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Cross-Cultural Network Management:

Case study in Connecting Young Barents -
network

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Abstract:

The purpose of this thesis is to examine the reflections of cultural diversity on network management. The theoretical background of the research is in theories of cultural diversity and network management. As the basic theory of national cultures, I have used Hofstede's cultural dimensions which are power-distance, individualism-collectivism, masculinity-femininity and avoidance of uncertainty. The main researchers on the field of network management are Agranoff and McGuire with their theory about collaborative management activities.

The research was conducted in a cross-cultural Connecting Young Barents –network which operates in the Barents region between Norway, Finland and Russia. The network is aiming at preventing youth outflow from the northern areas in the Barents region. The network consists of the steering group which organizes the activities and the youngsters who participate in them.

Network management is often said to be different from traditional hierarchical management activities. Besides, cultural diversity is often seen to complicate management even more. Combining these two issues we can state that cross-cultural network management is challenging. Through this piece of research, I have examined how cultural diversity appears in regard to network management.

According to the empirical material and results of this study, the reflections of cultural diversity on network management are versatile. It was clear that it causes many disadvantages concerning for example language and communication. Also the organizational and socio-economical factors were seen to have affects. However, according to the results the challenges and negative factors

weren't seen as the most significant causes of cultural diversity. Most of all, cultural diversity was seen as a source of inspiration, innovation and learning.

Key words: Cultural diversity, cross-cultural management, network management

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1. INTRODUCTION

1.1 Defining research area of the study

In this masters thesis I will examine cultural diversity in a context of network management. The main terms of this study are cultural diversity, cross-cultural management and network management. I approach the topic from network management point of view. Next I define the main concepts and the research questions of the study.

Culture, cultural diversity and networks are in no sense new research topics. Quite the contrary, numerous researchers have studied these subjects in their studies before me (see Hofstede 1999, Hambden-Turner & Trompenaars 1998, Agranoff & McGuire 2003, Gahmberg & Routamaa 1999). However, the current discussion is relatively widely spread, and the terms are used in highly different contexts and picturing highly different phenomena. Besides, despite the numerous studies on these subjects, I haven't been able to find a similar research set-ups compared with mine. Therefore I believe I can produce totally new information on this area.

Geert Hofstede (1997, 2001) is maybe the first and the best-known researcher who has studied culture's influences on organizational behaviour and leadership. His results are widely celebrated but also much-criticized. Hofstede's research has been criticized for example based on the methodology he has used and based on his assumption of cultural homogeneity. Like Hofstede, also Fons Trompenaars and Charles Hambden-Turner (1998) have taken part into the discussion of cultural diversity on their work. All of these researchers have studied cultural diversity from the perspective of national cultures. I, therefore, don't want to outline from this study the influences of ethnical and organizational diversity.

Cultural diversity is a growing phenomenon in the global society nowadays. Immigration, flow of refugees, and freedom of movement for workforce among others increase cultural diversity in organizations all around the world. Cultural diversity can cause multiple problems in organizations but it can also promote creativity and innovation. The problems based on cultural diversity are typically caused by communication problems and unintentional misinterpretations of habits and gestures. Furthermore, cultural stereotypes often affect individuals' attitudes towards people from different cultures.

Leading diversity and managing diversity are very popular subjects in the management research and it is very easy to find discussion on this field. The sources of perceived diversity in different organizations might be very different. The most typical sources of diversity are ethnic and cultural backgrounds, language, religion, customs and skin colour. Many times also organizational, professional and administrative backgrounds can create cultural diversity. When the sources of diversity are so multiple it is clear that even its influences on all the functions of the organization are very unpredictable. That is why it is so important to study cultural diversity.

Networking and cooperative strategies are hugely wide research subjects which have endless amounts of applications inside different research traditions. Networks can, for example, be approached from the standpoints of computer science, sociology and, finally, administrative science. That is why, it is important to define how I understand networks in this piece of research. I am not interested in service networks, production networks, business networks or networks as mathematical constructions. On the contrary, I am interested in networks as *social constructions which form and develop through interaction between people*. In a cross-cultural and cross-national context the social interaction rises to a totally new meaning. Cross-cultural communication has an important role in cross-cultural networking.

Cross-cultural communication skills are of vital importance in cross-cultural network management. Language is maybe the most visible area of communication. However, non-verbal communication has a significant role in transmitting meanings. When it comes to using second language the importance of non-verbal communication is even greater and the risk for misinterpretation grows. Because words can carry different meanings for different cultures, the use of technical appliances such as computers and telephones increases the risk of communication-based crises. Many researchers including Adler (1986), Peterson (2004), and Brislin & Cushner (1996) have studied cross-cultural communication in their studies. In this master's thesis, I use their studies as a basis for cross-cultural communication.

Even though there are countless studies and enormous amount of literature written about networks from different aspects, network management is somewhat less researched area. Although it is acknowledged that networks often fail to reach their goals because of inadequate

management. The most relevant pieces of network management research to my study are made by Agranoff and McGuire (2003), Child, Faulkner and Tallman (2005), and Kickert, Klijn and Koppenjan (1997). What separates them from most of the other network researchers on the new millennium is that they take into consideration the importance of network management. Agranoff and McGuire represent their five-part theory about collaborative management activities which is divided into vertical and horizontal management activities. For the interpretation of my research results, I use this model.

1.2 The aim and research question of the study

Even though cultural diversity and social networks are widely researched subjects there haven't been a lot of studies that bring up the dimension of network management in cross-cultural context. Even when it is widely acknowledged that cultural diversity challenges the traditional forms of leadership and that network management differs from hierarchical and market orientated management traditions. On this basis it is reasoned to examine cultural diversity from the perspective of network management.

I believe that this research subject is important because cross-cultural management and network management are topical issues even though they have already been studied by numerous researchers before me. Cross-cultural cooperation is already everyday life in all kinds of organizations. What is more, also network form of organizing is becoming more and more common. Regardless of these facts there aren't many studies that combine these two subjects. This is what makes my study valuable.

In this research I want to find out what kind of reflections cultural diversity has on network management. I want to know what kind of challenges, difficulties, advantages and possibilities diversity creates. Combining network management and cultural diversity is what makes my piece of research valuable. Both of my main themes, network management and cultural diversity, have a long history of scientific research. Combining them can create some new and valuable information. My piece of research is also important because it can bring new dimensions to the current discussion on cross-cultural and network management. Even though it is universally stated that network management has a lot of challenges and that cultural diversity complicates

management activities even more, on the base of my empirical material on CYB-network I can prove that cultural diversity can also promote network management activities.

My research questions are:

How does cultural diversity appear in regard to network management in the context of Connecting Young Barents –network?

What kind of implications perceived cultural diversity has on network management?

I believe that my piece of research can produce important information for researchers on the field of cross-cultural network management and for managers working on cross-cultural projects. My piece of research is of particular importance to youth workers working on international networks.

1.3 Introduction to my research and the structure of this study

This piece of research is a qualitative case study which is conducted in a cross-cultural project network named Connecting Young Barents (CYB). To be able to answer my research questions I have interviewed six members of the steering group of the Connecting Young Barents –network. The empirical material of this study has been collected using half-structured themed interview method. Later the material has been analysed using qualitative deductive content analysis.

My interest to this research topic grew from the practical situation faced in this project network. Just like in business and public management in general also in this network the members have faced the difficulties of cross-cultural network management. Cultural diversity affects day-to-day management activities and interpersonal relationships on many different levels. Especially cross-cultural communication challenges the traditional ways of organizational interaction. It has also become clear that network management differs fundamentally from traditional hierarchical public management and market orientated business management. Furthermore, because network structures are many times informal it is often hard to even locate who is the real manager inside the network. However, it has also been noticed that cultural diversity promotes creativity and

innovation in ways that aren't possible in any other circumstances. Particularly considering the creative working methods of the network, this discovery is extremely important.

This thesis consists of five main chapters. In the introduction chapter, I introduce the reader to the research area and structure of this study. The second main chapter addresses the concept of cultural diversity and introduces the works of Hofstede and Trompenaars. The third chapter concerns the second main theme of this piece of research, network management. Firstly, define the concepts of network and network management. Then I summarize the theories of cultural diversity and network management in the chapter 3.3.3 Cross-cultural network management.

In the fourth chapter, I describe the data collection process and research methods used in this study. Also the CYB-network is introduced in this chapter. The research ethical aspects of this study will be introduced in the chapter 4.3. The fifth chapter addresses my discoveries from the empirical material. There I present the sources of diversity in CYB –network and the perceptions of cultural diversity in CYB according to the empirical material.

The sixth chapter introduces the results of this study. The results are divided into three main categories which are society based, organization based, and social interaction based implications. These three main categories are divided further on into twelve lower categories which are more precisely examined in chapters 6.1.1, 6.1.2, and 6.1.3. The aspects of transferability of the results are presented in chapter 6.2. The main chapter 7 addresses the relation between the current theoretical discussion and findings from this study, and finally concludes the conversation.

2. CULTURAL DIVERSITY

2.1 Defining cultural diversity

Cultural diversity itself is not a new phenomenon. People have always been different. But only after globalization, after world have “grown smaller”, the diversity has become an issue. Immigration, flow of refugees, and freedom of movement for workforce have increased cultural diversity in work organizations all over the world. Cultural diversity has been a popular research subject and because of that it has numerous definitions. The definitions can be roughly divided into three categories: *narrow category-based* and *broad category-based definitions* and *definitions based on conceptual rule*. Narrow category-based definitions derive usually from the United States and they are many times hard to apply to other cultures. These definitions are founded on discrimination legislation, and they concern with ethnic groups, national origin, disability and age. Broad category-based definitions take into consideration, besides the sources of diversity presented above, as well new variables such as marital status, education and tenure. These broader definitions separate the ideas of visible and invisible diversity. Some definitions also try to offer conceptual articulations of diversity rather than to list different sources of it. (Mor Barak 2005, 123–130.)

Culturally diverse is often used as a synonym for cross-cultural, international, multinational, multicultural or global. The terms basically refer to same kinds of organizations even though there are some differences in nuances. Culturally diverse, cross-cultural and multicultural are terms that can be used also when there are cultural differences inside one nation. On the other hand, international and multinational terms refer to differences between nations, but not necessarily between cultures. The concept of diversity is often misunderstood to refer to all the differences between individuals. It is necessary to separate the individual characteristics that make every person different, and the characteristics that unite some people together apart from other groups. Cultural diversity is about belonging to a group that is outside the mainstream. (Gahmberg 1999, 7–8; Mor Barak 1999, 121–122.)

The term cultural diversity doesn't mean different, but differences are visible in many of the definitions. Many definitions bring up the sources of diversity that can be for example age, sexual preference, profession, geographic origin or life style. Diversity can be based on not only

ethnicity and gender but also on differences in function, nationality, language, religion, tenure or ability. Next example introduces two different definitions that represent narrow category-based and broad category-based definitions. (Mor Barak 1999, 125–127.)

“Multicultural diversity includes such differences as age, economic status, education, family type, gender, personality type, race, religion, geographic origin, and sexual orientation. In addition, by defining diversity broadly as being everything that makes us different from others, including communication styles and work styles, all employees can “buy into” the value of building a culture that supports diversity.” (Nixon & West 2000, 4)

“The new definition of diversity includes the traditional categories of race and gender. In addition, it includes people with disabilities, gays and lesbians, and other non-traditional categories. One of the most interesting categories being used by some employers is “diversity of thought” – which they say can be obtained by hiring individuals with different degrees, college affiliations, education or social economic backgrounds from their current employees.” (Shackelford 2003, 53)

When talking about defining cultural diversity it is good to take into consideration that also the definitions derive from different backgrounds. In the United States, for example, the diversity conversation is focused mainly on racial and ethnic issues due to the nation’s history of racial violence. To be able to make a global definition it is needed to pay attention to context. Because organizations and contexts are very different in different countries and environments, even the definitions have different emphasis. Religion, for instance, has a big social influence in Arab cultures and, therefore it might have a big role on the definitions made in Arab nations. In Scandinavia, on the contrary, religion doesn’t have such a big role in society, whereas language might be an essential part of the Scandinavian definition of cultural diversity. (Mor Barak 2005, 124–132.)

Thomas R. Roosevelt highlights that diversity is not only about differences but also about similarities. *Diversity is not synonymous with differences, but encompasses differences and similarities.* By this he means that diversity as a term includes both differences and similarities.

