

# Romanian and swedish culture analysis based on hofstede model

Business



Romania and Sweden are two countries which differ in so many ways that it is sometimes surprising that they are part of the same continent, even if there are a few similarities, also. We tried to make a comparison between these two countries' cultures, even if we know so much about Romanian culture and less that about the Swedish one. Like other countries in the region, Romania has worked to create a legal framework consistent with a market economy and investment promotion. Gradually it is moving to strengthen tax administration, enhance transparency and create legal means to reach expeditious resolution of contract disputes.

In spite of progress, the unpredictability of the legal framework continues to undermine investor confidence. It is, therefore, recommended that any prospective investor consult appropriate legal counsel to get the most up-to-date information. Successful foreign companies tend to share a common approach to investing in Romania. Firstly, they establish themselves in Romania so that they are able to analyze the local situation and develop the most effective corporate strategy. Secondly, they come with a strategy that communicates long-term commitment to the Romanian market and government.

This often paves the way for successful negotiations with economic ministries, the Privatization Authority, labor unions, and local partners. Investments that involve the government of Romania, either through sovereign guarantees or by the involvement of entities such as the Privatization Authority, are generally more complicated than Greenfield investments or joint ventures with private Romanian companies. Large deals involving the government of Romania frequently become stymied by vested

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political and economic interests and bogged down by indecision within governmental ministries. Greater success has been encountered with less complex deals involving small to medium-sized private and state enterprises. Also, Romanian businessmen think from the beginning that people coming from different countries have a different approach when it comes to business deals, negotiations or just discussions in general.

On the other hand, Swedish businessmen do not expect businessmen from other countries to differ much from themselves in management, behavior or in doing business. Romanians are sociable and love to talk, so mobile phones are a must or doing business in the city. People are extremely friendly and a surprising number speak excellent English, although the older generations may prefer French or German. However, Bucharest natives are also extremely formal, in the old European sense, and business visitors should respect this tradition, making appointments for meetings well in advance. Punctuality is important and suits are expected. Although their partners are expected to be punctual, Romanians have a relaxed attitude towards time keeping.

Meetings often start late and run over the allocated time. On greeting it is customary to shake hands and business cards are often exchanged. Business lunches may take two hours, with wine or beer the most popular tipple. Work colleagues may socialize together in the evening at a local bar, although this tends to take place more among those working in multinational companies. It is relatively uncommon for Romanians to invite foreign businesspeople to their homes.

Should this occur, gifts such as flowers, chocolates or high quality Scotch will always be appreciated. Summertime is not good for doing business as many companies go into hibernation. Easter and Christmas are also difficult, as companies and shops close down for an indefinite period. Normal business hours are 09: 00-17: 00. Swedish people are quite different from Romanians from this point of view. It is true that they are said to be as cold as the weather they have on their lands, but in business this is only because they like to go straight to business and have less small talk with their partners and guests.

Foreign businessmen often find that their Swedish colleagues talk too much business, and too little about themselves or their interests and they might draw to the conclusion that their partners are simply limited and ignorant. The Swedish businessman, on the other hand, probably wishes his foreign business partner would cut the small talk and come to the point. In Sweden, a direct approach is seen as a sign of efficiency and a wish not to waste the other person's time. A lot of Swedish people speak English fluently, just like in Romania, and when it comes to punctuality, this is a crucial element in business and in life in general for them. Being punctual is not only regarded as a sign of respect, but also of efficiency and Swedish businessmen will have little understanding for cultural variation in this case. The stressing of the time factor can also be seen in everyday business contacts as it is generally not considered rude to set a deadline for a thing to be done or a decision made.

