CORPORATE CULTURE IN A MULTINATIONAL COMPANY

A Comparative Case Study Between a Turkish and a Swedish Organization

Saga af Petersens & Kendra Ibsen
15 May 2013

In a world where the number of multinational companies is growing, the creation of one shared global corporate culture has become essential to hold a company together. International companies strive to convey their corporate culture globally, in order to enable shared values and beliefs across borders. However, is a collective view of the corporate culture possible to achieve? The objective of this thesis is to identify potential differences of the corporate culture in a multinational company by comparing its Swedish and Turkish organization, and furthermore explain why these potential differences exist. The results of the research demonstrate that the members of the two organizations interpret the corporate culture differently although some cultural elements are similar. This result in two different actual corporate cultures, that mainly varies in hierarchical structure, communication, and entrepreneurial spirit. The authors explain the differences by the variation in national cultures and how those affect the behavior of the organizational members. Different cultural groups experience different things and ‘the same things’ differently. In conclusion, the authors suggest that a shared view of the corporate culture across borders is impossible to achieve. Further on, they consider that a unified corporate culture is not necessarily required and a strong corporate culture is rather achieved through a balance between local adaptation and global belonging.

Keywords: Corporate culture, national culture, global belonging, national cultural dimensions, multinational companies, supra-identity, Turkey, Sweden, local adaption

Acknowledgements:
We would like to express our gratefulness to the Management Department Institution and Mats Jutterström in particular. Mats Jutterström has been very engaged, accessible and helpful during the writing of this thesis. We would also like to thank the discussion groups, because of their valuable and constructive comments. Lastly, we will like to thank Oriflame for their dedication and helpfulness. Without Oriflame and our contact person, Per Gunnarsson this thesis would not have been possible.

Supervisor: Mats Jutterström
Examinator: Dag Björkegren
Date of Presentation: 30 May
# TABLE OF CONTENTS

## 1. INTRODUCTION

1.1 Background & Problem Area .............................................................................. 4
1.2 Purpose .................................................................................................................. 5
1.3 Study Subject ........................................................................................................ 5
1.4 Delimitations .......................................................................................................... 6
1.5 Contribution .......................................................................................................... 7

## 2. THEORETICAL FRAMEWORK

2.1 Culture and Corporate Culture ........................................................................... 8
2.2 Three Levels of Corporate Culture ...................................................................... 9
  2.2.1 Artifacts ........................................................................................................ 9
  2.2.2 Espoused Values and Norms ......................................................................... 10
  2.2.3 Basic Underlying Assumptions ..................................................................... 10
2.3 National Culture and the Dimensions of National Culture .............................. 11
2.4 Sweden versus Turkey ......................................................................................... 12
2.5 Other Factors That Affect the Corporate Culture ............................................... 14
  2.5.1 The Impact of Leadership .......................................................................... 14
  2.5.2 The Impact of the Business Environment .................................................. 15
2.6 Theoretical Key Take Away ................................................................................ 15

## 3. METHODOLOGY

3.1 Research Approach ............................................................................................. 17
3.2 Choice of Case Study ......................................................................................... 17
  3.2.1 Oriflame ....................................................................................................... 17
3.3 Data Collection .................................................................................................... 18
  3.3.1 The Data Collecting Method ....................................................................... 18
  3.3.2 Structure and Reliability ............................................................................ 19
  3.3.3 Selection of Interview Objects .................................................................... 19
3.4 Secondary Data .................................................................................................... 21
3.5 Analysis Method .................................................................................................. 21
3.6 Generalization ..................................................................................................... 21

## 4. EMPIRICAL FINDINGS

4.1 Introduction to the Turkish and Swedish Offices .............................................. 22
  4.1.2 ‘Karşılama’ to the Turkish Office .................................................................. 22
  4.1.1 ‘V-Alkommén’ to the Swedish Office ............................................................. 22
4.2 The Corporate Culture in Turkey and in Sweden .............................................. 23
  4.2.1 Oriflame as a Global Company and Its Business Environment .................. 23
  4.2.2 Core Values .................................................................................................. 25
  4.2.3 Hierarchy & Entrepreneurial Spirit ................................................................. 26
  4.2.4 Individual- Versus Teamwork ...................................................................... 29
  4.2.5 Indirect & Direct Communication ................................................................ 29

## 5. ANALYSIS

5.1 Differences in Corporate Cultures....................................................................... 31
5.2 How National Culture Affect a Corporate Culture ............................................ 34
  5.2.1 Oriflame as a Global Company and Its Business Environment ................. 34
5.2.2 CORE VALUES .......................................................................................................................... 35
5.2.3 HIERARCHY AND ENTREPRENEURIAL SPIRIT ........................................................................... 36
5.2.4 INDIVIDUAL-VERSUS TEAMWORK .......................................................................................... 37
5.2.5 INDIRECT AND DIRECT COMMUNICATION .............................................................................. 38

6. CONCLUSION ................................................................................................................................. 40
7. DISCUSSION ..................................................................................................................................... 42
8. REFERENCES ..................................................................................................................................... 44

APPENDICES .........................................................................................................................................
I. INTERVIEW QUESTIONNAIRE ........................................................................................................ 47
II. TEN QUESTIONS SURVEY ............................................................................................................. 48
1. INTRODUCTION

1.1 BACKGROUND & PROBLEM AREA
In a time when the number of multinational companies is rapidly increasing, the interest to create one global corporate culture has arisen. National differences are said to be obliterated and the world has become ‘smaller’ in several ways. When the markets become homogenized and different cultures interact, national identities become blurred and social networks replace traditional territories (Salzer, 1994). Harris, Moran & Moran (1979) discuss the expression ‘cosmopolitans’ that has arisen from the globalization. Cosmopolitans are free from national cultures and consider themselves as citizens of the world, and feel just as home in New York as in Singapore. Schwartz (1999) also suggests that national borders do not necessary delimit borders of societal cultures and that cultures can move beyond national borders. In contrast researchers claim that, when corporations become multinational and the world face economic integration the interest for local belonging have increased. National culture is considered essential in order to strengthen the feeling of local belonging (Daun 1989). Hofstede (1980/1984) discuss another aspect and suggest that national culture is hard to offset because it is deeply ingrained in peoples minds at an early age. Further, several researchers have identified that national cultural values are widely affecting peoples behavior and attitude (Hall, 1976, Ronen and Shenkar, 1985, Schwartz, 1999). Different groups develop different belief systems, and therefore Martin (1992) states that corporate cultures in multinational companies are multicultural rather than one unified culture. However, companies work actively to overcome this global separation by inventing a common “language” to be able to collaborate globally (Scheffknecht, 2011). An expression called supra-identity has been developed as a tool to offset national cultures (Salzer, 1994).

‘The idea of a supra-identity is the idea of an organization that can transcend the differences of different local cultures and move beyond borders. It is the idea of sharing a common identity that will hold the company together and give it a consistent image, regardless of where you find the company. It is the idea of creating a sense of sharing and togetherness that would unify people in the global company” - (Salzer, 1994).

However, a company does not have a culture in itself; it is rather the members within the organization that create the corporate culture. Individuals interpret, reject and create a sense of purpose differently, especially across borders (Salzer, 1994). This results in a great challenge to success with an aligned interpretation of the corporate culture across borders.
Different research suggests viewpoints of a unified corporate culture across borders. Is it possible for corporate culture to reach beyond borders and transcend national cultures? These thoughts and discussions led us to our final research question.

1.2 **PURPOSE**
This thesis aim to identify and explain potential differences in a corporate culture across borders as well as research why these potential differences exist. These potential differences will be explained based upon a theoretical framework and empirical data.

A case study will be used to identify and exemplify the differences. The multinational cosmetic company Oriflame has been chosen and the corporate culture in the Swedish organization (located in Stockholm) will be compared to the corporate culture in the Turkish organization (located in Istanbul).

This thesis aims to answer the following research questions;
*Are there any corporate cultural differences between Oriflame Sweden and Oriflame Turkey? And if so; how can they be explained?*

1.3 **STUDY SUBJECT**
Oriflame is a direct selling cosmetic company that was founded in 1967 by the brothers Robert and Jonas af Jochnick and their friend Bengt Hellsten. At an early stage the corporate culture became an crucial part of the business, enabling it to survive in a very tough industry. Year 2004 Oriflame applied to be listed at the Stockholm Stock Exchange. A few years later they moved the central office from Brussels back to Sweden to convey the Swedish origin even more, which has been identified as a valued asset. Today Oriflame is a multinational company with 8000 employees and 3,5 million consultants\(^1\). Oriflame operates in 60 different markets and made a turnover of approximately € 1,5 billion year 2012.