In terms of workforce diversity, it is easy to see the different individuals and minorities as diversity and forget the big picture which includes also similarities. When concerning with diversity it is essential to concentrate on the collective picture, not only on the differences. Even if people have qualities that make them different, they often have something else in common. (Harvey & Allard 2009, 11-12.)

Sandström (1992) divides cultural differences into four different levels which are national, business, organizational, and personal levels. National level is maybe the most familiar level of cultural diversity. Culture is typically understood as a national feature. Later in this study national cultures are discussed in regard to Hofstede's and Trompenaar's work. Business level of culture might have many similarities with the national culture in the area but it can also differ from it in certain areas. It is a subculture that is shared inside a specific area of business and it can also influence this particular industry in several countries. Organizational level of culture can be shared by a single organization. It describes "how we do things here". On the personal level the attitudes and values regarding cultures are formed and expressed. The cultural values and attitudes are present and sometimes visible in the everyday interaction between individuals. (Forsgren & Johanson 1992, 49-51.)

Cultural and national stereotypes affect on people's behaviour and ability to accept foreign cultures. People make easily assumptions about unfamiliar people based on cultural stereotypes even when they are not acting according to these stereotypes. Especially failures are often explained through stereotypes. (Burns et al 1995, 212-217) It has been also stated that people can hold strong stereotypes about different cultures even when they don't have personal experiences of the cultures in question. This phenomenon pictures efficiently how big an influence stereotypic expectations have in reality. Stereotypes are usually based on a very limited amount of information. In addition, once formed, stereotypes can be very difficult to change. People tend to deny all the new information considering the group they have stereotypes against and trust their old impressions. (Thomas 2008, 78-80.)

2.2 The meaning of culture

2.2.1 Hofstede's cultural dimensions

Studying cultural diversity is not possible without first familiarizing with the concept of culture. Culture is an enormously wide term which has more than 160 different definitions. Because defining culture accurately is difficult I try to describe it based on its typical features. First of all, culture is something that is shared by a group of people. One person can't create one's own culture. Secondly, culture is learned. Individuals are born to be a part of a society, where they learn the language, habits and the rules of the culture. These patterns are transmitted through generations. The third typical feature of culture is that they are organized systems which consist of values, attitudes, beliefs and behavioural meanings. According to the third feature, culture can be divided into three different layers that are cultural artefacts, espoused values and basic underlying assumptions. Cultural artefacts are the visible signs of culture such as language, clothing and manners. Espoused values are consciously held values that relate directly to the observed artefactual level. The basic underlying assumptions influence deep below the artefactual level and they are difficult to be aware of. (Thomas 2008, 27–30.)

Hofstede (1997) calls culture the mental programming of human minds. He divides it into three different layers. The foundation is formed by human nature. It is formed of universal, inherited qualities that are similar in all cultures. It includes the basic psychological and physiological functions of humans, for example feelings, ability to communicate and sense of community. Culture is based above human nature. Culture unites a specific group or category, for example a nation, and it is learned during one's lifetime. Personality forms the top-most layer of human mental programming. Personality consists of individual characteristics that are unique to every person. (Hofstede 1997, 4–7.)

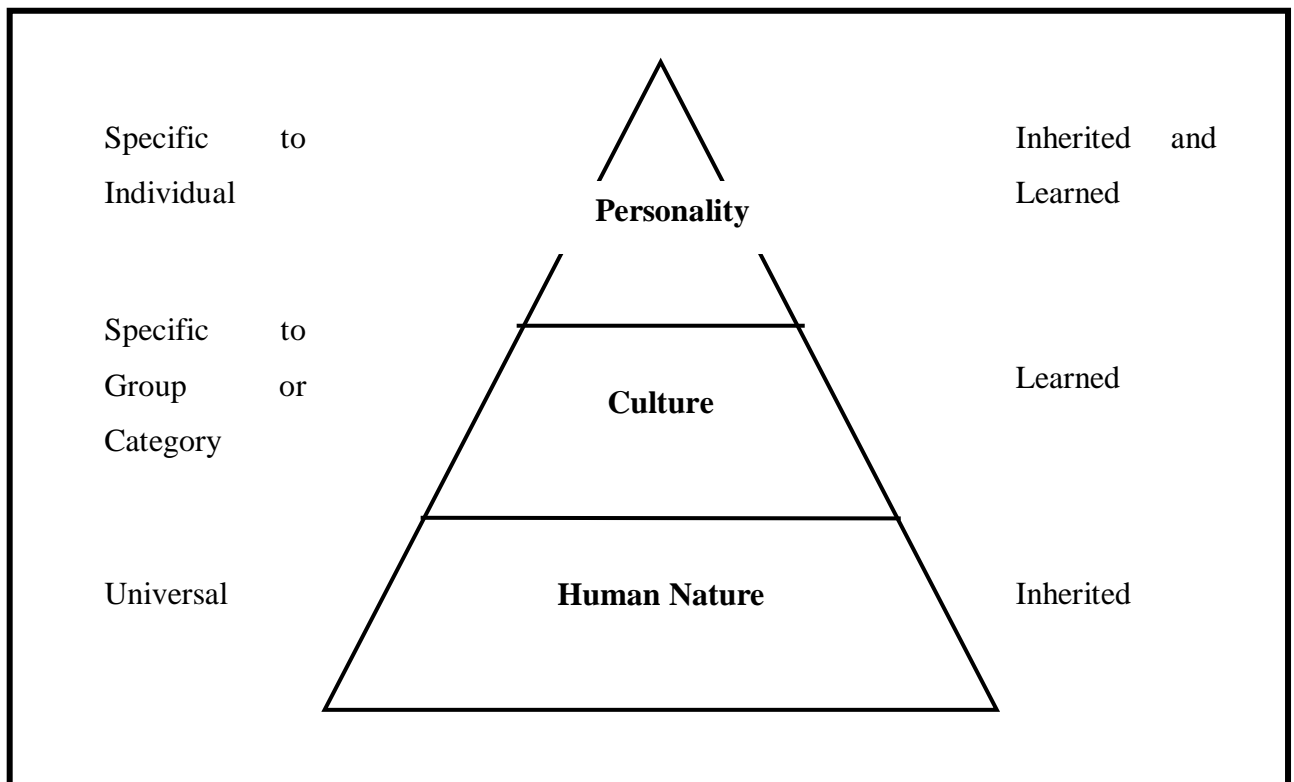


Figure 1. Three layers of uniqueness in human mental programming. (Hofstede 1997, 6)

Religion can also be connected to culture even though it has lost its status in many modern societies. Religious values are closely related to cultural and national values. Besides, religious values are many times subconscious. People don't consider their values to be religious, rather individual. The amount that religion influences national cultures depends on the position religion has in society in general, the degree of religious diversity in society, and the degree of tolerance to religious diversity in society. (Thomas 2008, 33–34.)

Cultures can be categorized as national, organizational or ethnic cultures. In Scandinavia people typically consider nations as culturally homogenous units. This assumption is based on the Scandinavian tradition of ethnically relatively homogenous population and only one official language. However, that is not often the reality and multiple cultures can exist within one nation's borders. On the other hand, one distinctive culture can be divided into the areas of several different nations. The Sámi culture is a good example of a relatively solid culture which is situated in four separate nations. According to Hofstede, nations are social systems and therefore they can have cultures. The traditional features of national cultures are political institutions, forms of government, and legal and educational systems. (Thomas 2008, 35–36.)

Hofstede calls culture *the collective programming of the mind which distinguishes members of one group or category of people from another*. Based on his research on IBM Hofstede has divided national cultures into four dimensions which are power–distance, individualism–collectivism, masculinity–femininity, and avoidance of uncertainty. Power distance refers to the relative distance between the powerful and less powerful members of organizations. Some countries are typically considered having larger power–distance than others. When power–distance is large managers and subordinates consider being existentially unequal. Different nations can also be classified according to its extent of individualism in regard to collectivism. In collective societies, people see themselves as a part of a tight collective group rather than as individuals. The group can consist of family, work group, or the entire society depending on the situation. The masculinity–femininity dimension refers to the extent to which the values of the society are masculine or feminine. Typical masculine values are assertiveness, competition, and material achievements. Typical feminine qualities are care for others and care for quality of life in general. Scandinavian countries are typically considered feminine societies. For feminine cultures, it is normal that also fathers have a possibility to stay home with children and the roles of women and men are not strictly divided. The last dimension, the avoidance of uncertainty represents the amount of formal regulations in the society. In high uncertainty avoidance nations there are many rules and regulations that control all the sectors of society and working life.

According to Hofstede (1997) the degree of inequality in societies can be described by the power distance index (PDI). The cultures with low PDI are usually very democratic; the differences in social statuses are small, and superiors and subordinates are seen as relatively equal individuals. On the contrary in the cultures with high PDI there are big differences in social classes and superiors and subordinates are seen as existentially unequal individuals. Finland and Norway are usually ranked as nations with a relatively low PDI. In the rankings of national cultures, Hofstede hasn't listed Russia at all presumably because his research didn't examine Russia at all. (Hofstede 1997, 28–40.)

The individualism–collectivism dimension can be measured by individualism index (IDV) which describes the national differences concerning the level of individualistic values in national culture. Nations with high IDV are seen as very individualistic while nations with low IDV are

seen as very collective cultures. Finland and Norway have a relatively high IDV which means that they are relatively individualistic cultures. In individualistic cultures, humans are seen primarily as individuals who have their own responsibilities and rights. High individualism is often related to low power-distance. When individuals are free to act on their own will they also have power to make decisions of their own. (Hofstede 1997, 50–67.)

Masculinity index (MAS) describes the relation of genders and gender roles inside a culture. In masculine cultures gender roles are typically very distinctive. Men are supposed to be assertive, tough and focused on material success. Women, on the contrary, are supposed to be modest, tender and concerned with the quality of life. In masculine cultures, women usually stay home with children and they don't have a real possibility to make a career. In feminine cultures women and men are seen to have the same possibilities in regard to making a career or starting a family. High MAS index refers to high masculinity in culture. Finland and Norway are typically held as very low MAS rate cultures while Japan and Austria have the highest MAS rates. (Hofstede 1997, 80–85.)

Hofstede's fourth dimension, uncertainty avoidance, measures the culture's ability to tolerate ambiguity in society. Uncertainty avoidance index (UAI) describes the extent to which the members of a culture feel threatened by uncertain or unknown situations. In high uncertainty avoidance cultures there are usually many laws, rules, and regulations to guide the behaviour of people. Even in work places there are a lot of written and unwritten rules. Finland has a relatively low UAI while Greece has the highest rate and Singapore the lowest rate. (Hofstede 1997, 111–126.)

2.2.2 Trompenaars' cultural dimensions

Fons Trompenaars (1998) has created another way for classifying cultures. He defines culture as *a way in which a group of people solves problems and reconciles dilemmas*. He compares culture with an onion. Just like an onion, also culture has different layers. At the core of culture there are implicit basic assumptions that are often unconscious. Above the core layer there are norms and values which regulate people's behaviour. The top most layer of culture is what can be seen; artifacts and products of culture, for example behaviour. The group that possesses a shared culture can be almost anything between a nation and a work group. According to

Trompenaars, there are three different groups of dilemmas. The first group is concerned with our relationships with other people, the second with the passage of time and the third with the relationship to nature. (Trompenaars 1998, 6–10.)

