

# Cross-Cultural Adaption in Norwegian Companies in Brazil

*Understanding Differences in Business and  
Work Culture*

Thomas Conradi Granli



Master Thesis  
Department of Literature, Area Studies and European  
Languages  
Faculty of Humanities

UNIVERSITY OF OSLO

May 2012



# **Cross-Cultural Adaption in Norwegian Companies in Brazil:**

*Understanding Differences in Business and Work  
Culture*

Master Thesis Submitted to the Faculty of Humanities,  
University of Oslo, Norway  
for the degree Master of Philosophy  
in Latin American Area Studies

May 2012

By

**Thomas Conradi Granli**

© Thomas Conradi Granli

2012

Cross-Cultural Adaption in Norwegian Companies in Brazil: Understanding Differences in  
Business and Work Culture

Tutor: Stener Ekern

<http://www.duo.uio.no/>

Print: University of Oslo

IV

# Executive summary

This thesis reveals the importance and increasing focus on cultural understanding and adaptation in Norwegian companies being established in Brazil. A few Norwegian companies entered some sectors of the Brazilian market during the eighties, but the vast majority of Norwegian businesses now operating in Brazil have entered the country during the last decade. Labor intensive and knowledge based operations are more complex to perform than the trade of coffee and codfish, and the rapid growth of Norwegian investments in Brazil creates a demand for understanding the Brazilian business and work culture.

The study reveals that although comparative research on Brazilian and Norwegian organizational cultures is limited, important differences are indicated by existing cross-cultural theories and anthropological studies. But although existing cross-cultural research provides a relevant framework for analyzing differences in Brazilian and Norwegian organizational cultures, this study argues that other concepts more accurately captures the essence of such differences. The thesis reveals that the Brazilian organizational model is built on control while the Norwegian model is trust based, and argues that a strong tendency of personalism in Brazil makes cultural adaptation all the more relevant. Also, Brazilians relate to individual situations and the present while Norwegians relate to systems and the future. These differences result in different approaches to management and problem solving.

Both challenges and opportunities related to these differences are revealed. From a Norwegian perspective the hierarchic and control based structure leads to a perceived lack of independence among Brazilian employees, and locating the relevant contacts in partner organizations is considered difficult. A lacking focus on planning and punctuality in Brazil is also revealed as a challenge. The interviews reveal that the main challenge for Norwegian companies in Brazil is a different relation to information and communication, and that communication problems can result in serious difficulties. On the other hand, the interviews indicate that values such as enthusiasm, dynamism, persistence, flexibility and creativity are associated with Brazilian organizational culture and present great opportunities for Norwegian businesses in Brazil. Norwegian companies adapt to the Brazilian business and work environment by partly adopting some Brazilian customs and tendencies while compensating for others.



# Acknowledgements

I would like to thank NorLARNet for awarding me with a scholarship and an excellent location at SUM for working on my Master Thesis. The SUM environment is truly great. I also wish to give a special thanks to Reidun Olsen and Innovation Norway for offering me a desk in their incubator office during my fieldwork in Rio de Janeiro. It was very useful to have a base so close to the Norwegian business environment in the city and the privileged location proved invaluable for my fieldwork. Thanks also to my wife Vanessa who supported me and put up with my moods during the stressful periods of writing this thesis.

I am thankful to Terje Stålstrøm and the Brazilian-Norwegian Chamber of Commerce who supported this project. The support I received in an early phase of the thesis was very helpful. Thanks also to Harald Martinsen, former Project Director for Brazil at the Secretariat for Private Sector Development at the Confederation of Norwegian Enterprise, who commented and gave useful input at an early stage and during the process. Big thanks to Ole Christian Skilbred for offering housing during the fieldwork, and of course my tutor Stener Ekern who offered valuable guidance and encouragement and even found the time to comment on my thesis on a sunny Sunday.

Last but not least I would like to thank all the interviewees who readily received me and generously offered their experiences and opinions on the topic of research.

# Table of contents

1	Introduction .....	1
1.1	Background.....	1
1.2	Why cultural understanding is important .....	2
1.3	Challenges and opportunities.....	3
1.4	Research questions .....	4
2	Method .....	6
2.1	Reviewing and analyzing existing research.....	6
2.2	Qualitative research interviewing.....	6
2.3	Analysis .....	8
2.4	Methodological challenges .....	9
3	Theory .....	10
3.1	Central concepts and definitions.....	10
3.1.1	Culture.....	10
3.1.2	Comparing cultures .....	10
3.1.3	Organizational culture .....	11
3.1.4	Business culture.....	11
3.2	Cross-cultural research .....	11
3.2.1	Hofstede's value dimensions .....	11
3.2.2	Hamden-Turner and Trompenaars .....	13
3.2.3	Other measures of cultural differences.....	14
3.2.4	Critique of existing theories .....	15
4	Analysis part I: Research review.....	17
4.1	Comparing research on Norwegian and Brazilian culture.....	17
4.2	Hypotheses related to cultural categories .....	22
5	Interviews .....	26
5.1	Interview questions.....	26
5.2	Findings related to interview questions .....	29
5.2.1	Management and decision making.....	29
5.2.2	Consensus orientation and solving tasks .....	32
5.2.3	Business negotiations .....	34
5.2.4	Relation to time .....	36

5.2.5	Relation to rules and regulations .....	40
5.2.6	Work and business relations.....	41
5.2.7	Communication and information .....	45
5.3	Other topics mentioned during the interviews.....	48
5.3.1	Foreigners and arrogance .....	48
5.3.2	A note on language barriers.....	49
5.3.3	A note on Petrobras .....	50
6	Analysis part II .....	51
6.1	Analyzing differences.....	51
6.1.1	Power distance: Trust vs. Control .....	51
6.1.2	Group mentality: Independence vs. inter-dependence .....	55
6.1.3	Risk aversion: Negotiations as a group activity .....	57
6.1.4	Time orientation: Future vs. Present .....	60
6.1.5	Relation to rules: Systems vs. Situations .....	65
6.1.6	Relations: Formal vs. Personal.....	67
6.1.7	Communication and information: Factual vs. Positive .....	70
6.2	Conceptualizing cultural differences between Norway and Brazil .....	75
7	Conclusions .....	78
7.1	Answering the research questions .....	78
7.1.1	Differences in work culture.....	78
7.1.2	Differences in business culture.....	80
7.2	Comments on future research .....	81
7.3	Final remarks .....	82
	References .....	84



# 1 Introduction

## 1.1 Background

Cooperation between Norwegians and Brazilians is becoming increasingly important. Recent years have seen an explosive increase in the amount of dialogue and activity between Norway and Brazil, both in the public and private sectors. This development is not entirely new. While Norwegian authorities interest in Brazil is relatively recent and closely linked to the development of Brazil as an attractive, democratic, emerging economic powerhouse that shares many common interests and economic traits with Norway, Norwegian companies have a long history of activity in Brazil. Since the 19<sup>th</sup> century, Norwegian merchants have sold bacalhau at Brazilian ports and brought coffee back to Norway. Brazil is today the largest consumer of Norwegian bacalhau in the world while Norway has the largest per capita consumption of coffee in the world.

This century old complementarity is accompanied with recent developments. Brazil has discovered the largest offshore oil reserves in recent times in the area known as pre-salt, while offshore oil and gas related activities form the most important Norwegian economic sector where Norway is also a technological world leader. Both Norway and Brazil rely on hydroelectric power generation for most of its electricity production. The revolution in the production of fertilizer at Hydro (now Yara) was central in the industrialization of Norway, while Brazil is one of the largest consumers of fertilizer and agricultural producers in the world. Mining was also an essential part of the industrialization of Norway, while Brazil has one of the largest mining companies on the planet in Vale, which is now also the main shareowner in Hydro.

Some Norwegians and Norwegian companies established themselves in Brazil decades ago, and have to a certain degree facilitated the entrance of other Norwegian companies to Brazil. Perhaps the most important “door opener” to Brazil has been Erling Lorentzen, who moved to Brazil in the 1970’s and has been a successful businessman through companies such as Aracruz. Lorentzen managed to become fully integrated in the Brazilian society, and became well connected in the Brazilian political circles and business environment. On several occasions his companies served as agents and consultants to aid the entry of Norwegian companies to Brazil during the 70’s and 80’s.

Even so, Norwegian activity in Brazil was at a modest level until quite recently. Brazil's main trade partner in Scandinavia during the second half of the 20<sup>th</sup> century was Sweden, with large Swedish industries established particularly in the industrial city of São Paulo. This radically changed with the reform of the petroleum regulatory model of the Cardoso government, and particularly with the discovery of the pre-salt oil fields. Brazil is now considered the world's most attractive area for offshore oil exploration, and Norwegian companies in the oil & gas and maritime sectors have been flocking to Brazil in the last few years. The entrance of so many Norwegian companies in Brazil during a relatively short period of time makes the issue of cultural adaptation extremely relevant, both for the companies and the people that work in them.

## **1.2 Why cultural understanding is important**

“Brazil is not for beginners.” - Tom Jobim

As the number of Norwegian companies doing business in Brazil continues to rise, and Norwegian companies acquire more Brazilian employees and managers, there is an increasing need for cross-cultural competence. Some companies might be small and relatively inexperienced in an international setting, while larger companies need knowledge to maximize their potential in the Brazilian market and avoid costly mistakes. Although several Norwegian businesses have been successful in Brazil, some have been struggling. Existing theories and research suggest that Norwegian and Brazilian business cultures are quite different. Companies that underestimate such differences might experience costly failures or communication problems, as some cases indicate. Some Norwegian companies have gone through a problematic and costly initial phase in Brazil, and later been able to adapt, while others have so far failed to build a profitable business in the country. In addition to the need to understand and adapt to Brazilian business and work culture, most Norwegian companies send a number of expatriates to Brazil. For expats and their families, an understanding of Brazilian culture is important to ensure a positive experience, both professionally and private.

There is a growing focus on cross-cultural adaptation both in the business media, and in leadership studies such as International Management, Cross-Cultural Communication, etc. Several articles in Norwegian media in recent years highlight how foreign companies have run into serious trouble because of a lack of understanding of Norwegian business and work

culture. The same applies when Norwegian companies go abroad; if they do not identify and understand important cultural differences, the risk of running into trouble is high.

There is already plenty of existing material on general cultural differences across regions, as well as a variety of anthropological studies on Norwegian and Brazilian culture, both general and organizational, that can be used to draw up hypotheses on cultural differences between Norway and Brazil. Some interesting comparative research has already been produced in this area, and several Norwegian business people already possess extensive knowledge on doing business in Brazil. But the amount of comparative research on Norwegian and Brazilian business and work cultures is still very small.

It is important to remember that the Brazilian economy is in a phase of rapid transformation and integration into the world market, and that the internal economic conditions have stabilized and changed considerably in the last few decades. It could be argued that the modern Brazilian economy dates no longer back than 1994, when the Real was introduced and the currency stabilized. During the early nineties, Brazilian governments also abandoned “Import Substitution Industrialization” and opened the Brazilian economy to the world. With this in mind, it is interesting to explore whether existing theories and research about Brazilian business and work culture are still valid.

All cultures have specific characteristics that set them apart from other cultures in different ways. This thesis analyses Norwegian companies in Brazil with a focus on the cultural differences they encounter. It is however important to note that Norwegian culture, like all other cultures, contain unique elements that are different not only from Brazilian culture, but from many other cultures as well. This means that some of the differences Norwegian companies experience in Brazil they are also likely to experience in other countries, as they are linked to particular Norwegian cultural habits. The exact ways in which these cultural peculiarities differ are however unique, as are the challenges they pose. The objective of this thesis is to identify central ways in which Norwegian and Brazilian cultural behavior differs and explore the particular challenges these differences pose.

### **1.3 Challenges and opportunities**

A challenge in writing this thesis is remaining as objective as possible. I have lived in Brazil before and I am married to a Brazilian. I have both studied and worked in Brazil, alongside

Brazilian colleagues. For this reason it is a challenge to stay free of pre-conceived opinions about the topic. This is referred to in anthropology as “going native”.

Another challenge is to refrain from evaluating the different cultural practices that are analyzed; the intention of this thesis is not to evaluate one culture as “better” or “worse” than the other. The intention is simply to identify what is different, and how Norwegian companies adapt, or don’t adapt, to these differences.

There are an increasing number of players such as consultancy firms and agencies working with market entrance and adaptation to the Brazilian business environment, offering services such as management consulting, courses in cultural understanding and business etiquette etc. This indicates that there is a demand for more knowledge about Brazilian business and work culture.

## 1.4 Research questions

The theme of the thesis is cultural adaption in Norwegian companies in Brazil. This theme can be formulated into one main research question that the thesis seeks to answer:

*Which cultural differences do Norwegian companies encounter when operating in Brazil?*

This question implies that there are cultural traits that are different in Brazil than Norway, and that these cultural traits affect the business and organizational environment differently. In order to uncover and compare such cultural differences, this thesis will seek to identify the peculiarities of both the Brazilian and Norwegian business and work culture. As will be treated in the chapter on central concepts and definitions, the main research question can be divided into two categories:

- Cultural differences in the work environment
- Cultural differences in the business environment

Since the theme of this thesis is cultural adaption, the thesis also seeks to identify how Norwegian companies adapt to these cultural differences. It is natural to assume that Norwegian companies will first and foremost seek to adapt to differences that actually pose a challenge to the companies’ operations, so all cultural differences are not necessarily relevant to this analysis. The thesis will mainly be looking at cultural differences between Norway and

Brazil that is seen to have relevance for the companies involved. The question of challenges and adaptation is divided into 2 sub-questions:

*What challenges do cultural differences pose to Norwegian companies?*

*How do Norwegian companies adapt to cultural differences in Brazil?*

## **2 Method**

### **2.1 Reviewing and analyzing existing research**

The methodological approach in this thesis is divided into two parts. The first part is a review of existing theories and research. This is done in order to establish a current discussion on the characteristics of Brazilian and Norwegian culture and general categories to describe the differences. Well known theories on cross-cultural differences were used to develop general categories and these categories were further compared and explained through a discussion of anthropological research on Brazilian and Norwegian cultures respectively. The identified categories provide an accessible and practical overview of the main perceived contrasts between Norwegian and Brazilian culture, which can also serve as an introduction to the field. This overview is then used as a framework in order to explore the cultural categories on a deeper level through the development of hypotheses on how these differences affect business and work culture in the two countries.

### **2.2 Qualitative research interviewing**

The second part of the methodological approach tests and explores the developed hypotheses, to give a more detailed and nuanced picture of how these differences play out in practice. This is done through qualitative research interviews with interviewees working for Norwegian companies in Brazil. The interviews start out with open questions, in order to look for novel ideas and interpretations. As the interviews progress, they are increasingly directed towards the established categories through questions that are specifically related to the developed hypotheses. An interview guide was developed beginning with open questions related to the research questions, followed by more detailed questions related to hypotheses within each cultural category. By starting with open questions and focusing on spontaneous answers, and limiting the use of prepared questions to follow-up on statements, the interviews fulfill Kvale and Brinkmann's three first quality criteria for interviews (2009:164). Most of the interviewees displayed a keen interest in the topic of research, and trust was easily established. As an interviewer, having personal knowledge about Brazilian and Norwegian cultures, and conducting the interviews in fluent Portuguese and Norwegian, contributed to making interesting discussions with the interviewees possible, and gaining their trust and interest.

Since the question of cultural differences was relevant to the interviewees' professional situation, most interviewees started talking spontaneously about the topic of research without being asked an actual question. This helps ensure the objectivity and reliability of the interviews. Questions were limited to verifying statements and directing the interviewees to topics that they did not spontaneously discuss.

Twelve in-depth interviews were performed with eight Norwegians and four Brazilians. The first three interviewees were Norwegians with many years of experience both working in Brazil and working with Brazilian partners. Two of these were still involved in issues regarding Brazilian-Norwegian business relations and even offered lectures on issues related to doing business in Brazil, including cultural issues. Because of this, they can be considered experts within the topic of research. They were asked to mention possible interviewees that they felt could contribute to the thesis, following what Repstad calls a "snowball method" (1998:41). Other players like Innovation Norway and the Brazilian-Norwegian Chamber of Commerce were introduced to the thesis and contributed by suggesting interviewees. Some names were mentioned several times and considered particularly relevant for an interview. During the fieldwork, all interviewees were asked to suggest other possible interview subjects in order to find as many relevant subjects as possible. The number of interviewees and the variety of their professional roles should ensure that a variety of perspectives is uncovered. In addition to the interviewees that participated in the in-depth interviews, several Norwegians and Brazilians with experience working with the other culture were consulted both during the first part and through the process of developing this thesis.

Of the Norwegian interviewees, two had been managers overseeing the opening of their companies branches in Brazil, two were owners and directors of Brazil-based companies with a long history the country, one was a director recently arrived in the country, one had long experience with working with Brazilian partners from Norway, one was an expatriate with an operational role, and one was a graduate employed on local terms. Of the Brazilian interviewees, one was a high level manager in a Norwegian company with experience working in Norway, two were managers of the Brazilian branches of Norwegian companies with several years' experience working with Norwegians, and one was an administrator in the Brazilian branch of a Norwegian company, with some work experience from Norway.

All interviewees were informed of the topic of research. They were informed of anonymity in order to establish trust and ensure honest opinions about all issues. Even if

several of the interviewees stated they had no problems with being named, anonymity is kept to avoid ethical concerns regarding the analysis and interpretation of their statements. The layout of the chapter on interviews makes identification impossible. In any case the topic of research is not sensitive and does not concern the private lives of the interviewees. Perhaps excluding some comments on corruption, nothing was said that can be considered controversial or offending. Neither can the consequences of this research be said to have any possible negative consequences of the parts involved. Instead, the study is meant to be beneficial for the subjects and the companies they work for. In this way the interviews in this thesis satisfy the main ethical questions that arise from such an approach (Kvale and Brinkmann 2009:68).

Most of the interviewees displayed a keen interest in the topic of research, and trust was easily established. As an interviewer, having personal knowledge about Brazilian and Norwegian cultures, and conducting the interviews in fluent Portuguese and Norwegian, contributed to making interesting discussions with the interviewees possible, and gaining their trust and interest. Since the question of cultural differences was relevant to the interviewees' professional situation, most interviewees started talking spontaneously about the topic of research without being asked an actual question. This helps ensure objectivity and reliability of the interviews. Questions were limited to verifying statements and directing the interviewees to topics that they did not spontaneously discuss.

## **2.3 Analysis**

Existing research on Norwegian and Brazilian organizational culture is compared and analyzed by drawing on anthropological studies of both cultures in chapter 4. This forms the first part of the analysis. In chapter 5 a selection of statements from the interviews are presented and organized according to theme, together with a limited set of comments and interpretations. In chapter 6 the interviews are interpreted and compared to expectations from the review of existing research.

