Values and Cultures in Integrating Business
A Comparison of Bulgaria, Finland and Japan

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Along with globalization, values from a cross-cultural perspective have awakened great interest in recent years. Value types differ in different cultures. On the other hand, however, it may be assumed that globalization and economic unionism may merge the values. Anyway, knowing the relationship between values and cultures can assist the businessperson in better understanding the intercultural differences within regions. In this paper, values in terms of value types were compared in three different cultures. The sample consisted of 79 Bulgarian people, 453 Finnish people and 304 Japanese people. It was found that there are culture-based stresses in the values that must be taken into consideration in international business, but in all, the differences were not that big as could be expected taking into consideration the large difference of the cultural, economical, and religious backgrounds of the countries concerned.

Field of research: Leadership, Expatriates, Cultures, Values

1. Introduction

In spite of the possible assimilation of values along with globalization and economic unionism, international business, foreign direct investments, expatriates´ work and any international cooperation require understanding of differences between cultures. For example business negotiations, expatriate managers and professionals, management of foreign personnel, and cross-cultural teams presuppose good knowledge of cultural differences (cf. Routamaa & Rautiainen, 2002). However, research on expatriates indicates that failed expatriate assignments are still costly and numerous. Studies abound with recommendations on how to increase expatriate success in a new culture. Black, Mendenhall and Oddou (1991) introduced three main skill areas that expatriates need to focus on to survive in a new culture: skills related to maintenance of self, skills relating to fostering relationships with host nationals and skills that promote a correct perception of the host environment and its social systems.

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The three strategies for coping with this adjustment process introduced by Berry, Kim and Boski (1988, p.63) were: expatriates psychologically adjusting by adjusting their behavior to the environment, changing the environment, or moving to a more congenial environment. Hofstede (1984, p.21) defines culture as 'the collective programming of the mind that distinguishes the members of one human group from another'. Tylor (1871) defined culture as 'that complex whole that includes knowledge, beliefs, art, laws, custom, and any other capabilities and habits acquired by man as a member of society'. Fundamental webs of culture constitute patterned ways of thinking, acting, feeling, and interpreting (see e.g. Kluckhohn 1951, p.86; Ting-Toomey, 1985, p.75). Ronen (1986, p.18) sees culture as 'the frame of reference' of individuals, and Harris and Moran (1987, p.102) discuss 'mental frameworks' which groups, organizations and nations develop. The more individuals conform to each other in terms of background variables such as nationality, education and sex, the more probably they perceive their social environment similarly and in that way share the same subjective culture (Hofstede 1984). Dealing with values here, the subjective culture is of special interest instead of the objective culture, which is composed of the more concrete infrastructure (cf. Routamaa & Pollari 1998).

In spite of the criticism (see e.g. Spector, Cooper & Sparks, 2001; Hofstede, 2002; Spector & Cooper, 2002), Hofstede's definition referring to the collective programming is a good frame of reference in analyzing values in a cultural context. It is to be emphasized that there are also alternative cultural concepts available in addition to Hofstede's dimensions (see e.g. Trompenaars and Hampden-Turner 1998). However, based on its wide-ranging scope, Hofstede's research is useful choice as frame of reference also by design to avoid remeasuring of cultures of countries concerned. Studying work-related values at the societal level, Hofstede (1984) identified four dimensions: Power distance can be defined as the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally. Individualism pertains to societies in which the ties between individuals are loose: everyone is expected to look after himself or herself and his or her immediate family. Collectivism as its opposite pertains to societies in which people from birth onwards are integrated into strong, cohesive in groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty. Uncertainty avoidance is defined as the extent to which the members of a culture feel threatened by uncertain or unknown situations. This feeling is expressed e.g. through nervous stress and in a need for predictability: a need for both written and unwritten rules. Masculinity pertains to those societies in which social gender roles are clearly distinct, and femininity pertains to societies in which social gender roles overlap (Hofstede, 1991, pp.23-158). Also a fifth dimension, long-term versus short-term orientation, has later been identified in a survey with the Chinese Value Survey instrument carried out by M. H. Bond (Hofstede, 1993).

In this paper, values in terms of value types will be compared in three different cultures. The basic question is, are there relationships between national cultures and values to be taken into account in international business in terms, for example, leadership and expatriates' work. First, the cultures concerned will be compared in terms of Hofstede´s cultural dimensions. Next the values based on Schwartz's studies used here are

described. Finally, methodology and research design, results and conclusions are presented.

2. Bulgarian, Finnish and Japanese Cultures

Comparison of power distance and masculinity dimensions between Bulgaria, Finland and Japan reveals that both are higher in Bulgaria and Japan. Finland is characterized by small-power distance, and a feminine cluster. In the individualism-collectivism dimension, Finland is in the individualism cluster whereas individualism is lowest in Bulgaria and low also in Japan. Uncertainty avoidance is higher both in Bulgaria and Japan (See Table 1).