The existence of strong regional culture, based on historical geographical, political, economic or cultural factors, has an impact on the behavior of enterprises, through the influence of the individuals who “designed” them. There are differences between the old historical Romanian provinces in terms of history, ethnic and religious structure, but also in terms of the influence exercised by the neighborhood or the geographical proximity, differences resulted from causative factors of regional cultures. National culture refers to the culture of a country, the country being defined as a “territory composed of individuals representing a political community, established on a defined geographical area, with a sovereign authority” (Meier). National culture has its own characteristics that transcend the sum of the cultures of private groups the nation consists of. It can be defined as a collective programming of thinking, which distinguishes citizens of a country from those of other countries. It is taught in the social environment of an individual, being part of a human continuity that allows the accumulation of new human experiences and their integration, enabling a continuous evolution.

The influence of national culture is significant because its elements are deeply rooted in the cognitive functioning of individuals and evolve in a very slow pace – changes being observed after several generations. Regional cultures refer either to the diversity of cultures within the same country or to the similarities that may exist between geographical areas belonging, in legal terms, to several countries (Meier). In Romania there can be noted differences between determinants of culture, regions, so there will be, under the principle of social determinism (Draghicescu, 1996), cultural differences

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among the three historical regions, Moldova, Transylvania and Walachia, resulting in specific ways of dealing with everyday problems as well as those expressed in business. We say that the regional character of individuals and businesses is essential because we believe that the individual does not come into an organization disarmed in terms of culture, but he or she is the bearer of the social environment from which the person originates. Geert Hofstede and his collaborators came up with some cultural dimensions and below there are a few opinions regarding Romanian cultural dimensions. POWER DISTANCE The Power Distance – Power distance describes the degree of equality between different people within a particular society or group.

Also as Hofstede described “ power distance is the extent to which people expect and are willing to accept that power is distributed unequally.

Inequality of power is a basic fact of life. It cannot be 100% eliminated. It is impossible to have no power distance, because this means that everyone is exactly equal (skills, actions, genetics etc) unless you are on about a bunch of identical lumps of rocks. Inequality can take many forms – the differences of physical and mental characteristics, social status and prestige, wealth, political power, rights, privileges etc. All of these are somewhat independent of each other, and in fact the link between them is culturally dependant”.

Not to put too fine a point on it, Romania is obviously a country with a high power distance. In comparison to Romanian power distance, the power distance in Swedish companies is among the smallest in the world, according to a study of 40 countries in 1984 and the concept of power distance is largely replaced by personal responsibility. First of all, Romanians seem to

expect differences in power between people, yet they are often cynical about person as in positions of authority. They love to ridicule authority and people in position of power. For example, the president of the country is said to be the most popular person among the population due to his hilarious way of behaving in different situations .

Furthermore, offices in Romania are ruled by formality. Subordinates are rarely allowed to call their supervisors by their first name. The same thing happens in schools too. While in American schools one can find sheer informality, in Romania is exactly the opposite. If the society wants a lower power distance level, someone should take steps to make this exaggerated formality from schools a thing of the past. In addition, even the ways to say HELLO in Romania are bound to follow up certain rules.

For example, if you are the secretary you can't greet the same way your working colleagues and your boss. Greetings are subject to the same strict rules of formality and informality. Some extremely important consequences of a high power distance level are the sudden changes in government and the autocratic / absolutist governments. In days gone by, this has been more than obvious in our country. Let's think of the 1989 Revolution when the Communist leaders were killed.

In this day and age we find a certain polarization of left / right wing parties which is another consequence of a high power distance. If we now summarize, it stands to reason that Romania has a high power distance level. There is a higher distance power in Moldova compared with Wallachia, to which the difference is 1. 65 percent; and Transylvania, against which the

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difference amounts to 6.55 percent; A high level as to this cultural dimension can be observed in the case of all the historic regions of Romania. This indicates high power distance, meaning that people in organizations have a high tolerance to the unequal distribution of power.