The intention is to discover whether differences between Norwegian and Brazilian culture confirm existing cross-cultural theories and fit within these, or if other factors are at work. This is akin to what Kvale and Brinkmann call a "theoretical reading" (Ibid:235). By interpreting the interviews throughout each interview according to expectations, and

questioning the interviewees with these interpretations, the interviews also seek to fulfill two of the last quality criteria for interviews (Ibid:164). Verifying the interviewees' statements during the interviews and interpreting the interviews within a framework of existing research on the topic helps ensure the validity of the analysis.

## 2.4 Methodological challenges

A challenge with this approach is the risk of establishing a too fixed set of categories that makes it difficult to discover differences that do not fit within these categories in the interview part of the research. Another challenge is the risk of being too locked to pre-existing theory making it difficult to reject existing categories of cultural differences, or develop new interpretations (Ibid:239). The use of open questions in the start of each interview seeks to avoid these risks. In any case, the intention of establishing pre-existing categories is the possibility to test these in order to confirm or critique existing research in this field.

A challenge in any research based on qualitative interviews is the “power asymmetry” that such interviews entail. The authority position of the interviewer could lead to the interviewees confirming what the interviewer wants to hear (Ibid:33). It could be argued however, that since most of the interviewees in this thesis are either high level managers of international companies or experts within their fields, and the interviewer is but a student, these interviews constitute “elite interviews” where the “power asymmetry” is cancelled out (Ibid:147). Instead, a challenge is the fact that most managers in international companies today have at some point participated in courses or workshops on cross-cultural communication, leadership etc. This means that some of the main theories on cross-cultural differences might already be familiar to these interviewees, and have influenced their opinions. This could lead to a tendency to confirm categories that the interviewee has learned more than actually experienced, and answer by delivering prepared “talk tracks” to some of the questions (Ibid). Although the interview questions are tied to theoretical categories, a focus on the interviewee's actual experiences was emphasized during the interviews, with the use of examples when possible. Also, the selection of interviewees was done trying to create a balance between individuals of different positions, age and duration of experience in working with the other culture in order to avoid similar biases.

# 3 Theory

## 3.1 Central concepts and definitions

Since “culture” is a concept with a wide range of meaning and uses, a definition and delimitation of its use in this thesis will be presented in this chapter.

### 3.1.1 Culture

The main concept in this thesis is the concept of culture. The American social anthropologist Clifford Geertz emphasized a descriptive interpretation of culture by understanding culture as “patterns of meaning” behind forms of expression and social interaction (Geertz 1973:89).

The Norwegian anthropologist Thomas Hylland Eriksen emphasizes the dynamic aspect of such interaction by defining culture as “... the changing fellowship of meaning that time after time is established and changed when people do something together” (Eriksen 1998:25). This phrase catches the changing aspect of culture that is particularly visible in today’s globalized world. Cultures are not isolated and culture is not something that someone has or has not; “people are mixed cultural products” (Eriksen 1994:14). In this thesis the concept of culture is understood as changeable “patterns of meaning” or “fellowship of meaning”.

### 3.1.2 Comparing cultures

The Brazilian anthropologist Sergio Buarque de Hollanda emphasized the locality based aspect of culture by referring to historical processes in defining culture as a “set of values, habits, social influences and customs established throughout the long historical process of a society ... that over the course of time become incorporated in the lives of individuals, impregnating their daily lives” (2001:74). Even though many activities like music, film, gastronomy and business are globalized and reach and influence people in a similar manner all over the world, it is still possible to identify particular traits of different cultures and generalize about cultural differences on a national level (Dahl 2001:60). To investigate how cultural differences impact Norwegian businesses in Brazil, a definition of which aspects of culture is to be analyzed is necessary; “Culture is communication”, according to the American anthropologist Edward T. Hall (Hall 1959:28). According to Hylland Eriksen, “culture is what makes communication possible” (Eriksen 1994:23). Norwegian pedagogue Agnes Fife states

that “Culture is communication, and all behavior is communication...” (Fife 2002:38). It is communication that will be the focus of investigation, and communication is understood as behavior or interaction between people.

### **3.1.3 Organizational culture**

There are two aspects of behavior and interaction that are relevant when analyzing cultural differences that Norwegian companies encounter in Brazil. One aspect of interaction that this thesis focuses on is the work environment or behavior within the companies. This is expressed in the concept of organizational culture which is widely used and studied by management theorists (Clegg et. al. 2005:271). The organizational culture is to some extent unique within each organization, but as the chapter on theory illustrates, existing research indicates that national cultures exert an influence on the organizational culture of companies.

### **3.1.4 Business culture**

Another aspect that is affected by cultural differences is how Norwegian companies interact with other companies and organizations in the Brazilian market. Existing cross-cultural research focuses not only on how culture affects the internal organizational culture of organizations, but also how cultural differences affect other interactions in a professional setting. Central aspects that affect how companies operate are the cultural codes of interaction and behavior in the local business environment.

## **3.2 Cross-cultural research**

This thesis uses theory from the expanding field of cross-cultural research. Cross-cultural research is a relatively new field that has become increasingly popular particularly within management theory in recent decades. It is an interdisciplinary or multidisciplinary research field that lends theory and methodology from various fields such as psychology, anthropology and sociology. A presentation of recognized theories that are relevant to this study will be presented in the following chapter.

### **3.2.1 Hofstede's value dimensions**

Widely used in cross-cultural research are the social psychologist and anthropologist Geert Hofstede's "value dimensions". In the early 70's, Hofstede performed a psychological research experiment among over 100,000 IBM employees located in more than 70 countries (Hofstede 1980). He understood culture as something expressed through individual's value-orientation. Through an extensive questionnaire he wanted to find how national cultures influenced the value orientation of the IBM employees in different countries. Based on this research, Hofstede developed value dimensions that categorize certain cultural tendencies. His research has later been further developed and verified, and the cultural value-dimensions that he introduced are widely recognized, especially within management theory (Fife 2002:62). The most widely recognized value dimensions are:

Power distance, high to low:

This dimension describes the degree in which social separation or unequal distribution of power is expected and accepted within a society, by measuring the degree of inequality. In the workplace, a high score on power distance indicates a hierarchic form of organization and a centralized decision making process (Hofstede et. al. 2010:73).

Individualism vs. Collectivism:

This value dimension describes the degree of individuals integration into groups.

Individualism is characterized by a preference for a loosely knit social framework outside the self and the immediate family. In an individualist society, the interest of the individual prevails over the interest of the group. Collectivism represents a preference for a tightly-knit social framework where individuals are expected to look after their relatives or other members of their social group. This is called the "in-group", and loyalty towards the in-group is expected and prevails over the interest of the individual. (Ibid:90). The workplace can become part of a person's in-group, and the distinction between in-group and out-group has consequences for business relations in collectivist societies. In an individualist society, everyone should be treated alike. In a collectivist society, members of the in-group should be given preferential treatment (Ibid:122).

Uncertainty avoidance, strong to weak:

This dimension represents a culture's need to control uncertainty and ambiguity, meaning unforeseen episodes or situations. Societies where the members feel a strong need to control insecurity about possible future outcomes generally have a clearer distinction between

acceptable and unacceptable behavior, more formal or informal rules of conduct in different settings, and are less tolerant of untraditional behavior and ideas (Ibid:187).

**Masculinity vs. Femininity:**

This dimension relates to what Hofstede defines as “masculine” values such as achievement and assertiveness, where society is characterized by an orientation towards competition, vs. “feminine” values such as cooperation and modesty, where society is consensus-oriented (Ibid:135).

**Long-term vs. Short-term orientation:**

In addition to the four original value dimensions, Hofstede also developed a category describing how cultures relate to time. This category was not included in Hofstede’s original research, but was later developed together with other researchers. Long-term is understood as valuation of saving, perseverance and planning, while short-term is understood as valuation of traditions and duties that are considered more “immediate” (Ibid:235).

### **3.2.2 Hamden-Turner and Trompenaars**

The theories of Charles Hamden-Turner and Fons Trompenaars are also widely used in cross-cultural studies. In “The Seven Cultures of Capitalism” (1993), Hamden-Turner and Trompenaars developed seven cultural dimensions. Three of these dimensions are almost identical to already mentioned categories, but with a slightly different emphasis. Others are interpreted within an entirely different contextual framework. These dimensions can be useful for interpreting cultural aspects not directly captured in the already mentioned categories (Hamden-Turner and Trompenaars 1993):

**Universalism vs. Particularism:**

In Hamden-Turner and Trompenaars research, societies are seen as with a tendency either towards universalism, which is associated with modern values, or particularism, which is associated with traditional values. In a society tending towards universalism, impersonal rules govern society. In a society tending towards particularism, relationships are given emphasis and influence the application of rules.

**Neutral vs. Emotional:**

Another dimension developed by Hamden-Turner and Trompenaars focuses on the importance of feelings in human interactions. In a neutral society, feelings are generally

sought to be controlled, while in an emotional society, people generally seek a more immediate outlet for their feelings.

Achievement vs. Ascription:

Instead of focusing on power distance or acceptance of hierarchy, Hamden-Turner and Trompenaars analyses how differences in status is legitimized. In an achievement oriented culture, privileged status is given to individuals based on their performance, which is defined by knowledge and skills. In an ascription-oriented culture, privileged status is given to individuals based on their authority, which is defined by that individual's origin, age and/or religion.

### **3.2.3 Other measures of cultural differences**

Anthropology and time:

An important concept that has been recognized in anthropology is a division between monochrome and polychrome perception of time. This category is similar to Hofstede's category of long-term vs. short-term orientation, but with a slightly different interpretation. Individuals in a society with a tendency towards a monochrome perception of time relate to time in a linear, future-oriented manner, and display a tendency to think and act in a "one thing at a time" pattern. Individuals from societies that are oriented towards a polychrome perception of time are more focused on the here and now, and tend to do several things at once. According to the American anthropologist Edward T. Hall, people tend to be more strongly connected to each other in cultures with a tendency towards polychrome time perception. In polychrome cultures, the rituals and activities "in themselves" tend to be more valued than the time it takes to perform them, while time is more important than the activities in monochrome cultures (Hall 1959).

Space orientation:

Psychologists have related cultures time orientation to other factors such as the relation to space as a psychological factor (Fife 2002:74), with a distinction between territorial vs. non-territorial cultures. In territorial cultures, people tend to place greater emphasis on personal space and have a greater minimum distance from others. In non-territorial cultures, individuals are less concerned with personal space and are more physical (Hall & Hall 1990:11).

Cultural context:

An aspect that is seen to correlate with individuals relation to time and space and has been given weight in anthropology is a distinction between high context vs. low context cultures. (Fife 2002:137) In high context cultures, communication is indirect and information must be interpreted according to context. High context cultures tend to correlate with a polychrome tendency, and therefore form is given importance over content when communicating. Communication in low context-cultures is direct and factual, and content tends to be more important than form (Hall & Hall 1990:6).

Lewis' cultural types:

A theory that includes elements of the mentioned categories and concepts is the linguist Richard D. Lewis study of global "cultural types" in "When Cultures Collide" (2005). Lewis's theories are widely used in business circles. According to Lewis there are three main cultural types in the world: linear-active (Western Europe, North America), multi-active (Southern Europe, South America, Africa, Arab countries), and reactive (Asia). According to his model, people from linear-active cultures tend to be cool, factual and decisive planners. People from multi-active tend to be warm, emotional, loquacious and impulsive. People from reactive cultures tend to be courteous, amiable, accommodating, compromising and good listeners (Lewis 2005).

### **3.2.4 Critique of existing theories**

The theories discussed above provide categories that can be used to analyze and draw general conclusions on certain cultural tendencies within different countries or regions. The cross cultural research based on quantitative surveys do not, however, offer any more than superficial explanations as to why specific societies express certain cultural orientations or tendencies. Hofstede's cultural dimensions, for instance, have been criticized for providing generalizations without any research value (Fife 2002:62). Methodological weaknesses have also been criticized (Thompson and McHugh 2002:73). Even so, both Hofstede's and Hamden-Turner and Trompenaars categories are used as frameworks for studying different cultures by a variety of researchers. But because these frameworks are based on generalizations, there is a need to analyze and discuss general cross-cultural theories within a deeper ethnographic understanding of the cultures in question. A discussion on findings based

on the theories above will be coupled with a review of anthropological research on Norwegian and Brazilian culture in the following chapter.

# 4 Analysis part I: Research review

## 4.1 Comparing research on Norwegian and Brazilian culture

Existing quantitative cross-cultural research suggests that Norwegian and Brazilian cultures are almost diametrical opposites. But they do not provide deeper explanations on why Brazilian and Norwegian cultures express different value orientations. Based on general categories provided by theory, a discussion on research on each culture will follow, in order to find explanations for the tendencies that the general theories suggest. Some of the categories focus on similar aspects of culture, but in a different perspective. They have been combined in order to give a more complete discussion of the differences.

Power-distance and Achievement vs. Ascription:

In Hofstede's research, Norwegian culture has a very low score on power-distance, indicating low acceptance of unequal distribution of power (Hofstede et. al. 2010:57). This indicates an aversion to hierarchy and implies that unequal distribution of power needs to be justified. Hamden-Turner and Trompenaars (1996) found that Nordic managers delegate decisions to employees to a much greater degree than is typical for managers in other countries (Ekelund 2009:67). This illustrates a less centralized decision making process. Smith, Dudgeon and Trompenaars (1996) found high levels of what they called an "egalitarian commitment" in Scandinavia, suggesting that even when unequal distribution of power is justified it is still contested to some degree. Sociologist and management theorist Hans Christian Sørhaug found that hierarchy in Norway is "hidden" by Norwegian managers tending to under-communicate their preferential status (Sørhaug 1996:89). While the US is often used as the classical example of a culture where achieved status is given preference over ascribed status (Sørhaug 2004:142), in Norway even the achieved status is put into question as unequal distribution of power should not occur at all (Sivesind 1997:278). Legitimacy of power is in fact a central dilemma in Scandinavian literature (Ekelund 2009:68).

Brazilian culture has a high score on power-distance, indicating a more hierarchic form of organization and little need for justification of unequal power distribution. In anthropology this has been explained by the prevalence of personalism in Brazil. The implications of the subordinating expression of "Do you know who you are talking to", is

explored by the Brazilian anthropologist Roberto DaMatta (1991). According to DaMatta, this expression implies a “radical and authoritarian separation between two social positions”, and is commonly used in Brazil (Ibid:137). DaMatta used the French anthropologist Louis Dumont’s comparative study of the traditional hierarchic society of India versus modern egalitarian societies in the West and placed Brazil somewhere in the middle. Personal authority related to social position and background takes precedence over the impersonal authority of an individual, suggesting a tendency of ascription in Brazilian power-relations.

#### Individualism vs. Collectivism:

The category of individualism vs. collectivism describes the degree of individual’s integration into groups. In Hofstede’s research, Norwegian culture shows orientation towards individualism while Brazilian culture is oriented towards collectivism (Hofstede et. al. 2010:95). This indicates that the emphasis is on the individual, and that the “I” identity is more important than the “we” identity in Norway. In Brazil, Hofstede’s research indicates that the “we” identity of a family or in-group is more important than individual aspirations. In a professional setting this suggests that Brazilians are more group-oriented than Norwegians, and that they distinguish between members of the in-group and others (out-group).

Even though Norwegian culture is oriented towards individualism, other cultural forces are at work. There is a strong concept of “fellowship” in Norway, that has influenced organizational and leadership theory (Sørhaug 1996:105). Although Norwegians are not expected to find their “place” in the whole, they are expected to consider the whole or the “fellowship”. The sense of individualism is moderated by a sense of fellowship, implying a consensus orientation. A related force is the Danish-Norwegian writer Aksel Sandemose’s famous “Law of Jante”, which is a mechanism for social control and conformity that ensures equality and limits individuality. This phenomenon is probably related to the small size and homogeneity of traditional Scandinavian society.

In Hofstede’s research, Brazilian culture is oriented towards collectivism (Hofstede et. al. 2010:95). This is consistent with theories of “holism” in Brazil that is related to hierarchically order social groups of a semi-traditional society (Hess and DaMatta 1995:7). In Brazil, “everyone should know his place” (DaMatta 1991:138). This indicates that the social group takes prevalence over individual aspirations. But a possible consensus orientation seems to be conflicting with other phenomenon such as power distance.

These views also seem consistent with Hofstede's category of Masculinity vs. Femininity, where Norwegian culture scored very low on "masculine" values implying a "soft" or consensus-based value orientation. (Hofstede et. al. 2010:141) This indicates a consensus orientation that conflicts with individual aspirations. Brazilian culture scored in the middle region, implying a balanced orientation between "masculine" and "feminine" values. This indicates a balance between the acceptance of power distance and an underlying group mentality.

Uncertainty avoidance:

In Hofstede's research, Norwegian culture has a low score on this dimension, implying greater acceptance of new situations and fewer rules of behavior or conduct. Brazilian culture received a higher score in this value, implying a stronger desire to control ambiguity, and more formal or informal rules of behavior (Ibid:192). In management research, uncertainty avoidance has been linked to aversion to risks, although Hofstede himself disagrees with such a correlation (Ibid:197). In a Brazilian study on negotiation behavior from 2009, a conservative attitude towards risk is found among Brazilian executives (Sobral et. al. 2009:113).

Time orientation:

The theories use different denominations to explore similar aspects of the time orientation of cultures. They can be organized as follows; Future oriented, monochrome, sequential vs. now-oriented, polychrome, synchronic perception of time. Due to limited availability of data, this dimension is more unreliable in Hofstede's research, and the difference between Norway and Brazil is ambiguous (Hofstede et. al. 2010:255). In Lewis' study, Norwegian culture is placed close to the linear-active extreme, which corresponds to a sequential perception of time. Brazilian culture is considered entirely multi-active, which corresponds to a synchronic perception of time. According to Lewis, people from linear-active cultures are characterized by being decisive planners, while people from multi-active countries are impulsive (Lewis 2005).

According to Hall & Hall (1990:14) Scandinavian culture is dominated by a monochrome relation to time, while Latin-American cultures tend toward a polychrome perception of time. This implies that Norwegians would tend to focus on one thing at a time, and that the result of a given activity would be given emphasis. A polychrome perception of

time indicates that Brazilians would tend to deal with several things at once, and that outcomes would be less important than a given activity in itself.

