Icelandic respondents did not claim to have a higher education than they actually had, and neither did they fabricate information (König, Hafsteinsson, Jansen, & Stadelmann, 2011).

A limitation of the research results is that Iceland's employment rate had a boost during the crisis and went beyond the US rate. The self-presentational behaviour in Iceland might have increased during this period but this has not been determined. Furthermore, Scandinavian countries prefer the cultural value of modesty more than the United States. As a result, Icelandic self-presentational behaviour will probably not reach the same level of the respondents in the US, in spite of an earlier Americanization in Iceland.

4.5 Summary of former research

The above presented articles show different research in different areas of Icelandic culture. Under the first researchers were Eyjólfsdóttir and Smith, who used Hofstede's dimensions to describe their outcomes as: low power distance, an increase in individualism, very feminine values and therefore low masculinity and very low uncertainty avoidance. The research was conducted in the late nineties of the 20th century and therefore approximately 15 years ago. The research that was conducted by Aðalsteinsson, Guðmundsdóttir and Guðlaugsson during 2009 had a similar but greater sample to collect answers and is the most recent research on Icelandic culture. The research's outcome was: PDI=38.8, IDV= 91.5, MAS=17.3, UAV=82.4 and LTO=52.5. Eyjólfsdóttir and Smith did not use numbers to estimate the amount of each dimension and did not collect information on LTO. A low power distance is similar to PDI=38.8.

Eyjólfsdóttir and Smith recognized the diminishing of collectivist values and an increase in individualism. Aðalsteinsson et al. measured an extraordinary high individualism (IDV=91.5) which can likely be the result of cultural changes and development over 15 years. As common for Scandinavian cultures, Iceland had high feminine values and, the recent research also confirms that the masculinity has kept low (MAS=17.3). The most astonishing outcome of the newer research is the measurement of high uncertainty avoidance (UAV=82.4) which was evaluated as very low by Eyjólfsdóttir and Smith. The question is if the crisis had such a sudden impact on people to change their behaviour, or if the answers were biased by the high amount of female respondents. Another possibility is that the sample included more people with high uncertainty avoidance than would be normal in Iceland, or that Icelanders do not recognize their low uncertainty avoidance or tend to overestimate themselves.

Vaiman, Sigurjonsson and Davíðsson made use of an estimation that was made by professor Hofstede and was: PDI=25-30, IDV=70, MAS=10 and UAV=40. The

estimation is not based on primary data research. The comparison of Hofstede's estimation and the research at the business department of the University of Iceland shows remarkable differences between levels of uncertainty avoidance (42.4) and individualism (21.5) and lighter differences between power distance (8.8) and masculinity (7.3).

König, Hafsteinsson, Jansen and Stadelmann confirm within their research that Icelanders have low self-presentational behavior, at least in comparison with more masculine nations. They confirm with their results Eyjólfsdóttir's and Smith's research results on the high feminine values, including modestly in self-presentation.

Table: 3 Research results for cultural dimensions - Overview

Dimensions:	Eyjólfsdóttir and Smith	Aðalsteinsson, Guðmundsdóttir and Guðlaugsson	Vaiman and Hofstede
Power distance	Low	38,8	25-30
Individualism	increasing to high	91.5	70
Masculinity	very low	17.3	10
Uncertainty avoidance	very low	82.4	40

The differences that are portrayed in the table above are different research results either based on primary data or estimated from secondary data. It is impossible to say which is more exact without further research.

Iceland is very open to foreigners who are searching for jobs or like to study. Especially in the tourism industry, seasonal jobs are offered to foreigners during high seasons. This is why a lot of foreigners come to and settle in Iceland.

Another opinion on Icelandic national culture can be given by people with a different cultural background, who live and work in Iceland. They automatically compare Icelandic culture to their own behaviour, habits and national culture in daily life. It is highly likely that foreigners will not overestimate Icelandic culture but answer in a more neutral way.

5 Practical research

5.1 Definition of the problem

As the theoretical part describes, cultural intelligence (CQ) is the key for good business relationships between business partners with different cultures. To recognize that culture matters is the first step to improve international business interactions. Furthermore, it is important to be aware of the cultural dimensions and to know how they are integrated into business actions and negotiations. The stereotype method to evaluate culture is only one example, where it is possible to recognize that people who are members of a certain culture have a different point of view and opinion on their culture than those who work and interact with them. When considering the Icelandic culture as a base for international business, there are two questions that need consideration: First, how do foreigners see and understand Icelandic culture? And second, is there a big difference between Icelanders' and foreigners' evaluation of Icelandic culture?

The problem that exists is that Icelanders, like most other nations, consider their opinion on their culture as the opinion that others will have on their culture as well. This leads to a wrong expectation and can end in misunderstandings. The solution of the problem is to find out how nations with different cultures evaluate Icelandic culture. The outcome can be used to increase cultural intelligence, by recognizing the difference and work with it, or to reform disadvantages to advantages.