---

\(^1\) Consultants are the persons that sell the products by direct selling thorough i.e. home parties. They are not employed at Oriflame and can leave the company whenever. The consultant generates all revenue.
Positive thinking, faith in each other, entrepreneurship, hierarchy at minimum, competitive spirit and having fun together, has become the core of the corporate culture. Oriflame works against prestige, status and bureaucracy (Edsta, 2008). The organization strives to share the same fundamental values. Oriflame has grown to a multinational company and the top management are aware of the challenge to maintain the corporate culture across borders. Throughout the years three core values have been developed; Togetherness, Spirit and Passion. When Oriflame tries to convey the corporate culture they use rituals such as big extraordinary where they use chants and dance to create a sense of belonging. They are described to be the glue that holds the company together (Edsta, 2008).

"The corporate culture is even more important for us than many other companies because if our culture is lost or weakened, we would be living dangerously." - Robert af Jochnick (Edsta, 2008)

The objective of this thesis is to focus on corporate cultures in an international company; therefore we have chosen to contrast two markets in a comparative case study; The Swedish and the Turkish offices. Oriflame Turkey was founded 1992 and has one office located in Istanbul with approximately 50 employees. Oriflame Turkey is the Regional office of the MEA region (Middle East, Africa & Turkey). Turkey has a large growth potential and Oriflame work hard to develop the market into one of the leading markets (Ozmorali, 2012). Oriflame Sweden is one of the smallest markets in terms of gross revenue. Approximately 30 employees work at the Swedish office, which is the only office in Sweden. The Swedish origin is playing a central role to convey the corporate culture globally.

1.4 Delimitations
To stay within the frames of a Bachelor thesis several delimitations have been made. The objective of this study is to focus on external factors that affect the member of the organizations and therefore the corporate culture. An outside-in approach will be used rather than examining internal
factors such as management styles and personalities, even though they probably affect the culture. The case study is delimited to one multinational company, and a comparison between two markets and their respective office. Due to time limitations empirical data from 12 interviews have been gathered. The consultant’s perspective of the corporate culture has also been excluded even though the relation between the employees and the consultants will be discussed. This has been done due to time limitation, rationality and the fact that they are not employed at Oriflame. The short-term perspective delimitate the thesis further and the implementation of the corporate cultures has been excluded.

1.5 Contribution
Previous researches on how national differences impact corporate culture have been examined. However, this study focuses on the differences between Sweden and Turkey in particular, which has not been contrasted before in this context. Some empirical evidence can contribute and increase the knowledge about the cultural differences, and also strengthen existing research. In particular knowledge of the challenges, which can be helpful when Swedish companies expand to Turkey and vice versa.
2. THEORETICAL FRAMEWORK

In this chapter the theoretical framework will be presented. An introduction to culture and corporate culture will be described. To identify differences in the corporate cultures, Schein’s (1991) model that recognize three levels of corporate culture will be explained. Previous researchers state that variance in management values can be described with socio-cultural differences that origin from the national culture (Hofstede, 1997 and House et al., 2004), therefore the effect of national culture will be an essential perspective. Other factors that can affect a corporate culture, such as impact of leadership and business environment will be presented. Lastly, theoretical key take away will be defined.

2.1 CULTURE AND CORPORATE CULTURE

The term ‘culture’ is quite complex and several definitions have been suggested since the increase of interest in the 1980’s. In the comprehensive study by Hofstede (1980/1984), he defines culture as; “The collective programming of the mind that distinguishes the members of one group or category of people from others”. House et al. (2004) similarly suggest the definition; “Culture is a set of parameters of collectives that differentiate the collectives from each other in meaningful ways”. The many definitions of culture can be summarized as (1) a certain set of values, beliefs, behaviors, and attitudes; which (2) is shared, interpreted, and transmitted over time within a collective; And that (3) makes the collective unique and distinguishes that collective from other groups (Bik, 2010).

Companies use culture as a management tool to hold the company together, which is referred to as corporate culture (Bartlett & Ghosal, 1987). Corporate culture is the sharing of values that both local and global companies use in order to achieve common goals and Schneider (2003) suggest that corporate culture is ”the glue that holds geographically dispersed units together”. Corporate culture can be taught and learned and it evolves over time, as a result of how people in the company interpret and transmit the values (Hofstede, Hofstede & Minkov, 2010). A company does not have a culture itself; it is rather created through social interactions between the members of the organization. The real challenge is to create and maintain a corporate culture that is adaptable in the organization in order to create consensus.

An additional term in the field of culture is the ‘corporate identity’, which in many ways is similar described as corporate culture. The corporate identity is said to be the “personality of the company” and
it helps the organization to answer questions like “who are we?” and “where are we going?” Further, Salzer (2009) define corporate identity as;

“I understand organizations as processes of sense making and systems of shared meanings, where organizational identity comes to denote organizational members’ views and definition of the organization; a collective self-view.”

The identity of a company is a self-reflective interpretation made by its members in order to define what the organization is about (Albert & Whetten, 1985). Managers within the organization try to communicate the identity and culture, but since it is a self-reflective interpretation it can be challenging. The terms ‘Corporate Culture’ and ‘Corporate Identity’ often refer to the same cultural phenomena. The term ‘corporate culture’ will be consistently used in this thesis to avoid confusion.

When studying culture it is important to be critical about what the members express to be the reality and what the actual reality is.

2.2 THREE LEVELS OF CORPORATE CULTURE

Schein (1991) define corporate culture as; “The basic assumptions about how the world is and ought to be that a group of people share and that determines their perceptions, thoughts, feeling and their overt behavior.” He has developed a model that demonstrate three levels of corporate culture that are divided into; artifacts, espoused values and norms and the basic underlying assumptions.

2.2.1 ARTIFACTS

The artifacts are the visual organizational structures, processes and objects that are easy to detect but hard to decode. All observable expressions in a company are artifacts of a corporate culture. Artifacts can be concrete physical objects, texts, expressions and behaviors. The artifacts are described as symbols that enable the interpretation of the espoused values and basic underlying assumptions. The symbols have four functions in the organizations; (1) they are a mirror of the organizational culture, (2) they affect the thinking and behavior of the organizational members, (3) they help the employees to share experiences with each other and (4) they clarify what the organization is all about.
2.2.2 Espoused Values and Norms

The espoused values are the strategies, goals and philosophies that a company has adapted as justifications. The espoused values demonstrate what is good and not and how the members of the organization are supposed to behave. The values are naturally developed through a close relation to the basic underlying assumptions. But that relation can be problematic because of the discrepancy between what people express about their culture and how they actually behave. The espoused values also include the unwritten rules and norms that are created in social groups. People are expected to follow these norms and they are important when reducing uncertainty in different social interactions (Giddens, 1989). They are formalized through rules, routines and policies within the organizations.

2.2.3 Basic Underlying Assumptions

The basic underlying assumptions are unconsciously taken for granted; beliefs, perceptions, thoughts and feelings. They are the underlying elements of culture and hence the organizational members treat them as ‘truths’. Basic underlying assumptions are developed in social processes and when a person enters an already existing social systems the basic underlying assumptions are naturally transferred. The basic underlying assumptions constitute the base in every corporate culture and they are invisible and cannot be observed. To identify and analyze the basic underlying assumptions the artifacts and espoused values are interpreted. Schein identifies seven perspectives that shape the basic underlying assumptions.

The Seven Perspectives that Shape Different Basic Underlying Assumptions

- The relationship between the organization and its surrounding
  Is the organization looked upon as active and dominating in the society or is it the company that adapt to societal pressure?

- The acting of individuals
  Are the members of the organization looked upon as active or passive and are their actions rational or irrational?

- How the organization creates its ‘truths’
  Does the group develop the truths or does someone who knows “better” determine them?

- How does the organization handle the time perspective?
  Is the company focusing on the past, present or the future and how long are these time perspectives?

- The assumptions of the human nature
  Are humans looked upon as good, evil or shaped by the surrounding?
- How relations between humans are looked upon
Are emotions accepted or is rationality favorable? Are the employees supposed to cooperate or compete? Should employees participate in decision-making? How should power be distributed; by hierarchical or egalitarian structures?

- How conflicts are handled
To which extent should disagreement be accepted?

The perspectives will develop different basic underlying assumptions that create different espoused values and observable artifact, which in turn will result in diverse corporate cultures.

2.3 National Culture and the Dimensions of National Culture

“National culture is the collective programming of mind acquired by growing up in a particular country” - (Hofstede, Hofstede & Minkov, 2010)

Project GLOBE (House et al., 2004) defines national culture as shared values, beliefs, identities, interpretations and meanings of significant events. The experiences of the national members are transmitted across generations. Forces that shape national cultures and affect the population are history, language, wars, and religion (Hofstede, Hofstede & Minkov 2010). National culture is hard to offset because it indoctrinates the population at an early age, by i.e. education systems and religion.

Hofstede identifies five dimensions of national culture. These dimensions help to identify differences and characteristics of national culture that distinguish the countries from each other. The fifth dimension, Long-term orientation was introduced several years after the first publication and therefore Turkey has not been scored on this dimension and no empirical data could be directly connected to this dimension. Hence, this dimension will not be taken into account. The four applicable dimensions are presented below.