Universalism vs. Particularism:

As discussed in the category of power distance, the prevalence of personalism in Brazil has been the subject of much research among Brazilian anthropologists. Leading Brazilian anthropologists such as DaMatta (1991) suggests that Brazil is a semi-modern or semi-traditional society, with an ongoing conflict between what are considered modern ideals like individualism and universalism, and what are considered traditional values like personal relations and social hierarchies. In addition to the hierarchical aspect of “do you know who you are talking to”, DaMatta relates this expression to a particular Brazilian distinction between individual and person. According to DaMatta, individuals belong to the public domain, governed by the impersonal rules of the modern society that Brazil aspires to be. The person belongs to the private domain, governed by relationships that in Brazil are characterized by patronage and hierarchy. “Do you know who you are talking to” symbolizes a ritual of imposing the private and personal world over the public and impersonal, a phenomenon that is common and takes many forms in Brazil (DaMatta 1991:170). If an impersonal authority like a policeman were to distribute justice by applying universal rules to a person of superior social status in Brazil, that person would seek to use his moral authority to put the person behind the policeman “back in his place” (Ibid). This illustrates how the particular social positions and relations influence the application of the supposedly universal rules of society.

Another concept related to personalism in Brazil is the famous “jeitinho” or “jeitinho brasileiro”, which expresses a certain way of bending the rules or finding a shortcut in order to assist another person. To the Brazilian anthropologist Livia Barbosa the “jeitinho” represents a mechanism of “by-passing rules and getting things done” (Hess and DaMatta 1995:36). According to Barbosa, there are certain “rules” that must be followed in order to receive or get the “jeitinho”; it can be asked for and it can be given, but it cannot be demanded – it has to be asked for in a certain way. Thus it is not hierarchical but rather an equalizer towards hierarchy, as it can be asked for and given between all members of society. It is not quite a favor, as nothing is necessarily expected in return, and it can be asked of and given to strangers. It is also not necessarily corruption, as it doesn’t necessarily imply any economic gain. Barbosa relates the “jeitinho” to daMatta’s theory of an ongoing negotiation

between traditional and modern values in Brazil. An interaction between individuals is spontaneously transformed into an interaction between persons. The “jeitinho” transforms rigid and universally valid rules, and bends them to personal needs. But instead of the hierarchic implications of “do you know who you are talking to”, the “jeitinho” implies equality, and is also seen as a response to hierarchical rigidity, bureaucracy and perverse social structures (Ibid:42). The consequence of the phenomenon discussed above is that while the Brazilian public sphere aspires to modernity and universal application of rules, this is put in opposition with the force of personalism in Brazilian society. The sphere of personal relations constantly seeks to bypass universal institutions. The result is a tendency towards what Hamden-Turner and Trompenaars call particularism (1993).

The Norwegian “Law of Jante” originated in the Danish-Norwegian author Aksel Sandemose’s “En flyktning krysser sitt spor” from 1933. It is in many ways the opposite of both the “jeitinho” and of hierarchy. Instead of “do you know who you are talking to”, the “Law of Jante” lists ten rules stating in different ways how “you” should not think that you are anyone special compared to “us”. It represents a sort of social mechanism for ensuring that everyone follows the rules, no matter who they are. An interesting aspect of the “Law of Jante” is that in Norway, such a traditional value of social control is consistent with the modern value of universalism. In addition to ensuring that everyone follows the rules, the “Law of Jante” implies social conformity and can be seen as a sort of reaction towards individuality, and therefore a traditional as opposed to a modern value.

Space orientation and Neutral vs. Emotional:

According to Hall & Hall (1990:10), Northern European culture is considered a territorial culture, implying a more reserved attitude towards spatial proximity and a greater need for privacy in Norway. Cultures with a Southern European heritage are considered non-territorial, implying the acceptance of more physical closeness and touch in Brazil. In Lewis’ study, Norwegian culture is placed close to the linear-active extreme, while Brazilian culture is considered entirely multi-active (Lewis 2005). People from linear-active cultures are generalized as cool and factual, while multi-active are considered warm and emotional.

A concept that has been much explored in Brazilian anthropology is the trait of cordiality. According to Hollanda (1936), what truly characterizes Brazilians is their cordial way of being. Cordial can be translated as hearty, and expresses an emotional way of being. These views suggest that Brazilians emphasize the emotional aspect of relations, and are more

open to physical intimacy, while Norwegians are less sensitive to emotions and more reserved towards physical closeness.

Cultural context: High context vs. Low context cultures:

Hall & Hall regards Scandinavian culture as low-context, indicating a direct form of communication and factual relationship towards information in Norway. Mediterranean culture is considered high context, indicating an indirect form of communication and interpretative relation towards information (1990:6). According to Hall & Hall, high context cultures tend to develop extensive networks in order to exchange information and interpret situations (Ibid).

## 4.2 Hypotheses related to cultural categories

Based on existing cross-cultural research, as well as anthropological studies on Norway and Brazil and the limited comparative research available, it is possible to conclude that there exists a consensus on general cultural differences between Norway and Brazil. Seven relevant categories are listed below in which Norwegian and Brazilian culture contrast in different ways.

Although some cultural traits affect several of these categories simultaneously, the categories are useful in order to conceptualize what should be explored through the interviews. These categories will therefore serve as a basis for development of hypotheses related to the main research questions. The hypotheses are related to typical situations in the business and work environment within the established categories.

Power distance:

Studies indicate that power distance is accepted in Brazil, suggesting the existence of hierarchy. In hierarchic societies, power tends to be centralized. In anthropology, authority has been related to social status, indicating an element of ascription in power relations. Very low acceptance of power distance is found in Norway, suggesting egalitarian values. An “egalitarian commitment” suggests that even when power-distance is established through achievement it is contested, indicating an aversion towards hierarchy. Based on this, the following hypotheses were developed:

*There is more hierarchy in Brazil.*

*There is very little hierarchy in Norway.*

*Decisions are taken at higher level in a Brazilian organization.*

*Decision making is less centralized in Norway.*

Group mentality:

Research indicates that Brazilians are more group oriented than Norwegians. But the perceived existence of conflicting tendencies could influence both cultures towards a similar orientation that is balanced between group and individual in different ways. The perceived group mentality of Brazilians indicates a consensus orientation, but this could conflict with the acceptance of power distance. Although Norwegian culture is found to be tending towards individualism, egalitarian values could influence Norwegians towards a consensus orientation. Based on this, the following hypotheses were developed:

*Brazilians prefer working in groups.*

*Norwegians prefer working individually.*

*Brazilians are consensus oriented but hierarchic.*

*Norwegians are consensus oriented but egalitarian.*

Risk aversion:

A higher score on uncertainty avoidance suggests that Brazilians are more careful and risk-averse than Norwegians. This view is supported by studies that indicate a conservative attitude towards risk in Brazil. Based on this, the following hypotheses were developed:

*Brazilians are less willing to engage in activities that appear risky.*

*Norwegians are less concerned about risk.*

Time orientation:

Studies suggest that Norwegians are linear, result-oriented and value planning. Brazilians on the other hand are considered more synchronic; they can do several things at once and are impulsive. Based on this, the following hypotheses were developed:

*Brazilians are less concerned with planning.*

*Norwegians are decisive planners.*

*Brazilians are less focused on outcomes.*

*Norwegians are result-oriented.*

*Brazilians tend to focus on several things at once.*

*Norwegians focus on one thing at a time.*

Relation to rules:

The “jeitinho” and other forms of personalism indicate that Brazilians are more flexible regarding the implementation of rules. In anthropology, this has been interpreted as a co-existence of the traditional with the modern in Brazil. In Norway, the “Law of Jante” indicates that traditional values are consistent with what is considered modern universalism, suggesting a reliance on rules that are universally valid. Based on this, the following hypotheses were developed:

*Brazilians are flexible towards rules and regulations.*

*Norwegians are rigid towards rules and regulations.*

Relations:

Studies suggest that Brazilians are non-territorial and prefer spatial closeness, while Norwegians are territorial and prefer spatial distance. According to Lewis (2005), Brazilians are warm while Norwegians are cool. In anthropology the emotional cordiality of Brazilians has been treated extensively. Based on this, the following hypotheses were developed:

*Brazilians are warm and emotional when relating to others.*

*Norwegians are cool and reserved when relating to others.*

Relation to information and communication:

According to research, communication in Norway is low-context and Norwegians are direct and factual. Communication in Brazil is considered high-context and Brazilians indirect and interpretative. Based on this, the following hypotheses were developed:

*Communication is indirect in Brazil.*

*Communication is direct in Norway.*

*Information is open for interpretation in Brazil.*

*Information is understood literally in Norway.*

These hypotheses form the basis for exploring differences between Norwegian and Brazilian business and work culture through qualitative research interviews. They will be tested and explored during the interviews, through the formulation of interview questions related to the different categories. The interview questions seek to answer the research questions and will be presented in the following chapter.

# 5 Interviews

## 5.1 Interview questions

In the analysis of existing research, seven categories were presented as containing the relevant framework for interpreting the main differences between Norwegian and Brazilian culture. Within these categories, hypotheses were developed that state the anticipated differences in behavior. In order to answer the research questions, interview questions were developed to test and explore the hypotheses further. The questions were made as open as possible, as not to lead the interviewees to automatically confirm the hypotheses.

The interview questions are related to typical issues in a business and work setting, and placed in what was expected to be the relevant category. It is important to note that each question might also be relevant within other cultural categories, since many typical business and work situations touch on several cultural issues. The organization of interview questions into cultural categories is not meant to be static and mutually excluding but useful for relating them to anticipated behavior stated in the developed hypotheses. The interview questions are presented in the following:

Power distance:

Management implies unequal distribution of power and is therefore related to power distance. The hypotheses anticipate a more hierarchic structure in Brazil than Norway, so questions related to the style of management were introduced:

*How does the Norwegian and Brazilian management style differ? What challenges does this cause? How should the company adapt?*

The hypotheses also anticipate a more centralized decision making process in Brazil, explored by the following interview questions:

*How does the Norwegian and Brazilian decision making process differ? What challenges does this cause? How should the company adapt?*

Relation to group:

The issue of individualism vs. collectivism was in the research review coupled with other tendencies, and related to group settings. The hypotheses expect that both Norwegians and Brazilians are consensus oriented, but in different ways. The following interview questions

were developed to explore this issue:

*Are Norwegian and Brazilian relations to authority versus inclusion in decision making processes different?*

Another important aspect of organizational culture is how tasks are solved. This question is also related to the issue of individual's integration into groups, but could be relevant from other perspectives as well:

*How does approach of Norwegians and Brazilians to solving tasks differ? What challenges does this cause? How should the company adapt?*

Risk aversion:

The hypotheses state that less willingness to engage in risky activities is expected in Brazil. Differences in approach to risk seem most relevant where Norwegian companies engage with Brazilian companies. Therefore, questions regarding negotiations were developed to explore this:

*How does the Norwegian and Brazilian negotiation style differ? What challenges does this cause? How should the company adapt?*

Time:

A difference in the relation to time is expected in Brazil, particularly related to planning and outcomes. The following questions were developed to explore this issue:

*How does the Norwegian and Brazilian relation to time differ? What about differences when it comes to planning activities? What challenges does this cause? How should the company adapt?*

Relation to rules:

More flexibility regarding rules was expected in Brazil. Questions to explore this issue were developed:

*Do Norwegians and Brazilians relate to rules and regulations differently? What challenges does this cause? How should the company adapt?*

Relations:

Relations in Brazil were expected to be more emotional and personal. To explore this, several questions were developed:

*How do Norwegian and Brazilian work relations differ? What challenges does this cause?*

*How important are personal relations to be successful in Brazil today? What is different in the interaction between business partners? How are problems resolved?*

Communication:

To explore the expected differences in relation to information and communication, the following questions were developed:

*How does the Norwegian and Brazilian communication style differ? What challenges does this cause? How should the company adapt?*

In order to take an open approach to the topic of cultural differences, the actual interviews started with an open question:

*What are the main cultural differences that you experience working in Brazil?*

The pre-developed questions were used to follow-up on statements or explore topics that the interviewees did not mention spontaneously. If an interviewee had touched extensively on a topic, some questions were left out. Another question that was developed during the third interview was asked to the remaining interviewees:

*What are the main similarities between Norwegians and Brazilians?*

This question was used to encourage the interviewee to reflect on similarities versus differences in order to stimulate a comparative reflection on the two cultures. This was also useful to see if the answers provided any contradictions to the developed categories and hypotheses.

At the end of each interview the interviewees were asked whether they had any issues that they felt had not been discussed during the interviews. They were also asked if they could suggest other interviewees that they felt could contribute to the topic. In this way, the selection of interviewees followed a so-called “snow-ball” methodology. The interviews were performed with an average of 1 ½ hour conversations. Due to the extensive material, transcriptions will not be included. Instead, a selection of statements that were found to be relevant for the analysis will be presented in the following chapter. Most of the interviews were performed in Norwegian or Portuguese. The quotes are translated into English and in some cases shortened or edited.

## 5.2 Findings related to interview questions

“To be successful in Brazil, you have to become Brazilian.” – Norwegian manager

When asked about a certain topic or presented with a specific question, the interviewees frequently answered from another perspective than what the questions were meant to answer, or they put the answer in a different setting or category than anticipated. This is not to say that categories or hypotheses are wrong, but confirms that many work and business situations are affected by several different cultural categories. Also, each interviewee interpreted the questions according to the situations he or she perceived as most relevant, resulting in radically different approaches to certain topics. The difference in interpretation and approach to answering the interview questions is probably influenced by each interviewee’s profession and position, resulting in different sets of relevant experiences. Because of this, findings from the interviews are organized according to the topic of each question, instead of the established categories and hypotheses. An analysis of findings related to the research review is presented in chapter 6.

### 5.2.1 Management and decision making

“In many Brazilian companies, there is the top and the rest.” - Brazilian interviewee

Both Norwegian and Brazilian interviewees made statements confirming the hypotheses that there is more hierarchy in Brazil. From the operational side, an example was given where a Brazilian manager was not comfortable with letting engineers perform tasks that he did not fully understand:

“Some Norwegian engineers wanted to perform some changes on the platform, but the Brazilian platform chief did not understand what they were doing. This created some tension. The chief wasn’t able to follow their actions and wanted to interfere with their work. A Norwegian chief would just accept that he didn’t understand and let the experts do their job.”

This illustrates the power distance and hierarchy in Brazil. The manager wanted to control what was done by those below him. Another interviewee said:

“Hierarchy is important, we don’t think so much about that in Norway.”

A Norwegian interviewee with long term experience working in Brazil made the following statements:

“There are bigger social differences in Brazil and difficult for a Norwegian manager to adapt to Brazilian culture. There is more respect for position and seniority in Brazil. There are good and highly educated people at the top level, but a lack of the mid-level. This is due to the lack of a real middle class. Brazil is becoming more democratic and less hierarchic today, and this is related to the democratization of society.”

This interviewee had most of his experience from working in Brazil several years back, so the situation could have changed further since then. But one of the Brazilian interviewees expressed similar views:

“In many Brazilian companies, there is the top and the rest. The top leadership maintains a distance from the rest of the organization and is often quite arrogant in their leadership style. The boss of a company we work with here won’t even deal with me. I have to talk to the engineers in the company. He only talks to my boss when he comes from Norway to shake hands and sign a deal.”

But the less hierarchic model in Norway was by a Brazilian interviewee considered somewhat confusing. She said:

“It seems that in Norway, everybody is a manager.”

A follow up question to the issue of management that was asked to some of the interviewees was how to motivate employees in Brazil. A perspective by a Brazilian interviewee with work experience from Norway was that:

“Both in Norway and Brazil, the question of human resources is unbalanced. Brazilians are afraid of losing their job. In Norway they are not, but there has to be something that motivates people. Because of the unbalanced situation, Brazilians are motivated best by paying a good salary.”

A Norwegian manager expressed a similar view by saying:

“The Norwegian (management) model is too flat”.

Another Brazilian interviewee confirmed the importance of salaries in Brazil, and said:

“You have to pay decent salaries to maintain worker loyalty in Brazil. Especially today there is more competition for qualified workers and I think many are being quite opportunistic. But a good thing about the Brazilian workers is that they will “vestir a camisa da empresa” (eng: wear the company shirt) if you know how to motivate them.”

A point that two of the Norwegian interviewees with long experience in Brazil made was that managers need to recognize and spend time on commending workers performance in Brazil. One of them said:

“It is important to spend time on giving public recognition to Brazilian employees when they have done a good job.”

A Brazilian manager mentioned that it could be a challenge to for Brazilian employees to challenge decisions of their superiors, even if they perceived them to be wrong. She said:

“Brazilians have a lot of respect for their boss. They don’t have the courage to speak.”

According to several interviewees, more detailed management is expected and necessary in Brazil. One Norwegian interviewee with long experience in Brazil said:

“You need more middle management to control progress and more employees to get things done in Brazil, especially if you have a lot of blue collar workers. The middle managers should be Brazilian.”

This illustrates a more controlling, hierarchic structure in Brazil. Asked about how to adapt to this, a Brazilian manager said:

“We have a goal to reduce the number of expats in Brazil, especially the managers. We also want to send some Brazilians to the headquarters in Norway. Cultural differences must be respected. Managers shouldn’t demand that the Brazilians behave like Norwegians.”

A Norwegian interviewee with managing experience from Brazil talked about “medarbeidesamtaler” (Eng.: performance evaluations), a form of conversation between a manager and an employee where the employee’s performance in the organization is discussed and evaluated:

“The performance evaluations didn’t work before, but they work better today. Openness in dialogue is very important. In any case the company has its central values, and must carry these forward regardless of the country we’re in. But you can’t expect the Brazilians to behave exactly like the Norwegians.”

This shows that change towards a more open Norwegian model is possible to a certain point. Opinions about the decision making process also confirmed the assumption of more hierarchy in Brazil. A Brazilian interviewee said:

“Brazilian leaders are expected to speak and make decisions, and sometimes they do so even if they have no idea what they are talking about. I’ve heard leaders say a lot of bullshit, because they want to give the impression that they know everything. Sometimes this leads to the wrong decision being made. Even if you try a different model, there is a tendency for hierarchy in Brazil. The employees want to know who can decide what. Some Brazilians appreciate the flat Norwegian model, but not everyone.”

Another Brazilian interviewee said:

“In a Brazilian company decisions are generally not made without approval from the boss. I think that the liberty that Norwegians give me is great. I feel that I am being treated as an equal. But the liberty to act and make decisions could scare some Brazilians.”

A Norwegian manager said:

“The decision makers are often the owners of the company, or the director in a larger company”.

These views support the hypothesis of a more centralized decision making process in Brazil.

But others seemed to relate hierarchy other consequences. A Norwegian manager said:

“There are more levels in Brazil. It is sometimes hard to find the right people to talk to.”