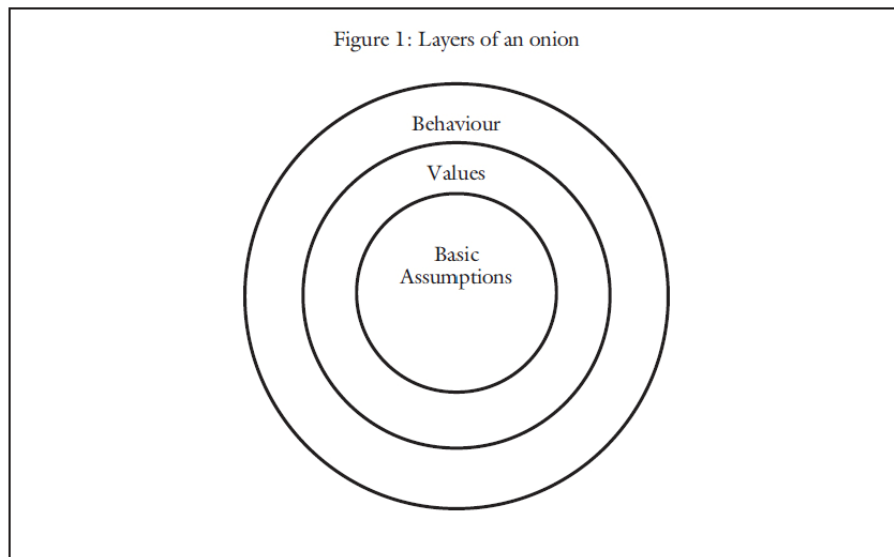


Figure 2. Trompenaars model of culture (Trompenaars 1998, 22)

The first group of dilemmas concerns with relationships between people. It includes five dilemmas: universalism versus particularism, communitarianism versus individualism, neutral versus emotional, diffuse versus specific and achievement versus ascription. These dilemmas affect the ways people from different cultures behave and work. The first dilemma, universalism vs. particularism, can be simplified to mean rules vs. relationships. Universal approach to behaviour emphasizes the meaning of rules. This means that one's behaviour is judged in accordance with rules regardless of the circumstances. On the other hand, particularist approach underlines the meaning of circumstances and relationships. For example: Is it allowed not to follow traffic rules if you have to hurry with your sick child to first aid? From universalist point of view the rules are more binding than the situation while from the particularist point of view the situation defines the behaviour. (Trompenaars 1998, 29–44.)

The second dilemma concerns the relations between individual and group. Individualism is usually connected with modernizing societies, as communitarianism is typically held as a relic of Communist societies. This dilemma turns visible in many situations in organizations, for example motivating and organizing. When mentioning community, it is necessary to underline

that in different cultures different communities are important. (For example nation, religious group or family) Trompenaars' individualism–communitarianism dilemma has much in common with Hofstede's individualism–collectivism dimension. (Trompenaars 1998, 51–57.)

Trompenaars' third dilemma concerns the cultures tendency of showing feelings. He divides the cultures into neutral and affective on the basis of whether it is allowed to show feelings. There are significant differences in the ways people are used to showing feelings between different cultures and that can affect intercultural co-operation severely. (Trompenaars 1998, 70–73) Closely related to the previous dilemma, the cultures differ also according to the way people understand the boundaries between public and private. According to this dilemma, cultures can be divided into specific and diffuse cultures. In specific cultures people usually have a relatively large public space and small private space while in diffuse cultures the situation is opposite. This can cause problems when people from different cultures don't understand what is private and what is public to the other person. The problem stands out in relation to losing face. Losing face happens when something that is private for a person is made public. (Trompenaars 1998, 84–88.)

Trompenaars fifth dilemma concerning relationship between people is achievement versus ascription. By this he means that in different cultures people may achieve authority and respect in different ways. In status-by-achievement cultures achievements like education and CV are important in evaluating competence. On the contrary, in status-by ascription cultures different aspects like age, gender and family backgrounds can be considered as important matters in estimating competence. (Trompenaars 1998, 105–110.)

The last two of Trompenaars' dilemmas are the relationship towards time and the relationship towards nature. The different cultures can be divided into three groups according to their orientations to time: past-orientated, present-orientated and future-orientated cultures. These different orientations affect the way people organize and plan work and motivate others. The orientation to time also affects the way people think about the future (long- versus short-term planning). Even though cultures orientation towards nature may seem unimportant it has effects on managing and administrating. In inner-directed cultures, nature is seen as something man can control. Therefore, people can influence the way things turn out. On the other hand, in outer-

directed cultures nature, or faith, is seen to have bigger impact on life in general. (Trompenaars 1998, 123–134, 145–148.)

2.2.3 Criticism towards Hofstede and Trompenaars

Hofstede's and Trompenaars' studies have been criticized for many reasons. M. L. Jones (2007) names numerous unreliable factors on Hofstede's research. First of all, the most popular criticism towards Hofstede is his assumption of cultural homogeneity. According to his dimensions, cultures are seen as features of homogeneous nations. Therefore, they outline ethnical and organizational cultures, and cultures that cross national borders. The research has been carried out on IBM units across the world. That is why it has been also criticized because according to the critics observations from one single organisation can't present all nations. The political situation of the time of the research has also been suspected to having influence on the results. The research process was carried out when Europe was in the middle of cold war. The war-time and memories vivid from the Second World War together with the communist insurgence in Asia, Africa and Europe has been suspected to affect the outcomes of masculinity and uncertainty avoidance dimensions. In addition, the research is claimed to be too old to explain cultural differences on the 21st century. (Jones 2007, 5.)

One of Hofstede's biggest critics is Brendan McSweeney (2002) who questions the relevancy of the research methodology Hofstede has used in his research. McSweeney's first argument against Hofstede's research methods is his use of questioners. In some of the target countries, the amount of interviewees was very small which might have given a wrong picture of the target country. Is it possible to make a comprehensive generalisation of a national culture based on a sample of 50 questioners? In her opinion it would be an unrealistic coincidence if the respondents on IBM would represent the average individuals inside their nation. What is more, in the final results there were used questioners from only 40 nations instead of the total amount of 66 target nations. Also McSweeney argues that because the research has been carried out inside one single company, the organizational culture might possibly have affected the results of the study. She also disagrees with Hofstede about the existence of a solid organizational culture inside IBM. In her opinion, the different units of IBM are far too fragmented to be able to possess a shared culture. (McSweeney 2002, 93–111.)

Hofstede (2002) has reacted to the criticism he has received from McSweeney. He defends his study with five points. His main arguments concern the use of nations as units of culture and the validity of his IBM data. He argues that even though nations might not be the best units for studying culture they are usually the only available ones for research. To McSweeney's criticism towards the relevancy of single-company approach he argues that the aim of the research was to study differences between national cultures. And for that reason the approach is suitable. He also emphasizes that the dimensions he found are assumed to have centuries' old roots, and therefore the data can not be considered too old. What is more, many later research results verify the existence of the dimensions. (Hofstede 2002, 1356–1360.)

Apart from the critiques of Hofstede, his work has been celebrated by many of his colleagues. His theory has also been used as a base for many management handbooks and curriculums for management educations. According to his own words, his findings have been verified by many other empirical materials afterwards. (Hofstede 2002, 1356–1360.) This is why I have chosen to use his theory as the basis of my examination on national cultures.

2.3 Sources of cultural diversity

Cultural diversity has various sources that are based on cultural differences, for example language, religion, ethnic background, gender and sexual orientation. Cultural diversity can also derive from *organizational cultures* or *professional cultures*. Nationality is typically the starting point of examinations on cultural diversity. As the cultural dimensions of Hofstede and Trompenaars are already introduced earlier, it is not needed to address the sources of national culture any closer here. In Scandinavia we are used to perceiving national cultures as homogenous systems. These assumptions are often based on our historical experiences.

Language is the most clearly visible sign of national culture. Language is used for interaction between individuals and it is the most important means of transmitting culture from one person to another. Language is also the most important way of transmitting meanings from one person to another and this is why language skills can play a crucial role in cross-cultural cooperation. The dilemma of speaking about language in regard to national culture is that same borders don't apply to languages and nations. The same language can be spoken in many nations and there are often many different languages spoken inside one nation's borders. (Thomas 2008, 32.)

Religion is something that affects powerfully national and ethnical cultures. Religion also carries a set of values and beliefs which modifies people's world view. Many times the religious values have affected the basics of national laws and habits. Nevertheless, culture has bigger influence in some cultures and areas than others. In Finland, for example, religion is somewhat more secularised than in Islamic countries. This is also why religion is more sensitive subject in some areas than in other. In cultures where religion has an important role in society religion is also a potential source of conflict. This is something people from secularised cultures might not always recognise. (Thomas 2008, 33–34.)

The changing roles of genders have caused new set-ups in working life. In the recent years, women have increasingly joined the working population. The roles of genders are very much bound to cultures and religion as discussed in the context of Hofstede's masculinity–femininity dimension. However, the amount of women in work force has increased all over the world in different cultures. As a result for this, the equal rights and hiring of men and women have become an important issue in diversity and human resource management. At the moment, women are unequally paid in comparison with the men in the same positions. Women have also proved to have difficulties in career development, especially in attaining upper leader positions. This phenomenon is known also as the glass ceiling. There are various reasons behind the unequal treatment of men and women in working life. One important issue is the influence of family, which is understandable bigger for women than for men. In research literature, there has also been discussion about the differences in leadership styles between men and women. Men are traditionally regarded as rational and cold managers, while women are regarded as emotional and soft leaders. In other words, men are connected to management, while women are connected to leadership. (Mor Barak 2005, 85–89; Harvey & Allard 2009, 120–129.)

Sexual orientation is also nowadays a source of diversity in organizations. While attitudes towards sexual minorities have softened, the minorities have also risen up from the mainstream and become "more visible". This is why also the equal rights of sexual minorities have become topical. However, in regard to sexual minorities it is important to remember that the atmosphere isn't as permitting in all cultures. Even though in most of the western countries sexual minorities have some what equal rights compared to the majority of citizen, in many other nations the

situation isn't as good. This is why; it's good to acknowledge in cross-cultural cooperation that even in 21st century sexual minorities are still sources of cultural diversity.

Educational and professional unbalance inside an organization can also be seen as a source of diversity. When all the members of an organization have the same educational level, the educational separation is non-existing. When the differences between educational achievements are big, there is a high educational separation inside the organization. Typically, it is believed that organizations with moderate or small separation are more cohesive than organizations with big educational separation. According to similarity-attraction paradigm people with similar characteristics attract each other and enjoy working together. (Curseu et al. 2012, 577–579.)

Socio-economical and geographical factors are also sources of diversity. How and where individuals grow-up affect their world view as adults. One division according to geographical diversity is division into people from cities and people from the rural areas. The geographical backgrounds are often connected to the socio-economical backgrounds. On rural areas, people are often used to more simple life compared with life in cities. Besides, people from rural areas are often seen living closer to the nature.

Besides national and ethnical cultures, also organizational cultures can be sources of diversity. Organizational culture consists of the values, norms and policies of an organization. Organizational culture is a set of un-written rules that guide the members of an organization, "*how we do things here*". It is typical for organizational culture that the rules and norms are not spoken aloud. This is why organizational cultures might also cause problems in inter-organizational and cross-cultural cooperation. Professional groups might also form their own cultures. For example, lawyers and economists might have very different professional cultures which consist of professional rules, values and policies. (Forsgren & Johanson 1992, 49–53; Alvesson 2002, 3–6.)

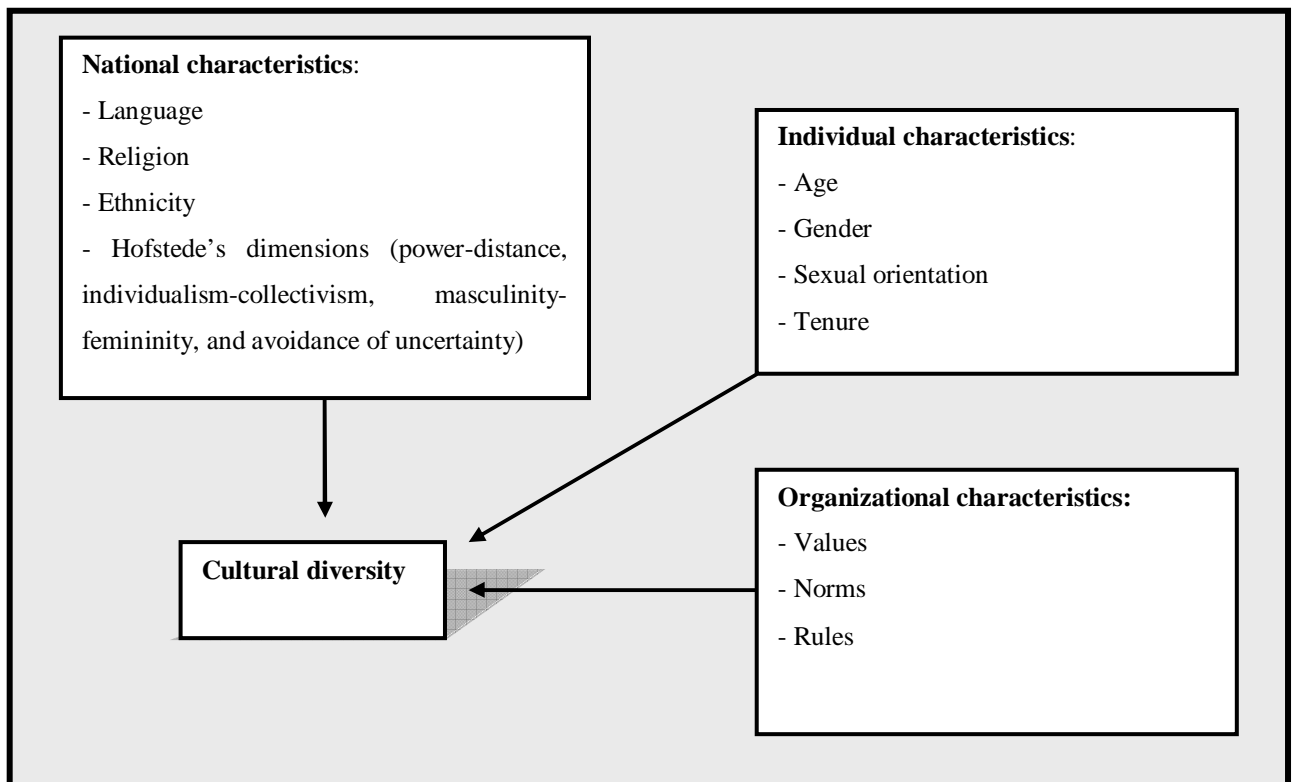


Figure 3. Sources of cultural diversity

Figure 3 describes the different dimensions of cultural diversity. According to the figure cultural diversity consists of three entities; national, individual and organizational characteristics. Language, religion, ethnicity and Hofstede's dimensions can be placed in the group of nation based sources of diversity. As a critique to this division it has to be noticed that these sources are not necessary bound to national borders. However, they are typically features of nationality.