(1) Power Distance (PDI) is the extent to which the less powerful members of a culture accept and expect unequally distribution of power.
(2) **Individualism versus Collectivism (IDV)** is the degree to which individuals are supposed to look after themselves or the opposite, to remain integrated into groups, usually around the family.

(3) **Masculinity versus Femininity (MAS)** refers to the masculine and feminine distribution of emotional roles, not the gender itself. Male achievement reinforces masculine assertiveness and competition and female care reinforces feminine nurturance, a concern for relationships.

(4) **Uncertainty Avoidance (UAI)** identify to what extent the members of a corporate culture feel comfortable or uncomfortable in unstructured situations.

### 2.4 Sweden versus Turkey

Sweden and Turkey have distinctive different index scores at all dimensions of national culture. The scores and the characteristics of the two national cultures will be presented in this section (Hofstede, 2013).

![Cultural Dimension Index](image)

#### Figure 3 The Culture Dimension Index

**Power Distance Index (PDI)**

**Turkey** scores high on this dimension (score of 66), which means that the following characteristics are Turkish: Dependent, hierarchical, superiors are often inaccessible and the ideal boss is somewhat a father figure. Power is centralized and employees rely on rules and their leaders. The relations towards managers are formal and employees expect to be given clear directives. Communication is indirect and the information flow is selective. **Sweden** scores low on this dimension (score of 31),
which indicates that the Swedish culture is characterized by; independency, hierarchy for convenience only, superiors are accessible, equal rights and coaching leaders. Power is decentralized and managers rely on the experience of their team members. Control is disliked and the relations with superiors are informal and on first name basis. Communication in all sense is direct and participative.

**Individualism versus collectivism (IDV)**

**Turkey**, with a score of 37 is a collectivistic society, which means that the ‘we’ is important. People search for belonging in social groups as: families, clans or organizations. The members of the groups look after each other in exchange for high loyalty. Communication is indirect and the maintenance of harmony is important which result in avoidance of conflicts. The relationship has a moral base and this is prioritized over task fulfillment. Time must be invested to establish a relationship of trust and nepotism is common. Feedback is always indirect, even in the business environment.

**Sweden** is an individualistic society with a high score of, which means that individuals are expected to take care of themselves and their immediate families only. The employer-employee relation is based on mutual advantages and promotion is supposed to only be based on experiences. Self-management is expected to be applied.

**Masculinity versus Femininity (MAS)**

**Turkey** scores 45, which means that Turkey is in the middle of the scale but more on the feminine side. This means that the softer aspects of culture such as consensus and sympathy for the inferiors are valued and encouraged. Conflicts are avoided in both private and work life. Leisure time is important for Turks, because it is the time they spend with their family and friends. **Sweden** scores 5 on this dimension and is therefore an extremely feminine society. In feminine countries it is important to maintain the life/work balance. An effective manager is supportive to his/her employees, and decision-making is achieved through high involvement. Managers strive for consensus and people value equality and solidarity in their work lives. In Sweden compromising and negotiating are used when resolving conflicts and Swedes are known for long discussions until consensus is reached. Incentives such as free time and flexible work hours are valued. The whole culture is based around the word 'lagom', which means not too much and not too little, everything in moderation.
**Uncertainty Avoidance (UAI)**

Turkey scores 85 on this dimension and thus the Turks have a huge need for laws and rules. In order to minimize worry, people create rituals. For foreigners they might seem religious, but often they are only traditional social patterns. Sweden scores 29 on this dimension, which means that avoiding uncertainty is low. These kinds of societies possess a relaxed attitude in which practices dominate principles. People in these societies do not prefer more rules than necessary and if rules are ambiguous or inconvenient they should be changed or rejected. Schedules are flexible, hard work is undertaken when necessary but not for its own sake. Precision and punctuality do not come naturally and innovation is encouraged.

**2.5 Other Factors that affect the Corporate Culture**

**2.5.1 The Impact of Leadership**

The leaders are naturally responsible to anchor and maintain the corporate culture in the organization. Hence, they constitute an important role in the corporate culture perspective. In order to convey the culture several leadership tools have been identified. Firstly, leaders may introduce different **Rituals and ceremonies** with the aim to illustrate important events that are highly valued within the organization. These activities are also used to strengthen the social relations and to create a sense of belonging between the members of the organization (Harrison and Beyer, 1984). **Storytelling** is also used as a leadership tool in order to remind the employees about the history of the corporation, values and desirable beliefs. The stories are often connected to key persons in the organization such as the founders and dedicated employees. Storytelling is commonly used because it appeals to the emotional engagement of the employees (Daft and Noe, 2001). To create conformity a **language- and communication strategy** is an efficient way to affect the corporate culture. The company creates its own ‘language’ which is used both when communicating internally and externally (Kunde, 2000). Culture is created and transmitted by the members of the organization and therefore the **socialization processes** is essential for the leaders. Through this socialization processes, humans shape a social identity that is connected to a social group and in this case to the corporation (Tajfel, 1982). Hofstede (2010) add the probable impact of different personalities within the organization. He suggests that members of an organization are unique in their ways of behaving, which influence the corporate culture. The personalities are suggested as factors that create variation in corporate culture despite that the inherited culture are the same.
However, discussion about whether corporate culture can be created by a leader has occurred. The question is whether these soft values can be used as a management tool or if they are created naturally within the organization (Barley & Kunda, 1992) and therefore not be used to control the company.

2.5.2 The Impact of the Business Environment
Deal and Kennedy (1982) have framed a comprehensive study about how business environment affects a corporate culture. Throughout this study two influential factors on the corporate culture was found. Firstly, the degree of risk the company takes when operates at the market and secondly, how fast the company and its members receive response in regard to their decisions and strategies. According to the impact of the present business environment the same authors have identified four different types of cultures. The culture that takes high risk and receives quick response is called “the tough and dynamic culture”. The “work hard/play hard culture” is characterized by low risk at the market and quick market response. When a company takes high risk and the market response is slow a culture called “value the company” is created. Lastly, companies that take low risk and receive slow market response have a culture that is called “the process culture”.

2.6 Theoretical Key Take Away
The theoretical framework is introduced with a chapter that defines the terms culture and corporate culture. Throughout these explanations an analysis tool created by Schein is presented in order to identify how the two corporate cultures distinguish from each other. This model will be used as an analysis tool to identify the differences at the two offices and clarify at what level in the corporate culture these differences exist. This part of the theoretical framework will enable to answer the first research questions; if differences at the two offices exist.

The second part of this chapter introduces the term ‘national culture’ and describes the four cultural dimensions by Hofstede. These dimensions are used to characterize different national cultures and contrast them with each other. The index scores of Sweden and Turkey and their national characteristics are described in more detail. The scores will be used as a central part of the analysis and will help to explain why the differences at the two offices exist.
In the last part of this chapter previous research about how internal and external factors affect the corporate cultures are presented. Two main influential factors are discussed: the impact of leadership/personalities and the impact of the business environment. Since the empirical data do not support differences in these two aspects, they do not add value in order to answer the research question. Therefore they will not be explicitly used in the empirical chapter or in the analysis chapter. These perspectives are however important factors in order to examine corporate culture, why they are included in the theoretical framework.
3. Methodology
In this chapter the method of how the research question will be examined is described. Important decisions and assumptions about the method will be presented. An abductive approach is used as well as a case study in order to identify and analyze the corporate cultural differences. The corporate culture at two Oriflame organizations will be studied and the primary data will be gathered at both offices through in-depth interviews and observations.

3.1 Research Approach
In order to answer the research question a case study is used. The case is studied with an explorative method based on qualitative in-depth interviews and observations. Qualitative studies aim to achieve a deep understanding of a subject (Holme and Solvang, 1997), why this method has been chosen. An abductive approach is used to interpret and develop theory in relation to empirical data. The approach is a combination of an inductive and a deductive approach, where the deductive approach is based on theory and the inductive approach is based on empirical experiences (Alvesson & Sköldberg, 2007). The chosen approach will minimize the risk of single-minded understanding and instead create a picture that combines reality with theory (Andersen, 1998). The research approach will be critical both when collecting the empirical data and when studying previous research.

3.2 Choice of Case Study
As described above, the research purpose will be illustrated by a case study that will integrate theory with reality. This method is commonly used to examine social systems such as corporate cultures (Andersen, 1998). To be able to understand and analyze the corporate culture few observation units and numerous variables are used. This method facilitates the collection of data and creates a deep insight in the study subject (Andersen, 1998). According to Yin (1989) a case study is motivated if the case is unique and represents a condition that has not been studied in particular before, which is applied in this case. An anthropological view of culture will be used, which suggest that culture is ‘human nature’ that makes people experience and interpret social systems differently. The anthropological view is preferentially used when studying learning processes and social systems, such as corporate cultures (Johnson, 2003).