One Norwegian interviewee with many years’ experience in Brazil said:

“The hierarchy is there and it must be respected. We have contacts on at least three levels; operational, commercial, director. But you can’t only approach them from the top down; it has to be done in parallel. You have to plant your own solutions in their organization.”

Other interviewees also indicated a difficulty in locating the right people to make the decisions. This indicates a contradiction in the way the hierarchy functions. It seems that a more centralized decision making process is not always the case, but rather a stronger stratification of “levels”. When relating to business partners, a Brazilian interviewee stressed the importance of understanding the levels and how they affect decision making:

“When working with Petrobras, it’s often a question of working from the bottom-up. The contact at the top is only a formality. You can’t just know the director, you have to have contacts at several levels. Norwegians want to meet someone at the same level in the partner company.”

To adapt to this, a Norwegian manager emphasized the importance of control in Brazil by saying:

“You need more control in Brazil, both internally and along the value chain.”

This illustrates how the influence of national culture forces foreign organizations to adapt.

## **5.2.2 Consensus orientation and solving tasks**

“In Norway, independence is expected.” - Norwegian manager

The hypotheses stating that both Brazilians and Norwegians are consensus oriented but in different ways was confirmed during the interviews. A Norwegian manager said:

“As a boss you need to make more decisions here, there is more respect. But you do need to involve and inform.”

A Brazilian interviewee said:

“The more democratic Norwegian model makes it easier to avoid making the wrong decisions, but sometimes Norwegian managers take a long time before they decide something.”

A Norwegian manager said:

“Some decisions can be made very quickly in Brazil. Re-assigning workers to different departments or projects can be done very quickly here. This would take a long time and a lot of discussion in Norway. But there is a question of how much ownership the employees take of such changes, so involvement in the process is necessary.”

These views indicate that while developing a consensus is important in both countries, the approach is more from the top down in Brazil, while it is more from the bottom up in Norway.

The hypotheses stated that Norwegians prefer working individually while Brazilians prefer working in groups. A central issue related to solving tasks that was mentioned by most of the Norwegian- and some of the Brazilian interviewees was the issue of independence.

A Norwegian manager said:

“In Norway, independence is expected. Brazil is more hierarchic. Detailed management is expected. Brazilians are more dependent on instructions. Some appreciate the Norwegian model, but not all.”

A Brazilian interviewee said:

“Engineers in Brazil are not hands on. They won’t do anything with their own hands. They depend on other workers to do the manual work for them. Brazilians in general are a bit lazy and dependent. They depend on the cheap work force in Brazil.”

Another perspective from a Norwegian interviewee was that:

“The Brazilians are not pro-active. You often have to ask them to do things and to follow up later to check if it has been done. And often they ask about instructions of how to do things. It’s funny that I sometimes have to send the same instructions again about a task that they have already done before.”

This seems to confirm the hypotheses that Norwegians are prefer working individually, while Brazilians prefer working in groups. The perceived lack of independence was also interpreted as an unwillingness to take ownership and assume responsibility among Brazilian employees.

The Norwegian interviewee with operational experience said:

“Sometimes the Brazilian engineers ask for instructions in writing before they will perform a task. In Norway the attitude is to just do it. It seems that the Brazilians are not so willing to take ownership and responsibility for things. In Norway we don’t care so much about who is responsible, we think more about what is important for the operation.”

It seems a hierarchic group dependency of Brazilians leads to lack of employees individually assuming responsibilities.

A Norwegian interviewee gave a perspective from an operational setting:

“Perhaps it has to do with the level of competence, but sometimes the Brazilians don’t seem to see the bigger picture. It is more challenging to solve problems that require cooperation across different departments here. There is a lack of multi-discipline project competence. There are a lot of misunderstandings, and I think it has to do with a lack of comprehension and independence.”

This illustrates a perceived challenge with a more stratified hierarchic structure where knowledge is more centralized. In order to adapt to this, several interviewees focused on initiating change by rewarding independence and involvement. A Norwegian manager said:

“We have tried to implement a flat Norwegian model in our Brazilian organization. We challenge and involve the employees in making decisions. This has been successful.”

A Brazilian interviewee said:

“You have to communicate very clearly that the employees have the liberty to act. Brazilians are afraid of making mistakes.”

The fear of making mistakes is yet another confirmation of a collectivist and hierarchic structure, where assuming responsibility is avoided due to fear from superiors reactions.

### **5.2.3 Business negotiations**

“When negotiating in Brazil, everybody has to have something to give.” – Norwegian manager

The hypotheses anticipate less willingness to engage in risky activities in Brazil. Most interviewees perceived negotiations in Brazil as a slow and lengthy process. A Norwegian manager said:

“Negotiations take a long time here, and a lot more work is needed to reach an agreement. And they (business partner) may start negotiating the terms again, even if a deal has already been agreed upon. You have to be prepared and know what you are talking about, because everything will be checked.”

Another Norwegian said:

“There is a different business approach here, they beat around the bush longer.”

The slowness of negotiations in Brazil could illustrate the existence of uncertainty avoidance. Brazilians seem to spend more time on checking facts and evaluating their counterpart than Norwegians.

Several interviewees stressed the importance of “giving” in negotiations with Brazilians. A Norwegian manager said:

“In Norway, prices are normally readjusted a maximum of 10 % during negotiations, in Brazil it could be up to 40 - 50%. When negotiating in Brazil, everybody has to have something to give.”

Another said:

“Negotiations are a bit like in the east, everybody expects to gain something.”

“Giving” to the group could illustrate a collectivist group mentality among Brazilians, where loyalty to the in-group is important. Another factor supporting this view was that many related negotiations to having relations and a network. One interviewee said:

“Relations are important. The oil and gas sector consists of a small group of people. In a negotiation setting, relations can have an effect. There is more loyalty in relations here.”

Another said:

“Partners pull in the same direction.”

Because of the relational aspect of negotiations, one of the Norwegians claimed that:

“It’s hard to be part of things that go on here; a lot goes on behind closed doors”.

But a Brazilian interviewee gave a slightly different version:

“A lot of negotiation and decision making is done informally through personal relations and networks. When meetings and negotiations take place, most issues have already been discussed and decided. The Norwegians are many times unprepared because they haven’t been communicating with the Brazilians.”

One Norwegian interviewee said that:

“Brazilians are very good at negotiations. You have to interpret the content of what is being said. Cultural understanding is essential; many new (Norwegian) players don’t have that”.

Another said:

“You need to choose the right partner. Be very careful and check his background. Use your network! Be critical, it’s all about track record.”

This illustrates that a tendency to contextualize information by relying on networks is also present in negotiations in Brazil. And the focus on being careful illustrates how the lack of trust leads to higher aversion to risk.

Some Norwegians seemed to perceive Brazilians as strong negotiators, focused on price, making it hard to make a profit in Brazil. But another Norwegian with long experience in Brazil contested this:

“Brazil is known for a high margin of profit. That’s because they don’t have a long term focus here.”

Another point that was mentioned is that Norwegian companies should not only expect negotiations and be prepared to give discounts when making an offer/tender, but also negotiate prices for services delivered.

#### **5.2.4 Relation to time**

“Norwegians are born by the clock”. – Norwegian interviewee

All the interviewees confirmed a difference in the way Brazilians and Norwegians relate to time. A Norwegian interviewee said:

“Time has a lower priority in Brazil, relations are more important. It’s not so bad in our company. But the deadlines need to be pushed more than home; things are done in the last minute. It seems that surroundings affect you more here; things are not plan-wise. It’s a challenge to look at time the same way. But it’s changing.”

A perspective from an operational setting gives weight to the hypothesis that Norwegians are future oriented, while Brazilians are now-oriented. A Norwegian interviewee said:

“People are not pro-active, they deal with the problems when they arise. We had a situation where a part was not working properly. The Brazilians were quite relaxed and wanted to wait a little to see if the problem passed. They don’t seem to mind to keep going until something breaks down completely. In Norway the attitude would be that we have to fix this at once!”

Another Norwegian said:

“Things are only fixed if it’s really necessary.”

Most interviewees expressed a view that Brazilians are more short-term oriented. A Norwegian manager said:

“The short-term is still most important. Just look at the preparations for the World Cup and Olympics, everything is done in the last minute.”

But one Norwegian interviewee interpreted the time orientation in the opposite direction:

“Perhaps they are more long-term in Brazil. Things happen slowly and decisions take a lot of time.”

This could illustrate that the question of short-term versus long-term could be irrelevant, and that the relation to time is more about whether time is important or not, and in what direction the perception of time is oriented.

Several Norwegian interviewees commented on the form and size of meetings in Brazil. One Norwegian said:

“There are a lot of participants in meetings here, too many I think. Sometimes the Brazilians bring others along to the meeting, so they don’t have to come alone. There are too many that have an opinion, so the meetings take a lot of time. I feel that the outcome of many meetings is unclear. It is unclear what is supposed to happen next. In Norway we decide that now we have to do this and this. We just focus on getting things done.”

This view could illustrate a polychromic perception of time in Brazil. The participants are seemingly more focused on participating in meetings as an activity in itself, while the Norwegians are more focused on actual outcomes and deciding what should happen in the future. Some also talked about efficiency. A Brazilian manager said:

“On a day to day basis, Norwegians are more efficient, but when the time comes to act, Norwegians are slow.”

Another Brazilian interviewee said:

“Sometimes not a sound except the sound from the computer keyboards can be heard in a room full of Norwegians.”

Another topic that was mentioned was the time spent at work and the division of work time and free time. A Norwegian manager said:

“Norwegians are very focused on the time they spend at work. While Brazilians arrive a little later, they are accustomed to spend long hours at work, while Norwegians are eager to leave the office at four o’clock and even earlier on a Friday.”

A Brazilian manager with experience from working in Norway said:

“If someone leaves the office early in Brazil, this can be seen as a lack of interest in the company. In Norway, working too much can be seen as not having a family or sucking up to the bosses, which is not well received. But even if the Norwegians leave the office early they make up for it by working at home. They don’t say it, but based on what they deliver, I know that they must be doing that. If a Brazilian was working from home, he would brag to his boss about it! Brazilians can spend more time at work, but it is not common to work at home in Brazil”.

These views support the idea that Brazilians and Norwegians give different value to time. Time seems more important to Norwegians as they are less willing to spend long hours at work and focus more on efficiency.

When it comes to planning activities, the unanimous impression from the interviewees was that Norwegians like to plan, while Brazilians don’t. A Norwegian manager said:

“In a project in the Brazilian branch of the company, we saw that some problems early on would make it difficult to finish on schedule. We told the Brazilian managers that the plans should be adjusted accordingly, but they told us not to worry. Right enough, the project was delayed. When we confronted the Brazilians with the lack of planning as the source of the delay, we expected some embarrassment. But there was none, they reacted with indifference. They did not seem to care that the planning had been insufficient and that this was done differently in Norway.”

A Brazilian manager said:

“Norwegians are organized and use planning to avoid problems before they arise, while Brazilians prefer to solve the problems when they arise. Brazilians are very good at dealing with problems.”

A Brazilian manager related the lack of planning with the country’s history of macroeconomic instability:

“Because of inflation and instability, it didn’t make sense to plan before.”

This illustrates that the lack of planning and a focus on adaptability and dynamism is related to institutional instability in the past. Planning is not only less valued due to a different relation to time, but also to the fact that planning makes less sense in an unstable environment.

The question of punctuality and commitment to deadlines is a factor of frustration between Norwegians and Brazilians according to both Norwegian and Brazilian interviewees.

On the other hand, Brazilian interviewees found the Norwegians to be structured, but that planning activities were very formal and with little flexibility. A Brazilian manager said:

“It is very difficult for the Norwegians to change plans. Even when it is obvious that some things should be re-scheduled it seems so difficult for them.”

One of the Brazilian interviewees found the accessibility of Norwegians a challenging point:

“Norwegians don’t give up their evenings or weekends. If I need to speak to my boss outside normal work hours in Norway, that can be difficult. Everything takes time in Brazil, but when things happen, you have to react quickly! I was in an important meeting with Petrobras once, and I called my boss because we needed to make a decision. He told me to call later because he was on his sailboat. I told him this can’t wait! I’m not afraid of talking like that to my boss, but another Brazilian could have simply accepted that the boss was busy. Then we would have lost the deal forever.”

This illustrates the focus on dynamism and flexibility in Brazil, and shows that Norwegian structured approach is not always valued or relevant.

In order to adapt to and compensate for lack of planning in the Brazilian branch of the company, a Norwegian manager said:

“We could not rely on the plans made in Brazil, so we made shadow-plans in the Norwegian branch that we used for evaluation and reporting purposes.”

Another Norwegian manager said something to the contrary:

“Planning is less valuable in Brazil. Conditions change all the time. It’s a bit better now, but tax regulations for instance still change a lot.”

A Brazilian manager said:

“The ideal combination would be to combine Norwegian planning and structure with Brazilian flexibility and adaptation. Brazilians are very good at dealing with problems.”

This shows how adaptation to another culture could represent not only a challenge, but also an opportunity to a Norwegian company.

## 5.2.5 Relation to rules and regulations

The hypotheses anticipate more flexibility towards rules in Brazil. An interesting perspective from an operational setting was not related so much to rules, but rather to systems. A Norwegian interviewee said:

“Within HSE (Health, Safety and Environment), there is a lot of respect for authority here. The system is better in Norway. In Brazil people take more care of themselves. But the level of HSE is almost the same. In Norway there is a system of governing documents. That’s harder to implement here.”

This does not relate directly to the hypotheses, but supports the view that Norwegians are oriented towards universalism, while Brazilians are oriented towards particularism.

According to Brazilian interviewees, Brazilians are persistent in how they relate to problems. One Brazilian interviewee said:

“Brazilians are used to things being difficult and bureaucratic. Because of this, Brazilians don’t take no for an answer and keep on trying. Some Norwegians complain a lot about bureaucracy in Brazil and that things don’t work the same way as in Norway. This won’t get them anywhere.”

A Norwegian interviewee expressed a similar view:

“The Brazilians are good at finding solutions. Sometimes problems arise, but there is always a solution in the end.”

Another said:

“Brazilians are pragmatic in relation to rules in order to find solutions.”

This illustrates the perceived flexibility of Brazilians. It also confirms the anticipated flexibility and illustrates a positive and pragmatic side of this issue. But a more negative side was also mentioned. Regarding ethics, a Brazilian manager said:

“In Brazil, ethic is a flexible concept. Brazilians think that honesty has degrees. Acceptable behavior depends on the situation.”

Another interviewee said that:

“There is more space for interpretation of rules in Brazil. Conditions are more unstable.”

Regarding corruption, several interviewees mentioned the existence of a lot of less serious agents and consultants in Brazil. Some also mentioned corruption as a challenge. One interviewee said:

“Zero tolerance is impossible in Brazil.”

When asked about how to adapt to this, several of the Norwegian managers expressed that internally, the relation to rules was not a problem as long as the company had clear guidelines of acceptable and unacceptable behavior. Regarding tenders and contracts, one interviewee said:

“Things are not always fair here. But as a foreigner, you shouldn’t complain. Learn from it and move ahead to the next opportunity.”

These views confirm an orientation towards particularism in Brazil and illustrate that this has both a positive and a negative side.

## **5.2.6 Work and business relations**

“It’s a problem that many Norwegians are introverts. They could miss out on business opportunities.” – Brazilian interviewee

The hypotheses anticipate more warmth and emotions in Brazilian relations. Several of the Norwegian interviewees found Brazilians to be very warm and receptive in a work setting. One said:

“Brazilians are very open. It’s very easy to feel welcome here. It is much easier where there is a majority of Brazilians. In the more international environment, it is more difficult and takes time. Personal conflicts among personnel working offshore don’t happen here. It can happen in the North Sea, but not here.”

Another confirmed this by saying:

“The people are open, warm, physical.”

Some interviewees also related this to how Brazilians and Norwegians relate to the workplace:

A Norwegian interviewee said:

“There is a lot of enthusiasm and energy here. There is great potential! In Norway the level of enthusiasm is not so high; there is another relation to work there. In Norway, people get paid to come to a company reunion. Here they are more thankful for much less.”

Another said:

“Brazilians are positive. They are more content with what they have. There is more of a culture of complaining in Norway.”

These views reveal a certain admiration among the Norwegians on how Brazilians relate to others and to the workplace.

Almost all the interviewees stressed the importance of personal relations to do business in Brazil. But one Brazilian interviewee contested the importance of relations to a certain degree:

“I don’t think it’s that much more about relations here than elsewhere. If you have a good product, you are going to be able to sell it. But Brazilians want to see how serious you are about establishing your business here and staying in Brazil. It takes about three years to get established, and in this period you build the right contacts.

This shows that although relations are important, they are not necessarily more important than more objective qualities. But the issue of “respect” was frequently mentioned. A Brazilian manager said:

“Respect is important. If somebody thinks of himself as superior, that doesn’t work. With Norwegians, it’s less like that. Norwegians are more humble than other Europeans; it’s more like equal to equal.”

A Norwegian manager said:

“You need to give a lot of recognition to your partners and spend time on patting them on the shoulder. Brazilian managers spend a lot of time expressing how important their partners are. This is part of the elite game in Brazil. It’s hard for a Norwegian manager to live up to the expectations regarding this. I’m just not good at doing enough of it.”

Another Norwegian also had a perspective related to the importance of respect:

“To me, the Brazilian jeitinho is about getting out of difficult situations without losing face.”

These views illustrate the importance of respect and honor in Brazil through concepts such as “losing face”. Another topic mentioned when relating to the Brazilian business community

was the importance of companies contributing to the Brazilian society. As one interviewee put it:

“You have to show an interest in contributing to building the country. All Brazilian companies have this written down in the company statutes. Profile and reputation are very important in Brazil, and you need to spend money on charity”.

Another said:

“How do you build trust? By focusing on local content and presence.”

Regarding reputation, a Norwegian manager said:

“Norwegians have a good reputation. In shipping we have an incredible position for being such a small country.”

The focus on issues such as respect, trust and reputation illustrates the influence of personalism also in Brazilian business relations. According to another Norwegian manager, the importance of personal relations can create challenges when people change positions:

“Things are very person focused here. If a company changes people in key positions, everything can change. You need to be very patient. It can take three to four years to adapt.”

A Brazilian manager said:

“The question of personal relations is a cultural barrier. Brazilians are extroverts while Norwegians are introverted. This gets in the way of developing business.”

A Norwegian said:

“Smaller Norwegian businesses have a hard time. They don’t focus enough on language and cultural understanding.”

This further illustrates the prevalence of personalism and indicates that this makes cultural understanding even more important. Also the way that Norwegians relate to others is revealed as a possible challenge.