Age, gender, sexual orientation and tenure are individual characteristics that are also sources of diversity in organizations and working life nowadays. Also organizational characteristics such as organizational values, norms and rules, create diversity in organizations. Members of an organization might have different characteristics from these three entities. Together the features people have create the overall diversity in organizations.

As discussed earlier in this chapter, cultural diversity has been defined differently by various researchers and it has numerous different features and characteristics. In this piece of research, cultural diversity is defined in accordance with Nixon and West's (2000) definition which takes into consideration all national, organizational, and personal characteristics demonstrated above

in the figure. However, I agree with Gahmberg (1999) and Mor Barak (1999) about the meaning of individual features. Cultural diversity is not about the features that make every individual different, it is about the features uniting some individuals and separating them from the mainstream.

3. NETWORK MANAGEMENT

3.1 Defining networks

The scientific discussion around networks is, as mentioned earlier, very widespread but in the same time quite fragmented and diverse. The accurate definition for the term network is very hard to find although many researchers have tried to define it. The terminology of networks is not entirely established and that is why the same terms are used in different contexts so that they refer to different organizations. This is also why it has been difficult for me to find a relevant scientific network discussion to my research. Synonymous terms to network are for example nets, collaborations, and joint ventures. Networking is a way of organizing. As traditional ways of organizing have been divided into creation of organizational structures, staffing, decision making, and implementation, networking is a process of bonding and commitment, and pursuing resources possessed by other actors. (Halinen et al. 1999.)

According to Grabher and Powell (2004a) scientific network discussion can be divided into two categories, into *a social network perspective* and *a governance perspective*. Social network perspective takes into account networks also as social relationships between individuals not only as relationships between organizations. Six degrees of separation is a network theory created by Duncan Watts which approaches networks from the perspective of social relations. According to the theory, any individuals around the world can be connected to each other through six ties. Another approach to networks examines the governance of networks, concentrating on institutional mechanism by which networks are coordinated, monitored, recombined and terminated. (Grabher & Powell 2004, xi–xiii.)

Tarja Saarelainen (2003) introduces different definitions of networks in her doctoral thesis. According to O'Toole's definition networks are defined as *structures of interdependence involving multiple organizations or parts of thereof, where one unit is not merely the formal subordinate of the others in some larger hierarchical arrangement*. Policy networks on the other hand are defined as *more or less stable patterns of social relations between independent actors, which take shape around policy problems and policy programmes*. (Saarelainen 2003, 76–77.)

Saarelainen also categorizes four overall characteristics of networks which are pluriformity, isolation, interdependencies, and need for flexibility. Pluriformity means that power between the different actors and the actors' ability to influence the others can vary. This is why the different actors' commitment to the network can also vary significantly. Isolation means that every member of the network is in a way isolated from his or her environment, and sensitive only to those signals fitting his or her individual settings. Typical for networking is also the presence of interdependencies between the network members. The need for flexibility is a natural consequence of interdependence. When actors from different organizations start networking all the participants must be flexible in order for the network to succeed. (Saarelainen 2003, 77–79.)

Because network as a scientific construct is relatively loose there are various types of organizations that can be called a network. Networks can be for example divided in to formal and informal networks. Informal networks are often based on social relations between individuals whereas formal networks are founded on formal contracts. According to Dalton (1959) one's experience of unofficial authority in an organization might many times differ quite greatly compared with the formal hierarchy. This means that power and leadership are not held by those who are ranked highest in the organization. Informal networks also affect on the unofficial information flow in the network. (Grapher & Powell 2004b, 369–391.) Networks can also be formed in the interested of a specific project or production of a product or service. According to Meyerson, Weick and Kramer (1996) temporary groups are becoming more and more popular form of organizing. Temporary groups as an organizational form turn upside-down the traditional picture of formal organization. Temporary groups often work with a specific task or they try to reach a specific shared goal. After the task is fulfilled the network quits. Inkson and Thomas (2009) divide work groups into face-to-face groups and virtual groups. Face-to-face groups work typically inside the same organizational unit while virtual group members might be located geographically far from each others. The nature of group also differs according to the purpose of the activities. (Grapher & Powell 2004b, 508–514; Inkson & Thomas 2009, 133–137.)

Project networks are nowadays a typical form of organizing work. Project networks differ from normal hierarchical organizations by many characteristics. Besides, international projects have even more special features. First of all, international project networks have typically more than

one location which can be situated in different countries and cities. International projects tend to be bigger and more complex because there are various organizations involved, and also the purpose of the project is typically bigger and more complex. There are many difficulties concerning international project networks which can hinder the cooperation. Because power and authority don't form in the same way in networks and hierarchical organizations, lack of control is a typical problem in international projects. The various rules, regulations and values of the different partner organizations affect the joint actions by making management activities more difficult. Also the different effects of cultural diversity affect international project management. (Lientz & Rea 2003, 8–13; Dyker 2010, 10–11; Smith 2007, 15–23.)

Sometimes networks are built to serve regional needs. A typical example of a regional network is the innovation center of the Silicon Valley in California, USA. When competent individuals and companies center in the same region they form a network which can create opportunities for new innovations. Different forms of subcontracting can also be called networks. These kinds of inter-organizational networks create dependences between the networks members. However, at the same time these networks can be very beneficial to their members when they succeed. (Grapher & Powell 2004b, 540–545; 606–610.)

Since there are some many different kinds of networks, the reasons for creating networks are also versatile. In many cases the purpose of networking is to improve efficiency or save resources. On the contrary, it is also possible to learn and innovate through cooperative strategies. In fact most innovations happen outside single organization's borders. When individuals from different organizations start working together their different experiences and perspectives can encourage creativity and innovation. Things that have been thought to be obvious might prove not to be that obvious when communicating with different people. Realizations of this kind might lead to new innovations. Many times individuals or organizations also establish cooperation in the interest of pursuing a shared goal. (National Research Council 2008, 4–10; Colella et al 2010, 203–209.)

Networks can also be classified for example according to their structure, the nature of cooperation or the purpose of cooperation. Firstly networks can be divided into formal and informal networks. Informal networks are often based on social relationships and they form and

develop through communication. Informal networks don't usually have a specific shared goal or meaning, even though they usually promote creativity and innovations in organizations. Informal networks should not be underestimated even though they are not based on formal contracts. On the contrary, formal networks are always founded on contracts and, therefore, they also have shared goals and formal rules. Networks can also be classified according to their purpose and structure. Different terms that refer to networking are for example joint ventures, collaborations, strategic alliances, coalitions, clusters, contracting and partnering. Different networks serve for different purposes

Karl Polanyi (1968) was the first researcher to come up with the concept of embeddedness. Afterwards the terms have been used by several other researchers (see Granovetter (1985) and Uzzi (1997)). Embeddedness describes how economic activities are affected by non-economic institutions. It pictures an image of how all actors in society are affected by each other in one way or another. The society's development towards embeddedness started when the market society started to develop. In market society, the laws of supply and demand apply which automatically leads to a situation where everybody is in some way dependent on each other. Even though Polanyi's texts are already relatively old he is still one of the most significant researchers on the field of networks. (Grabher & Powell 2004a, 160–168.)

Structural cohesion is another important concept on the field of network research. The early researchers that have studied network cohesion are for example Travers & Milgram (1968) and Granovetter (1973). Later on the subject has been studied also by Duncan Watts (1999). The cohesion of a network can be understood to describe the unity and strength of the network. Cohesion can simply be measured by the minimal amount of members in a network that need to be removed to disconnect the group. The more interpersonal connections and shared leadership there is in the group the more durable it is. On the contrary, if the network is held together only by one member and the other members don't know each other, the cohesion is really small and the network is extremely vulnerable.

Granovetter (1973) and Grabher (1993) point out the significance of weak ties in networks. Strong and weak ties can be separated from each other simply by examining the nature of the relationship. The strength of the tie is a combination of the amount of time, emotional intensity,

the intimacy and the reciprocal services which describe the relationship. The stronger the tie is, the more time the individuals spend together and the more they interact together. The individuals with strong interpersonal ties tend to have many similarities which result in having the same friends. This is why networks with many weak ties can also turn inside which hinders information flow and innovation. On the contrary networks with strong ties that are interconnected with weak ties are often more innovative and open to their environment. At the same time, strong ties promote trust and sharing of tacit information. (Grabher & Powell 2004a, 468–486; 727–547.)

Diego Gambetta (1988) and Mari Sako & Susan Helper (1998) have studied the meaning of trust in context of networks. Networking as a form of organizing demands trust between the members of the network. Trust can be promoted through communication and enforcing relationships. Good relationships (strong ties) and efficient and suitable communication inside the network often result in trusting atmosphere. The affects of distrust in inter-personal and inter-organizational relationships are always harmful for cooperation. (Grabher & Powell 2004a, 201–239.)

3.2 Network management

In scientific literature management and leadership have been typically divided into hierarchical and market orientated management. The hierarchical model is based on formal authority and strict bureaucracy while the market-orientated model is based on the laws of supply and demand. Networks, however, don't fit either of these models and therefore the management theories that stem from hierarchical or market orientated traditions can't be applied to networks. In hierarchical organizations formal authority and power can be accurately traced. In network organizations, leadership is harder to locate and many times it is shared between the members of the network. Therefore, the questions of leadership are also harder to answer. (Agranoff 2003, 33–34; Streeck & Schmitter 1991, 227.) Due to lack of management, or for some other reasons, networks often fail to reach their goals. Many researchers point their fingers at management. Child (2005) notes that even network research and literature have concentrated mainly on establishing co-operation and the consequences of networks, but not on managing the networks. (Child 2005, 193–194.)

To be able to determine what is management in network context it is first essential to define how power and control form in network organization. In normal hierarchical organization it is easy to locate the power because power is typically based on formal position. In networks, however, formal structures often don't exist and that is why power has to be located in another way. Marsden (1983) and White (1993) have discussed the matters of power and control in networks in their studies. According to Marsden, the most influential individuals in networks are those who have the most control over communication channels. This means that the individuals, who are centrally located in the network and have ties to most of the members inside the network, often possess the most power. This means that in the context of networks, leadership often forms through processes of interaction and as a consequence of interpersonal ties. Therefore, network management is often a form of shared or informal leadership. (Grabher & Powell 2004a, 337–365.)

Many researchers have tried to define the activities of leader in an organization. The list goes usually like this: decision-making, organizing, and delegating. These definitions derive typically from the traditional, hierarchical management tradition. That is why they don't work in network context. According to Child (2005) the most important task of a network leader is to generate and maintain co-operation. For this purpose, he represents a seven-phased list of aspects on leading networks by Simonin. The dimensions of network leadership are building trust, resolving conflicts, managing alliance – parent organization relations, logistics and resource transfer, negotiating initial agreements with partners, cross-cultural training, staffing and technological assessment. (Child 2005, 195–202.)