3.2.1 Oriflame
Oriflame has been carefully chosen, due to its multinational organization and its ‘strong’ outspoken corporate culture. A corporate cultural comparison will be executed between the Oriflame organization in Stockholm, Sweden and the Oriflame organization in Istanbul, Turkey. The Swedish
market is the home market and the corporate culture is characterized by Swedish fundamentals that Oriflame to some extent want to convey globally. The fact that the two countries are characterized by diverse national cultures, will give an interesting approach to the thesis.

3.3 DATA COLLECTION

3.3.1 THE DATA COLLECTING METHOD
The data collection creates deep understanding and comparative insights in the two corporate cultures. Data from 12 interviews, both directors, managers and employees without managerial positions, have been collected through in-depth interviews equally divided between the two organizations. The interviewed employees at the Swedish office are Swedish and 5 out of 6 interviewed employees at the Turkish office were Turkish. To enable observations and ensure high quality of the interviews we spent three days at both offices. The interviews in Turkey were held in English and all interviews were recorded. The interviewed persons were informed that their answers were treated anonymous and that the purpose was not to investigate, rather to seek an understanding about the corporate culture. In order to create a significant understanding of the two corporate cultures a survey, consisting of 10 questions, was sent out to all the employees in the two organizations. The survey was sent in both Turkish and English to reduce potential language barriers and it was answered anonymously as well. The sample of the survey was delimited to the employees at the Turkish office, consisting of 50 employees (22 respondents) and to the employees at the Swedish office, consisting 30 employees (18 respondents). Since the purpose of the survey was to support the qualitative data we determined that statistic tests were not necessary.

Since the objective of the research is to contrast the actual corporate cultures at the two offices, the implementation process of the central outspoken culture and how well it is anchored is therefore not included.

---

2 See appendix
3.3.2 **STRUCTURE AND RELIABILITY**
The interviews were semi-structured and the open questions were asked according to a questionnaire\(^3\). This structure creates deep understanding through the combination of theoretical background and openness to new approaches (Andersen, 1998). The questions were formulated according to an observational technique, to identify what the respondent have felt, thought and experienced (Kylén, Vestlund 1978). This way of interviewing is efficiently used to generate answers close to the reality. The questions demanded open answers and therefore gave flexibility to the interviewed. During the interviews, additional questions were added as well as clarification when needed. This method is used when the interviewer has knowledge about the subject beforehand (Andersen, 1998).

Qualitative interviews risk resulting in biased outcome on account of subjectivity of the interviewer (Andersen, 1998). To reduce this risk both thesis writers participated in all the interviews. Another potential source of error is that the interviewed persons were chosen by the contact persons at the two offices based upon the request from different levels of management and departments. In order to decrease this potential risk and support the gathered data the survey was sent out.

Another aspect that should be taken into account is the fact that our presence in Turkey might have had a frightening effect on the employees because of our Swedish origin and contact with senior management. This might have resulted in biased answers. In Sweden this risk was reduced since they had greater understanding for our purpose.

3.3.3 **SELECTION OF INTERVIEW OBJECTS**
The interview objects were determined according to a stratified output selection to represent the different perspectives in terms of nationality, positions and departments at the respective offices (Andersen, 1998). Although the tables below show that the majority of the interviewed possess managerial positions they are not senior. The common use of titles is a result of a title based organizational but it does not automatically mean that the managers are in charge of a team. Only the directors (two in Sweden and two in Turkey) will constitute the leader perspective and will be addressed as directors in the empirical findings and in the analysis. The rest of the interviewed will be addressed as employees throughout the rest of this thesis, since they have an employee

\(^3\) See appendix
perspective rather than a leader perspective. This was determined after the interviews according to the empirical findings.

The interviewed persons are presented below with position and date of the interview meeting.

**Istanbul Office, Turkey**

<table>
<thead>
<tr>
<th>Position</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Director (MD)</td>
<td>27.03.2013</td>
</tr>
<tr>
<td>Finance Director</td>
<td>27.03.2013</td>
</tr>
<tr>
<td>Conference &amp; Meeting Manager</td>
<td>26.03.2013</td>
</tr>
<tr>
<td>Accounting &amp; Admin. Manager</td>
<td>26.03.2013</td>
</tr>
<tr>
<td>Accounting Assistant</td>
<td>26.03.2013</td>
</tr>
<tr>
<td>Marketing Planning Manager</td>
<td>27.03.2013</td>
</tr>
</tbody>
</table>

**Stockholm Office, Sweden**

<table>
<thead>
<tr>
<th>Position</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Director and Vice MD</td>
<td>13.03.13</td>
</tr>
<tr>
<td>Customer Service &amp; Operations Director</td>
<td>12.04.13</td>
</tr>
<tr>
<td>Area Sales Manager</td>
<td>09.04.13</td>
</tr>
<tr>
<td>Operations Coordinator</td>
<td>09.04.13</td>
</tr>
<tr>
<td>Area Sales Manager</td>
<td>12.04.13</td>
</tr>
<tr>
<td>Copywriter</td>
<td>12.04.13</td>
</tr>
</tbody>
</table>
3.4 Secondary Data
Additional relevant information about the corporate culture has been collected through organization charts and the internal Code of Conduct. Annual reports, the website, catalogues and Björn Edstad’s (2008) book “Jonas and Robert of Oriflame” has been used as secondary data to create good understanding of Oriflame.

3.5 Analysis Method
In connection to every interview a summary was written according to the notes and recorded material. These summaries helped to identify common information that later on was divided into themes. Miles & Huberman (1994) suggest the importance to categorize the empirical data; therefore this method is used when presenting the empirical data and the analysis. The specific five themes are identified according to what is considered to be the most essential empirical findings in order to answer the research question. Different theoretical frameworks have been selected to analyze the empirical data and to enable the answer the research question. The main focus of the study will be to analyze how national culture affects corporate cultures, since it was the main differences that were identified during the interviews. When referring to the national dimension in the analysis only the main affecting dimension(s) will be discussed in connection to each example even though the dimensions correlate with each other. The initial research question has been developed throughout the work of this thesis in order to match the empirical findings and appropriate theories.

3.6 Generalization
The opportunity to make general conclusions through case studies is much disputed, especially when a research concern only one case study (Andersen, 1998). To create generalization multiple case studies are preferred (Andersen, 1998), but due to time limitations only a single case study has been done. However the findings of this thesis is considered to generate a relatively high generalization factor due to the comprehensive collection of empirical data at the two offices. Further generalization will be presented in the discussion chapter (Chapter 7).
4. EMPIRICAL FINDINGS

In this chapter the collected empirical data will be presented. Firstly, initial observations in the two organizations will be described. Secondly, data from the interviews in connection to observations will be presented. Five themes ((1) Oriflame as a global company and its business environment, (2) core values, (3) hierarchy and entrepreneurial spirit, (4) individual-versus team work, (5) indirect and direct communication) within the empirical data has been identified to enlighten the most essential parts of the two corporate cultures and to answer the research question.

4.1 INTRODUCTION TO THE TURKISH AND SWEDISH OFFICES

4.1.2 ‘KARŞILAMA’ TO THE TURKISH OFFICE
The Oriflame office in Istanbul is situated in a business area a few minutes outside the center of Istanbul. Before entering the building we had to go through a security check. In the reception our contact person welcomed us. A big picture of the two founders and a quote about the fundamental values of the business cover a wall in the entrance. The office consists of an open landscape for all employees and five separate offices for the directors. The employees are serving themselves coffee and tea from a machine located in the entrance of the office. The office hostess serves the directors tea in their offices. Approximately 50 employees work at the office in Istanbul and it is the regional head office for the MEA region.

4.1.1 ‘VÅLKOMMEN’ TO THE SWEDISH OFFICE
When entering the Oriflame office in the center of Stockholm, the receptionist welcomes us. The reception area is big and modern and pictures and quotes from the founders cover the walls. The Oriflame catalogues are found at the lounge area, next to the coffee machine etc. It is a professional and lively atmosphere where people talk to each other in different languages next to the common coffee machine. The Swedish office shares office with the Oriflame Global Service Office (GSO), even though they are separated in the office landscape. Only the Managing director (MD) and the vice MD have their own offices. The other directors and managers work in the open landscape together with their teams. Approximately 30 employees work at the Swedish Office and about 400 work at the GSO. The gathered empirical data in Sweden only includes data from the Swedish office; the GSO is excluded.

---

4 GSO is the Oriflame Global office, it is the HQ but not the legal HQ
4.2 THE CORPORATE CULTURE IN TURKEY AND IN SWEDEN

4.2.1 ORIFLAME AS A GLOBAL COMPANY AND ITS BUSINESS ENVIRONMENT

Concerning the national aspect all the interviewed employees at the Turkish office believe that there are great differences between working at Oriflame compared to working at another company in Turkey. One employee expressed that “This is definitely not a typical Turkish office”. However, the employees believe that no differences exist between the Oriflame offices around the world. They stress that they feel part of the global company and that the culture is the same at all Oriflame offices. One employee formulated it as; “Of course it is the same culture, it is the same company”.