5.2 Methods and design of the research

The research is based on quantitative data and a quantitative method. The quantitative data collection includes the use of a questionnaire and finding people to answer it. The questionnaire was used to assist with finding answers for the settled research question. The questionnaire was distributed online with the help of university intern and company intern networks, and through international groups on Facebook. Additionally, the questionnaire was distributed by word of mouth and random tourism industries which employ foreigners.

The study is based on following research question:

How do foreigners evaluate Icelandic culture and does their evaluation differ from former research result on Icelandic culture?

5.3 Preparation and Implementation

In the beginning of the research, secondary data from previous research on Icelandic culture and primary data from two interviews with foreigners (who are living in Iceland), were collected. Hofstede's questionnaire VSM 94 (see: <http://geerthofstede.nl/vsm-94>) was transformed: The questions were changed, so that respondents are able to give their opinion on Icelandic culture, instead of their own culture. Some vocabulary was changed to make the questionnaire easier to understand, in respect to the convenience sample, in which respondents would rely on different abilities to understand English. The questionnaire question 5a) was added to get more detailed information on the topic. The questionnaire was proofread and pilot tested several times. The test respondents showed no difficulties in understanding and answering all the questions.

The questionnaire contains three different parts and all subject questions needed to be answered on a scale from 1-5. The first part contains questions that relate to Icelanders and their jobs, and how important their jobs seem to them. The meanings of the numbers were:

1 = of utmost importance	= never	= very seldom
2 = very important	= seldom	= seldom
3 = of moderate importance	= sometimes	= sometimes
4 = of little importance	= usually	= frequently
5 = of very little or no importance	= always	= very frequently

The second part contains statements where the respondent answers by noting to which degree he agrees or not, on the following scale:

- 1 = strongly agree
- 2 = agree
- 3 = undecided
- 4 = disagree
- 5 = strongly disagree

The third part contains personal information on the respondent for statistical purpose. These questions relate to gender, age, education employment and nationality.

The sample is a convenience sample of foreigners, who live and work/study in Iceland and have an opinion on their Icelandic environment. The questionnaire was sent online to 606 exchange students at the University of Iceland (HÍ) and to an unknown crowd at the University of Reykjavík (UR). Companies in the creative industries volunteered to send the questionnaire to 115 of their foreign employees who were living in Iceland. In addition, 14 answered questionnaires were hand-collected by offering employees in tourism industries to fill out the questionnaire. The questionnaire was open for one month, from March 27th until April 27th 2012.

5.4 Analysis and processing of data

The data was collected online with a Google Docs form and with questionnaires on paper. After the data collection was completed, data was assembled and transported to SPSS and Excel for further processing. In SPSS, the mean of each single question was calculated and t-tests were used to find significant differences between answers according to male and female groups. The only significant difference between male and female respondents was found in question 6 and that gives no reason to look especially at the differences between gender groups. The five dimensions were calculated in Excel, according to special rules for every dimension. The questionnaire contains 5 x 4 answers which come in clusters related to the five cultural dimensions, where four answers concern one dimension. The answers varied a lot because Icelandic culture is compared to the individual culture of the respondents. For this reason, the mean of each variable is used to estimate the dimensions.

The five dimensions, power distance (PDI), individualism (IDV), masculinity (MAS), uncertainty avoidance (UAI), and long-term orientation (LTO) are calculated with a certain formula for each:

$$PDI = -35m(03) + 35m(06) + 25m(14) - 20m(17) - 20$$

$$IDV = -50m(01) + 30m(02) + 20m(04) - 25m(08) + 130$$

$$UAI = +25m(13) + 20m(16) - 50m(18) - 15m(19) + 120$$

$$MAS = +60m(05) - 20m(07) + 20m(15) - 70m(20) + 100$$

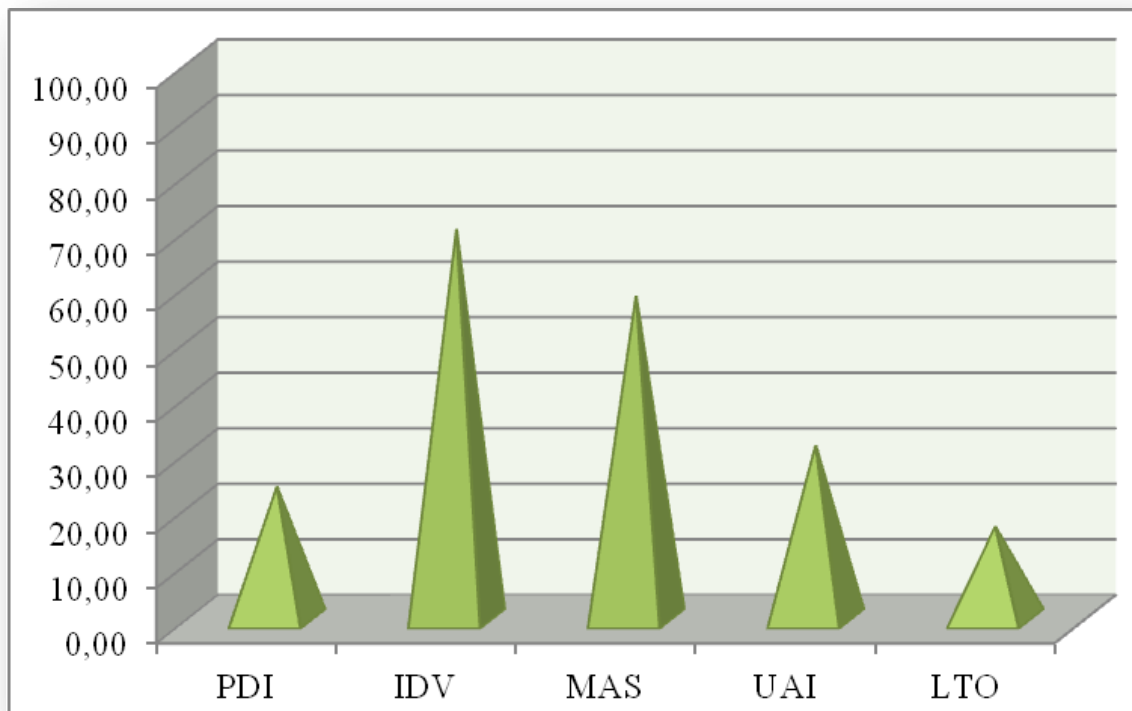
$$LTO = -20m(10) + 20m(12) + 40$$

The formula for PDI contains -35 times the mean of question 3 (m(03)), +35 times the mean of question 6 (m(06)) etc. The outcomes are index numbers on a scale from 0-100, but it is also possible that some indexes lie beyond 100 or below 0.

5.5 Main outcomes

The questionnaire received 135 answers. The percentage of male responses was 38.5% and 61.5% were answered by women. In 19 of 20 subject questions, there was no significant difference between male or female responses.

The calculations below and picture 3 show how foreigners who live in Iceland evaluate Icelandic culture. This sample considers Icelanders as a nation with a low power distance (PDI=23.7), highly individualistic (IDV=70.27), with an average masculinity (MAS=58.27), but low uncertainty avoiding (UAI=31.33) and very short term oriented (LTO=16.68).



Picture: 3 Cultural dimensions - Iceland

$$\begin{aligned}
\text{PDI} &= -35m(03) + 35m(06) + 25m(14) - 20m(17) - 20 \\
&= -35m(2.5188) + 35m(3.3664) + 25m(2.7015) - 20m(2.6667) - 20 = 23.7 \\
\text{IDV} &= -50m(01) + 30m(02) + 20m(04) - 25m(08) + 130 \\
&= -35m(2.5188) + 35m(3.3664) + 25m(2.7015) - 20m(2.6667) - 20 = 23.7 \\
\text{MAS} &= +60m(05) - 20m(07) + 20m(15) - 70m(20) + 100 \\
&= +60m(2.8146) - 20m(2.5448) + 20m(3.5481) - 70m(2.8657) + 100 = 58.27 \\
\text{UAI} &= +25m(13) + 20m(16) - 50m(18) - 15m(19) + 120 \\
&= +25m(2.5075) + 20m(2.9701) - 50m(3.4403) - 15m(2.5833) + 120 = 31.33 \\
\text{LTO} &= -20m(10) + 20m(12) + 40 \\
&= -20m(3.4328) + 20m(2.2667) + 40 = 16.68
\end{aligned}$$

The table 4 gives an overview of specific results for each question. It contains the number of answers (Count), the lowest value (Min), the highest value (Max), the mean (Mean) and standard deviation (SD).