Notably, however, is that in Transylvania, where we have achieved the smallest value for the power distance, it would be easier to implement participatory management practices, while in Moldova proper managerial style remains the autocratic one. Here, the manager subordinate relationships are highly formal and subordinates are waiting to be told what to do and how. **INDIVIDUALISM** Individualism – this dimension focuses on the degree to which a society reinforces individual or collective achievement and interpersonal relationships. If a country has a high Individualism score, this indicates that individuality and individual rights are dominant. Individuals in these societies tend to form relationships with larger numbers of people, but with the relationships being weak.

A low individualism score points to a society that is more collectivist in nature. In such countries, the ties between individuals are very strong and the family is given much more weight. In such societies members lean towards collective responsibility. In our opinion, Romania is quite an individualistic country. First of all, the combination of this individualism with the communist emphasis upon engineering and task skills has resulted in a nation with almost no sense of what the sociologist Ulrich Beck refers to as “the other”. People do not give much consideration to their group needs when making decisions.



Witness the selfishness of the political class, or the greed of the national business elite, both on the back of great poverty and exploitation. Too frequently do Romanians show little concern for pride in their own work. This leads the task element of leadership being measured in quantitative rather than qualitative terms. For example, people often ask themselves “ Did I finish all my paperwork” rather than “ How much value did I add by doing so? ” Journalists, for example, complain every day about their subjects (politicians) but they do not take personal responsibilities for their own actions. Whilst such complaints can be heard the world over, the scale of the problem is more widespread, deep rooted and damaging here than anywhere else. Apart from this, there is another issue to present.

Whenever something goes wrong in Romania, there is a strong tendency for people to consider themselves as victims of circumstance, which leads to two subsequent effects. First of all, they exhibit passivity in the face of gross public abuses. Secondly, they have the tendency to find outsiders to blame. This can be proved by a very good example: the Emma Nicholson scandal over children’s homes. Rather than face the issue, the country seemed to unite in outrage at how this foreign woman dared to expose the things that we don’t speak about. This, of course, underlines the weakness of the society.

Individualism, low overall, shows regional differences, we see a slight difference at the regional level which can be translated into increased targeting of individuals from Transylvania towards their interests, personal objectives. The appropriate management is the group management, taking

into account the relations and common interests in a subset of work force In Sweden, individualism in business is also a bit high, but less than in Romania, as there is a vivid exchange of information in Swedish companies and according to them, in this way people feel more involved and more motivated to work. This is why Swedish companies usually have a flat and team-oriented structure with few management levels and the result is a simple and direct decision-making process. Matrix organizations are common, since Swedish employees often report to more than one manager. .

UNCERTIANTY AVOIDANCE Uncertainty avoidance – this dimension concerns the level of acceptance for uncertainty and ambiguity within a society.

A country with a high uncertainty avoidance score will have a low tolerance towards uncertainty and ambiguity. As a result it is usually a very rule-orientated society and follows well defined and established laws, regulations and controls. A low uncertainty avoidance score points to a society that is less concerned about ambiguity and uncertainty and has more tolerance towards variety and experimentation. Such a society is less rule-orientated, readily accepts change and is willing to take risks. The definition given by Hofstede is: “ uncertainty avoidance is the extent to which the members of a culture feel threatened by uncertain or unknown situations”. The essence of uncertainty is that is a subjective experience.

But according to Hofstede, feelings of uncertainty are not only personal, but may also be partly shared with other members of society. Risk taking is an important factor, which is usually associated with entrepreneurial activity. When a cultural distance between countries increases, also will the

uncertainty and the perceived risk. Romania is part of the group of countries with a high uncertainty avoidance score. A good example to prove this fact is to use Sanna Sundqvist's study, entitled " Cross-cultural adoption of wireless communications: effects of cultural distance and country characteristics". The study tries to analyze the cultural differences in adoption of wireless communications.