Oriflame is considered to be international in several aspects. The fact that the numerous leaders are Swedish is said to be useful in order to convey the Swedish culture across borders. The employees stress the importance of the Swedish origin and it is considered to symbolize; nature, innovation, CSR, not so hierarchical, human rights, equality and being direct.

All interviewed persons at the Swedish office are convinced that the culture is unique at the Stockholm office and working abroad would implicate big differences due to market conditions and national cultures. The members of the organization do not recognize Oriflame as a typical Swedish office. The mentality is very career driven, outgoing and ambitious and sometimes the workload is above average. Yet, they believe that the dedicated directors convey the corporate culture in Sweden.
as well as abroad. When the employees are asked to describe what the Swedish origin means to them they have a hard time to define its meaning. However they believe that the Swedish directors abroad enable an open and non-hierarchical environment.

![Bar chart showing Do you think that the culture at the office is typical Swedish/Turkish or International?](image)

Figure 5 Question 1 from the survey

In general, Turkish employees are not members of the union and if they are they risk to be “Blacklisted” by the companies. The protection of the workers is low in Turkey and workers risk to lose their jobs without warning and without any unemployment compensation. One director explains that Oriflame has a brand awareness of 26%, and the employees are said to be proud to work for this brand.

In **Sweden** the union is generally accepted and employees do not risk losing their job without any warning in advance. In Sweden the brand is fairly unknown although it is one of the most successful Swedish companies. One employee with international experiences, share the idea that the low brand awareness result in that Swedish people are relatively less proud of working at Oriflame compared to other markets.
4.2.2 Core Values
When interviewing the employees at the Turkish office in Istanbul, all of them start to emphasize how happy and thankful they are to work at Oriflame. The loyalty towards the company is clearly expressed. The employees stress the importance of the core values; Togetherness, Spirit and Passion. The culture is described to be cooperative, friendly, international and less competitive compared to other Turkish offices. A director expresses that the personal values must match the company values because “It is not just a work, it is a way of living”. All employees continuously connect the core values to the consultants and they describe how happiness is shared with their success. The consultants are highly important for Oriflame in Turkey and the Turks strive to establish a personal relationship with the consultants. One employee expresses that “Oriflame create opportunities that can fulfill dreams and change peoples life”. The consultants sometimes even contact the MD with questions. One local employee is of the opinion that working as a consultant would be a great opportunity in the future and she told a story about one of the top selling consultants in Turkey.

“Seven years ago I met a woman who started at zero, but now she is a Diamond seller, without any education or skills. She can now make money and buy things to her children and the family.”

The yearly staff-seminar in Turkey is one of the events used to emphasize the importance of the core values and the most recent took place a weekend in March. The event was described by one of the directors as “the highest level of togetherness. You don’t see any separation between the departments, titles or job description”. During the staff-seminar three awards for the most dedicated employees in the categories Togetherness, Spirit and Passion were announced after an internal online voting. The employees are said to appreciate the award very much. Directors have also attended other educational seminars that focus on the fundamental values of Oriflame.

All interviewed at the Swedish office also stress the importance of TSP and describe them to be highly implemented in the daily work of the employees. The employees say that the directors work actively to convey and maintain the core values in corporate culture and one director stresses that; “Every employee at the Swedish office are well aware of the meaning of Togetherness, Spirit and Passion”. Several of the interviewed describe the corporate culture as a center of positive energy and the employees are said to always strive for good results despite the sometimes tough and stressful environment. One employee emphasizes that the heavy workload and the stressful climate sometimes make the employees forget to act in alignment with the core values. Furthermore, the atmosphere is described
by the employees as professional, polite, competitive and direct communication is used. The directors are highly engaged and passionate about Oriflame and they express that they love their work. Some employees confirm that Oriflame means a lot more to the directors compared to many of the employees who consider the job as any other work. The directors in Sweden have likewise attended internal education seminars.

One employee says that the relationship between the Swedish employees and the consultants are sometimes apprehensive and describe it as “we against them”. The consultants sometime feel overlooked by the centralized decision processes. One employee expresses that “A lack of understanding towards our sales force is unfortunately the reality”.

![Importance of Core Values](image)

**Figure 6** Question 4 from the survey

### 4.2.3 Hierarchy & Entrepreneurial Spirit

The directorate at the **Turkish office** have separate offices but with full insight from the open landscape. When one director was interviewed he made a call to the office hostess and ordered tea, to show what he expressed as: “Turkish hospitality”. All members say that they have an “open door policy” and express that everyone is allowed to enter the director’s offices. On the other hand, they state that the physical contact is avoided and e-mail is preferred. Both the leaders and the employees express that they have a close relation. An observation has been made that the superiors are addressed with “bey” which means “sir”. One director explains the structure as; “We are a quite flat
organization, the doors are open, everybody can easily access the directors... in Turkish companies there are generally more hierarchy”.

The Turkish employees think the company is both entrepreneurial and flat compared to Turkish companies in general. Most employees consider the organization as flat but one employee with experiences from the Swedish office states the opposite, “the biggest difference compared to Sweden is the level of hierarchy. When the MD in Turkey has made a decision everybody obey and no one dare to question it”.

Concerning the decision-making in the company one director emphasizes that “decisions should be taken at lower levels”, but the employees do not express any need for increased responsibility in the daily work. The employees are said to appreciate guidance and directives to complete work tasks and move forward. It is not common to take individual decisions and one international employee states that the MD is involved in most decision processes. The employees express that they appreciate a strong leader who gives clear directives.

Even though the employees are encouraged to initiate ideas the international employee states that they do not take advantage of it that often. One employee explains that Turkish people are generally afraid of doing wrong, which is the reason why new ideas are not commonly initiated. Despite this, all members of the organization describe the organization as entrepreneurial. The directors insist that Oriflame Turkey is responsive to the market and that quick decisions are made.

At the Stockholm office it is only the the MD and the vice MD that work in offices separated from the rest of the landscape. The open door policy is also applied in Sweden, and one employee expresses: “The Senior President of Oriflame, Magnus Brännström, have his door open a few times a year and welcome the employees to enter for discussions and new ideas”.

The directors say that the employees are supposed to make decisions in their daily work and the employees are said to feel that they have a lot of responsibility and are allowed to make decisions within their area of responsibilities. Bigger issues are discussed and decided upon together with the management. On the other hand they all agree upon the complexity of the decision processes. The involvement in the decision processes is high because everybody wants to express their opinions before a decision is made. As a result of this, one employee expresses that minor decisions might
take disproportionate amount of time to agree upon. The high involvement results in a large amount of internal mail in order to reduce information asymmetry. It is described by one of the employees as a “C.C.-syndrome”, which they want to reduce. One director expresses: “We email every day, all day long but I am currently trying to reduce it”. Even though most communication is handled through email one employee says that meetings also take place before decisions are made. One employee states that “We have a lot of meetings and there are many voices who wants to be heard, actually we have a lot of meeting where we only talk and discuss potential decision...// No one who walks in and take a decision, mostly we agree upon something together”

One director says that they are open for new initiatives and see the organization as entrepreneurial and flat; “We never accept the situation as it is even though it works perfectly, because we can always improve something”. The directors continue by stating that the atmosphere is open and that different opinions are welcomed. The employees also consider the organization to be entrepreneurial and stress that the entrepreneurial spirit is closely related to the history of the company. Even though it might take time to proceed with an idea the employees are said to be are encouraged to be creative. One employee expresses it as: “If you have an idea, you can realize it”. An observation is that the contact with the directors is informal and the employees address them by their first name.

![Figure 7: Question 3 from the survey](image)
4.2.4 Individual- versus Teamwork

The employees at the Turkish office insist that most of the work is completed in teams and that is appreciated to share the responsibility. They state that they always cooperate and that several persons are involved in their work. The colleagues show loyalty towards each other and feel part of a community, which is expressed by the employees to be important. On the other hand one director says that; “We would love to work more in groups but unfortunately is it not always a possibility”.

The employees at the Swedish office stress that the work is mainly done individually and that all the positions at the office are unique. However, some tasks need to be completed in teams. The employees say that they are mutually dependent on each others, since the work is executed in specific order i.e. the copywriter writes the texts, hand it over to the catalogue planner who hands it over to... etc. The final deadline is expressed to be known, but the internal sub targets are not clearly scheduled which can create tension. The challenging work tasks and short deadlines are also said to create frustration, as processes are not commonly used. One employee says that the three-week deadline between each catalogue release, result in a reactive way of working as there are no time to work proactively. One director expresses that they often have to “extinguish fires” as a result of the short-term perspective.

4.2.5 Indirect & Direct Communication

The directors at the Turkish office state that feedback and evaluation to the employees need to be improved. The employees perceive feedback as personal and are therefore avoided. One director explains it as: “People perceive feedback as criticism and unfortunately most managers, not only at Oriflame, do not bother to give corrective feedback because it creates disappointment”.