In feminine cultures, the preference for resolving conflicts is compromise and negotiation. In masculine cultures, there is a feeling that a good fight should resolve conflicts: Let the best man win (Hofstede, 1991, p.92). In feminine cultures a humanized job gives more opportunities for mutual help and social contacts. The masculine leadership culture is assertive, decisive, 'aggressive', and a decision-maker is looking for facts rather more than a group-discussion leader. The management in a feminine culture is less visible, more intuitive than decisive and more consensus seeking than the counterpart in a masculine culture (Hofstede 1991, p.94). In weak uncertainty avoidance, masculine cluster, achievement and esteem are typical whereas security and belongingness are typical of strong uncertainty avoidance, feminine cluster (Hofstede 1991, p.125).

Countries with strong uncertainty avoidance but small power distance have organizations on the well-oiled machine model, the activities structured without concentrating the authority. In the large-power distance, weak-uncertainty-avoidance countries, a family organization with an omnipotent owner-manager is characteristic; concentration of authority without structuring of activities (Hofstede 1991, pp. 142-143).

Table 1. Comparison of Hofstede´s Cultural Dimensions in the case of Bulgaria, Finland and Japan.

Cultural dimensions	Bulgaria	Finland	Japan
Power distance	Higher	Small	Medium
Masculinity	Somewhat masculine	Feminine	High
Individualism-collectivism	High collectivism	Quite high individualism	Rather collectivist
Uncertainty avoidance	Higher	Lower	Higher

3. Values

Theoretically, there are several definitions of values. The types of values used here are based on Schwartz's (1992) and Schwartz and Boehnke's (2004) definitions (Table 2) that are used in many international comparisons.

Table 2. Types of values and sub-values of the study

Achievement - Implies personal success through demonstrating capabilities respecting the social standards that the individual has to respect. The associated values include ambition, influence, capability, success, intelligence and self-respect.

Benevolence - Is associated with the values of being helpful, responsibility, forgiving, honesty, loyalty, mature love and true friendship.

Conformity - The restraints on action, inclination and impulses that are likely to upset or harm other individuals or groups and violate social norms or expectations are the relevant goals here. The associated values include obedience, self-discipline, politeness and honoring of parents and elders.

Hedonism - Pleasure and the sensuous gratification of oneself are the defining goals here, leading to pursuit of pleasure and enjoyment of life.

Power - The attainment of social status and prestige and control or dominance over others and resources define this motivational type. Associated values include social power, wealth, authority, preserving public image and social recognition.

Security - Safety, harmony and the stability of society, of relationships and of self-preservation are the defining goals of this value type. The relevant values include national security, reciprocation of favors, family security, a sense of belonging, social order, health and clean living.

Self-direction - Independent thought and action in choosing, creating, exploring creativity, freedom, choosing one's own goals, curiosity and independence.

Spirituality - Implies meaning and inner peace through the transcendence of everyday life. Associated values include a spiritual life, meaning in life, inner harmony and detachment.

Stimulation - Values derive from the assumed need of individuals and groups for variety and stimulation in order to maintain an ideal level of activity, motivating an exciting life, a varied life, and a daring outlook.

Tradition - It springs from commitment to, and acceptance of, the customs and ideals that are imposed by an individual's culture or religion. The associated values are tradition, devotion, acceptance of one's 'lot in life', humbleness and moderation.

Universalism - This motivational type is defined by understanding, appreciation, tolerance and protection for the welfare of all other people and of nature. The associated values include equality, unity with nature, wisdom, a world of beauty, social justice, broad-mindedness, protecting the environment and a world at peace.

Along with globalization, value types from a cross-cultural perspective have awakened great interest in recent years (e.g. Abramson & Inglehart, 1995; Hofstede, 1980, 1991; Markus & Kitayama, 1991; Schwartz, 1992; Schwartz & Bardi, 1997; Schwartz & Ros,

1995; Smith & Schwartz, 1997; Inglehart, 1997; Triandis, 1990; etc.). In accordance with Hofstede's 'social programming', values are seen as 'abstract social cognitions' that help people's adaptation to the environment (Claxton & McIntyre, 1996). According to Comte, value consensus is usually defined as concurrence among members of a society concerning their values (see Schwartz & Sagie, 2000).