<i>Nr.</i>	<i>Question</i>	<i>Count</i>	<i>Min</i>	<i>Max</i>	<i>Mean</i>	<i>SD</i>
1	Icelanders spend a lot of personal time or time with their families	135	1	4	2.38	0.76
2	Icelanders care about having a good physical working condition	134	1	5	2.69	0.99
3	Icelanders have a good working relationship with their direct superior	133	1	5	2.52	0.80
4	Icelanders have security of employment	132	1	5	2.64	0.95
5	Icelanders can easily cooperate with other Icelanders	134	1	5	2.31	0.82
5a)	Icelanders can easily cooperate with foreigners	133	1	5	3.32	0.94
6	Icelandic managers consult their employees before decision making	131	1	5	3.37	0.91
7	Icelanders have often opportunities for advancement to higher level jobs	134	1	5	2.55	0.82
8	Icelanders have often jobs that include variety and adventure	133	1	5	2.96	0.84
9	Personal steadiness and stability	135	1	5	2.62	0.93
10	Being economical	134	1	5	3.43	1.07
11	To think/plan ahead in time	134	1	5	3.89	0.95
12	Respect for their tradition	135	1	5	2.27	1,06
13	How often do Icelanders feel nervous or tense at work?	134	1	4	2.51	0.72
14	How frequently, in your experience, are Icelandic subordinates afraid to express disagreement with their superiors?	134	1	5	2.70	0.90
15	Icelanders can be trusted	135	1	5	3.55	0.84
16	Icelandic managers have precise answers to all your questions	134	1	5	2.97	0.91
17	Icel. organizational structure is always clear and comprehensive	135	1	5	2.67	1.04
18	Icelanders are competitive	134	1	5	3.44	0.99
19	When working with Icelanders there are strict rules that should not be broken, even if you think it is in their best interests	132	1	5	2.58	0.96
20	When Icelanders have failed they blame others rather than themselves	134	1	5	2.87	1.09

Table: 4 Research results - Overview

Minimum and Maximum values show that the answers were strong deviating. But in only four of 21 questions was a standard deviation higher than one, which points out that the sample is in general normally distributed.

5.6 Detailed results

Questions for Power Distance (PDI) evaluation:

$$= -35m(03) + 35m(06) + 25m(14) - 20m(17) - 20$$

2. Icelanders have a good working relationship with their direct superior
6. Icelandic managers consult their employees before decision making
14. How frequently, in your experience, are Icelandic subordinates afraid to express disagreement with their superiors?
17. Icelandic organizational structure is always clear and comprehensive

Question 3 received 133 valid responses (M=2.52, SD=0.80). Having a good working relationship with the direct superior is considered as very important. Question 6 received 131 valid answers (M=3.3664, SD=0.91). A t-test for two independent samples showed that there is a significant difference between the mean of male responses (M=3.62, SD=0.86) and female responses [M=3.21, SD=0.92; $t(129)=2.549$, $p<0.05$]. According to male opinion, Icelanders think it is of little importance to consult employees before decision making, but according to women's opinion it is of moderate importance in Iceland. Question 14 received 143 valid responses (M=2.70, SD=0.90). Foreigners estimate that Icelanders are sometimes afraid to express disagreement with their superiors. Question 17 received answers from all respondents (M=2.67, SD=1.04) and indicates that the respondents are undecided if Icelandic organizational structure is always clear and comprehensive.

Questions for estimating Individualism (IDV):

$$= -50m(01) + 30m(02) + 20m(04) - 25m(08) + 130$$

1. Icelanders spend a lot of personal time or time with their families
2. Icelanders care about having a good physical working condition (good ventilation and lighting, adequate workspace, etc.)
4. Icelanders have security of employment
8. Icelanders have often jobs that include variety and adventure

The first question received 135 responses ($M=2.38$, $SD=0.76$). It indicates that Icelanders consider it as very important to spend a lot of personal time and time with their families. Question 2 received 134 valid answers ($M=2.6866$, $SD=0.99$). Icelanders care with moderate importance about a good physical environment. Question 4 received 132 valid answers ($M=2.64$, $SD=0.95$), it measures that Icelanders care moderately about the importance of a secure employment. Question 8 received 133 answers ($M=2.96$, $SD=0.84$). The mean indicates that it is neither very important nor of little importance for Icelanders to have varied or adventurous jobs.

Questions to estimate Masculinity (MAS):

$$= +60m(05) - 20m(07) + 20m(15) - 70m(20) + 100$$

- 5. Icelanders can easily cooperate with other Icelanders
- 5a. Icelanders can easily cooperate with foreigners
- 7. Icelanders have often opportunities for advancement to higher level jobs
- 15. Icelanders can be trusted
- 20. When Icelanders have failed they blame others rather than themselves

Question 5 received 134 answers ($M=2.31$, $SD=0.82$) while question 5a) received 133 valid answers ($M=3.33$, $SD=0.94$). The addition of question 5a) was supposed to show if foreigners who live in Iceland recognize a difference in Icelanders' cooperation with themselves or other Icelanders. It is possible to recognize the difference by means of 1.0019 between those answers. It is important to find out if the respondents see a significant difference in how Icelanders cooperate on one hand with foreigners and on the other hand with Icelanders. The answers of question 5a) were compared to the mean of question 5. A One-Sample t-test clarified that there is a significant statistical difference in cooperation [$t(132)=12.293$, $p<0.05$]. The difference between means (0.2) of male and female responses is neither significant in question 5 nor significant in question 5a). As a result of this research it can be said that Icelanders think it is more important to cooperate with people from their own nation than with foreigners. Question 7 received 134 responses ($M=2.55$, $SD=0.82$). It indicates that Icelanders consider it as important to have the opportunity for advancement in their job or to reach a higher level job. Question 15 received answers from all respondents ($M=3.55$, $SD=0.84$). The mean indicates that

the sample is undecided if Icelanders can be trusted, but with a tendency to disagree that Icelanders can be trusted. Question 20 received 134 valid answers ($M=2.87$, $SD=1.09$) and indicates that the sample is undecided if Icelanders blame others rather than themselves after failure.