According to Kickert, Klijn and Koppenjan (1997) *the purpose of network management is to coordinate strategies of actors with different goals with regard to a certain problem or policy measure within an existing framework of inter-organizational relations*. Network management can also be seen as promoting the mutual adjustments of the behaviour of actors with diverse objectives and ambitions in regard to tackling problems within the given framework. This means that members of a network are dependent on each other's actions, and therefore network management is needed for joint problem solving and bargaining. This is why, network managers need to take into account also the other network member's strategies while making decisions for their own organizations. (Kickert, Klijn & Koppenjan 1997, 10, 44.)

Getha-Taylor and Morse (2013) answer in their article to the challenge of classifying the core competencies of a network manager. They, too, emphasize that the time of hierarchy based management theories and trait theories is over. Even the context of public administration has changed so that the need for collaborative and network management is inevitable. According to Getha-Taylor's classification the three most important competencies for collaborative leaders are interpersonal understanding, teamwork and cooperation, and team leadership. These competencies differ significantly from those attributes that are usually connected with traditional hierarchical management. In their article, Getha-Taylor and Morse, represent the model collaborative competencies designed by UNCG (University Network for Collaborative Governance). This model consists of ten collaborative management competencies that are divided into five categories. First category, leadership and management, consists of strengthening collaborative leadership (1) and planning, organizing and managing for collaboration (2). Communicating effectively (3), working in teams and facilitating groups (4), and negotiating agreement and managing conflict (5) form the second category of the process. The third, analytical, category consists of two competencies: applying analytical skills and strategic thinking (6) and evaluating and adapting process (7). The knowledge management category includes integrating technical and scientific information (8) and using information and communication technology (9). The fifth category, professional accountability, includes maintaining personal integrity and professional ethics (10). (Getha-Taylor & Morse 2013, 76–81.)

Agranoff and McGuire (2003) represent another way of classifying network management activities. To start with he divides network management into *vertical* and *horizontal* management activities. Vertical network actors can represent for example federal or state government agencies, and horizontal actors can represent governments, semi-public actors, private agencies or nongovernmental organizations. Vertical network management activities can be classified to *information seeking activities* and *adjustment seeking activities* which both include different management tasks. Horizontal activities can be divided into *policymaking and strategy-making activities*, *resource exchange activities* and *project based activities*. I have chosen this Agranoff's classification of network management activities to the base of my own research. It seems to be the most profound and complete model of collaborative network activities. It also

takes into consideration both vertical and horizontal dimensions which is fairly important especially when talking about public administration. Nevertheless, it is important to notice that Agranoff and McGuire's study is clearly written from a standpoint of the United States of America. That is why some parts of his study needs to be modified so that they fit the context of Barents region. (Agranoff & McGuire 2003, 67–69.)

Information seeking is a very central vertical collaborative activity which includes contacts with state and federal governments. Information seeking is a necessary activity from many different standpoints. First of all, information is an important policymaking resource when other resources are scattered within the network. Information seeking can also include requiring information about new funding of the programs and projects, interpretation of standards and rules and technical assistance. (Agranoff & McGuire 2003, 69–75.) Adjustment seeking is the other group of vertical collaborative management activities. It can be understood as regulatory or statutory relief and flexibility, changes in policies and performance-based discretion. The idea of adjustment seeking is that in some situations it is necessary to be able to reform some rules, laws or regulations if they somehow hinder the activities of a network. Even though adjustment seeking is very important in some situations, it needs to be mentioned that it can be very difficult succeed in this matter. Rules are always written for a reason which is why modifying them might not be an easy road. (Agranoff & McGuire 2003, 76–80.)

Policy and strategy –making is the first of the horizontal collaborative activities. Policy and strategy making can be both formal and informal activities in different contexts. Formal cooperation occurs for example inside a specific project network or in regard to joint service agreements. Informal cooperation can occur in many different situations, especially when legal authorization is not needed. Horizontal policy and strategy making includes gaining policymaking assistance, engaging in formal partnership and joint policymaking and consolidating policy effort. Joint policy and strategy making requires fluent communication and mutual trust between the partners. This is why also communication and especially cross-cultural communication is an important process in network management. (Agranoff & McGuire 2003, 80–82.)

Resource exchange is the second horizontal collaborative activity. Resource exchange includes seeking financial resources, employing joint financial incentives and contracting to planning and implementation. It is typical that inside a network financial resources are held by multiple actors across organizational and national borders. Different actors have also different possibilities to seek for funding vertically. So in order to carry out bigger projects actors across the network have to cooperate and exchange resources. This way different organizations can become even formally partners. Project-based activities is the third group of horizontal collaborative activities. It consists of seeking technical resources and contracting partnership for a particular project. (Agranoff & McGuire 2003, 82–85.)

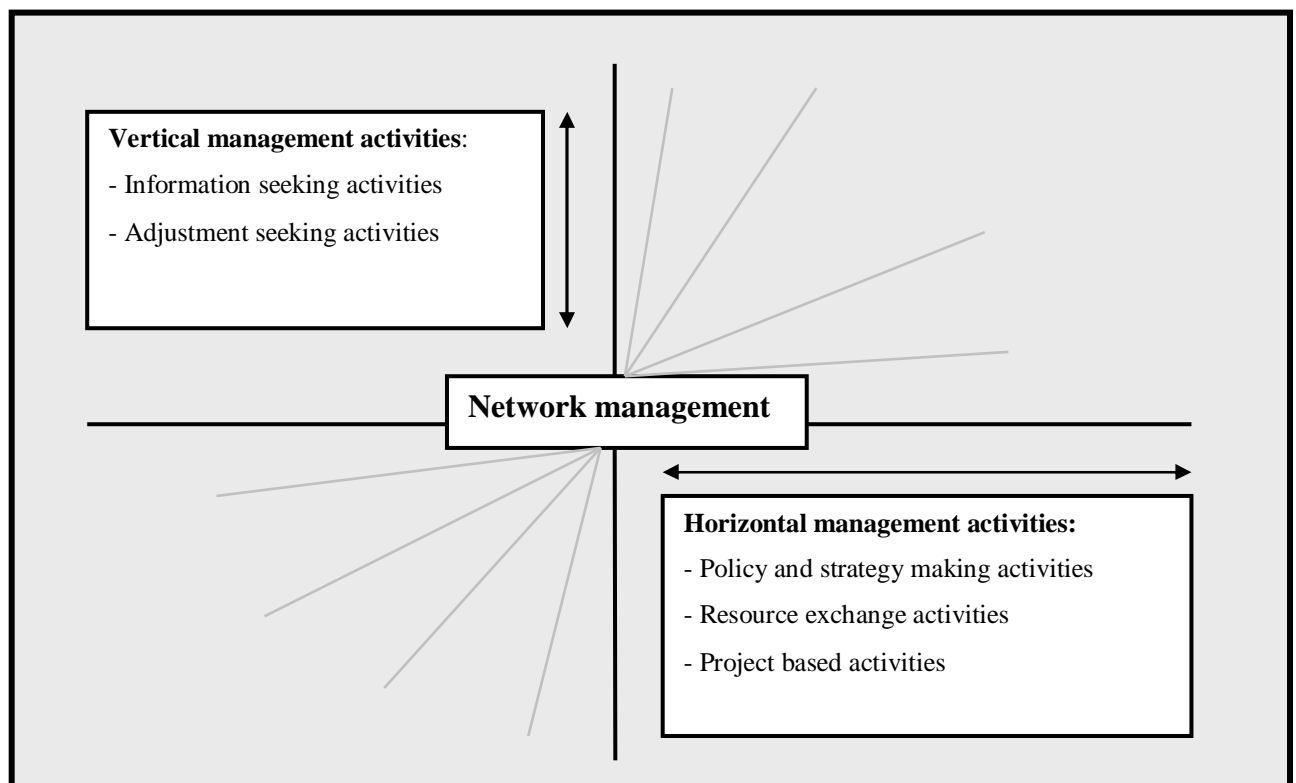


Figure 4. Network management activities (adapted from Agranoff & McGuire 2003)

In this master's thesis, I use Agranoff and McGuire's model as a basis for network management. Figure 4 describes the activities of network manager. According to Agranoff and McGuire (2003) network management consists of horizontal and vertical management activities. Horizontal management activities can mean interaction with for example governments, semi-public actors, private agencies or nongovernmental organizations. Horizontal activities consist of policy and strategy making, resource exchange and project based activities.

Vertical management activities consist of information seeking and adjustment seeking activities. Vertical actors can be for example federal or state government agencies. As the figure is very much simplified, it is impossible to describe all the ties network managers have. The grey lines in the figure describe all the possible ties network managers might have into different actors on vertical and horizontal directions.

3.3 Managing cross-cultural networks

3.3.1 Cross-cultural communication

Effective communication is extremely important in managing cross-cultural organizations. Communication is always tied to a certain context. This means that it can only be understood in the situation where it happened. Cultural diversity often causes problems in communication. Especially when some of the members are using a foreign language the risk for misinterpretation grows. Misinterpretation easily creates mistrust between the organization members which often results in lack of efficiency and conflicts inside the organization. (Adler 1986, 106–108.)

Communication can be divided into verbal and non-verbal communication. In cross-cultural communication there is always a risk of misunderstanding that may be caused by several reasons. Many times words and gestures might carry different meanings in different cultures which might create a barrier in communication. Other verbal skills that might affect the verbal cross-cultural communication are vocabulary, grammar and enunciation. When talking about language skills it is necessary to separate language fluency and cultural fluency. Even though a person can grammatically speak perfect language it doesn't mean that he or she can identify cultural variables that influence communicative behaviours. Non-verbal communication includes the tone of voice, eye contact, body language, gesturing, proximity, clothes and emotions. Non-verbal communication is an integral part of communication and it has a big influence on receiving the intended message. There are also big differences in non-verbal communication between different cultures. (Mor Barak 2005, 174–181; Harris & Moran & Moran 2011, 42–46.)

In cross-cultural communication, both the sender and the receiver of the intended message play an active role in the communication process. The challenges of cross-cultural communication are based on the cultural differences between different people. When people have less common

information and meanings the interaction gets more difficult. Besides language skills, people from different cultures might also have differences in communication styles. Different cultures can be divided into high-context and low-context communication styles. High-context communication includes typically implicit meanings and contextual clues. On the contrary, in low-context communication expressions are explicit and the intended message is expressed accurately by words. Scandinavian cultures are traditionally categorised as low-context cultures. Communication can be categorised also to direct and indirect communication. Direct communication has a lot of similarities with low-context cultures. In fact, direct and low-context communication is often connected to individualist cultures. On the contrary, high-context and indirect communication styles can be connected to collective cultures. Linear communication style is typically connected to direct communication. In linear communication, the message is intended to the receiver logical and factual manner so that the discussion directly leads to the desired outcome. On the contrary, circular communication style uses stories, metaphors, and analogies, and gives the listener a possibility to read between the lines. (Thomas 2008, 121–124; Harris & Moran & Moran 2011, 48–52; Fisher-Yoshida & Geller 2009, 71–78.)

There are also significant differences between cultures in using praise and silence in the communication. In high-context cultures silence is often used as a method of controlling the communication process. However, people from low-context cultures can interpret the silent moments as lack of professionalism. On the contrary, low-context cultures can be misunderstood to be rude. There are also differences between cultures in taking turns in conversation and interrupting conversation. In some cultures interrupting is interpreted as an insult while in other cultures in a normal way of taking turn in conversation. Praise is also often used differently in different cultures. Low-context cultures typically use praise more with people who are close to them, while high-context cultures praise strangers. Besides basic language skills, also different forms of spoken language influence the cross-cultural communication. Slang, jargon, euphemism, idioms and proverbs are examples of spoken language that carry strong cultural meanings. Therefore, they can create potential communication barriers between people from different cultures. (Thomas 2008, 124–128; Peterson 2004, 156–158.)

Non-verbal communication includes tone of voice, proxemics, body position, gestures, facial expressions and eye contact. According to some researchers, even 70% of communication

between people from the same culture relies in non-verbal communication. In cross-cultural communication, people might rely even more in non-verbal signals. Many times non-verbal communication can help people from different cultures to interact when the common language skills are inadequate. On the contrary, many non-verbal signs carry very different meanings in different cultures which might cause serious misunderstandings in cross-cultural communication. Proxemics is one good example of cultural differences. When in Northern Europe people prefer a wide personal space and conversational distance, in Southern Europe people need much smaller space around them. From an Italian point of view Finnish conversational distance may seem cold and rude, while for Finnish people the Italian proxemics feels distressing. Sometimes the non-verbal and verbal messages received might be contradictory, which can affect the entire communication process. In this light, non-verbal communication bears great risks, even though it can be at the same time very useful. (Thomas 2008, 136; French 2007, 92–94; Harris & Moran & Moran 2011, 58–61, Peterson 2004, 155–157.)