The employees confirm that feedback is given neither to individuals nor to teams, however they consider the communication to be direct. During the interviews the semi-annual evaluation appointments with the managers are mentioned, although they are not expressed to be that appreciated. The scorecard system is not clearly communicated to the employees or the connection to the bonus system. Some of the employees expressed that conflicts have never occurred at the office. The international employee explains the Turkish expression “Kusmek”, which means to be silent and ignore the conflict instead of solving it. The directors however clarify that conflicts naturally occur among the employees. Further they state that it is part of human nature to disagree.
and it is impossible for everyone to agree on everything. One director says that they only try to solve the conflicts if they have a negative impact on the business.

Observations regarding the rules and policies; a shuttle bus picks up the employees around Istanbul to facilitate the transportation to the office. The shuttle bus arrive at 8.00 a.m. and leave the office at 17.00 p.m. If the employees are late they explain that they contact their manager. Concerning the dress code the employees are aware of the policy and one employee describes it as “Business casual Monday- Thursday and on Friday we are free to wear jeans”.

All interviewed at the Swedish office state that they mainly get evaluated individually. Everyone is completely aware of the evaluation process that takes place every semester and the evaluation is based on personal achievements, team goals and behavior aligned with the core values. The personal targets for each employee are created together with his or her manager and according to their achievements the yearly bonus is determined. Although feedback sessions are frequently used the Swedish directors find feedback as an improvement area. Gossip is unfortunately recognized at the Swedish office and it is acknowledge by both the employees and the directors. One employee explains that; “There has been a lot of gossip and when someone starts people tend to join in”.

All interviewed mentioned that flexible work hours and working from home is widely accepted. As long as their work is completed in time the employees feel that they are allowed to dispose their work hours independently. Concerning the rules and policies the fundamentals are to show manners and respect. The dress code is not strict and no further formal rules are mentioned. One employee explains it as “I have read the policies once and if I remember correctly shorts, flip flops and ripped jeans w not allowed, but I comply to that naturally. If I am supposed to attend a meeting I change my sneakers for a pair of high heels”.

![Figure 8 Extractions of Question 6 form the survey](image)
5. Analysis
In this chapter the analysis that connect the empirical findings with the theoretical framework will be presented. Firstly, the two corporate cultures will be contrasted and differences will be identified according to the model “three levels of corporate culture”. Further, an analysis to answer the question why cultural differences exist will be presented. This part of the analysis will be structured according to the themes identified in the empirical data. The impact of national culture will constitute the main focus when analyzing the themes and the comprehensive study “the dimensions of national cultures” is used. The analysis tools are carefully chosen to match the findings in the empirical data and for these reason some theories are excluded from the analysis.

5.1 Differences in Corporate Cultures
When first visiting the two offices the corporate culture seemed to be similar. As previously stated the both cultures belong to the same category of corporate cultures. An additional aspect that strengthens the perception of a unified corporate culture across borders are the identical artifacts. The two offices are decorated in the same way. The landscape is furnished identically with the same white tables and chairs. Big pictures of the founders cover the walls in the receptions and the core values and vision emblaze the walls. These physical objects and clear texts are identified as physical artifacts of the corporate culture. This is the initial notion that an external part experience when visiting the both offices. The artifacts transmit how Oriflame want their corporate culture to be perceived and how they want people within the organization to act and behave. By signaling Togetherness, Spirit and Passion throughout the physical artifacts Oriflame remind the employees to act align the core values and the corporate culture. By constantly reminding the employees, Oriflame enable a shared visible culture across borders. As pinpointed out earlier the mirror of the organization is similar in Sweden and Turkey, as a result of the clear physical artifacts. When people travel within the organization they apprehend the culture to be the same, which indicates that it looks to be the same, rather than to actually be the same. The physical artifacts aim to be equally interpreted at the two offices.
Beverage Habits

When looking closer into the organization several differences are however identified. Outspoken artifacts in terms of behavior and expressions differ, which result in a separation of the two corporate cultures. In Sweden, an observed artifact is that the employees, directors and guests served themselves coffee from the coffee machine. The directors are also addressed on a first name basis whereas in Turkey they are addressed with ‘bey’ and they are served tea in their offices. This is interpreted as a result of deeply rooted culture elements rather than artifacts. The respect that the Turks show towards superiors is a norm and will therefore not be questioned. This norm derives from the basic underlying assumptions of unequal divided power in the Turkish society. Hierarchy is accepted and superiors are shown respect. In Sweden on the other hand the common coffee machine is an artifact of the espoused value that people are supposed to take care of themselves rather than expecting others to take care of them. The basic underlying assumption of this value is shaped by the individualistic mindset in Sweden. It can also be explained by the avoidance of unnecessary hierarchical treatments, due to the Swedish decentralized structure. What clearly distinguish the two cultures in this case can be described by differences in the perspective on how relations between humans are looked upon.

Entrepreneurial Spirit

Another observed artifact is that the employees at both offices identify the organization to be entrepreneurial. Entrepreneurial spirit and innovation are said to be encouraged and motivated in both countries. The espoused value that everyone is allowed to participate in the development of the business in terms of innovation is shared between the two offices. Despite this fact the basic underlying assumptions in the two countries vary and therefore the outcome is different. In Sweden the employees naturally adapt to these entrepreneurial values as this value is aligned with Swedish fundamentals i.e. freedom of speech and high involvement. As a result of this the Swedish employees more easily adapt the espoused value compared to the Turks. In Turkey, people do not express their opinions to the same extent due to the basic underlying assumption of hierarchical structures and the avoidance of possible failures. These assumptions lead the employees to act passively and adapt to the situation instead of confronting it. This difference between the basic underlying assumptions can be explained by differences in the perspective of acting of individuals in the organization.
Separated rooms

To further visualize the differences between the corporate cultures a third exemplification will be analyzed. Everyone at two offices recognize the organizations as more flat than hierarchical. This has been expressed as one of the cornerstones in the organizational culture and it seems to be important to the employees. However the differences in regard to this aspect have been observed by certain *artifacts*. In Turkey the entire directorate have offices separated from the open landscape, which clearly indicates a barrier between the directors and the employees. In Sweden only the MD and the Vice MD have their own offices and the rest of the directors work next to their teams. This signal less distance between the directors and the employees compared to the relation in Turkey. A conclusion to these *artifacts* is that the ‘flat organization’ is interpreted in different ways. The organization is more flat in Sweden although the Turks and the Swedes score the organization to be equal. This is the result of different viewpoints about what ‘hierarchy’ actually means to the organizational members. The *espoused value* is that hierarchy should be hold at minimum, but minimum is at different levels at the two offices. The *basic underlying assumption* at the Turkish office is that hierarchy is accepted and naturally adopted, even though this organization is less hierarchical compared to other Turkish companies. Therefore the separated rooms and hierarchical structure is looked upon as convenient in Turkey. In contrast, the hierarchy at the Swedish office only exists when necessary and therefore only the MD and the Vice MD have separate offices because they at times handle confidential material.

As previously pointed out in this section the variation of the corporate cultures can be identified at different levels of the organization. The different combinations of the *three level of culture* are presented and visualized below. In Figure 9 all levels of corporate culture differ. In Figure 10 the *artifact* and the *espoused value* are similar, but the *basic underlying assumption* differ. In Figure 11 only the *espoused value* is the same and the *artifacts* and the *basic underlying assumption* vary.
5.2 HOW NATIONAL CULTURE AFFECT A CORPORATE CULTURE

Some examples have been presented to demonstrate how corporate cultures differ within this global company. It proves that behavior and expressions can differ due to unequal basic underlying assumptions. The different basic underlying assumptions at the two offices can be widely explained by national factors and national culture in particular. The culture is deeply rooted in human nature and this affects the behaviors in social interactions. Although Oriflame is a global company with a ‘strong’ corporate culture difficulties to transcend local cultures and move beyond borders in order to create a supra-identity have been identified. Further, an analysis of how the national culture affect the basic underlying assumptions that shape the espoused values and the detected artifacts, will be analyzed throughout the empirical themes to explain the differences in the two corporate cultures. However, the first theme (5.2.1), will not be analyzed according to the cultural dimension.

5.2.1 ORIFLAME AS A GLOBAL COMPANY AND ITS BUSINESS ENVIRONMENT

The employees at the Turkish office express that they feel part of a global company and they insist that the atmosphere at the office is not typical Turkish. One explanation to the feeling of global belonging could be contributed to the fact that the employees feel privileged to be part of an international company that in many aspects are more modern than a typical Turkish company. The atmosphere they interpret as international can partly be explained throughout the Swedish origin and the Swedish directors who convey a ‘non Turkish’ culture. What is pointed out to be ‘not typical Turkish’ is mainly the hierarchical structure. At the Swedish office the employees also insist that Oriflame is international rather than ‘typical Swedish’. The Swedes explain the ‘not typical Swedish’ culture by the characteristics of the organizational members, such as tough and extremely goal oriented. In conclusion both offices consider the corporate culture to be international, but because of two different reasons. The Turks focus on the structure whereas the Swedes focus on personal characteristics. What is recognized in this case is that when the employees perceive something that is different from their national culture they interpret the culture as international.