Questions to estimate Uncertainty Avoidance (UAV):

$$=+25m(13) +20m(16) -50m(18) -15m(19) +120$$

- 13. How often do Icelanders feel nervous or tense at work?
- 16. Icelandic managers have precise answers to all your questions
- 18. Icelanders are competitive
- 19. When working with Icelanders there are strict rules that should not be broken, even if you think it is in their best interests

Question 13 received 134 answers ($M=2.51$, $SD=0.72$), which indicates that Icelanders seem seldom to feel nervous or tense at their work place. Question 16 received 134 answers as well ($M=2.97$, $SD=0.91$). It points out that Icelandic managers only sometimes have precise answers to questions. Question 18 received 134 answers ($M=3.44$, $SD=0.99$), which indicates that Icelanders are sometimes competitive and sometimes not, but the sample is undecided. Question 19 received 132 valid responses ($M=2.58$, $SD=0.96$). The mean indicates that Icelanders sometimes have strict rules, but that there are also rules which can be broken if it is in their best interest.

Questions to estimate Long-term Orientation (LTO):

$$= -20m(10) +20m(12) +40$$

- 10. Being economical
- 12. Respect for their tradition

Question 10 received 134 answers ($M=3.43$, $SD=0.93$), which indicate that Icelanders are not considered a very economic nation, but as a nation for which being economical is of moderate importance. Question 12 received answers of all respondents ($M=2.27$, $SD=1.06$), and the estimation that Icelanders consider respecting their traditions very important.

Further Questions

- 9. Personal steadiness and stability
- 11. To think/plan ahead in time

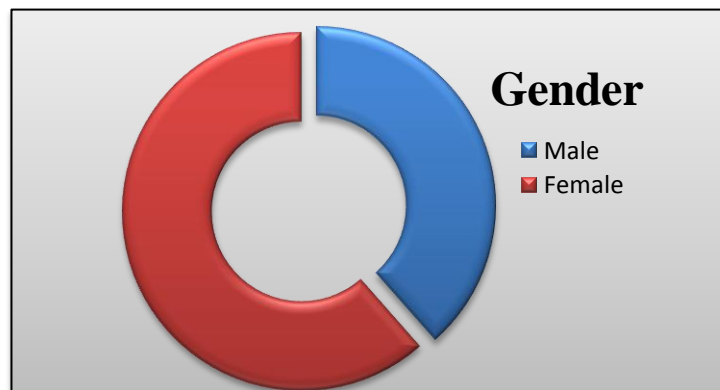
Questions 9 (135 responses) and 11(134 responses) are not included in the formula, which is used to calculate the cultural dimensions. The respondents answered that it is of moderate importance for Icelanders to think about personal steadiness and stability ($M=2.62$, $SD=0.93$). To think and plan ahead on the other hand is of very little importance to Icelanders ($M=3.89$, $SD=0.95$). This result amplifies the outcome of low uncertainty avoidance.

Background questions

Questions 21 to 27 were for statistical purpose to recognize if the sample is biased or only a certain group of people would answer.

21. Which is your gender?

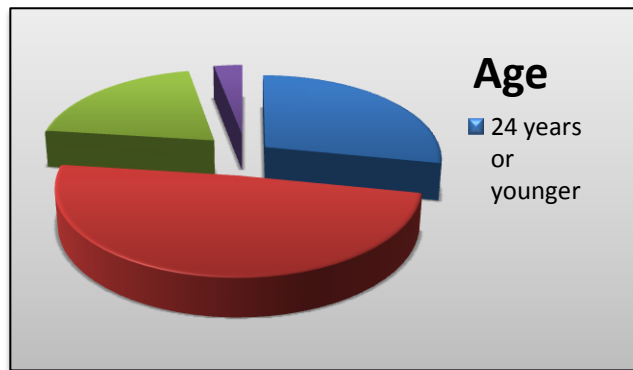
Male respondents were 52 in total or 38.5% and female respondents were 83 in total or a percentage of 61.5%, and therefore in the majority.