Another topic that was mentioned was the formality of business situations and clothing. Several mentioned Brazilians as more formal than Norwegians regarding this. A Brazilian said:

“Clothing can sometimes be an issue with the Norwegians, especially among women. Men and women are expected to dress in formal and nice business clothes.”

But a Norwegian said:

“It’s quite informal in Rio, Sao Paulo is more formal. But it’s better to be too well dressed than too bad.”

This shows differences in how Norwegians and Brazilians relate to the workplace. The issue of expats was frequently mentioned and related to family relations. A Norwegian said:

“There are a lot of expats who have a hard time.”

Another said:

“There are a lot of family problems with expats here. You can’t send people who an issue with alcohol. That won’t get any better in Rio de Janeiro! This is also a problem with the spouses. They hang out at upper class environments and have nothing to do, so drinking can become a problem. There are several cases where couples have split up. If the companies don’t take care, the manager they send could quickly end up having to go home after only a couple of years. It’s better to send expats that come alone, they become more socialized.”

These views illustrate that other factors are also relevant when adapting Norwegian employees to working in a foreign country.

Asked about how to adapt to how Brazilians treat business relations, a Norwegian manager said:

“You need to be a bit flexible, have some jogo de cintura. Some Norwegians are very hard and rigid. It can work for a while, but when problems come there will be trouble. If you define that it’s the contract that counts, your partner can get you if he really wants to. There are so many complex rules, and the bureaucracy is huge.”

Another Norwegian manager said:

“You have to make people in your network feel important. You have to gain their trust. This takes many years.”

A Norwegian interviewee related adaption to communication and respect:

“When it comes to communication, Norwegians are pragmatic and objective. Brazilians are personal; feelings and honor are involved. A very diplomatic approach is necessary. You should be careful not to go straight to the point. Norwegians step in the salad. They are not good at respect.”

When it comes to expats, a Norwegian manager said:

“You need to send the right people. They have to be humble and disciplined and not have a problem with alcohol. And they should be outgoing.”

These views illustrate the importance of Norwegians adapting to the Brazilian way of relating.

### **5.2.7 Communication and information**

“The first reaction of Norwegians is to trust what is being said. The first reaction of Brazilians is distrust.” – Brazilian manager

The hypotheses anticipate a more indirect style of communication and interpretative relation to information in Brazil. According to a Brazilian manager, communication in Brazil is related to trust:

“The first reaction of Norwegians is to trust what is being said. The first reaction of Brazilians is distrust. You could say that in Brazil, you are guilty until proven innocent. In Norway, you are innocent until proven guilty.”

A Norwegian manager said:

“Norwegians establish trust quickly and Brazilians communicate trust. When some Norwegians come here for the first time, they think that everything is going great and that they are close to signing a deal. The first impression is very good. But when they realize that things are going much slower than anticipated, they start losing trust. The Brazilians take time to establish trust. So while the Brazilian trust in the Norwegians is slowly increasing, the Norwegians are quickly losing trust in the Brazilians. If these curves don't meet, things will be difficult.”

Another Norwegian manager made a statement to the contrary:

“The Norwegian naïveté is a myth. Norwegians in this (maritime) business are tough. You should always be careful, no matter where you are.”

These views indicate that communication is strongly related to a question of trust in Brazil, and the lack of trust makes interpretation important.

The indirectness of Brazilians was also confirmed by several interviewees. A Brazilian interviewee said:

“Norwegians can be a bit rude. Here in the office, a Brazilian asked one of the Norwegians if he wanted to go to lunch. He just said, no, I won't go to lunch now! That's not polite here. Here you should say thank you and maybe explain why you can't go to lunch now.”

A Norwegian interviewee said:

“They (the Brazilians in the company) never say what they think. I wonder what they really think about us. It would be funny to have an open meeting about it.”

Another Brazilian said:

“Norwegians are structured, planned, franc. Brazilians are flexible, disorganized, and dynamic. Brazilians don’t like critical complaints. Unpleasant things should be said indirectly.”

This indicates that the indirectness of Brazilians is related to questions such as respect and an avoidance of conflict. A factor supporting this view was that several Norwegian interviewees found Brazilians to be very positive when communicating. One said:

“Brazilians are always optimistic. But sometimes they give a more positive impression than what real conditions call for.”

Another Norwegian interviewee said:

“Brazilians are a bit like the Japanese, they don’t like to say no”.

This supports the idea that indirectness in Brazil could be related to avoidance of conflict.

When it comes to information, a Brazilian interviewee said:

“Goals in Brazil are not realistic. There is a tolerance here towards not achieving the goals. On the higher level in Norway, it seems that even understandable errors are punished.”

Another Brazilian emphasized the importance of checking what was said:

“You have to check everything here. Always ask for written information. It doesn’t matter that verbal agreements are valid in other countries; here it is not like that. Some Brazilians like to give the impression that they know everything. They talk a lot. But when it comes to writing things down it’s a different story.”

Several Norwegian interviewees confirmed the importance of written agreements. This shows that there is a more diffuse relation to information in Brazil. Goals are not literal and neither is verbal information. This seemed to be one of the issues creating the most serious challenges for Norwegian companies. A Norwegian manager said:

“Communication is an issue that creates real problems for Norwegian companies.”

Another Norwegian interviewee said:

“Sometimes there is a problem with the internal communication between the Brazil office and the main office in Norway; because there they sometimes don’t understand what the Brazilians are doing and why they are doing certain things. They talk past each other. They don’t understand why in Norway, the message is not received. There is a lack of understanding on the Norwegian side. Then there is an element of pride; the attitude of the Brazilians is that if they don’t understand us, then we don’t really care.”

A Brazilian gave an example of how the formal Norwegian communication style presented a problem when interacting with Brazilians:

“The communication style of Norwegians is formal. Brazilians talk a lot together before meetings. This is done informally. So the Norwegians come unprepared to the meetings. The meeting itself is just a formality. There is a lot of frustration among the Norwegians because of this.”

This indicates that the way Norwegians and Brazilians relate also influences communication.

When asked about adapting to Brazilian culture a Norwegian manager said:

“Here you have to package things, especially if it’s about criticism. Norwegians are too direct. Norwegians step in the salad! When you have offended someone, it is very hard to fix it again.”

Another Brazilian manager said:

“I’ve seen Norwegians offend someone in a meeting here. He was excluded from the meeting! I don’t think he will be invited again.”

A Brazilian interviewee offered some practical advice:

“Don’t ask about the salary of a colleague or the cost of rent of someone’s apartment. That’s normal to Norwegians but this is very rude in Brazil.”

These views illustrate that adapting to the communication style through indirectness and respect could be necessary in order to be accepted in Brazil.

Regarding information, several of the interviewees stressed the importance of having everything in written in Brazil. Two of the Norwegian managers also recommended having a Norwegian at the top level in the Brazilian organization. One of them said:

“You should have at least one Norwegian in the management or close to the top, perhaps in the economy department. You need to have someone who tells you what things are really like.”

Another said:

“Communication is often more positive than reality here. Norwegians say it like it is. You need a security valve on communication. It creates real problems.”

A Norwegian manager said:

“You should always control that messages have been received and understood. You also need to interpret signals and codes. This is not easy.”

This confirms the tendency and necessity of contextualizing information in Brazil, and illustrates an emphasis on control also here.

## **5.3 Other topics mentioned during the interviews**

When talking freely, several interviewees brought up topics that had not been discussed directly in the research review. The main topics that emerged are presented in the following.

### **5.3.1 Foreigners and arrogance**

“Arrogance is prohibited when doing business in Brazil.” – Norwegian manager

Several of both the Norwegian and Brazilian interviewees mentioned the issue of arrogance during the interviews. A Brazilian interviewee said:

“I’ve heard of some Norwegians being arrogant. Some think they know everything about the oil and gas sector and don’t listen much”.

Another Brazilian interviewee said:

“Arrogance is not well received by Brazilians. If someone is sarcastic about how things work in Brazil, that is not good.”

Several of the Norwegian interviewees with long experience in Brazil specifically advised that arrogance was not wise when doing business in Brazil. One said:

“Arrogance is prohibited when doing business in Brazil!”

Another manager said:

“Arrogance is a problem. Some Norwegian think they know best. But you can’t be rigid. If you want to think in a Norwegian manner here, it’s better to leave.”

A Norwegian interviewee said:

“You need a more open leader here, a different type than in the US for example.”

A Brazilian manager compared different cultures coming to Brazil:

“Americans are considered very arrogant. That does not work well here. But Scandinavians are quite successful. I feel that Norwegians treat Brazilians more as equals. In other European countries the feeling is sometimes that they are looking at Brazilians as inferior.”

These views illustrate the importance of respect in Brazil. It seems that due to the prevalence of personalism in business relations, demonstrating respect becomes particularly important.

### **5.3.2 A note on language barriers**

“It is absolutely essential to learn Portuguese in order to work effectively in Brazil.” – Norwegian interviewee

Not surprisingly, a major cultural difference that was found to affect communication was the language. Several interviewees pointed out that although an increasing number of Brazilians speak English, many are not comfortable speaking it. Several Norwegians experienced that Brazilians became reserved when speaking English. One gave an example where little was said during a meeting until the participants switched to speaking Portuguese. Suddenly the participants became a lot less reserved and a lot was being said.

In operational situations this became very apparent. According to a Norwegian engineers working offshore, he often had to pass his messages and instructions through someone with a high level of English at the central command, who then passed the information on to the workers who needed to execute these instructions. This was a time consuming process with the possibility of important details becoming lost in translation.

Another aspect that some of the managers pointed out was that if any problems or legal issues should arise from contracts made in Brazil, it is the Portuguese version that will be considered binding, and not the English translation. Therefore an understanding of Portuguese is essential for Norwegian companies when negotiating contracts in Brazil. One of the Norwegian managers said:

“It’s impossible to do a serious job without speaking Portuguese.”

### 5.3.3 A note on Petrobras

“Yes, Petrobras is a very hierarchic company. This has roots back to the days of the dictatorship.” – Brazilian interviewee

The interviews were directed at comparing Norwegian and Brazilian work and business culture at a general level. But several interviewees mentioned Petrobras during the conversations. Since most Norwegian companies operating in Brazil are involved in offshore activities, they will have some sort of contact with Petrobras since this company has a dominant position in that sector in Brazil. It is important to note that the organizational culture of Petrobras is quite specific, linked to the State monopoly and the dictatorship era. According to one interviewee, the military regime was involved in the leadership of Petrobras during this period. Petrobras is an enormous company. Because of its size and history as a state owned and state led company, with a monopoly to define the oil & gas industry in Brazil, Petrobras is probably a more old-fashioned and hierarchical company than many smaller and newer companies in the country. This should be kept in mind when analyzing cultural differences.

A way in which this influences Norwegian companies is that most engineers in Brazil have some experience working with Petrobras. This has had an influence on the mindset of many people in the oil and gas industry, and is therefore indirectly affecting the organizational culture of foreign companies operating in this sector in Brazil. The dominant historical position of Petrobras in the oil and gas sector means that Petrobras' standards are embedded in the engineer's minds.

The dominant position of Petrobras in the sectors concerned probably has an influence on the conclusions in this thesis. Other more recent business sectors might show completely different cultures, both in Brazil, Norway and the rest of the world. But many large Brazilian companies that are dominant in other sectors were also affected by the dictatorship and have a past history of State monopoly. In fact, Petrobras contains a good part of Brazil's history and cultural diversity, so even if its organizational culture influences the outcome of this thesis, the analysis should also be valid for other sectors and areas of Brazil.

## 6 Analysis part II

Norwegian and Brazilian societies possess many similarities. They both belong to the West, with similar political systems born out of European liberalism. According to Hess and DaMatta (1995), Brazil is a culture that lies “at the borderlands of the Western world”. Norway on the other hand lies at the very Northern border of the West, with Sami culture and Arctic wilderness to the North. Perhaps because Norway and Brazil lie at different borders, the research review indicates that culturally they are in some areas almost diametrical opposites. There are also other differences, like the fact that Norway is small and cold, and Brazil is huge and hot. Norway has an ethnographic history of homogeneity, while Brazil is considered one of the most diverse societies in the world. But more importantly for this analysis, there are marked differences in the value orientation of the two cultures.

The analysis is done within the framework of the categories developed in chapter 4. By comparing statements from the interviews with cross-cultural theories and anthropological studies, the assumptions stated in the hypotheses can be tested. But in order to seek a deeper understanding of central differences between Norwegian and Brazilian cultures, a wider range of experiences and knowledge is used to analyze the material.

### 6.1 Analyzing differences

An interesting observation from one of the Brazilian interviewees was that although Brazilian and Norwegian cultures are quite different, that does not mean that they are not compatible. In fact the interviewees generally seemed to think that Norwegians were quite successful in gaining acceptance and entrance in the Brazilian business environment. The general impression was that Scandinavians in general were well received in the Brazilian market, often more so than many other cultures. Even so, important differences exist and will be analyzed in the following.

#### 6.1.1 Power distance: Trust vs. Control

The interviews confirm the hypotheses on the existence of hierarchy and a more centralized decision making process in Brazil. The difference that seems most suited to describe the hierarchic Brazilian culture with the more egalitarian culture seen in Norway is that control is

emphasized in Brazil, while trust is the base of the Norwegian model. In Brazil there is a tendency to control the organization from the top down, and a stronger division between areas. In Norway organizations are built on trust, with less division between different areas. A comparative study on Brazilian and Norwegian business people and management principles express a similar view (Wold 2007).

The importance of hierarchy was stressed by almost all interviewees. As one interviewee put it, “hierarchy is important and must be respected”. A surprising revelation in this respect is that hierarchy should not only be respected from the top-down, but also from the bottom-up. As both Norwegian and Brazilian interviewees mentioned, you should work with several “levels” of your partner or client’s hierarchy at once, and most of the time the direction will be from the bottom-up. The importance of working with the right “level” was stressed. Two similar experiences were given of working with engineers in the client company to present solutions, then developing contract with the right department, and only in the end would the leader of each company meet to shake hands and give a formal signature. In the example given by the Brazilian interviewee, the CEO of the partner company would not talk to anyone but the CEO of the Norwegian company, so all cooperation had to be done at a lower level, and the two CEO’s just met to formally sign contracts. Another example given during the interviews was an approach of “planting” ideas at the top level of client companies, so that in the end your client would suggest the solution that you wanted. This can also be seen as a form of respecting hierarchy by letting a perceived superior (client CEO) take credit for a solution that in fact was developed by yourself. In this way you are also making your partner “feel important”.

From the operational side, an example was given where a Brazilian manager was not comfortable with letting engineers perform tasks that the manager did not fully understand. According to the interviewee, a Norwegian manager would respect the expertise of engineers and trust them with the freedom to perform the tasks, without the need to understand what they were doing. The Brazilian manager was not comfortable with this and wanted to interfere with the engineers work. This example confirms the existence of hierarchy in Brazil, and indicates a centralized power to make decisions; everything has to go through the manager, and the manager feels the need to control what the workers are doing.

According to several interviewees, more detailed management is necessary and expected in Brazil. Some Brazilians apparently appreciate the flat Norwegian model, but not

everyone. One interviewee claimed that you need more middle management to control progress and more employees to get things done in Brazil, especially if you have a lot of blue collar workers. Another interviewee recommended something in-between a Norwegian and a Brazilian model. Many interviewees supported this view, but several also stressed the importance of maintaining the company values, regardless of the country the company was in. One interviewee claimed that more “hands-on management” is necessary in Brazil, meaning that managers have to be more directly involved in their workers duties. Another point was that most managers should be Brazilian and foreign expats should be kept low. However, several interviewees recommended having a Norwegian managing director in the establishment phase. Several of the Norwegian interviewees stated that their companies made mistakes in the beginning and took time to learn how to do things properly in Brazil.

An interesting perspective by a Brazilian interviewee with work experience from Norway was that “Both in Norway and Brazil, the question of human resources is unbalanced”. According to her, Brazilians are afraid of losing their job. This indicates an asymmetry in power relations and confirms the presence of hierarchy. According to her and other interviewees, this situation is not good because it encourages opportunism. One example given was of employees secretly creating problems that they then resolved, in order to show how good they were at solving problems and thus impressing their managers. On the other hand, the interviewee felt that in Norway there was too much of a lack of “fear” or motivation for doing their job. Some Norwegian managers also confirmed that they thought the Norwegian structure was “too flat”. This illustrates a large difference between Norwegian and Brazilian organizational cultures. While Norwegian culture creates an aversion to hierarchy in Norwegian organizations, the opposite is true in Brazil.

Another interesting revelation is that Brazilian employees seem to not only expect closer instructions from superiors, but also resist taking responsibility for actions even when asked by a superior to do so. Asking for written instructions can be seen as a form of protection from any responsibility associated with the task. This is a logical attitude in a hierarchic society, as individuals seek to push responsibility upwards in order to avoid risking punishment from those of superior status if something goes wrong. Only leaders are perceived to take responsibility in Brazil.

A Norwegian interviewee stated that the decision makers are often the owners of the company, or the director in a larger company. This gives further weight to the theory of more

hierarchy in Brazil. A Brazilian interviewee stressed that the freedom to make decisions could “scare” Brazilian employees in a Norwegian company, as they are not used to it. In a Brazilian company decisions are generally not made without approval from the boss. This shows another side of hierarchy, which seems to not only be about control from the top down, but also a form of protection from the bottom up. The apparent contradiction of control from the top versus protection from the bottom reveals the asymmetry of power relations in a hierarchic society. The superiors seek to control their subordinates, while the subordinates seek protection from their superiors. The Brazilian interviewee did however mention that the liberty and feeling of being treated as an equal in a Norwegian company was positive. She valued the feeling of trust that is given by Norwegians. But she also stressed the necessity of communicating very clearly the liberty of action given to Brazilian employees, in order to overcome the fear of making mistakes.

One interviewee mentioned the phenomenon of “*vestir a camisa da empresa*”, translated to “wearing the company shirt”, meaning that Brazilian workers have the ability of being truly dedicated to the company. Salary and a feeling of being respected were the two points that were mentioned on making Brazilians “wear the company shirt”. The question of salary was confirmed by another interviewee, who claimed that worker loyalty is maintained by paying decent wages in Brazil. Both Brazilian and Norwegian interviewees mentioned increased competition in the Brazilian work environment, with a shortage of qualified labor, reducing company loyalty and increasing the pressure for higher wages. Another point that was mentioned was that the managers need to recognize and spend time on commending workers performance in Brazil. Some of the Norwegian interviewees mentioned how they felt it was important to spend more time on commendation of Brazilian employees, and give them public recognition when they had done a good job. According to one of the interviewees, the focus on salary was a response to power distance. The question of public recognition can also be seen as a need to be recognized by superiors.