In cross-cultural communication, the level of language accommodation reflects highly to the success of the communication process. Language accommodation includes adjusting of one's verbal and non-verbal expressions to the expressions of the other person. Language and stylistic accommodation can help people from different cultures to feel more comfortable in the communication situation. However, the accommodation usually favours the languages and cultures that have higher status. Therefore the language most often accommodated to is English. (Thomas 2008, 128–130.)

Use of technical appliances, such as telephones, email and social media, makes international networking possible. Without them, effective cross-national communication would be nearly impossible. However, use of appliances might make cross-cultural communication even more demanding. When communicating through a telephone or a computer it is not possible to interpret the non-verbal communication of the other person. When there are problems concerning language, the absence of non-verbal communication complicates communication matters even more. Single words might have different meanings in different cultures which might confuse the other person. There are also differences in ways of using technical appliances in different cultures. In some cultures, for example email is the most common way of communicating whereas in other cultures people prefer face-to-face interaction or telephone instead. There are

also differences in ways of using technical appliances. In some cultures it is polite to answer emails immediately. If you don't answer soon enough, your behaviour might be understood to be rude. The use of social media for work related interaction is also something that must be agreed on. In some organizations, it is recommended to use social media while in others not. (Lientz & Rea 2003, 156–158; Peterson 2004, 153–154.)

3.3.2 Cross-cultural management

Like all scientific leadership theories also cultural diversity theories are aiming at classifying different tasks or qualities of cross-cultural leaders. To be able to examine diversity management in CYB-context it is useful to discuss the earlier research on this area. According to Thomas (2008) cross-cultural management can be divided into three main areas that are decision-making, negotiating and leadership.

The classical process of decision making by Herbert Simon consists of different phases that are defining of problem, identifying of decision criteria, weighing the criteria, generating alternatives, evaluating the alternatives and selecting the best solution. The most important element in the decision making process is rationality. In optimal situation, the decision maker possesses all the relevant information before taking the decision. Complete rationality, however, can never be achieved and cultural diversity, on its part, constrains rationality even more. This is why the rational decision-making process is very hard to apply in cross-cultural organizations. (Thomas 2008, 93–94.)

Harris, Moran and Moran (2011) have classified the organizational and individual competencies needed in diversity management. The competencies are designed in order for the individuals and the organizations to learn how to cope with cultural diversity in every day work life. The first key *organizational competencies* are being culturally sensitive to each employee's motivational dynamics and to each organization's unique administrative systems. Considering cultural diversity is the first step towards managing diversity! On the organizational level it is manager's task to create mechanism for the employees to identify cultural diversity and cope with it. Examples of activities of this kind are providing technical support, cross-cultural training, and network support. It is also important to create environments for learning and communicating inside the organization and between organizations. The management system should also be

flexible enough so that it's possible to identify diversity-based conflicts as early as possible. (Harris & Moran & Moran 2011, 164–167.)

The key *individual competencies* are based on learning about other cultures, national systems and customs, different organizations and groups, and group dynamics. The information about different people and cultures help to understand cultural diversity. It is also important to learn how to cope with unfamiliar and remarkably different people. Differences might feel scary but cultural diversity should always be seen as a possibility for learning. Diversity can create difficulties but they should only be considered as a possibility to something new and innovative. (Harris & Moran & Moran 2011, 170–173) Also French (2007) emphasizes that being culturally sensitive and promoting cultural awareness are the most important ways of coping with cultural diversity. (French 2007, 149–150.)

Holden (2002) has divided the tasks of a cross-cultural manager into tasks as a communicator and a global knowledge worker. He emphasizes the meaning of communication in cross-cultural organizations. However, he doesn't handle communication as interpersonal behaviour but as networking activity which aims at knowledge and experience transfer. As *communicator* the most important tasks of a cross-cultural manager are to share knowledge, communicate experience, and stimulate group learning. It is important that the manager can express himself or herself in these situations also in second language. As *global knowledge worker* the most important tasks of a cross-cultural manager are transferring knowledge, experience, and values, promoting collaborative learning, networking, and creation of a collaborative atmosphere. (Holden 2002, 297–302.)

Negotiating is an important part of any management activity. According to Thomas (2008) the negotiation process is affected by at least three factors: factors associated with the behaviour of people involved in the process, factors associated with the negotiation process, and factors associated with the negotiation situation. The affects of cultural diversity are most often connected with the behaviour of people on the negotiation process. (Thomas 2008, 137–139) In international cooperation, the negotiation process differs from one culture to another. The differences in negotiation styles can be based on language, cultural conditioning, approaches to problem solving and building trust. Individuals from different cultures might emphasize different

phases or arguments in the negotiation process. This is why the counterparts of the negotiation process might also have different impression on how the decision was made. Various background distractions, “cross-cultural noise”, can also hinder the negotiation process. (Harris & Moran & Moran 2011, 75–56.)

Motivating is an important part of management in any kind of organization. Motivating is a crucially important management tool in regard to employee commitment and the efficiency of work. The traditional theories of motivating (see f. ex. Maslow 1970) concern with motivating as a universal phenomenon which can be applied to any organization regardless of its context. The problem of these theories is that they don't recognise the needs of culturally diverse organizations. The other problem concerning most of the motivation theories is that they are made in the Western developed countries and, therefore can't be generalized to apply universally. However, it has been stated by many researchers that attitudes and values affect on the ways of motivation. As attitudes and values are significant parts of cultures it can be stated that cultural diversity has affects on ways of motivating. (French 2007, 123–138.)

Cross-cultural intelligence is one of the most important qualities of cross-cultural managers. However, just like many other scientific concepts, also the concept of cultural intelligence has been used inconsistently. Peterson (2004) presents a following definition:

“Cultural intelligence is the ability to engage in a set of behaviours that uses skills (language or interpersonal skills) and qualities (tolerance for ambiguity, flexibility) that are tuned appropriately to the culture-based values and attitudes of the people with whom one interacts.” (Peterson 2004, 89)

Peterson divides cross-cultural intelligence into four categories which are linguistic, spatial, intrapersonal (emotional) and interpersonal intelligence. Linguistic intelligence isn't necessarily possible to measure by language skills. The important thing is to understand and to be understood in a conversation. Linguistic intelligence also includes considering the partner's native language for example by learning how to greet and thank in the partner's language. Spatial intelligence includes parts of non-verbal communication such as use of space, body or voice. Even though spatial intelligence might seem unimportant in regard to management

activities it should not be forgotten. Insulting one's culture related spatial behaviours might have serious consequences in cooperation. (Peterson 2004, 90–92.)

Being culturally intelligent requires ability to observe one's own culture. Everybody has a unique cultural background. To be able to be culturally sensitive to other cultures one must be aware of one's own cultural backgrounds and cultural style. Intrapersonal intelligence represents this part of cultural intelligence. According to Peterson, interpersonal intelligence is the most important factor of cultural intelligence. Interpersonal intelligence is something that is beyond verbal communication. It includes abilities to read people's desires and motives even when they are not spoken aloud. To be able to possess intercultural intelligence, one must first familiarize with one's own cultural style. This is how intrapersonal and interpersonal intelligences are dependent on each other. (Peterson 2004, 92–95.)

Inkson and Thomas (2009) have another way of defining cultural intelligence. According to them, cultural intelligence consists of knowledge, mindfulness and skill. Knowledge refers to the knowledge of one's own and other's cultures, habits, languages and histories. Comprehensive knowledge of different cultures helps to cope with people with different cultural and national backgrounds. Mindfulness means ability to read, understand, and interpret other people's behaviour and actions in cross-cultural context. Mindfulness helps to understand why people behave the way they do. Skill refers to the skill to adapt one's behaviour in regard to different cultural context. One must be able to read the current situation and to behave differently in different contexts. (Inkson & Thomas 2009, 21–23.)

Also Fischer-Yoshida and Geller (2009) point out the importance of self-awareness in the context of cross-cultural management. According to them, "leadership is about you in the context of others". The starting point of successful cross-cultural management is awareness of one's own social identity. On that base it is possible to understand other's life context, choices, personality attributes, and behaviour. Due to this understanding it is possible to successfully manage cross-cultural organizations. (Fischer-Yoshida & Geller 2009, 23–37.)

3.3.3 Cross-cultural network management

Cross-cultural network management is in no sense an easy task. Both cultural diversity and network form of organizing place their own challenges on management. Communication is one of the most important processes in any organization. Regardless of the structure of the organization or the nature of the work, communication must work in order for the organization to succeed. As discussed earlier in the text, cross-cultural communication doesn't happen without difficulty. When working in a foreign language there is always a chance for misunderstanding. Also gestures, expressions and proximity might have different meanings in different cultures. This is why people might offend each other's cultures without noticing, and these situations might turn into a conflict. In addition to this, also network form of organizing challenges communication in cross-cultural networks. In network organizations there are always formal and informal channels of communication. Many times when the leadership in the network is shared, the means and channels for communicating in networks are unofficial. This is why the communication can be random and inefficient.

Gahmberg & Routamaa (1999) have studied the effects of national cultures on cross-cultural cooperation and cross-cultural teamwork. They have based their definition of national cultures on Hofstede's and Trompenaar's research. According to them, the four main themes in cross-cultural cooperation are relationships, communication, power and experiencing uncertainty. Relationships and experiencing uncertainty are somehow connected to all the other aspects. Relationships and communication have a clear and obvious connection. Better relationships result in better and more frequent communication and better communication results in better relationships. Communication also affects the aspect of experiencing uncertainty. Uncertainty is often caused by lack of information and by communication information can be spread through the organization. However, experiencing uncertainty doesn't affect communication. The aspect of power is connected with experiencing uncertainty and relationships. Good relationships affect positively the group members' way of reacting to authority and ways of coping with uncertain situations. Power-issues are also connected with experiencing uncertainty through processes of decision making, need for guidance, and coordination. (Gahmberg & Routamaa 1999, 76–78; Gahmberg & Alapiha 2002, 82.)

Also network form as a form of organizing challenges communication. As presented earlier in the text adapting Granovetter (1973) and Grapher (1993) the relation between weak and strong ties in a network affects communication. Weak ties have a significant meaning when it comes to sharing new information. This idea is based on the fact that individuals usually have strong ties to individuals who are similar to themselves. When differences promote innovation the possibility for innovative ideas is greater through weak than strong ties. However, when it comes to diversity, the individuals with weak ties are with bigger likelihood different in many respects. This is what might cause problems in regard to innovation through weak ties.

Also Mainela (2002) have studied the significance of strong and week ties, and embeddedness to international network management. It seems that relationships and communications have a crucial role on international and cross-cultural network management. From the perspective of development and success of cooperation, creating interpersonal relationships and mutual trust promotes network management. (Mainela 2002, 164–166.)

According to Harris, Moran and Moran (2011) and French (2007) the single most important competence of cross-cultural manager is comprehensive understanding of cultural differences and cultural diversity. Cross-cultural manager has an important role as a communicator and global knowledge worker. As demonstrated earlier Agranoff & McGuire (2003) divides networks management into vertical and horizontal management activities. Vertical network actors can represent for example federal or state government agencies, and horizontal actors can represent governments, semi-public actors, private agencies or nongovernmental organizations. According to Kickert, Klijn and Koppenjan (1997) the purpose of network management is to coordinate strategies of actors with different goals with regard to a certain problem or policy measure within an existing framework of inter-organizational relations.

Adapting the researchers above, cross-cultural network manager has to be able to work with different tasks and different partners simultaneously. He has to also have good negotiation and language skills. One of the most important competencies of a cross-cultural network manager is comprehensive understanding about cultural diversity and its different dimension. Because cultural diversity can create conflicts it is also important that the manager has ability and strength to address conflicts.

As discussed already earlier, one of the main questions in regard to network management is where the power and authority in the network is. As this question isn't a simple one to answer also the questions of management responsibilities are hard to define. According to Marsden (1983) the individuals with access to most communication channels in the network possess the most power and control inside the network. This is why the question of communication is of essential importance in cross-cultural network management. At the same time, power can be earned through experience and expertise which complicates matters even more.