Picture: 4 Gender

22. How old are you?

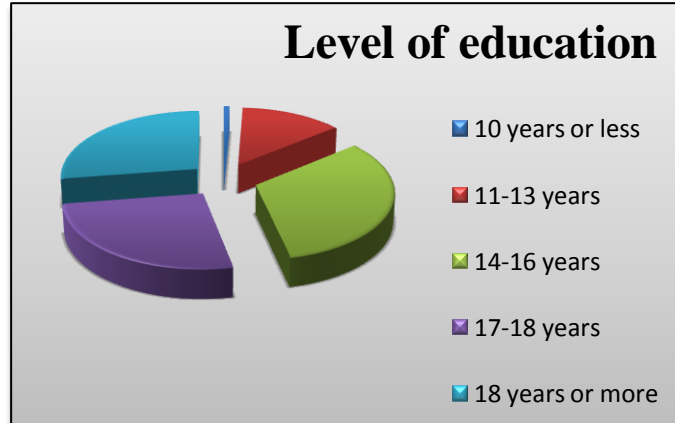
The respondents got the option to choose their age from a scale with 8 options. The data was summarized and the results were that 38 or 28.1% were 24 years old or younger, 66 or 48.9% were between 25 and 34 years old, 27 or 20% were between 35 and 49 years old and only 4 or 3% were older than 50 years.



Picture: 5 Age

23. How many years of formal school education (or their equivalent) did you complete (starting with primary school)?

The answers to this question inform us about how well educated the respondents were. Most of the respondents (32.6%) have an educational level of 14-16 years and 27.4% have an educational level of 18 years or more. 37 respondents or 25.9% experienced 17-18 years in school, 18 respondents (13.3%) attended school for 11-13 years and only 0.7% has an education of 10 years or less.



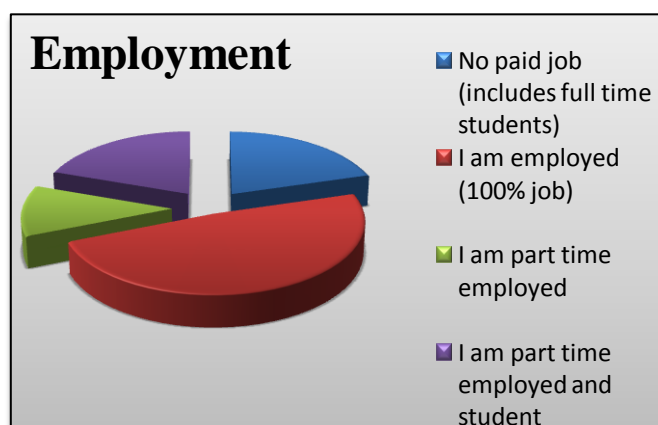
Picture: 6 Level of education

24. If you have or have had a paid job in Iceland, what kind of job is it / was it?

This question relates to the relationship that respondents have to the Icelandic working environment and their purpose to stay. Respondents that are not employed in Iceland might have less experience with the Icelandic cultural environment or have a

shorter experience than respondents who are full time

employed. The answers indicate that almost half of the respondents (47.4%) are 100% employed and 11.1% of the respondents are part time employed in Iceland. 26% of the respondents are students with a part time job and 20% were without work (including full time students), but three answers were missing values.



Picture: 7 Employment

25. For how long have you been living in Iceland?

This question was not scaled and the respondents answered this question by typing in the amount of time they have been living in Iceland. It is possible to recognize that most of the people who responded have been in Iceland for a longer time than one year, but less than five years. The fewest respondents stayed for more than 10 years.

Time spent in Iceland:	
Less than one year	20.8%
1-4 years	43.6%
5-9 years	22.9%
More than 10 years	12.7%

Table: 5 Time spent in Iceland

26. What is your nationality?

The question for the respondents' nationality showed that, all-in-all the respondents were from 32 different countries, from everywhere in the world. The highest percentages of

answers were delivered from Germans (22.2%), French (8.9%), North Americans (8.9%) and British (7.4%). To preserve anonymity, not all nationalities can be named.

27. What was your nationality at birth (if different)?

This question was left out because those respondents who had another nationality at birth still had their former citizenship, beyond accepting another nationality. Respondents who changed their nationality to Icelandic were very few and altogether under 0.02%.

5.7 Conclusions and recommendations

The research question from the beginning of this research was: “How do foreigners evaluate Icelandic culture and does their evaluation differ from former research result on the Icelandic culture?” The chapter about the main outcomes showed how foreigners evaluate the Icelandic cultural dimensions. The second part of this question will be better discussed.

Which outcomes differ significantly from former research?