A perspective from an operational viewpoint was a perceived lack of seeing “the bigger picture” by Brazilian co-workers. The interviewee was not sure whether this was due to lack of competence or something else, but a consequence of this was that it was more challenging to solve problems that required cooperation across different fields and departments. This view was supported by other interviewees that mentioned that Brazilian employees are perceived as being more protective of their areas and that there is a lack of

multi-discipline project competence. Brazilians were also perceived as being more specialized. According to some of the interviewees, there are more “levels” in Brazil, and a company needs more workers to solve a task than in Norway. This further confirms the existence of more hierarchy in Brazil than in Norway.

These views confirm the existence of hierarchy, and a more centralized power to make decisions in Brazil. While the Norwegian model seems to build on a large element of trust, the Brazilian model is built on control. This is not only enforced from the top-down but also expected from the bottom up. Even when companies established a more flat model in Brazil, an element of hierarchy established itself. According to some interviewees, there was a tendency of the employees wanting to know who could decide what. Another factor was that Brazilian employees were perceived to be more protective of their areas. Also, several Norwegian interviewees felt that more control is necessary in Brazil, both when managing employees and making decisions. This illustrates how local culture influences the organizational culture of companies, regardless of the companies’ original values.

### **6.1.2 Group mentality: Independence vs. inter-dependence**

The interviews support the assumption that both cultures value consensus. But consensus building in Brazil seems more of a process where the leader builds legitimacy of his authority by gaining the respect of the employees. In Norway it seems more of a democratic process where the leader is only a mediator. The collectivist group mentality of Brazilians calls for agreement and cooperation within the group. But this consensus orientation could conflict with the tendency towards high power distance. Although Norwegian culture is biased towards individualism, egalitarianism exerts an influence towards a consensus based decision making process.

An important finding in the interviews was the perceived lack of independence among Brazilians. Independence is expected in Norway, while Brazilians appear inter-dependent. This is not only related to group mentality, but to the existence of hierarchy and emphasis on control. Several of the interviewees mentioned that Brazilian workers need more detailed instructions to solve tasks, and follow-up in order to make sure things had been done. An example that was used by both Brazilian and Norwegian interviewees was that Brazilian engineers are not considered “pro-active” and “hands-on”; they do not perform tasks unless asked to do so, and they often delegate the actual execution to subordinates. Brazilians

are “lazy and dependent on cheap labor”, they won’t do anything “with their own hands”, one Brazilian interviewee said. The interviewee with operational experience also mentioned an example of how Brazilian engineers could ask for instructions in writing before they would perform certain tasks. According to the interviewee, this was different from the Norwegian attitude of “just do it”. The interviewee interpreted this as an unwillingness to take ownership and assume responsibility, and fear of taking “the blame”. According to the interviewee, Norwegians typically were less concerned with blame and thought more about the common good. This shows how independence is correlated with the capability and willingness to take ownership and assume responsibility.

A Norwegian interviewee claimed that the Norwegian flat structure of involvement and challenging employees to make their own decisions was successful in the Brazilian organization. He said that it is much quicker to reach some decisions that take a long time in Norway, but stressed the importance of involving and informing Brazilian employees. There was a concern with how much ownership Brazilians took of decisions they had not been involved in. This can show two things; one is that the collectivist mentality and medium score on femininity versus masculinity gives Brazilians a certain need of inclusion in decision making processes. The second is that the hierarchical structure of decision making is also in Brazil perceived as a traditional way of behaving, and that a more independent mindset associated with a more “modern” behavior is welcome by many Brazilians. One of the Brazilian interviewees mentioned that the freedom to independently solve tasks in Norwegian companies was greatly valued personally, but that she did not think it would work with all Brazilians.

Another perspective that arose from Norwegian interviewees was that compared to Norwegian meetings, he felt that there were frequently too many participants in meetings in Brazil. The interviewee stated that sometimes Brazilians brought along others to meetings so as not to come alone. This illustrates the existence of a group mentality in Brazil.

These perspectives seem to confirm the notion that Norwegians value independence, while Brazilian work relations are more inter-dependent. Brazilian workers expect to be told not only what to do, but also how to do it. And follow-up is necessary to make sure things have been done. An interviewee mentioned that sometimes follow-up was necessary, even if the same task had been performed by the worker before. If independence is interpreted as a

value consistent with a society that strives for equality, the lack of independence points to the existence of hierarchy in Brazil.

The distinction seems to be that in Brazil, difference is accepted, but everyone is expected to find their “place” in the whole. Creativity and sympathy are central virtues, which express adaptability and affection. Creativity is both a result of a diverse society and a necessity in adapting to such a society, while affection and sympathy are necessary qualities to provide the social fluidity that is needed to accept and be accepted in the inter-dependent “place” in the whole. Independence is a central virtue in Norway, which express equality. Equal individuals are independent of each other and are capable of responsibility. The consequence is that Brazilians are inter-dependent, while Norwegians are independent. The inter-dependence of Brazilians also leads an unwillingness to take responsibility, as the power to do this more related to the group and not the individual. The existence of hierarchy pushes the capability of taking responsibility upwards in the direction of authority. This illustrates an element of personalism in a Brazilian group dynamic. The authority figure in a Brazilian group is responsible for achieving the group’s goals, while other group members are dedicated to following the authority. In Norway, independence is expected of all members of the group. The power of action and responsibility of achieving the group’s goals are distributed equally. The result of these differences is a perceived lack of independence and an unwillingness to assume responsibility in Brazilian employees.

### **6.1.3 Risk aversion: Negotiations as a group activity**

The expected risk aversion in Brazilian companies was confirmed by the interviews. This seemed strongly linked to a lack of trust and of group mentality. Trust needs to be built in order to become part of a group. Negotiations in Brazil seem more like a group activity where the participants need to “give” something, compared to a more impersonal Norwegian behavior.

Many of the Norwegian interviewees point to negotiation being a difficult point for Norwegians in Brazil. Several interviewees stated that in Brazil everybody has to have something to “give”. An example frequently used was that partners and clients always asked for discounts, so that you needed to more space to maneuver from the original proposal than in Norway. One interviewee said: “In Norway, prices are normally readjusted a maximum of 10 % during negotiations, in Brazil it could be up to 40 - 50%”. Negotiations were also

considered lengthy and time consuming in order to reach an agreement. Norwegians who were not willing to adjust offers and give discounts risked being perceived as not being flexible and cooperative. In a business negotiation situation, Norwegian companies should therefore operate with a larger room for negotiation and price adjustment than they are accustomed to. This is also true when contracting services from other companies. In interviewee said that Norwegian companies should practice strict cost-control measures and focus both on negotiations when competing for contracts, and when contracting all types of products and services. Another thing that was mentioned was the necessity of being well informed and always know what you are talking about, and being ready to document why things are needed and what they cost. This illustrates a conservative attitude towards risk in Brazil, resulting in a more careful negotiation process.

A Norwegian interviewee perceived Brazilians as strong negotiators, focused on price, making it hard to make a profit in Brazil. Another Norwegian with long experience in Brazil contested that margins were small and claimed that Brazil is known for a high margin of profit, and related this to a short-term focus of Brazilians. One interviewee said that “Brazilians are very good at negotiations”.

A point that was touched upon by more than one interviewee was how agreements were always re-negotiable in Brazil. The impression was that when an agreement has been made in Norway, no more negotiations are necessary, while in Brazil, partners and clients may start negotiating the terms again, even if a deal had already been agreed upon. Also in this process the important thing was to display a willingness to “give” something according to one interviewee. This shows the collectivist group mentality of Brazilians: Whereas negotiations in an individualist society is more of a competition where everybody pursues their own interests, negotiation in a collectivist society is more of a cooperation-like activity where all parts are expected to show commitment to the group by seeding or “giving” something up. This factor was also mentioned as important if problems arose during projects. According to several interviewees, it is important to not be “rigid”. The general impression was that it is better to discuss and negotiate with partners than to insist on the original contract and use lawyers. Several interviewees related this to a lack of trust in the Brazilian legal system. This also indicates the in-group loyalty in Brazil.

Both Norwegian and Brazilian interviewees stressed the importance of business relations in a negotiation setting. Although big companies like Petrobras focus a lot on the

prices of services and products, interviewees claimed that relations could have decisive weight. Another interviewee stated the use of relations and networks to keep updated on market prices and conditions in order to be able to negotiate properly. A Brazilian interviewee claimed that a lot of negotiation is done informally through personal relations and networks, and that much has already been decided when the formal negotiations take place. One of the Norwegian interviewees also pointed to the existence of relations and networks by saying that a lot goes on “behind closed doors”. One interviewee stressed the importance of being critical and careful in Brazil, saying that there are a lot of consultants and agents that are not serious, that try to sell you something that they cannot achieve. This was confirmed by both Brazilian and Norwegian interviewees. You need to check references, and therefore you need a network.

A historic background that can help explain the higher score on uncertainty avoidance in Brazil are the numerous economic crises in the past, along with hyperinflation and lack of trust at the macro level. The lack of stability makes the future uncertain, and this could lead to conservative attitudes towards risk. An issue related to this is a perceived lack of trust in Brazilian institutions. Norwegian interviewees advised to stay clear of the Brazilian legal system, and both Brazilian and Norwegian interviewees said that if someone is out to get you, be they former employees or business partners, they will manage to create a lot of trouble. Companies must be careful, because if they don’t pay proper attention to such risks, serious trouble could result. One interviewee mentioned the “enormous” Brazilian bureaucracy as an indicator of the lack of “a feeling of security” in Brazil. This shows that institutions influence the organizational behavior.

Negotiations and aversion to risk seems strongly linked to personalism and group mentality in Brazil. There is an element of personalism in the sense that the participants seek to know each other in order to establish trust. When trust has been established, negotiations seem more like a group activity between equals that give and take. The result is that in Norway, negotiations are straighter to the point and focused on prices and conditions. In Brazil, a willingness to contribute to the group by showing flexibility on prices and conditions is given emphasis.

#### **6.1.4 Time orientation: Future vs. Present**

The concept of time is another area where Brazilian and Norwegian cultures seem markedly different. The general and quite unanimous impression from the interviews is that for Norwegians, time is short, while for Brazilians, time is not so important. In Brazil, clock time and deadlines are perceived as something of a guideline or an attainable, but not obligatory, goal. Norwegians however, are extremely focused on time, and go to great lengths to make sure things happen on schedule. A meeting running late in Norway will cause impatience and frustration, while this is considered normal and even expected in Brazil. Norwegians are future oriented and structured, while Brazilians are now-oriented and adaptive.

As one interviewee put it, “Norwegians are born by the clock”. From a Norwegian standpoint, Brazilians do arrive, but they arrive late. A challenge frequently mentioned during the interviews is that while Brazilians do deliver, things often take a long time, and you have to follow-up to make sure that things are delivered on time. Some of the Brazilian interviewees confirmed this and expressed a certain preference for Norwegian punctuality, and frustration with the lack of punctuality in Rio de Janeiro. Some of the Brazilians also mentioned the perception of Norwegians as efficient and focused workers. “On a day to day basis, Norwegians are more efficient, but when the time comes to act, Norwegians are slow”, one Brazilian interviewee said. One Brazilian interviewee used as example how sometimes not a sound except the sound from the computer keyboards could be heard in a room full of Norwegians. This confirms the linear, on thing at a time orientation of Norwegians. Another point was how Norwegians don’t demonstrate stress, but instead seem to accumulate it. The question of punctuality and commitment to deadlines is a factor of frustration between Norwegians and Brazilians according to both Norwegian and Brazilian employees. This illustrates differences in the perception of time between Brazilians and Norwegians.

Another perspective from an operational setting gives weight to the tendency of Norwegians of being pro-active and future oriented, while Brazilians are adaptive and now-oriented; According to one interviewee, when a part started breaking down or something was going wrong, the Brazilian reaction was perceived as being “Let’s use the part until it breaks down completely”, or “Let’s wait a little and see if the problem resolves itself”. The Norwegian reaction would be more like “Crisis! We have to fix this at once!”.

Another topic that was frequently mentioned was how Norwegians seem very focused on the time they spend at work. While Brazilians arrive a little later, they are accustomed to spend long hours at work, while Norwegians are eager to leave the office at four o'clock and even earlier on a Friday. Some of the Brazilian interviewees, and a Norwegian interviewee employed in a local company, explained that the opposite is normal in Brazil: If workers leave the office early, this can be seen as a lack of interest in the company, or a lack of seriousness, jeopardizing the employees chances of promotion. In Norway, working too much can be seen as "not having a family or sucking up to the bosses, which is not well received" according to a Brazilian interviewee. On the other hand, most interviewees seem to agree that while Brazilians more easily accept putting in long hours, they have a stronger division of professional and private life, and are less accessible outside of work. A Brazilian interviewee said that "Norwegians don't say it, but based on what they deliver, I know that they must be working from home". He said that "a Brazilian would brag to his boss if working from home, but that this is not normal to do in Brazil. A way in this difference becomes apparent is in relation productivity. Norwegians have developed a view on life where they want the highest amount of time available for leisure activities and time with the family. This is why Norwegians leave the office at 4, and even earlier on Fridays. This is no problem in Norway, in fact someone that stays longer hours may be perceived as being inefficient. Norwegians compensate by being very focused on working as quickly and concentrated as possible when they are at work. A Norwegian lunch is typically half an hour, or sometimes just eating a "matpakke" at your desk. Norwegians don't spend much time chatting and talking about issues that are not work related while at work. In Brazil, less energy is directed towards being efficient, lunches are longer and people spend more time chatting and talking, and it is common to spend long hours at work.

One of the Brazilian interviewees found the "sacredness" of weekends and leisure time a little challenging, as it was sometimes hard to get a hold of superiors outside Norwegian work hours in order to make important decisions. According to her, "everything takes time in Brazil, but when things happen, you have to react quickly". She found it a challenge that Norwegians are unwilling to give up leisure time even when something is urgent. Both Brazilian and Norwegian interviewees also gave statements that indicate the opposite; That Norwegians leave the office early, but compensate for this by being accessible and working from home.

The relation to work time has to do with other factors as well, like starting later and having a longer lunch in Brazil. Examples from everyday life can illustrate this. I have friends from many different countries that I sometimes invite to dinners or parties at my apartment. If I said that the party would start at 8, the following happened, and it happened every time: all the Norwegians show up at the same time - 7:55. The other Europeans show up between 8:30 and 9:30, while the Brazilians show up between 9:30 and 12. But even though Brazilians seem to care less about time, there are some interesting contradictions at work. Making appointments for research interviews, for instance, was in general easier with the Norwegian interviewees than the Brazilian ones. I don't interpret this as a consequence of higher hierarchy distance, as the problem was not to get in touch with the right individuals. But the answer was often; yes let's make an appointment sometime in the future, but not right now because I'm very busy. This "sometime in the future" was then in many cases postponed. I also don't think this was just a way to avoid the interview due to lack of interest, because in the end the interviews did materialize, with animated interest from the interviewees. With the Norwegian interviewees it was just a simple matter of marking a time and a place, often several weeks in advance, and like magic the person would materialize at the exact hour. Another interesting phenomenon I came to witness at my own wedding; while Norwegians are accustomed to sitting at the wedding dinner with wedding speeches going on for 5 to 7 hours, the Brazilians were already getting impatient after just 1 hour at the table. In fact, Brazilian weddings usually have no formal dinner service or speeches at all. The only time consuming activity in a typical Brazilian wedding is waiting for the bride to arrive for the ceremony, as it is good luck to arrive as late as possible for one's own wedding! So even if time seems to be less important in Brazil, this should not be interpreted as if Brazilians are more patient than Norwegians. Instead, they seem to be more focused on the here and now, and not so concerned with a future date. This fits well with the categories of monochronic vs. polychronic perception of time. Norwegians have a very linear and future oriented "one after another" perception of time, while Brazilians are more focused on the things that are happening right now.

When it comes to planning activities, the unanimous impression from the interviewees was that Norwegians like to plan, while Brazilians don't. One interviewee mentioned an example where delays had happened in a project run by the Brazilian branch of the company. When the project participants had been confronted with the lack of planning as the source of the delay, the reaction had been one of indifference. The Brazilians did not seem to care that

the planning had been insufficient and that this was done differently in Norway. The solution that the Norwegian company had found to this challenge was to operate with their own time projections when planning for the future, and not rely on the Brazilian branches plans when they needed accurate projections. This confirms the Brazilian tendency of adaptation and a now-oriented perception of time, against the planning and future-oriented Norwegian time orientation. One interviewee interpreted the time orientation in the opposite direction. To him, the Brazilians seemed to have a more long-term orientation, because things take so much time and decisions are slow. Brazilian interviewees found the Norwegians to be structured, but that planning activities were very formal and with little flexibility. These views show that external conditions also exert an influence.

Some of the interviewees added that detailed planning was less valuable in Brazil, as conditions frequently changed. Several interviewees expressed the view that a focus on planning could be introduced in the Brazilian organization, but that it could not become exactly like in Norway. This points to the historical lack of stability in Brazil, which is still present today through the frequent alteration of taxes and laws, and other governmental interventions in the economy. The polychromic time-orientation together with the experience and memory of instability seems to have influence over the Brazilian mindset making large changes somewhat difficult. But some of the Norwegian interviewees indicated that planning was even more important in Brazil, especially related to “cost and schedule”. The solution chosen by two large Norwegian companies seemed to be an even stronger focus on planning at the top level, with Norwegian managers included in this process, to compensate for the lack of planning at general level at the Brazilian branch and with Brazilian partners. Others said that too much planning is considered a waste of time in Brazil; conditions still change a lot, especially tax. Even if this is changing a bit, the “short-term is still most important”. The preparations for the World Cup and Olympics were cited as an example of lack of planning and resolving things in the last minute.

Most interviewees mentioned that Norwegians are organized and use planning to avoid problems before they arise, while Brazilians prefer to solve the problems when they arise. Some of the Brazilian interviewees mentioned how Brazilians are dynamic and adapt very easily to changes, while they found Norwegians to have problems in adapting to changes by altering scheduled meetings and changing plans. While they considered Norwegians organized and good at planning, they thought that sometimes the Norwegians were too insistent

on sticking to the plans, even when it seemed obvious that some changes should be made. This confirms the tendency of Norwegians towards a future-oriented, monochronic perception of time, whereas Brazilians are now-oriented and polychronic. Norwegians have a linear approach to time and do not respond well to sudden changes, while Brazilians are more focused on the present and have a great adaptability changing conditions.