Lewis (2003) has analyzed and compared different countries and cultures around the world in ordinary terms typical for each country in their historical context. He (2003, p. 331) states that "the Finns, probably on account of exceptional historical and geographical circumstances, have a higher degree of national self-consciousness than most peoples." He added that "it is hard for the British and French to imagine a nation that has triumphed over so much adversity can fall prey to an inferiority complex!" Actually, Lewis saw some congruence between the Finnish, Japanese, Chinese, and also French values due to the history in spite that the Finns are less chauvinistic. It may also be assumed that the rapid economical growth and internalization of Japan have brought it nearer western culture. Bulgaria has recently joined the EU. Along with years to come, it will be seen how much the EU will affect Bulgarian values. The collapse of Soviet Union made it possible for Bulgaria to get closer Western Europe. Anyway, Lewis (2003, p. 319) stated that "Bulgarians are cooler and more pragmatic than many Slavs; quiet and soberness are valued. Values tend to be rural, with homespun virtues."

4. Methodology and Research Design

The research aimed at comparing value types in three different cultures in terms of Hofstede´s cultural dimensions. Of course, the use of Hofstede´s cultural dimensions could be criticized for example in terms of the aging of Hofstede´s research. The world has changed and cultures may have converged a little since that time. However, Hofstede´s research serves as useful, common frame of reference in this comparison. The sample consisted of 79 Bulgarian people, 453 Finnish people and 304 Japanese people who completed the questionnaire. Unquestionably, the number of observations from Bulgaria is small. But, on the other hand, as pretested, the value factors loaded logically in that sample. Further, the possible effects of the sample size and composition will be considered in conclusions. The Finnish sample is most heterogeneous whereas the Bulgarian sample consists on average of younger, military career oriented people. The Japanese sample is stressed to young adults. According to earlier studies (e.g. Routamaa, Hautala & Mohsin 2007; Routamaa & Heinäsuo 2006), possible minor in-culture discrepancies do not obscure cross-cultural comparisons. In case of the value questionnaire (Schwartz), a 7-degree scale was provided for respondents to indicate how important the values presented are. The means, F-values, and significances of the values, value rankings and post-hoc orders will be reported.

5. Discussion of Findings

In Table 3, the means, F-values, and significances of the values in three cultures are presented, and in Table 4, the rankings of the values in each country are listed.

When comparing the samples of each culture, some bigger but mainly smaller differences could be found. However, no fewer than eight of the ten values differed significantly (see Table 3). The ranking orders do not necessary differ that much. For example, three least ranked values are the same (see Table 4). However, as can be found in Table 3, there are clear significant differences between different cultures. The degrees of importance differ a lot. Masculine and highly collective Bulgarian culture valued highly significantly more achievement, self-direction, tradition, power and security. Probably due to historical background, in Japanese culture universalism, conformity and hedonism are most highly valued. Feminine, individual cultures were also enjoying life valuing hedonism significantly and benevolence that was also highly valued in Japan. Pleasure and enjoyment are important for both cultures, probably due

Table 3. The means, F-values, and significances of the values in Finland, Bulgaria and Japan.

	Power	Achieve-ment	Hedon-ism	Stimu-lation	Self-Direc-tion	Univers-alism	Bene-volence	Traditi-on	Confor-mity	Securi-ty
Fin n=453 Mean	2.83 *(10)* 1.25	4.36 (7) 1.20	5.04 (2) 1.17	4.14(8) 1.33	4.87 (4) 0.95	4.47 (6) 1.04	5.23 *(1)* 0.91	3.10 (9) 1.13	4.45(5) 1.08	4.82 (3) 0.98
Bulg n=79 Mean	4.35 (8) 1.46	5.34 *(1)* 0.84	4.67 (6) 1.46	4.18(9) 1.41	5.25 (3) 0.96	4.78 (5) 0.93	5.26 (2) 0.96	3.86*(10)* 1.17	4.48(7) 1.08	5.10 (4) 0.96
Jpn n=304 Mean	3.56 *(10)* 1.14	4.53 (7) 1.03	5.57 *(1)* 1.02	3.86(8) 1.36	4.95 (5) 0.95	5.04 (4) 0.86	5.17 (3) 0.88	3.59 (9) 1.11	4.86(6) 1.09	5.27 (2) 0.83
F-value	67.577	26.181	28.181	4.336	5.303	31.056	0.591	25.880	13.754	21.605
Signifi-cance	0.000***	0.000***	0.000***	0.13	0.005**	0.000***	0.554	0.000***	0.000***	0.000***

Table 4. Value Rankings of the Total Samples in Bulgaria (left) and Finland (middle) and Japan (right).