Compared to the research which was discussed in the theoretical part, and their outcomes, this research shows the most significant difference in the dimension masculinity (MAS= 39.75) which lies beyond all former estimations. This could be explained by a cultural change, caused by the still enduring economic crisis. On average, foreigners do not consider Icelanders a nation they would trust, which could also be related to the fact that Icelanders do not cooperate in the same way with foreigners as people from their own nation. The evaluations for power distance (PDI=23.87) and individualism (IDV=70.27) are very equal to the estimations which were made by Hofstede and Vaiman in 2009 and Eyjólfsdóttir and Smith in 1997. The estimation of uncertainty avoidance (UAI=31.33) lies even below former estimations but is comparable to Eyjólfsdóttir's and Smith's estimation. The dimension of long-term orientation (LTO=16.68) is based on only two questions. Iceland has rich fresh and hot water resources and can use them for its advantage. The high amount of space that is given according to the rough circumstances of the land make it possible to live very uneconomically without being a negative externality to others. This is a lifestyle which is very uncommon in most of the countries in the world. Furthermore, Icelanders like to care for their old traditions and like to celebrate them, e.g. with very special food. Both of these factors influence the estimation of long or short term orientation and cause the outcome to be very low.

Table: 6 Comparison of these research outcomes to former research outcomes

Dimensions:	1997	2009 UI	2009 UR	Outcomes of this research:
Power distance	Low	38.8	25-30	23.87
Individualism	increasing to high	91.5	70	70.27
Masculinity	very low	17.3	10	39.75
Uncertainty avoidance	very low	82.4	40	31.33
Long-term orientation	–	52.2	–	16.68

5.8 Limitations

The research outcomes need to be considered carefully because they are based on the subjective opinions of foreigners who made their personal experience in Iceland. All answers were compared to the respondent's personal cultures of a total of 32 nations. Even though the largest group of respondents stayed for at least one year in Iceland, some respondents experienced Iceland only for a short time and have a different opinion now than they probably would have if they had been living in Iceland for a longer time. Other respondents have been in Iceland for a very long time and have already adapted to Icelandic culture, which might cause them to evaluate in a more moderate or biased way. The largest group of respondents is Germans (20.2%), which could bias the outcome, compared to German culture.

Questions which came up during this research were several, e.g. why Icelanders see and understand their own culture in such a different way than foreigners do. It could not be answered how far Icelandic culture has been changing due to the financial crisis either. Because of the factor that culture is difficult to measure and evaluate the research on Icelandic culture should be steadily continued. Future research could be based on the questions that arose during this study. This study simply points out that there is a difference how foreigners and Icelanders understand Icelandic culture. Icelanders who take this in consideration might be able to reach a better cross-cultural communication.

6 The Icelandic business culture profile – final conclusions

The main purpose of this thesis was to find out if there is a difference in how foreigners understand Icelandic culture and how they would evaluate it. The Icelandic nation is very small and not highly ethnically diverse, and therefore conclusions about the national culture can be most certainly adapted to the business culture.

A disadvantage for some businesses in Iceland is that in most cases, the education and talent of the available workforce does not fit or fulfill companies' needs. One example is the creative industry, where employees are needed who offer a certain set of abilities and talent. Another is the tourism industry, which is continuously increasing during the summer periods. The solution has been to employ foreigners who can offer the lacking talent or increase the work force. The results of a convenience sample of these people are named above. Some adapt easily, while for others, daily interactions with Icelanders, Icelandic culture and Icelandic language, form the daily problems of living abroad. For some the problems might start with the adaptation to the short-term orientation and accepting the easy going attitudes about deadlines or organization. One point which was clearly mentioned above is that foreigners in general recognize a difference in cooperation for both genders. This can trigger mistrust, or an uncomfortable situation, and neither of them is favorable in business situations and negotiations. The cultural dimensions which were analyzed above and their meaning, which is discussed in the theoretical part, will be summarized.

In Icelandic culture, a low power distance indicates that Icelandic companies often use a low hierarchy or high decentralization in management and most employees are considered equals. Superiors do not show a lot of authority, and authority is diminished because of the exclusive use of the surnames. It is not unusual that employees work in open spaces, where they are able to see other employees. Even though that some subordinates have their private and separated offices, they might just work in the open space with their employees, one example being big accounting companies.

The Icelandic nation is highly individualistic, which can be recognized by the amount of personal time they demand. They like to have their freedom at the workplace and like to be consulted for decision making. The economy was steeply increasing before the economic crisis started in 2008. The crisis is evidence for the fact that the economy was

managed by the wrong parties who acted abusive and corrupt, but in general were the Icelanders developing a rich country during the last few decades. Iceland is very children-friendly and Icelanders receive a lot of governmental help to be able to manage having children, but also continue their jobs after a short maternity leave. It is even common to have children at young ages.

The high masculinity, which was measured in this study, notes that Icelanders like to earn things and be recognized by others, as beauty competitions, sport competitions, and strength competitions show (Sale, 2000). According to the interviews in the beginning of the research and Halldór Guðmundsson, people were competing with having bigger and better houses, the newest technology, and it was important how much people were earning before the beginning of the economic crisis (2009). The security of employment was nearly not important because the country had a very low unemployment rate. This changed during the crisis and it was possible to recognize a change towards a more economic thinking. Icelanders decreased their spending power which was also correlated to the inflation of the Icelandic crown. Being able to cooperate with other people matters more for cooperating with other Icelanders than with foreigners, which is a definite result of this study. Very feminine values still remain, like the focus on relationships. Because of the smallness of the nation, everyone seems to know most other Icelanders, and a lot of problems are solved by calling the right person with the fitting connections.