Throughout the empirical data some alternative reasons as to why the culture differ has been identified. The business conditions are different in the two countries, which affect the sales figures, brand awareness and growth potential. In Turkey the brand awareness is much higher compared to the Swedish market and this appears to give the work a higher status. The Turkish employees are proud to be employed at Oriflame, which is clearly expressed in the beginning of every interview. As Sweden is one by Oriflame’s smallest markets they have less ability to influence the business and the
employees do not express that they are pride of being part of Oriflame to the same extent as the Turks do.

The presence of the union in the two countries also affects the work climate. In Turkey it is not as socially accepted to be a member of the union, as it is in Sweden. As a member of the union in Turkey you run the risk of becoming “Blacklisted” and eventually have to leave the company. This factor make the employees in Turkey less likely to state their opinions and participate in discussions.

Even though the business conditions vary in the two counties the selling industry is characterized by low risk and quick market response. These characteristics are said to create work hard/play hard culture and even though both offices are included in this category differences exist due to other affecting factors.

5.2.2 Core Values
The Turkish employees show a higher degree of loyalty towards the company and they express that they help the consultants to fulfill dreams. Hence the goal to incorporate the consultants in the company has been successful at the Turkish office. This can be explained by the high score on collectivism and uncertainty avoidance. Due to the uncertainty avoidance the Turks want to minimize anxiety and hence they follow the directives to integrate the consultants in the organization. Another explanation is the high degree of collectivism in Turkey, which describe why the Turks create a stronger ‘we’ feeling together with the consultants and their colleagues. Social belonging is important in Turkey and it has a moral base that make the employees prioritized relations over other tasks. In Sweden the loyalty towards the company and the apprehension towards the consultants is lower, which can be explained by the high level of individualism. The employees know their value to the organization and act from their own interest rather than prioritize the ‘we’. People in Sweden only care for the closest people in their surrounding and the consultants are therefore not present enough to be included in the lives of the employees. This result in a lower interaction with the consultants.

When Oriflame tries to convey the corporate culture to the employees and consultants they use rituals, such as; convents with chants, dances and heartbreaking speeches. These rituals become hard for the Swedish employees to embrace as a result of their extremely feminine characteristics. The feminine side of the Swedes result in that they do not like when things are exaggerated and the culture
is based around the word ‘lagom’. The way they transmit the core values is against the Swedish behavior and therefore it might feel uncomfortable.

Regarding the ‘Swedishness’ in the corporate culture, the Turkish employees can directly explain what the Swedish origin means for the employees at the office while the Swedes have more difficulties to explain the same thing, because it is their natural way behaving. The Swedish origin has been clearly communicated at the Turkish office and that has obviously not been necessary at the Swedish office. The Swedish origin becomes essential in Turkey and hence the *artifacts* and Swedish rituals are important elements to convey the corporate culture abroad.

5.2.3 **Hierarchy and Entrepreneurial Spirit**

In both countries the employees express that the directors practice an open door policy and that the employees are allowed to enter the directors offices. Never the less, the Turkish employees are said to avoid physical contact with the directors as a result of the hierarchical structure. Whereas in Sweden the employees express that they do not hesitate to enter the offices if needed. The employees in Turkey also address their directors with “bey”, which is a title style that no longer exists in Sweden. Although these clear differences have been observed, the employees at both offices score equal regarding the hierarchy. This can be explained by the fact that the employees compare the hierarchy relative to their national culture. The national cultural differences can further be explained by the differences in *power distance index*. The Turkish high score result in a greater distance between the employees and the directors as the employees and superiors expect a more hierarchical structure. In contrast, the *power distance* in Sweden is low. All form of hierarchy in Sweden should be based on experiences and practices rather than on principles. The outcome of this is that the employees easily access the superiors and address them informally on a first name basis. One employee with experience from working in Sweden strengthens the differences in hierarchy and pinpoints it to be the most distinctive difference. Oriflame Turkey has managed to decrease the hierarchical distance to some extent, which is visualized by the interpretation of the organization to be less hierarchical relative to general Turkish companies.

Concerning the entrepreneurial spirit in the company both offices state that they are encouraged to initiate new ideas, and realize them if possible. However, in Turkey the employees do not use this possibility. One explanation to this is the high score on *uncertainty avoidance*. The Turks avoid to take risks because they are afraid of doing wrong and instead they want to receive clear directives and
work tasks from their superiors. This avoidance in regards to innovation can also be explained by the high power distance, which is characterized by centralized power and control. According to the employees the MD is involved in almost every decision. In conclusion, when the Turkish employees refer to the ‘entrepreneurial spirit’, they talk about a feeling rather than an actual behavior. Oriflame has therefore managed to convey the feeling of an entrepreneurial culture but not managed to offset the national culture in order to make people initiate ideas. At the Swedish office on the other hand the acceptance of failure is higher and innovation is encourage which can be addressed to the low score on uncertainty avoidance. This result in more idea generations, discussions and problem solving. Due to this, the Swedish office can be considered to be more entrepreneurial as it actually implicates an entrepreneurial behavior.

Concerning the complex decision process in Sweden one explanation is addressed to the femininity and decisions are taken through high involvement and directors strive for consensus. The ‘CC-syndrome’ is a clear artifact of how the decision process works. In contrast, decisions are centralized in Turkey, which is highly accepted. The role of the leaders can also be analyzed according to the dimensional framework. A higher acceptance for power distance demand patriarchal leaders. The military background of the Turkish MD is said to be appreciated because of his clear structure and directives. The employees in Turkey admire the MD because of his dedication towards the company and his masculine leadership style. In Sweden it is different. Even though the employees admire their superior’s ability to lead they have a more informal relationship with them. An extremely feminine approach is preferred in Sweden and the leaders are demanded to be less authoritarian than in Turkey. Consequently different nationalities demand different characteristics in leadership.

5.2.4 INDIVIDUAL-VERSUS TEAMWORK
In Turkey all respondents answered that most of the work is done in teams and they emphasize that responsibility is given to groups rather than to individuals. The high score on collectivism result in that teamwork is preferred rather than independent work. Due to the collectivistic mind Turks prioritize relationships over work tasks that is demonstrated when they describe the atmosphere to be; cooperative, participative and loyal. In contrast, the Swedish way of working is rather characterized by an individualistic mindset. The employees express that most of the work is done independently and instead they describe the atmosphere to be professional and direct. This independent way of working sometimes result in incomprehension between the colleagues, due to their lack of insight in each other’s daily work and therefore internal deadlines become blurred. This has created frustration.
and gossip. To summarize, different nationalities require different ways of working. Although independent work and decentralized power should not always be considered as a success factor as it might obstruct processes.

5.2.5 INDIRECT AND DIRECT COMMUNICATION

In Turkey constructive feedback is avoided because it is often interpreted as insulting. The Turkish office is characterized by a collectivistic mindset and communication is normally indirect. Therefore feedback will be difficult to implement in the organization even though the directors consider it to be an improvement area. Another observed artifact that derived from the collectivistic mindset is the fact that the organizational members try to maintain harmony at work and therefore avoid conflicts. When discussing feedback at the Swedish office the employees emphasize their appreciation towards the direct communication, which is characterized by the low power distance. As stated previously Turks in general avoid conflicts and if disagreements occur they are often left unsolved. The expression “kusmek” is an artifact of a ignoring behavior and some of the employees even deny that disagreements have ever occurred. The detected reason to this behavior is to maintain harmony at the office. The importance of harmony can in turn be derived from the strong collectivism. As already described the Swedes are ingrained by the low power distance and therefore prefer direct communication. Despite this, tension within the group has lead to indirect gossip and trash talk at the office. This behavior can be connected to the femininity in Sweden. Femininity is characterized by high involvement and long discussions when identifying problems and they are solved through negotiations in order to create consensus. In conclusion, conflicts are resolved and treated differently that once again can be explained by different national characteristics.

Concerning the rules and policies the employees at the Turkish office explain that they work between 8:00 a.m. and 17:00 p.m. with one-hour lunch between 12:00 a.m. and 13:00 p.m., which is obeyed by the employees. If the employees are late they contact their superior to inform about the delay. This is a result of the high uncertainty avoidance. At the Swedish office the opposite is indicated and working hours are flexible. The Swedes do not appreciate more rules than necessary and as long as the employees complete their work in time they are allowed to work whenever. This can be explained by the femininity and the low uncertainty avoidance, where freedom is highly valued. These differences in flexibility indicate a great difference at the two offices. However, the Turkish employees insist that they do not feel limited by the strict working hours, which probably would
have been the case in Sweden. This difference can once again explain the impact national culture has on the actual behaviors and interpretations at the two offices.
6. CONCLUSION

In this chapter the research question will be answered based upon the analysis that have been presented.