In order to test the effects of cultural similarity, the study groups some countries on the basis of their cultural dimensions. Based on Hofstede indices, the 48 countries were classified using hierarchical cluster analysis into five segments. For example, cluster five contained countries like Denmark, Finland, Norway, Sweden and Netherlands, cluster four: China, Hong Kong, Singapore, cluster two: USA, Austria, U. K. , Australia etc, cluster one: Argentina, Italy, Japan, Brazil, Germany etc. hile cluster three had countries like Chile, Baltic countries, ROMANIA, Venezuela, Taiwan, Thailand, Peru etc.

The results proved that cluster five has adopted wireless communication earliest while cluster three has adopted significantly later. This proves the fact that Romania, situated in cluster 3, is a country that does not accept changes easily. Another reason for this high level of uncertainty avoidance could be the fact that the Romanian nation is very old, and it has survived numerous wars, political upheavals and economic changes. Hence, Romanians have a greater fear of the unknown. Moreover, it is known that a country with a high uncertainty avoidance level will adopt due to imitation or

in order to diminish risks and uncertainty, in Romania's case, the integration in the E. U.

We are among the last countries to make this step. While it is true to say that we don't have the necessary economic standards to join the E. U. I nevertheless think that from a different point of view this delay is also due to the high uncertainty avoidance level. Citizens being critical of their own nation are another characteristic feature of a country with a high uncertainty avoidance level.

Romania's population is never satisfied by any performances of the country. They always find a reason to put the negative part of an achievement in front of the positive one. There is a difference between employees in Moldova and Wallachia, on the one hand, and those in Transylvania, on the other hand, when it comes to the values generated by this cultural dimension. For the first two regions examined, the need for rules and security, but also high resistance to change and reluctant risk acceptance and assuming responsibilities. In Transylvania, the low level of uncertainty avoidance translates into initiative, risk taking, tolerance, achievement-based motivation, respect and belonging.

Swedish people are more prone to taking risk than Romanians. Swedish executives are generally more willing to take risks than their colleagues in other countries, as an international study showed that Sweden had the lowest "uncertainty avoidance index" by far among the countries compared, while Japan had the highest. Therefore, one could say that Swedish managers are not so anxious to do the 'right' thing as long as they do their

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best. Generally, in countries where managers show high uncertainty avoidance, employees are often promoted according to seniority. In Sweden, on the other hand, actual work performance tends to be of greater importance. As a result, young men and women are frequently seen in leading positions.

**MASCULINITY** Masculinity – this dimension pertains to the degree societies reinforce or do not reinforce the traditional masculine work role model of male achievement, control and power. A high masculinity score indicates that a country experiences a higher degree of gender differentiation. In such cultures, males tend to dominate a significant portion of the society and power structure. A low masculinity score means a society has a lower level of level of differentiation and inequity between genders. In these cultures, females are treated equally to males in all aspects of the society.

The IBM studies revealed that (a) women's values differ less among societies than men's values; (b) men's values from one country to another contain a dimension from very assertive and competitive and maximally different from women's values on the one side, to modest and caring and similar to woman's values on the other side. The assertive pole has been called masculine and the modest, caring pole feminine. It stands to reason that Romania has a high masculinity score, whereas in Sweden, as we mentioned before, there is a higher possibility to encounter women in high positions in companies. To begin with, most of the VIP's in Romania are men. The president is a man, the prime minister is a man, most of the other ministers are men, almost all the secretaries of the state are men and so on. I would

like to analyze the administration board of BNR, the national bank of my country, to prove my point.

This board has the following structure: Governor: Ph. D Mugur Isarescu First Deputy Governor: Ph. D. Florin Georgescu Deputy Governor: Ph. D. Eugen Dijmarescu Deputy Governor: Ph.

D. Cristian Popa Member: Ph. D. Silviu Cerna Member: Maria Ene Member: Agnes Nagy Member: Ph. D. Napoleon Pop Member: Ph.