The low uncertainty avoidance measures a high tolerance of insecurity. Icelanders do not plan ahead a lot and are often not punctual for meetings. Their personal matters have a high priority. A teacher or a doctor who cannot answer a question right away does not count as unprofessional. It is accepted that they might have to look up information to be able to answer correctly. Icelanders solve problems in an informal way and are very relaxed, for some nations they might even appear lazy.

Icelanders are very short term oriented. They like to hold up to their traditions and are very proud of them. They like to spend their resources because Icelanders are used to their availability.

Iceland offers the opportunity to increase the cross-cultural communication with foreigners, because tourism is a strong and growing business. Iceland is one of its kind and has a lot to offer which gives the country a good opportunity for economical growth. Threats from the outside are standardization which follows an increasing globalization

and the result that foreigners are not sure how far they can trust Icelanders. Nepotism in business relationships might prevent that Iceland reaches its economical equilibrium. Weaknesses in business culture are unpunctuality and the impression of laziness. Strengths, on the other hand, are the ability to speak several languages and the openness for interactions and exchange with other countries.

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Appendix

QUESTIONNAIRE

In this section you should consider all the questions about Icelanders you know and give an approximate answer according to your opinion:

1 = of utmost importance

2 = very important

3 = of moderate importance

4 = of little importance

5 = of very little or no importance

If you consider Icelanders and their jobs, how important do their jobs seem to them?
(Please circle one answer in each line across):

- | | | | | | |
|--|---|---|---|---|---|
| 1. Icelanders spend a lot of personal
time or time with their families | 1 | 2 | 3 | 4 | 5 |
| 2. Icelanders care about having a
good physical working
condition (good ventilation
and lighting, adequate work
space, etc.) | 1 | 2 | 3 | 4 | 5 |
| 3. have a good working relation-
ship with their direct superior | 1 | 2 | 3 | 4 | 5 |
| 4. have security of employment | 1 | 2 | 3 | 4 | 5 |
| 5. Icelanders can easily cooperat
with other Icelanders | 1 | 2 | 3 | 4 | 5 |

- 5a). Icelanders can easily cooperate
with foreigners 1 2 3 4 5
6. Icelandic managers consult their
employees before decision making 1 2 3 4 5
7. Icelanders have often opportunities for
advancement to higher level jobs 1 2 3 4 5
8. Icelanders have often jobs that include
variety and adventure 1 2 3 4 5

If you consider Icelanders and their private life, how important is each of the following to them? (please circle one answer in each line across):

- 1 = of utmost importance
2 = very important
3 = of moderate importance
4 = of little importance
5 = of very little or no importance

9. Personal steadiness and stability 1 2 3 4 5
10. Being economical 1 2 3 4 5
11. To think/plan ahead in time 1 2 3 4 5
12. Respect for their tradition 1 2 3 4 5

13. How often do Icelanders feel nervous or tense at work?

1. never
2. seldom
3. sometimes
4. usually
5. always

14. How frequently, in your experience, are Icelandic subordinates afraid to express disagreement with their superiors?

1. very seldom
2. seldom
3. sometimes
4. frequently
5. very frequently

To what extent do you agree or disagree with each of the following statements? (please circle one answer in each line across):

- 1 = strongly agree
- 2 = agree
- 3 = undecided
- 4 = disagree
- 5 = strongly disagree

15. Icelanders can be trusted 1 2 3 4 5

16. Icelandic managers have
precise answers to all your questions 1 2 3 4 5

17. Icel. organizational structure is
always clear and comprehensive 1 2 3 4 5

18. Icelanders are competitive 1 2 3 4 5

19. When working with Icelanders
there are strict rules that should not
be broken, even if you think it is in
their best interests 1 2 3 4 5

20. When Icelanders have failed
they blame others rather than themselves 1 2 3 4 5

And finally some information about yourself (for statistical purposes):

21. Are you:

1. male
2. female

22. How old are you?

1. Under 20
2. 20-24
3. 25-29
4. 30-34
5. 35-39
6. 40-49
7. 50-59
8. 60 or over

23. How many years of formal school education (or their equivalent) did you complete (starting with primary school)?

1. 10 years or less
2. 11-13 years
3. 14-16 years
4. 17-18 years
5. 18 years or more

24. If you have or have had a paid job in Iceland, what kind of job is it / was it?

1. No paid job (includes full-time students)
2. I am employed (100% job)
3. I am part time employed
4. I am part time employed and student

25. For how long have you been living in Iceland?

26. What is your nationality?

27. What was your nationality at birth (if different)?