The main way in which these differences affect Norwegian companies in Brazil is a fundamentally different approach to planning activities. To put it blunt; Norwegians plan, Brazilians adapt. In Brazil, a historic lack of economic and political stability has made planning less valuable. As some interviewees pointed out, even today rules regarding operations and taxes are constantly changing, making planning less valuable since plans quickly become obsolete. A well know expression in Brazil is “jogo de cintura” (Eng.: “waist game” or “waist movement”), which is widely used in daily speech as a sort of synonym for flexibility. The expression symbolizes Brazilians ability to quickly and smoothly adapt to unexpected and difficult situations. Unexpected and difficult situations are expected to occur on a daily basis in Brazil, so there are even TV programs discussing and stressing the importance of “jogo de cintura”. Today the Brazilian political and economic environment is more stable, and even if planning is less valuable in a more unstable environment, companies still need to plan in order to deliver projects on time and calculate costs etc. Some companies have solved this by operating with a set of plans and projections at the Norwegian office, that are separate from the plans and projections developed in the Brazilian branch. This shows a certain conflict of organizational culture, where plans developed by the Brazilian branch of the company are seen more as rough outlines and goals, while the Norwegian head office has a clear wish or need to know the exact and realistic timeline of things. These conflicting ways of thinking could create misunderstandings and complications when Norwegian and Brazilian counterparts wish to interact; while Brazilians start with a rough plan and then adapts as they go along, Norwegians want to start with a detailed plan of the whole process. This difference could make it hard to start cooperation at all; as Norwegians wait for the Brazilians to agree to the plans, while the Brazilians wait for the Norwegians to just get started.

The consequences of these differences are mainly four: implementing a structured system of planning is hard in a Brazilian organization, as people are more accustomed to adapting to changes and don't see the value of planning. Another consequence is a lower degree of commitment to punctuality and deadlines both by employees and by business

partners. A third possible consequence is a lower level of pro-active attitude in Brazilian employees, which is emphasized further by the low degree of independence. A fourth factor is that while Norwegian employees may be more efficient, Brazilians are more persistent and willing to spend more time at work. On the other hand, the separation between private and professional life is somewhat stronger in Brazil. A solution implemented by more than one Norwegian company is to focus even more on planning, evaluation, follow-up and control at a higher level in the organization, in order to keep track of progress and accurately project capabilities in Brazil.

The apparent short-term focus of Brazilians can also help explain some of the perceived risk aversion in Brazilian culture. As conditions are expected to change, long-term commitments are considered risky. An interesting contradiction when it comes to time is that even if Brazilians are now-focused and have a short-term mindset, most interviewees stress the importance of a long-term commitment in order to be successful in Brazil. Persistence and patience is necessary, and profits cannot be expected in the short term. The perceived persistence of Brazilians and willingness of working late reveals a lack of preoccupation or focus on time. Although Norwegians are perceived to be future and long-term oriented, time itself seems to be more important. It seems that the issue is not really a question of long-term or short-term orientation, but whether time is considered important or not. Brazilians focus on the present. In the present, time does not exist. Norwegians focus on the future. Therefore time is always a factor. The result is that time is important to Norwegians while it is not so important to Brazilians.

### **6.1.5 Relation to rules: Systems vs. Situations**

Perhaps the most interesting perspective that arose during the interviews was related to how Brazilians and Norwegians solve problems and challenges that arise, be they related to technical challenges, bureaucracy etc. A perspective from an operational setting was that Norwegians rely on systems, while Brazilians take care of themselves. According to the interviewee, offshore safety in Norway is based on a detailed and functional system, but such systems are hard to implant in Brazil. The Brazilians don't rely on such systems, but safety is good even so. The interviewee interpreted this as that the Brazilians are better at taking care of themselves and each other. This confirms the theory that Norwegians belong to a universalistic society, while Brazilians belong to a particularistic society.

According to one of the Brazilian interviewees, innovation in the Brazilian offshore sector was achieved to experimenting with existing technologies and adapting them to Brazilian conditions. According to him, this ability to adapt to conditions through practical trial and error is the main contribution of Brazilians to problem solving and innovation. He stated that an ideal combination would be the Norwegian talent for structured planning and organization with the Brazilian talent for adaptation and dealing with problems. “Brazilians are very good at dealing with difficulties”, he claimed. The adaptive nature of Brazilians was further confirmed by other interviewees, and both Norwegian and Brazilian interviewees highlighted the creativity of Brazilians. Norwegians are perceived as structured to the extreme, where it becomes difficult to change plans even if new situations arise. Companies that are able to combine Norwegian productivity, structure and planning with Brazil’s openness, dynamism and creativity could have a recipe for success, not only in Brazil. Engineers in Brazil have employed a more practical “adapt as you go” approach to solving technical challenges. This adaptability and dynamism is present in Brazilian culture and is according to many Brazilians one of the main cultural contributions to the world, along with the cordiality described by Hollanda.

Another interesting perspective that arose during the interviews was that Brazilians don’t give up easily. According to Brazilian interviewees, Brazilians are used to thing being difficult and bureaucratic. Because of this, Brazilians don’t take no for an answer and keep on trying even if a task seems difficult in the beginning. They double-check and try again until they find a way to achieve what they want. This way of thinking can create problems for Norwegians in Brazil, as Norwegians tend to interpret rules very literally. To a Norwegian, both a yes and a no is considered definite, while this is not necessarily so in Brazil. Even if it is said that a certain thing is impossible, a solution could be found if one tries hard enough. A common Brazilian expression is “I’m a warrior and I never ever give up”. This indicates persistence in how Brazilians relate to solving problems.

A topic mentioned by some interviewees was corruption. Some interviewees seemed to think that there was less corruption in Brazil today than before, while one interviewee stated the opposite. While some interviewees stated that corruption could be an issue, most interviewees stated that corruption was not perceived as a big problem and that it was possible to stay clear of it and still operate successfully in Brazil. Most interviewees also mentioned that Brazilian authorities were rigid in making sure that companies were following the law,

and that such enforcement was growing increasingly strong. But as one interviewee put it, while direct corruption can and should be avoided, “zero tolerance is impossible in Brazil”.

The theory of universalism vs. particularism was supported by the interviews. But the impression during the interviews was that this has less direct influence on rules, as expressed in the hypotheses, and more influence on system thinking and approach to work. Brazilians relate to individual situations, while Norwegians relate to systems. The result is that Brazilians are flexible, while Norwegians are methodical. Also, because of the perception that rules are bendable, Brazilians are persistent and don't take no for an answer.

### **6.1.6 Relations: Formal vs. Personal**

The interviews support the view that Brazilians are more emotional, while Norwegians are more reserved. Norwegians were also perceived as introverted. Brazilians seem to place greater emphasis on personal relationships, while Norwegians are more neutral.

Almost all interviewees stressed the importance of relations in Brazil, and several noted that the business environment in oil, gas and offshore in Rio de Janeiro is quite small as a factor that further strengthens the need of having relations within this area. One Brazilian interviewee from outside of Rio de Janeiro stressed the importance of personal relations as coming from outside, in the beginning no one looks out for you. The informality and personal nature of such relations was mentioned, according to one interviewee, engaging in lunches and having a beer together was an important aspect of building relations. One of the Brazilian interviewees claimed that the product is the most important and that while good relations are useful, they are not that much more important than other places. He claimed that if you had a good product, you would be able to sell it, but it could take more time and commitment than you would expect. He said that Brazilians want to see if you are really serious about your commitment to the Brazilian market. That's way it takes an estimated three years before gaining market entrance in Brazil. In these three years, you establish your company and build a network. One interviewee claimed that relations to other companies are very person-focused. If a company changes people in key positions, relations to that company could change dramatically. According to one interviewee, every time you need to rebuild business relations, it takes 3 to 4 years to fully adapt. This indicates a strong element of personalism in business relations in Brazil.

The issue of trust was frequently mentioned. An essential entrance to gaining trust is by being introduced by someone that your partner already knows and trusts. This is apparent in many parts of Brazilian society. For example, to be able to rent an apartment in Brazil, it is necessary to have a “fiador” – a person of confidence that guarantees that you are a trustworthy individual capable of paying the rent. Brazilians deal with people, not with companies. New employees and representatives should be properly presented. According to some interviewees, this is a problem in several companies, as they rotate expats and country managers on a rather frequent basis. As Brazil is a country where personal relations are seen to be more important than in most other parts of the world, companies should take extra care in not rotating personnel too often. This illustrates how concept of trust is strongly linked to personalism in Brazil.

Another topic mentioned when relating to the Brazilian business community was the importance of companies contributing to the Brazilian society. As one interviewee put it, “you have to show an interest in contributing to building the country; all Brazilian companies have this written down in their statutes”. Other views were that company profile and reputation is very important in Brazil, and that companies need to use money on charity.

Another perspective from a Norwegian side was that business relationships are always collaborative in Brazil. One interviewee said that business partners “pull in the same direction”. One interviewee said that “you only see the contract if there is trouble”. This gives support to the existence of a collectivist group mentality of Brazilians, where cooperation and trust is shown to members of the group. But some interviewees made statements that seemed to go in the opposite direction; like that there is less loyalty and more competition today. This could show that Brazil is moving towards a more individualistic and “modern” culture. A Brazilian interviewee claimed that Brazilian companies are very careful and have more “protective barriers around them”, and that there is less cooperation between companies in Brazil than other places. This could illustrate the distinction between in-group and out-group in Brazil.

A perspective from a Brazilian interviewee was that a challenge was that many Norwegians are introverts by nature, and that this poses a challenge when doing business in the highly relational Brazilian business environment. Brazilians on the other hand were described as extroverts. One interviewee made a point of how important it is to give public recognition to business partners by “patting on the shoulder” through bragging and appraising

their achievements. According to him, this is part of the “elite game” in Brazil, and it’s hard for Norwegians to participate in this.

One of the Brazilian interviewees explained that meetings in Brazil are often mere formalities, since most of the discussion has been done informally before the meetings. He explained how Norwegians from the company were frequently frustrated after meetings with their Brazilian partner, as suggestions and proposals were presented that the Norwegians were not prepared for. All the Brazilians were prepared because they had contacted each other informally and discussed the issues before the actual meeting. In Norway, such meetings are well planned and the discussions and making of decisions happen during the meeting itself. In Brazil, most of the discussions and decisions are taken informally before the meeting. This highlights the importance of developing a personal network with business partners and spending time and energy on talking and discussing with these on a more informal level. This indicates informality in Brazilian relations, also at the professional level.

Another aspect related to business relations was the necessity of letting Norwegian managers stay for a long time in Brazil. Several interviewees expressed the view that it takes a long time to become an efficient manager in Brazil, because you need to build relations and understand the culture, so it is a disadvantage for companies to frequently change their managers. A problem that was frequently mentioned regarding this was that many expat families had problems becoming accustomed to Brazil. “Norwegian spouses do not adapt well to becoming housewives” one interviewee said. Several interviewees alerted that if attention is not given to the type of expat sent and his family situation, it would be difficult to keep managers in Brazil for a long period. The lack of a proper “expat-environment” in Rio further complicates the situation.

A perspective from the Norwegian interviewee on the operational side related to intimacy in relations was how Brazilians were perceived as extremely receptive and welcoming. According to the interviewee, feeling welcome and included in a Brazilian operational environment was very quick and easy. According to this interviewee, personal conflicts in an offshore operational environment in Brazil simply do not occur, while they do happen in the offshore environment in the North Sea. This confirms the notion that Brazilians are collectivist or community-oriented, while Norwegians have a tendency of individualism. In Brazil, individuals that are perceived to belong to a group are quickly and readily accepted and included in the group. Personalism prevails in a collectivist society, and the members of

the group are quickly and unconsciously ordered according to their “place”. As the whole is given preference over individual aspirations, personal conflicts are less likely. In a society tending towards individualism, less energy is spent in including and organizing group members, and individual aspirations and arrogance can lead to personal conflicts within the group. Several other interviewees mentioned the Brazilian openness and warmth, but one of the Brazilian interviewees stressed that he did not find Norwegians to be so cold, and that Norwegians were also quite open and went well together with Brazilians.

As the importance of trust shows, the development of personal relations with business partners is an important element of establishing trust and credibility in the Brazilian business environment. But the interviews revealed that personal relations are more important and encompasses more areas than just establishing trust. In fact, several of the interviewees, both Brazilians and Norwegian, stated that Brazil is a more personalistic society than most others. The result of personalism in work and business relations is that while Norwegians are more formal when relating to others, Brazilians are informal.

### **6.1.7 Communication and information: Factual vs. Positive**

According to the interviews, this was the area that caused the most problems for Norwegian companies. Brazilians are positive, enthusiastic and cordial. Norwegians are neutral and more reserved, but not necessarily cold. Information is interpreted in Brazil while it is considered literal in Norway.

Something that was frequently mentioned during the interviews is the fact that Brazilians are very positive in their communication style, while Norwegians are more reserved and straight to the point. This can create misunderstandings as Norwegians can be perceived as disinterested and without enthusiasm, while Brazilians communicate a more positive image of reality than really exists. Brazilians were perceived by Norwegians as being very enthusiastic in certain group settings, and that this level of enthusiasm held great potential for a company. The same level of enthusiasm was impossible to achieve with Norwegian employees. Norwegians tend to be very straight to the point, which also means that they interpret messages quite literally. Brazilians have a tendency to say yes even when the answer should be no, but Norwegians don't interpret this naturally. This could lead to misunderstandings; Norwegians could be given a too positive first impression, later to be disappointed when results didn't live up to expectations. An example that was used more than

once was how Norwegians sometimes were left with the impression that the Brazilians were ready to do business after their first meeting, only to find out that things would still take a long time. Another challenge that was mentioned was that Brazilians could be reluctant to pass on bad news.

Because of the positive communication style, the first impression that Norwegians get is frequently better than there is reason for. This together with the tendency to trust others gives Norwegians a high level of trust in the beginning. The Brazilians on the other hand take more time to start trusting their counterpart. As trust on the Brazilian side is slowly rising, trust on the Norwegian side starts to fall when the Norwegians realize that their first impression was not so accurate. The tendency of Brazilians to “communicate trust”, can be seen as a consequence of the necessity to build trust in Brazil. As Brazilians tend to distrust others, a natural reaction to this is to seek to appear trustworthy, even if this happens unconsciously. According to one Brazilian interviewee, the first reaction of Norwegians is to trust the other, while the first reaction of Brazilians is to distrust; “In Brazil you are guilty until proven innocent, in Norway you are innocent until proven guilty”. For this reason, the necessity of having everything in written is stressed. Like the interviewee said, “some Brazilians like to give the impression that they know everything, but when it comes to writing things down, they become more careful”. Asking for written documents is a way of verifying what the other says, as the written document serves as a guarantee. Several of the interviewees stressed the importance of having everything in written in Brazil, as oral agreements do not hold much sway in Brazil. Some interviewees mentioned that Norwegians can be considered naïve for trusting people too much. Others called the Norwegian naïveté a myth. In any case, this indicates that different approaches to trust have a strong influence on how Brazilians and Norwegians communicate and relate to information.

Another way in which communication is different is that Brazilians are more indirect when giving critique. Due to the tendency of positive communication, probably related to cordiality, in combination with the aversion to criticize people of superior social status, have made Brazilians develop a skill in giving critique indirectly, or “packaging” it. Several interviewees pointed out that several Norwegian managers have made the mistake of being too direct or confrontational in Brazil, with bad results. Even in minor details such indirectness was used. An example that was used by a Brazilian interviewee was how Brazilians considered it rude when Norwegians simply answered “no” or “not now” to a lunch invitation

by a colleague. In Brazil it would be more polite to decline by saying thank you and explaining why could not go to lunch. Norwegians are pragmatic and objective, while Brazilians are more emotionally involved and personal. There is also a question of respect and honor and avoidance of “losing face” in Brazil. Norwegians need to “pack” their messages, especially when giving critique. It’s important to be very diplomatic and many Norwegians make the mistake of being too direct and offending people. According to one interviewee, Norwegians are not good at understanding the concept of respect. A Brazilian interviewee pointed out that payment should not be brought up. According to her, talking and asking about the salaries is considered very rude and aggressive in Brazil, and you should not ask about the value of an apartment or the rent.

Another perspective was that Brazilians rarely say what they really think. One of the Norwegian interviewees expressed that it would be fun to have a meeting where Brazilian and Norwegian employees would say exactly what they really thought about each other. The indirectness of Brazilian communication style was stressed by one interviewee that you have to learn to “interpret signals and codes”.

When it comes to delivering positive messages about colleagues or partners however, Brazilians are perceived to be direct and intense to the point of exhaustion. This is important to be aware of by Norwegians, as they should take care to publicly commend partners and employees who do a good job as often as possible.

Several Brazilian interviewees stressed the importance of verifying what was being said, as sometimes information was not only inaccurate, but outright lies. The reason for this was given as a frequent existence of opportunism in Brazil. The reasons for opportunism were explained according to two different perspectives by two different Brazilian interviewees, both very interesting from an anthropological perspective; One Brazilian explained opportunism as a consequence of diversity. According to this interviewee, many different “types” of Brazilians with different values and perceptions of right and wrong give room to people with different ethical and moral values. Norwegians are in this sense perceived as more uniform and similar. The other explanation referred to poverty and the lack of opportunity in Brazil, especially in the past, making Brazilians more competitive and less considerate in a professional setting.

Some of the Norwegians stressed the importance of having at least one Norwegian in a leadership position in Brazil in order to give an accurate account of the situation in Brazil to the main office in Norway. One interviewee said that “Brazilians are a little like the Japanese, they don’t like to say no”. Communication is often more positive than what Norwegians perceive to be the actual reality. There is a reluctance to communicate problems or contradict superiors. Therefore more control is needed, both internally and along the value chain. Several interviewees stressed the importance of follow up and control of the value chain, and that communication problems create real problems for Norwegian companies. Another factor that was mentioned was a lack of understanding of the Brazilian culture and market in the Norwegian main office. As one interviewee put it, “sometimes there is a problem with the internal communication between the Brazil office and the main office in Norway, because there they don’t really understand what the Brazilians are doing and why they are doing certain things.” According to him, there is a risk of losing motivation in the Brazilian branch if they feel that they don’t get their message through and that the main office doesn’t understand them. A challenge mentioned in an operational setting, was that lack of understanding of “the bigger picture” made communication across fields and departments difficult. Several Norwegian interviewees interpreted this as a lack of competence below the top leadership level in Brazil. According to one interviewee, you should always control that messages have been received and understood, and this has to do with the lack of independence.