The research question that this thesis intends to answer is;

*Are there any corporate cultural differences between Oriflame Stockholm and Oriflame Turkey? And if so; how can they be explained?*

At first sight the two corporate cultures gave the impression to be equal, which was made evident through the many identical *artifacts* at the two offices. However, when analyzing the organization in more detail great differences could be identified. Different expressions and behaviors were identified to symbolize *artifacts* and *espoused values* at the two offices. Throughout these identifications the *basic underlying assumptions* could be decoded, which brought to light the interesting issue that the *basic underlying assumptions* of the organizational members between the two countries constantly differed.

In conclusion, it is the variation in *basic underlying assumption* that result in different corporate cultures as it shape the interpretations and expressions of the organizational members. It is the members rather than the company itself that create the corporate culture and therefore it will be shaped by their *basic underlying assumption*. Even though multinational companies work actively to create a shared corporate culture across borders it is hard to achieve. The company will have difficulties to create firm specific *basic underlying assumptions* as the members already have their *basic underlying assumptions* shaped by the surrounding national culture. The *perspectives* that a company is able to affect is how the company is related to its surrounding and not the actual behavior of its members.

The main factor that has been identified to affect the *basic underlying assumptions* and the corporate culture is national culture. The national culture is inherited at an early age and therefore constitutes the *truths* of the population. Because of differences in national culture it is hard to create a *supra-identity*, which has been proven in this case, due to a great difference between the Swedish and the Turkish national culture. The empirical data in this comparative thesis demonstrate that the high *power distance* and a *collectivistic* society mainly characterize the Turkish office, whereas the Swedish office is mainly characterized by low *power distance*, an *individualistic* mindset and a *feminine* society. Therefore their are distinctive differences in the corporate culture that can be detected. However, the members of the two organizations independently interpret and score the offices to be equal in many aspects. This fact confirm that national culture has an impact on the members of the
organizations as it proves that they interpret the corporate culture due to their national culture. In
for example, they perceive the culture to be equally ‘hierarchical’ but the interpretation of what
hierarchical actually is differ between the two offices. Different cultural groups experience different
things and ‘the same things’ differently. Therefore, the actual corporate cultures in Sweden and
Turkey are impossible to unify as a result of differences between national cultures. A shared
collective view of the corporate culture that can transcend the differences of different local cultures
and move beyond national borders are therefore not possible. The main explanation to this is the
differences in national culture and therefore the basic underlying assumptions that shape the corporate
culture.
7. DISCUSSION

In this chapter the conclusions will be discussed as well as the credibility and generalization of the results. Further, suggestion of future research will be presented.

The result of this thesis support previous research that suggests that national culture strongly affect the corporate culture and therefore it is hard to offset. Furthermore, we disagree that a supra-identity can be fully created at Oriflame as well as in other multinational companies. In addition, we question whether it is necessary to achieve with a shared corporate culture across borders. Due to national differences, employees need different structures and directives in order to feel comfortable in their work. Therefore, the attempt to create a unified corporate culture in a global company could create frustration rather than a sense of belonging. We suggest that a strong global corporate culture is achieved when the company creates a balance between local adaptation and global belonging, rather than one unified culture across borders. During the writing of this thesis we have realized that different nationalities require different structures, leadership, rewards, communication, decision processes, rules etc. This makes it impossible for multinational companies to agree upon one approach that is suitable for all markets. For example, a flat organizational structure and a decision process that demands high involvement is required in the Swedish organization but inappropriate in the Turkish organization. Distinctive differences are therefore not negative and we consider that Oriflame have succeeded in finding the balance between local adaptation and global belonging, which results in appreciation for the corporate culture at both offices, but in different ways.

When discussing national culture one should keep in mind that culture is an iterative process with numerous of affecting components. It is therefore difficult to discuss a single event and its particular affecting factor. All dimensions exist through correlation and together they affect the behavior in the nation as well as the behavior in the organization. The iterative process of culture is also affected by other factors. The business environment, unions and leadership are found as other affecting factors on corporate culture. But once again, these factors are products of national culture and can therefore be indirectly included in this thesis.

Even though we have only made a single-case study we consider the results to enable a generalization of the subject. Since the results visualize distinctive differences we suggest that the results prove that differences in corporate culture across borders exist and that national cultures that
strongly affect the corporate cultures are hard to offset. This thesis can also contribute knowledge and information about cultural differences to companies operating in both the Swedish and Turkish market. Further, the result can be generalized and applied on different countries and industries.

During the writing of this thesis we (the two authors) have experiences that our way of interpret and behave in different situations sometimes differ although we have the same nationality. The main factor that separates us is our different home cities, in terms of size and geographic. We therefore question if national culture is too generalized to be used as an analyzing tool. We suggest that an interesting future research that could be to explore the variation within the national culture and its effect on social groups and corporate cultures. We suggest additional segmentation in terms of demographics and geographic in order to enable an analysis of variations in culture within national borders.
8. REFERENCES


Moran, T.M., Harris, P.R., Moran, S.V., Managing Cultural Differences, 8Edt, Elsevier Inc: Oxford, UK,


**Electronic Sources:**


APPENDICES

I. INTERVIEW QUESTIONNAIRE
Oriflame Turkey and Oriflame Sweden

1. Personal Profile and Background within the Oriflame Organization

2. Describe what the Oriflame culture means to you?
   a. What do you think about it?
   b. Would you prefer something different?
   c. What do Togetherness, Spirit and Passion symbolize in your daily work?

3. Do you believe that there are any differences between what you just described as the Oriflame culture here in Istanbul/Sweden compared with Oriflame globally?

4. Are there any differences in working at Oriflame compared with somewhere else here in Istanbul/Stockholm?

5. Have you felt a need for improvements in the organization?
   a. If so, describe.

6. What does the Swedish origin of Oriflame mean to you?

7. How is the Swedish origin communicated to you?

8. Do you normally work individually or in team?

9. How much independency do you have in your daily work?

10. Do you work practice formal processes?

11. Who take the decisions in your team?

12. How do you communicate with your manager?

13. How do you communicate with your manager?

14. How many steps are you from The MD?

15. How involved is the MD in your work?

16. Describe how you get evaluated?

17. Do you have any formal rules and policies at the office?
18. Do you think Oriflame means the same for the top managers as it does for you?

19. Do you discuss a lot with your colleagues and managers?

20. Do you have any global contacts?

21. Have there ever been any personal disputes at the office?
   a. If you: How were they solved?

22. Has the corporate culture changed since you started here?
   a. If so: describe

23. What is the best aspect about working at Oriflame?

II. TEN QUESTIONS SURVEY

Oriflame Turkey and Oriflame Sweden

*1. Do you think the culture at the office is typical Swedish or international?

<table>
<thead>
<tr>
<th>Typical Swedish</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*2. How many levels away are you from the decision maker?

☐ 0- I make my own decisions
☐ 1
☐ 2
☐ 3
☐ 4
☐ 5
☐ 6

*3. Do you believe that the organization is flat or hierarchical?

<table>
<thead>
<tr>
<th>Flat</th>
<th>Hierarchical</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4. Scale the importance of Togetherness, Spirit and Passion in your daily work.

<table>
<thead>
<tr>
<th></th>
<th>Not important</th>
<th>Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Togetherness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spirit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passion</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. Do you feel that Oriflame work actively for your personal development?

<table>
<thead>
<tr>
<th></th>
<th>No</th>
<th>to some extent</th>
<th>Yes</th>
</tr>
</thead>
</table>

6. Have you ever felt a need for improvements at Oriflame?

- Yes
- No

7. If Yes on the previous question, otherwise skip this question; Whom did you talk to about it?

- Family/Friends
- Colleagues
- Managers
- No one

8. How do you interpret the “Oriflame way”?

<table>
<thead>
<tr>
<th></th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Importance of titles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Result-oriented</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prestige</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fun &amp; Positive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Great opportunities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
9. Rank (1-8) how important the following things are for you at Oriflame. 1 = most important 8 = least important

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td></td>
</tr>
<tr>
<td>Colleagues</td>
<td></td>
</tr>
<tr>
<td>Challenging tasks</td>
<td></td>
</tr>
<tr>
<td>Core Values</td>
<td></td>
</tr>
<tr>
<td>Status</td>
<td></td>
</tr>
<tr>
<td>The consultants</td>
<td></td>
</tr>
<tr>
<td>Be part of a global company</td>
<td></td>
</tr>
<tr>
<td>Ethical involvements (CSR)</td>
<td></td>
</tr>
</tbody>
</table>

10. Does the "Swedishness" affect your way of working?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, very much</td>
<td></td>
</tr>
<tr>
<td>Not at all</td>
<td></td>
</tr>
</tbody>
</table>