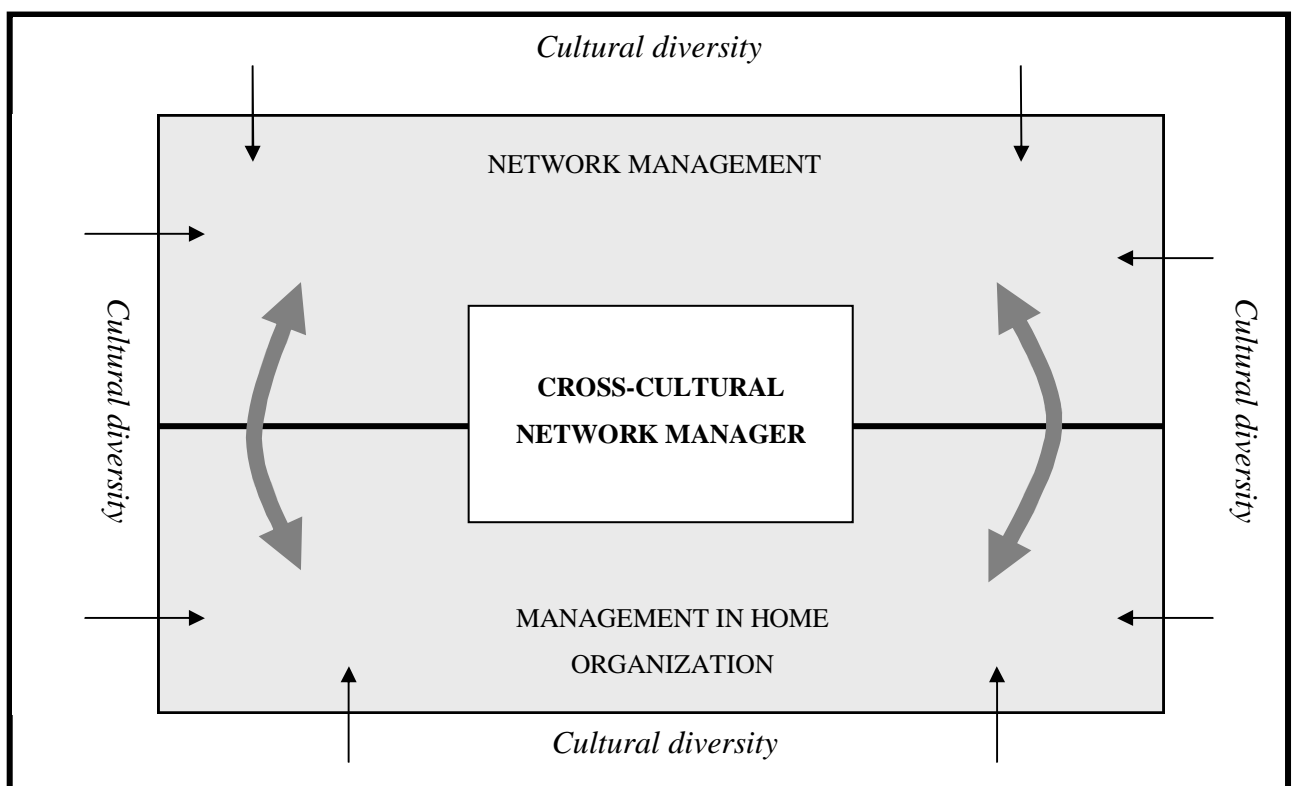


Figure 5. Position of cross-cultural network manager

Figure 5 describes in how complex environment managers of cross-cultural networks operate. Management tasks related to the network and to the home organization get mixed in the everyday work of the manager. This means that these two dimensions of management work happen simultaneously not apart from each other. Furthermore, cultural diversity affects the manager on every level of the management work. Manager of a cross-cultural network must be competent to understand cultural diversity and network dynamics, and to work in two organizations simultaneously.

As a total summary of the research on cross-cultural and network management it can be stated that the importance of relationships and communication is crucial in all management activities. Through communication the manager of a cross-cultural network can affect most of the issues that rise from network form of organizing and cross-cultural environment. In cross-cultural network context, also trust is an important factor. Good relationships and working communication promote trust which helps in solving the potential problems when they appear.

4. RESEARCH PROCESS AND METHODS

4.1 Qualitative case study

This piece of research is a qualitative abductive case study. Qualitative and quantitative methods are often seen as opposite approaches to scientific research. As quantitative research is typically connected with numbers, qualitative research is associated with meanings and understanding. Quantitative research tries to explain when qualitative research seeks for understanding. In reality, however, it is not needed to separate these two research traditions. Furthermore, this set-up easily leads to the false assumption about qualitative research as a solid scientific method. In reality, qualitative methods consist of various different and relatively independent research traditions. I chose to do qualitative research because my aim is to produce information and understanding that is hard to produce with quantitative methods. (Metsämuuronen 2002, 176–178)

Qualitative methods have traditionally been divided into two different forms of research: inductive and deductive research. The aim of inductive research is to form a theory on the basis of the empirical research material. The analysing units are chosen according to the aim of the study and they are not necessarily set beforehand. The idea of inductive research is that the previous research and theories should not affect the research process. Deductive analysis, on the other hand, is based on an existing theory. The research subject is examined through a theory which determines the research questions and aims. The old theory is tested with the new material. Abductive analysis is a mixture of inductive and deductive methods. In abductive analysis there is a theory which guides the research but the role of previous theories and information is different than in deductive analysis. The aim of the research is not to test the old theories but to create new discussion and new ways of thinking. (Tuomi & Sarajärvi 2009, 95–99.)

According to Alasuutari (2007) qualitative research analysis consists of two phases: simplifying observations and solving riddles. It is important that simplifying observations is done from a chosen methodological and theoretical perspective. The chosen approach helps the researcher in finding the relevant observations from the empirical material. This is how, choosing the approach helps also in noticing which information is irrelevant to the research. After simplifying

the similar observations need to be joined together. Alasuutari calls the analysis of qualitative empirical materials solving riddles. Qualitative research produces hints and clues, and the researcher has to form the conclusions on the basis of these clues. (Alasuutari 2007, 38–48.)

Qualitative research is often blamed for not being scientific in the same way as quantitative research. The idea of quantitative research is that on the basis of a research material, any researcher should be able to make the same conclusion. In qualitative research tradition, however, the influence of the researcher is usually bigger. The analysis of qualitative materials includes always subjective thinking, and that is why the importance of the researcher is also bigger. (Tuomi & Sarajärvi 2009, 28–31.) In this study, I tried to analyse the empirical material as objectively as possible. To make this possible, I used the existing theories as a frame for this study.

Many qualitative studies are based on case study method. The case can be anything from an individual person to organization or network of organizations. Typically, the idea of a case study is to examine a unique case, but on the other hand the case can also represent an average example of the research subject. The basic question when choosing the case is to ask: *what can we learn about this particular case?* (Metsämuuronen 2006, 90-92.) According to Syrjälä (1994) the case is typically somehow distinguishable but it can also be a normal every-day episode or person (Syrjälä 1994, 10). I chose to use case study method because it is a suitable method for solving my research problem. My aim is to reach an understanding on what kind of implications cultural diversity can have on network management. For seeking this understanding it is appropriate to use case study method.

It is easy to discover the special features of case study by comparing it with traditional statistical study tradition. In case study, it is typical that the sample of the research is often small, even one case can form a scientifically relevant research material. On the contrary, in statistical research tradition the adequate size of the sample is important and thus the materials consist of various cases. The aim of case study is to understand the research subject, while the aim of statistical research is to create an empirical generalization. The history of case study dates back to the end of 18th and the beginning of the 19th century. (Laine, Bamberg & Jokinen 2008, 12.)

The types of case study can be divided into seven different categories. The categories are critical, extreme, unique, typical, revealing, and future orientated cases. A critical case represents the most likely or the most unlikely case from the standpoint of the research subject. The critical case is a suitable approach when a researcher wants to strengthen, question or broaden an existing theory. Extreme cases are used when the research subject is dramatic and beyond normal individual experience. Unique cases are relevant when the research subject is so new that it is impossible to examine it through the old existing theories. A typical case is a case that can be estimated to be an average example of the phenomena in question. On the contrary, a revealing case is an example of a subject that hasn't been studied before but that is visible in some way. Future orientated cases are examples that can give valuable information about the future. (Laine, Bamberg & Jokinen 2008, 31–34.)

Themed interview is a suitable data collection method when the research subject is emotionally or otherwise sensitive, when the research subject is abstract and hard to explain, or when the researcher wants to give the interviewees freedom to express themselves freely. Interview methods can be divided into three categories that are structured interviews (surveys), semi-structured (themed) interviews and non-structured (open) interviews. Structured interviews are usually carried out through a survey. The interview questions are precisely defined and the interview is lead by the interviewer. The planning of the questions is of crucial importance before implementing a structured interview. On the other hand, even though the preparing of a survey interview is demanding the analysing process is relatively fast. The amount of interviewees is typically relatively big on structured interviews. (Hirsjärvi & Hurme 1982, 28–30.)

Non-structured interviews resemble often a free conversation. Non-structured interview is a suitable data collection method when the research subject is very sensitive and it concerns describing feelings, changes and occasions from the past. The aim of a non-structured interview is to obtain profound information and deeper meanings on the research subject. The amount of interviewees is often small but the amount of data is, however, relatively big. This is why the empirical materials obtained by non-structured interviews are often big and the analysing process takes more time than in survey studies. (Hirsjärvi & Hurme, 30–35.)

Themed interview is situated somewhere in between structured and non-structured interviews. Themed interview isn't as free as non-structured interview but the questions asked by the interviewer aren't as precise as in structured interview. There is usually also much less questions and the questions are larger and more comprehensive than in structured interviews. The interview themes are chosen according to the research question and aim of the study, and on the basis of the previous scientific discussion on the subject. The idea of the themes is to lead the interviewees and also to bring back old memories. (Hirsjärvi & Hurme, 39–42.)

I collected my research material using half-structured themed interview method. I interviewed six people from the steering group of the CYB-network. I chose the interviewees so that I interviewed two persons from each country. Gender and educational or professional backgrounds were not taken into consideration. Even though the interviewed persons have very different backgrounds they all work on administrative tasks in the network and in their native organizations. I chose to use themed interview because it gives the interviewees the possibility to reflect their own perceptions without too much interference from the interviewer. I also considered the subject of the research, cultural diversity, to be relatively sensitive. Because I am searching for new information about cultural diversity in a new context of network management themed interview is a suitable method.

I chose to interview the interviewees individually rather than in one group or smaller groups. This way the interviewees could speak more freely without having to think about the other network member's feelings or thoughts. As I made this choice I also understood that even group interview would have had some positive benefits to the interview. However, in final consideration, individual interviews proved to have greater advantages.

To the interview, I chose four themes on the basis of my research question and scientific discussion around it. According to these themes, I built four questions which I wrote down to the interview frame. I interviewed the chosen persons one by one and each interview took approximately 45-60 minutes. I tried to keep my role as interviewer as small as possible so that the interviewees could freely recollect their experiences. The terms and vocabulary in English caused some problems and on these occasions I helped by defining the terms.

Qualitative content analysis is a basic analysis method which can be used for all qualitative materials. Qualitative materials can be for example books, articles, letters, interviews, speeches, discussions or reports. The material needs to be in literal form so interviews, speeches and discussions need to be transcribed before they can be analysed. Content analysis is a wide resource method and this is why it is also applied in many other qualitative methods. The aim of content analysis is to summarize and organize the material ready for conclusions. (Tuomi & Sarajärvi 2009, 103–104.)

Inductive content analysis consists of three phases that are reducing and clustering of material and creating theoretical concepts. The reducing of material means that the researcher reads the material through and searches for observations that answer to research questions of the study. On the basis of these observations, the researcher forms lower categories by combining observations. On the basis of these categories, the researcher forms main categories by clustering the lower categories which are connected to each other. On the basis of these categories, it is possible to create new theoretical concepts. (Tuomi & Sarajärvi 2009, 108–113.)

Deductive content analysis is based on an existing theory or scientific information. The analysing process starts with building an analysing frame on the basis of the chosen theory. The frame determines which information in the material is relevant in regard to the research question. It is also possible to analyse the remaining material by using inductive content analysis. After building the research frame, the researcher reads the material and searches for observations that fit to the analysing frame. The remaining information is irrelevant to the research. After reading the material, the researcher connects the observations to lower categories and further on to the main categories. The material determines the final amount of the lower and the main categories. After the categorization of the material, it is possible to make the final conclusions and answer to the research question. (Tuomi & Sarajärvi 2009, 113–117.)