Several of the interviewees considered Brazilians to be more informal than Norwegians in their communication style. According to one interviewee, much discussion is done informally between Brazilians before a more formal meeting that sometimes just serves to formally sign agreements. According to one interviewee, the informal communication style means that Brazilians prefer oral communication, and will answer e-mails only when they feel they have to or are asked to by their boss. Norwegians on the other hand, expect e-mails to be read and answered. The difference seems to be that in Brazil, written documents are considered formal and binding, while oral communication is informal and not binding. In Norway, both written and oral communication is considered binding, and oral agreements are protected by law.

A topic frequently mentioned in the interviews regards to communication was the lack of good English skills in Brazil. Although most companies were rigid in hiring workers with

functional English, English skills were still considered inadequate in many circumstances. Another phenomenon frequently mentioned was how Brazilians became somewhat timid and less talkative in meetings that were done in English. A Norwegian interviewee mentioned that meetings with top level business partners were always performed in Portuguese so as not to put the Brazilian partner at a disadvantage, as this could lead to the partner “loosing face” and jeopardize good business relations and disrespect hierarchy. Interviewees also mentioned that the Portuguese version of contracts was the valid one in case of conflict. All interviewees stressed the importance of learning Portuguese in order to work efficiently in Brazil.

Another thing that is not well received in Brazil is arrogance. As more emphasis is placed in relations and less on the actual products compared to Norway, an attitude that customers are going to choose the product simply because it is the best is not likely to succeed. An interpretation is that in individualistic cultures, an element of arrogance is always present as a consequence of the individual’s strong feeling of self. In holistic or collectivist cultures, everyone has a “natural” place in the social hierarchy, and there is little room for arrogance except from those at the top of the hierarchy. Instead, humbleness is valued. It is also valid to remember the cordiality of Brazilians towards others; great emphasis is placed on demonstrating a sympathetic way of being. A stranger showing arrogance is not likely to conquer the trust of Brazilians. This is also linked to an element of nationalism and patriotism. Most Brazilians, like most other people in the world, are quite proud of their country and do not like to be criticized too directly by foreigners. In this respect, an important part of gaining trust in Brazil is to demonstrate knowledge and interest in issues related to Brazilian society, and a positive attitude towards investing in the development of Brazil. Local content is one thing, which is also strongly regulated by law. In addition, the participation in charity activities is considered important and positive to reputation in Brazil. The issue of reputation illustrates the importance of respect in Brazil.

Brazilian interviewees told me that Brazilians are in general quite happy to adapt to other organizational cultures, as long as the reasons are properly explained. Many Brazilians view the possibility of leaving the office earlier as a positive thing, as soon as they are explained that this is normal practice and not seen as negative. They also welcome flatter organizational structure, as long as it is clear that this goes for everyone in the company. Even increased punctuality is accepted. They do not however, want to be forced to follow such practices. Therefore managers should focus on communicating clearly values and norms of

the company and in this way letting Brazilian employees adapt to these voluntarily. Even in this case, Norwegian managers should not expect or demand that Brazilians will behave exactly as the Norwegian staff.

The direct Norwegian communication style and the indirect Brazilian styles confirm the theory that Norway is a low context culture while Brazil is a high context culture. In Brazil, messages need to be interpreted according to context. This causes challenges for Norwegians who are accustomed to interpreting messages literally. Brazilians also seem biased towards a positive style of communication, where there is a reluctance to touch difficult issues. The Norwegian relation to communication and information is more factual and direct. The result is that Norwegians frequently perceive Brazilians to be more positive than reality calls for.

## **6.2 Conceptualizing cultural differences between Norway and Brazil**

In analyzing the interview material and comparing it with cross-cultural and anthropological theories, some central cultural differences between Norway and Brazil are revealed; Norway is a society built on equality, while Brazil is built on control. Norwegians are independent, Brazilians are inter-dependent. Norwegians are extremely punctual, Brazilians are notoriously late. Norwegians are organized, Brazilians are creative. Norwegians are productive, Brazilians are persistent. Norwegians are introverts, Brazilians are emotional. Norwegians are impersonal and have the “Law of Jante”; Brazilians are always personal and have their “jeitinho”.

As the analysis shows, the pre-established categories were in most cases supported, but they did not in all cases capture the “essence” of what was different in the Brazilian and Norwegian case. It could be argued that some of the categories should be supplied by additional concepts in order to capture such differences. The concepts that will be presented in this chapter are not in conflict with existing theories, but put these into a more relevant context. These concepts provide more interesting and relevant categories for comparison than the ones provided by general cross-cultural theories.

Trust vs. Control:

Both the categories of power distance and risk aversion point to the same central difference

between Norwegian and Brazilian cultures – that of trust. The existence of hierarchy, the lack of institutional stability, and a lack of trust in the Brazilian “character” due to poverty and diversity, all contribute to an emphasis on control in Brazil. Due to egalitarian values as well as stable conditions, the Norwegian organizational culture is built on trust.

Independence vs. Inter-dependence:

The Brazilian emphasis on control together with the collectivist group mentality leads to another radical difference between Norwegians and Brazilians. Norwegians both demand and expect independence, while Brazilians are seen as inter-dependent. The lack of independence also leads to a perceived lack of willingness to assume ownership and responsibility among Brazilian employees.

Negotiations – Goals vs. Group:

Uncertainty avoidance and risk seems strongly related to trust in Brazil. Trust in a group setting is influenced by a collectivist orientation; trust is given to members of the in-group. Once trust is established by becoming part of the in-group, there is an expectation of loyalty between the group members. Business negotiations therefore display a group focus in Brazil; the focus seems to be that all group members should benefit but also contribute to the group. This contrasts with the individualist and trust based Norwegian approach of treating everyone equally, and without any particular loyalties beyond the goals of the company.

Future vs. Present:

The question of time seems less about an issue of long-term versus short-term orientation, and more an issue of whether time is important or not. Brazilians seem more relaxed about time; since the focus is on the present, time is of less importance. Because of this, more energy is directed towards adaptability, and less at planning. Norwegians on the other hand are focused on the future. The focus is always on the next step. Because of this, time is of much greater importance in Norway. Therefore planning becomes a natural activity, and great value is attributed to punctuality.

Systems vs. Situations

In the work environment, the influence of universalism versus particularism seems to lead to two different ways of relating to work and solving problems. Norwegians relate to systems and are methodical, while Brazilians relate to individual situations and are dynamic and

creative. Also, because Brazilians place little faith in systems, they place greater value on personal persistence when solving problems.

**Formal vs. Personal:**

When relating to others in a professional sense, Norwegians are seen to be formal. Brazilians always focus on the personal aspect of relations and are therefore more informal in the way they relate to others. Also, while Norwegians are more emotionally reserved and neutral, Brazilians are more emotional and enthusiastic in the way they relate to others. This leads to a perception of Norwegians as introverts, while Brazilians are extroverts.

**Factual vs. Positive:**

A factual relation to communication and information leads to a direct way of communicating and interpreting information in Norway. In Brazil, reluctance towards confrontation and an interpretative relation to information leads communication to be indirect and positive. Because of these differences, Norwegians tend to interpret things literally, while Brazilians tend to depend on networks in order to exchange and contextualize information.

# 7 Conclusions

## 7.1 Answering the research questions

As defined in chapter 3.1.1, in this thesis the concept of culture is understood as changeable “patterns of meaning” or “fellowship of meaning”. The interviews indicate that even though Norwegian and Brazilian cultures display quite different “patterns of meaning” in some areas, this does not mean they are not compatible. As the saying goes, differences attract each other. Norwegians apparently enjoy a good reputation in Brazil as they are perceived as more humble and simple minded than many other Europeans. One interviewee said: “Brazilians and Norwegians laugh at the same jokes.” But some differences are apparent and create challenges for Norwegian companies in Brazil. To answer the research questions, a conclusion on the central differences, the challenges they create, and the adaptations made by Norwegian companies, will be presented in the following. The main research question and the two sub-questions are:

*Which cultural differences do Norwegian companies encounter when operating in Brazil?*

*What challenges do cultural differences pose to Norwegian companies?*

*How do Norwegian companies adapt to cultural differences in Brazil?*

The answers will be organized into two categories, those that are relevant for the work environment and those that are relevant for the business environment, as defined in chapter 3.1.

### 7.1.1 Differences in work culture

An interesting finding is that the existence of hierarchy in Brazil leads not only to an emphasis on control from the top down, but also a sort of protection from the bottom up. This leads to what Norwegian managers perceive as an unwillingness to assume responsibility among Brazilian employees. Norwegian organizational culture is less hierarchical, and Norwegian employees are apparently less afraid of assuming responsibility and making mistakes. A challenge this causes is that Brazilian employees are more protective of their

areas, making inter-departmental cooperation and project management more difficult. Any particular solutions for adapting to this were not found.

One of the main differences that Norwegian companies encounter in Brazil is a perceived lack of independence among Brazilian employees. Independence is expected in Norway, both from the top down and the bottom up. In Brazil, employees and managers are more inter-dependent. A challenge this poses is a dependence on more instructions and follow up from managers in Brazil, something that Norwegian managers are not accustomed to. Norwegian companies adapt to this by relying on more active management with a greater emphasis on follow-up and control of employees. Another solution that is adopted was a focus on clearly communicating that independence and liberty to act are valued.

Another central difference is related time and a perceived lack of commitment to punctuality and deadlines in Brazil. Since Norwegians value punctuality, this gives rise to frustration between Norwegian and Brazilian employees. A challenge this causes is a risk of delays to project deliveries. Another challenge is a difficulty in implementing planning activities in a Brazilian organizational setting. Some Norwegian companies adapt to this by focusing even more on planning at the top level of the organization to keep track of progress, while others accept a more flexible and adaptive approach.

An interesting difference that was found is how Brazilians and Norwegians relate to solving problems. While Norwegians relate to systems and have a methodical approach to solving problems, Brazilians seem to see each problem more in isolation and focus more on dynamism. Brazilians are also seen as persistent when dealing with problems. A challenge this causes is lesser focus on systems for issues such as safety in Brazil. Any particular focus on adapting to this was not found.

The Norwegian companies emphasize carrying their company culture forward regardless of country. But several stress the importance of adapting the local organization to the specific conditions. The cordiality, dynamism and persistence of Brazilians are seen as great resources that should be allowed to contribute to the organizational culture in a positive manner. The enthusiasm and adaptability that these values promote could be of great value to Norwegian companies operations.

## 7.1.2 Differences in business culture

One of the main differences that Norwegian companies encounter in Brazil is a perceived lack of trust, both at the institutional macro level, and on the personal level in relation to the unfamiliar. This poses several challenges. One is that Brazilian organizations are considered hierarchic. The many layers or “levels” make it difficult for Norwegian companies to locate where decisions are made and find the right people to relate to. The companies adapt to this by spending time and energy on making the right contacts.

The lack of trust also makes negotiations a slow and lengthy process. Since these are performed more as a group activity, a challenge for Norwegian companies is to become part of the in-group of their partners. Therefore, company representatives must invest in developing personal relationships with their partners. A challenge is that Norwegian expatriate managers stay in Brazil for a limited time. The companies adapt to this by minimizing the use of expats. In a negotiation setting, loyalty is valued, and Norwegian companies must be in a position where they can “give” something during negotiations. They adapt to this by allowing for a bigger margin of adjustment of prices and conditions.

Cultural differences in communication and information was found to cause serious problems for Norwegian companies in Brazil. Norwegians are straight to the point and factual, while Brazilians are indirect and positive. Norwegians frequently perceive information from Brazilian counterparts to be more positive than reality calls for. Brazilians actively use their networks to contextualize, interpret and control information, something that the Norwegians are not accustomed to. A challenge this causes is a lack of understanding what is “really” going on in the Brazilian branch at the Norwegian headquarters. Other challenges are inaccurate impressions and expectations in Norwegian companies towards Brazilian suppliers and business partners. Some Norwegian leaders have learnt to use networks to adapt to this. Several companies seem also to recommend the use of at least one Norwegian manager at the top level in Brazil to facilitate communication with the headquarters.

Another central difference is the importance of respect in Brazil. A challenge this poses to Norwegian companies is that Norwegian managers that are too direct or confident can be considered offensive or arrogant and make business relations and partnerships

difficult. They adapt to this by emphasizing a very diplomatic approach towards business partners, and recommend the use of “open” leaders in Brazil.

It seems that the strong element of personalism in Brazilian relations and organizational culture, together with a continuing lack of confidence in macro institutions such as the legal system, makes the issue of cultural adaptation even more relevant in Brazil than many other countries. Norwegian companies cannot rely solely on impersonal conditions, but are dependent on a large degree of personal involvement in the Brazilian business environment. It seems that Norwegian companies that have been present in Brazil for a long period have learnt that cultural understanding and adaptation is essential in order to be successful in the country, while more recently established companies are discovering this fact quickly.

## **7.2 Comments on future research**

This study approaches the issue of cultural differences in a broad manner, in order to conceptualize trends that differentiate Norwegian and Brazilian cultures. Some of these differences are not unique to the meeting between Norwegian and Brazilian organizational cultures, but could be valid for Norwegian companies in many countries. This is in part due to the particular nature of Norwegian and Scandinavian organizational culture.

The specific nature of the oil and gas and offshore sector, with the dominant position of Petrobras in Brazil and Statoil in Norway, could influence the outcome of this thesis. Also, the companies are confronted with different cultural practices and challenges according to the nature of their activities. Future research could analyze specific sectors or specific Norwegian companies that are operating in Brazil, in order to find the relevant cultural differences.

This thesis is centered on cultural differences between Norway and Brazil, and does not focus on institutions. During the interviews, many interviewees gave the impression that institutional differences such as the legal system, business regulations and labor and tax laws were perceived as posing the biggest challenges to Norwegian companies in Brazil. Also, structural issues such as the educational level and the shortage of a qualified work force were frequently mentioned. As this thesis illustrates, institutions shape culture and organizational behavior. But it is also natural to assume that culture shapes institutions. Studies exploring how Norwegian companies relate to and adapt to Brazilian institutions could expand the

understanding of differences between the Norwegian and Brazilian organizational cultures and business environments.

## **7.3 Final remarks**

During the 20<sup>th</sup> century, the trade of coffee and codfish was the most important economic activity between Norway and Brazil. The limited scope of this activity contributed to a lack of political and economic interest between the countries, and has led to a cultural knowledge gap among the players involved in the recent boom of activity between the countries.

The conclusions in this thesis demonstrate the importance of cultural understanding and adaptation in the larger and more complex Norwegian organizations now establishing themselves or already operating in Brazil. It should come as no surprise that running knowledge and labor intensive operations in a foreign culture is more challenging than trading coffee and codfish. As a bigger cluster of Norwegian companies of various sizes and within different segments of the oil and gas and offshore-, but also other sectors consolidate their businesses in Brazil and employ more Brazilians on all levels of their organizations, the challenges and opportunities that this process presents should be given increased focus. As the interviews indicate, there are exciting opportunities but also challenges that could lead to a steep learning curve if not addressed properly.



# References

- Clegg, Stewart, Martin Kornberger and Tyrone Pitsis, 2005 "Managing and organizations: An Introduction to Theory and Practice", London.
- Dahl, Øyvind, 2001: "Møter mellom mennesker: Interkulturell kommunikasjon", Oslo.
- Dahl, Øyvind, Iben Jensen and Peter Nynäs (eds.), 2006, "Bridges of Understanding: Perspectives on Intercultural Communication", Oslo.
- Dalland, Olav, 2007: "Metode og oppgaveskriving for studenter", 4. utg., Oslo.
- DaMatta, Roberto A., 1991 "Carnivals, rogues, and heroes: an interpretation of the Brazilian dilemma", Notre Dame.
- Ekelund, Bjørn Z., 2009 "Cultural Perspectives on Team Consultation in Scandinavia: Experiences and Reflections", *Scandinavian Journal of Organizational Psychology*, vol. 1, no. 2, 67-76.
- Eriksen, Thomas H., 1994 "Kulturelle veikryss. Essays om kreolisering", Oslo.
- Eriksen, Thomas H., 1998 "Små steder – store spørsmål. Innføring i sosialantropologi" 2. utg., Oslo.
- Fife, Agnes, 2002: "Tverrkulturell kommunikasjon", Oslo.
- Geertz, Clifford, 1973 "The Interpretation of Cultures", New York.
- Gesteland, Richard R., 2005 "Cross-Cultural Business Behavior", 4<sup>th</sup> ed., Copenhagen.
- Hall, Edward T., 1959 "The silent language", New York.
- Hall, Edward T. and Mildred R. Hall, 1990 "Understanding cultural differences", Maine.
- Hampden-Turner, Charles and Fons Trompenaars, 1993 "The Seven cultures of capitalism", New York.
- Hess, David J. and Roberto A. DaMatta (eds.), 1995 "The Brazilian Puzzle: Culture on the Borderlands of the Western World", New York.
- Hofstede, Geert, 1980 "Culture's consequences: International differences in work-related values", Los Angeles.
- Hofstede, Geert, Gert Jan Hofstede and Michael Minkov, 2010 "Cultures and organizations", 3rd ed., London.
- Hollanda, Sérgio B., 1936 "Raízes do Brasil", Rio de Janeiro.

- Kvale, Steinar and Svend Brinkmann, 2009 "InterViews: Learning the Craft of Qualitative Research Interviewing", 2<sup>nd</sup> ed., Los Angeles.
- Lewis, Richard D., 2005 "When Cultures Collide: Leading Across Cultures", 3<sup>rd</sup> ed., Boston.
- Prestes, Fernando C., etc. 1997, "Cultura organizacional e cultura brasileira", São Paulo.
- Repstad, Pål, 1998 "Mellom nærhet og distanse", Oslo.
- Schramm Nielsen, Karl Henrik Sivesind and Peter Lawrence, 2004 "Management in Scandinavia: culture, context and change", Cheltenham.
- Sivesind, Karl Henrik, 1995 "The indispensable role of culture. Explaining different understandings of work through a comparison of German and Norwegian factories." *Comparative Social Research* 15, 35-101.
- Sobral, Filipe, Eugenio Carvalho and Filipe Almeida, 2008 "The influence of culture on negotiation styles of Brazilian executives", *Management Research*, vol. 6, no. 2, 107-119.
- Sørhaug, Hans Christian, 1996 "Om ledelse: Makt og tillit i moderne organisering", Oslo.
- Sørhaug, Tian, 2004 "Managmentalitet og autoritetens forvandling: Ledelse i en kunnskapsøkonomi", Bergen.
- Thompson, Paul and David McHugh, 2002 "Work organizations: A critical introduction", 3<sup>rd</sup> ed., Basingstoke.
- Wold, Anita, 2007 "Doing business in Brazil: An anthropological study of interaction between Norwegian and Brazilian business people", Oslo.