Bulgarian values:	Finnish values:	Japanese values
1. Achievement	1. Benevolence	1. Hedonism
2. Benevolence	2. Hedonism	2. Security
3. Self-Direction	3. Security	3. Benevolence
4. Security	4. Self-Direction	4. Universalism
5. Universalism	5. Conformity	5. Self-Direction
6. Hedonism	6. Universalism	6. Conformity
7. Conformity	7. Achievement	7. Achievement
8. Power	8. Stimulation	8. Stimulation
9. Stimulation	9. Tradition	9. Tradition
10. Tradition	10. Power	10. Power

to different reasons based on history and culture. Benevolence in terms of being helpful, responsible, forgiving, honest, loyal, capable of mature love and true friendship was the only common value among the three top values of three cultures. Universalism was more typical of collectivist cultures even. Achievement is usually a more typical value for masculine cultures than feminine ones (cf. Routamaa, Hautala & Mohsin 2007). That is, orientation towards work is also more serious than that found in feminine cultures, and that should be recognized by those coming to work from a different culture. The achievement rankings of Japan and Finland were the same, but with the Japanese mean a little higher and deviation smaller. The small difference may also be explained as a result of westernization. Bulgarians ranked achievement highest of all values. Power was very low valued, in general, but especially low in feminine, individualistic and low power distance cultures. (See Tables 4 and 5) It may be noted that in addition to power also stimulation and tradition were among the three last ranked. Referring to Lewis' comment above on Finnish, Japanese, Chinese, and French values and history, the low ranking of stimulation is understandable. Similarly, corresponding to Lewis' view of Bulgarians compared to other Slavs, low ranking of stimulation is explicable. Taking into consideration the culture differences presented in Table 1, the rankings of values were natural even though, for example, histories and economic situation of the countries may be reverberated to the peculiar values. Actually, the ranking differences quite well correspond the intensity of cultural dimensions specified between those three countries.

Table 5. Ranking Orders of Significantly Different Values

Self-direction	Conformity
Bulgaria > Finland, Japan	**Japan>Bulgaria, Finland**
Universalism	Hedonism
Japan>Bulgaria>Finland	**Japan>Finland>Bulgaria**
Achievement	Tradition
Bulgaria >Finland, Japan	**Bulgaria>Japan>Finland**
Security	Power
Bulgaria, Japan>Finland	**Bulgaria>Japan>Finland**

6. Conclusions

This study confirmed the earlier studies that there are culture-based stresses in the values that must be taken into consideration in international business. Secondly, the study revealed that there is a certain amount of conformity among members of society concerning their values. That is there are some culture based shared values over the individual values.

Bulgaria, Finland and Japan all have different cultural and historical backgrounds. In terms of Hofstede's cultural dimensions, Bulgaria and Japan are nearer each other's, whereas Finland represents low power distance, feminine, individualistic, and low uncertainty avoidance cultures. The most typical values for the low power distance, low uncertainty avoidance, individual and feminine culture were benevolence and hedonism. However, the higher power distance, higher uncertainty avoidance, somewhat collectivist and masculine cultures, Bulgaria and Japan had only one common value among the three top values that was benevolence. It may be noted that the ranking order is not the main criteria but the absolute rating of each single value. Surprisingly, and differing from earlier results of masculine culture (cf. Routamaa, Hautala & Mohsin 2007), achievement was not that highly valued in Japan. One can assume that westernization and transition are bringing cultures closer together. However, there are certainly bigger differences between the values of generalizations in Asia than there are in Europe (cf. Routamaa & Heinäsuo 2006). In Japan, the top three values were hedonism, security and benevolence whereas in Bulgaria Achievement, Benevolence and self-direction were most valued. It cannot be denied that the Bulgarian sample of relatively young, military career oriented people may affect the ranking. It may be assumed that hedonism in Japanese culture originates more from historical rite than hedonism in feminine and individual cultures where it may be more individual way of life.

The lowest value rankings of the three countries were surprisingly similar; power, stimulation and tradition were the same. It might be assumed that in old Japanese culture, tradition were valued higher but, on the other hand, younger people especially have become considerably more westernized during the last twenty years, and the Japanese sample consists mainly of young adults. In global business, the businessperson or traveler should recognize the intercultural differences within regions in order to succeed in business or leisure relationships. The great number of unsuccessful expatriate recruitments is a good example of the limited understanding of cultural differences of values. To succeed, a manager in foreign culture needs training and coaching in self-knowledge and cultural differences in terms of values. For example, a manager in masculine, collective, high-power distance, and high-uncertainty-avoidance Bulgarian culture has to take into account achievement and security which demand quite task-oriented leadership behavior while benevolence and hedonism require more human orientation. A manager from an individual and feminine culture may also have difficulties in applying task oriented and collective leadership style when used to working in work communities colored by hedonism and benevolence. Correspondingly an expatriate coming from high-power distance, high uncertainty avoidance, collectivism and masculinity culture to the opposite culture may feel insecure and inactive in an un-collective milieu of hedonism. In a global world, business communities are more multicultural, despite the country they are. That is why knowledge of cultural dimensions, values, and knowledge of the relationships between them is a big challenge for leaders. (Cf. Routamaa & Hautala 2008).

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