D. Virgiliu Stoenescu As we can see, 77. 77% of the members are men while only 22. 23% are women. Another important fact is that the inequalities between men and women in Romania are structural, rather than merely contingent, and a pervasive phenomenon rather than a temporary consequence of the transition. It is a fact that the rising of unemployment has constantly affected women more than men, while women are over-represented in the lowest wage sectors of the economy (especially agriculture, healthcare and education).

Furthermore, even the legislation from this country encourages masculinity. The best example to list here is the age of retirement which is not the same for men and women. Women have lower retirement ages than men. Fewer years of contributing to the system combined with the data that indicates that women earn on average 83% of men's earnings will result in lower average pensions for women. More worrying is the increase number of women moving from formal, paid employment to the informal sector or into unpaid family labor, situations in which it is unlikely that contributions will be

made into the social, health or pensions system, resulting in a growing number of women potentially facing old age without pensions at all.

The employers in Romania often regard the aspect of gender when hiring new people. For example, they prefer men engineers rather than women engineers, which are, of course, discrimination as the only difference between men and women should be made when a job implies physical effort. Moreover, we think that these characteristic features of Romania are really clear and that they are not unchangeable and each feature of each country varies in time. Maybe in some decades, the high level of masculinity and power distance will be a thing of the past, and we shall live in a better country with better people and smarter rules. In the Romanian regions the feminine values interpenetrate with masculine ones. A slightly increased tendency towards femininity is noticed in Wallachia.

However, Hofstede notes that the development of this dimension, for all countries, is towards femininity. This is visible in Romania also, by the emphasizing concern for increasing the quality of life, increased interest in preserving the environment, concern for a beneficial climate at the workplace, growing number of civic actions with the purpose of providing social support. Therefore, one would expect that Moldova and Transylvania (urban and rural population) kept a gender-based differentiation of roles and valorized male values better (gain, recognition, achievement, challenge

LONG TERM ORIENTATION This refers to how much society values long-standing – as opposed to short term – traditions and values. This is the fifth dimension that Hofstede added in the 1990s after finding that Asian

countries with a strong link to Confucian philosophy acted differently from western cultures. In countries with a high LTO score, delivering on social obligations and avoiding “ loss of face” are considered very important.

Long Term Orientation is focusing on the long-term or short terms are the extremes of this cultural dimension which consists of sets of values that have consequences on certain time horizons. The values associated with long-term orientation are persistence, organizing relations based on social status, holding the feeling of shame, while those typical for the short-term orientation are: personal safety and stability, “ saving face”, respect for tradition, the reciprocity in terms of greetings, favors , gifts, etc. Romania is mainly short term oriented, whereas Sweden is more long-term oriented as they value building relationships, even if they tend to talk just business. The Romanians have characteristics typical to Eastern Europe ex-communist countries. Inequalities among people are expected and desirable, privileges and status symbols for managers are expected and known.

We seem to have, to a certain degree, a domestic political violence, street events and frequent strikes. Qualifications, income, power and status have to work together. The relationship between employer and employee is perceived in moral terms, as a family liaison, management is participatory and the relationship is more important than the task. People are born in large families or subgroups of common interests that continue to protect the exchange for loyalty. It is important to know that these characteristics tend to change over time, as people change along with the Earth.



We know we are living in a global age. Technology has brought the world much closer together. This means that people of different cultures find themselves working together and communicating more and more. This is exciting and interesting, but it can also be frustrating and fraught with uncertainty. Building connections with people from around the world is just one dimension of cultural diversity.

You also have issues like motivating people, structuring projects, and developing strategy. Cultural norms play a large part in the mechanics and interpersonal relationships at work. When you grow up in a culture you take your norms and behavior for granted and you tend not to think about your reactions, preferences, and feelings, when you should pay attention while communicating with people coming from different cultures, such as Romania and Sweden. All in all, Romania and Sweden, two European countries, differ more than one would think of at a first glance from many points of view: punctuality, individualism, risk taking, long-term orientation and masculinity in business, with culture playing a very important role in this state of things.

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