After the interviews, I transcribed the interviews and started the analysing process. As analysing method, I used qualitative abductive content analysis. Content analysis is a suitable analysing method when the researcher wants to bring up similarities and differences or main themes amongst the research material or summarize and categorize the material. Content analysis is one of the most common analysing methods in qualitative research and many other qualitative

methods are based on it. My aim in the analysing process is to find out meanings rather than accurate measurable facts. This is why I chose to use qualitative content analysis. I chose to use abductive argumentation because I wanted to tie this study to the previous scientific discussion but not too strictly. Abductive analysis enables the researcher to really follow one's own empirical material.

I formed the analysing frame on the basis of Agranoff's and McGuire's collaborative management activities classification. (Agranoff & McGuire 2003) I chose this model because it takes comprehensively into account both vertical and horizontal management activities. Furthermore, it can be applied to public, private and third sector organizations. Agranoff and McGuire's model of collaborative management activities is studied in detail in the chapter 4.2. The analysing frame consists of five categories: information seeking, adjustment seeking, policy and strategy making, resource seeking and project based activities. After planning the analysing frame, I read through the empirical material and searched for observations fitting the frame. On the basis of the frame, I simplified my observations into twelve lower categories and further on into three main categories. The main categories are society based, organization based and social interaction based implications.

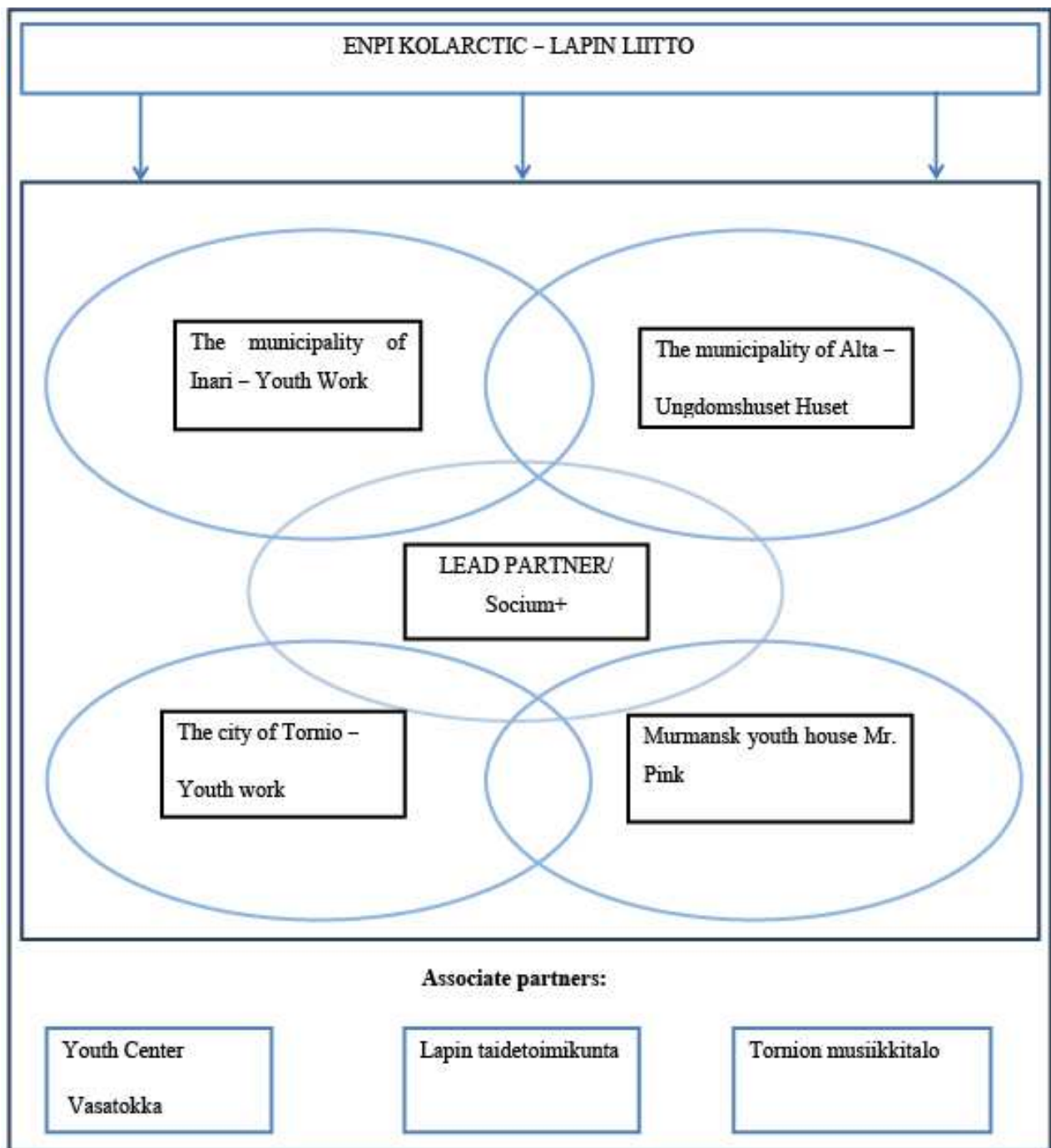
4.2 Connecting Young Barents -network

Connecting Young Barents –project is a network project which was started in the summer 2012 as cooperation between participants from Finland, Norway and Russia. The official partners of the project are the municipality of Inari and the city of Tornio from Finland, the municipality of Alta from Norway and non-governmental education, innovation and scientific research union “Socium+” and Murmansk regional youth fund “Mr. Pink” from Russia. The main purpose and incentive to this project is to prevent the youth outflow from the northern areas in target countries. The target group of the project is 15–30 -year-old youngsters. The steering group of this project consists of professional youth workers who have different educational, organizational and professional backgrounds.

The approach of the project to preventing the youth outflow is maybe not the most usual one. The solution to the problem is to make the area seem more attractive to the youngsters. CYB tries to reinforce the cultural identity amongst the youngsters and that way give them good

memories from the Barents region and to create a social network between the youngsters. Finally, the goal is to bring the youth back to the Barents region after they have studied. In practise the project organizes various rock concerts per year all around the Barents region. The youngsters not only visit the concerts, but they form bands, rehearse playing in groups and finally perform in the concerts.

The other aim of the project is to create a solid network between the youngsters and youth workers around the Barents region. Through this network, the participants can learn from each other, create better practices and build together a more attractive North. At the same time, the youngsters can create a better self-image and identity through the good experiences they get. What is more, in the project plan it is also mentioned that the industrial structure of the Barents area has changed. Because of that the old industries of Kola and Finnmark area don't seem very attractive to the youngsters anymore and they need other kinds of reasons to stay in the area. One of the most important points of the project is the North seen as one big area. The distances between the participants are relatively in comparison with the distances to the southern capitals of the countries. The slogan of the project has been from the start: *The North will rise again.*



Picture 1: The organization chart of Connecting Young Barents –network

Figure 6. The organization chart of Connecting Young Barents –network

The main funder of the project is cross-border co-operation organization Enpi Kolarctic CBC. Also the regional Council of Lapland has a part as a funder, mainly from the part of Russia and Finland. The lead partner of the network is a non-governmental organization Socium + from Murmansk. The lead partner's task in the network is organizing and coordinating the co-

operation, leading the steering group work and reporting. The lead partner is also responsible for sharing the common funding to the associate partners who organize the actual events. The main partners of the CYB-network are the municipality of Inari, the municipality of Alta, the city of Tornio and Murmansk youth house Mr. Pink. Each of the associate partners and the lead partner has a member in the steering group which is responsible for the monitoring of the project. The steering group is at the core of the network and that is why the interviewees of this study are the members of the steering group

The imbricate ovals in the graph represent the youngsters participating in the project. The ovals are imbricate because the youngsters have their own social networks inside and outside the CYB-network. The target group of the project is the youngsters on the areas of Murmansk, Inari, Alta and Tornio. As the youngsters are the target group, they are also members of the CYB-network. The youngsters can form their own networks outside the CYB-network that can be loosely connected to the CYB-network. The associate partners are important partners of the network. Their purpose is to aid the practical work of the project by gathering the bands and organizing the events. The associate partners are cooperating within the network during the events but they don't participate in the administration and decision making inside the network.

4.3 Research ethics and reliability

Research ethics is present in all qualitative research processes in many different stages. The different ethical perspectives follow the researcher along the research process all the way from the planning of the process, to data collection, transcribing, analysis and reporting. The first ethical consideration concerns the choosing of research subject and placing of research questions. The researcher must consider what kind of consequences his or her research project might have to different interest groups. In case of interviewing research the most important ethical task is to take care of the confidentiality of the interviews and the privacy of the interviewees. It is also researcher's responsibility to consider the consequences of the research project in general and from the interviewees' and research object's perspective. (Hirsjärvi & Hurme 2009, 19–20.)

Research ethics and good scientific practice are closely connected terms. Good scientific practice includes the commonly accepted courses of action, data collection and analysis methods, and

reporting instructions. According to the good scientific procedure the researcher must take into consideration all possible interest groups such as other researchers, research object, interviewees and the possible users of the research results. The researcher must also be honest, careful and accurate, and he or she must follow carefully the general scientific guidance. (Tuomi & Sarajärvi 2009, 132–133.)

Validity and reliability are the two terms that are most often used for measuring the reliability or credibility of scientific research. It is, however, debated if these terms are the best or most suitable measures in measuring the reliability of qualitative research. Initially, the terms validity and reliability stem from the quantitative research tradition and many researchers claim that measuring the reliability of qualitative research has different principles. There are also many parallel terms that also measure the reliability of research. (Tuomi & Sarajärvi 2009, 136–137.)

The validity of research requires that the piece of research must examine exactly what it is supposed to examine. This means that the research results must answer the research questions placed, and also the research methods must be suitable for solving the research problem. What is important, the empirical material and research methods must be suitable for solving the research problem and research questions. The researcher must also be able to follow the chosen research method correctly. *The reliability of research*, on the other hand, requires that the research process must be easily repeatable. The argumentation of the results must be visible to the reader so that anyone can understand how the researcher has reached his or her conclusions. In principle reliability means that on the basis of the research material and the research questions placed any researcher should be able to make the same conclusions. These two traditional ways of estimating the reliability of scientific research are criticized for not being suitable measures for estimating qualitative research even though the reliability of research and research ethics are important factors also in qualitative research tradition. (Tuomi & Sarajärvi 2009, 136–137.)

When estimating the reliability of qualitative research it is important that the researcher can impartially argument his or her conclusions and prove his or her independence. This is why the researcher must display his or her obligations concerning the research process and the research subject. The independence of the researcher is particularly important when the researcher is in some way close to the research subject or member of the organization or phenomenon studied.

The researcher must also estimate the credibility of the research material and the information sources. Therefore, it is also important to describe in the research report the material collection, the transcribing and analysing processes so that the reader can follow how the research process has been done. This enables the readers to estimate the reliability of the research results. (Tuomi & Sarajärvi 2009, 140–141.)

In this piece of researched I have given my best effort to follow the good scientific practise and I have also taken into consideration different ethical perspectives. The research subject is very important and there aren't any potential negative consequences concerning the research results. The information this piece of research provides will have only positive reflections on cross-cultural network management. Even though this research subject isn't extremely sensitive I have tried to make it impossible to identify the interviewees. Nevertheless, the interviewees will be able to identify each other because the amount of interviewees is relatively small. However, the nature of the information is positive and thus the possible identification of interviewees isn't harmful.

In this piece of research, the criteria of reliability and validity are fulfilled. The data collection and analysis methods are suitable for solving the research problem. The research results and conclusions answer the research questions placed. As a researcher I have taken care of my independence by following the chosen data collection and research methods accurately. My relation to the research subject is personal but not too close so that it would endanger my independence. The information sources are reliable and they have been chosen suitably according to the research problem.

5. DISCOVERIES FROM THE CYB-NETWORK

5.1 Sources of cultural diversity in CYB-network

According to the interviewees' experiences, some of the biggest sources of diversity in the CYB-network are based on the history and culture of the three nations.

“Norway, Finland and Russia have a common history and it is connected with our behaviour at the moment. In my opinion, the diversity is bigger on some areas and smaller on some areas.” (Interview 1)

The common history and its affect was one thing that came up in many of the interviews. The history of the area is multistage, and wars and border politics have seriously affected the co-operation on the Barents region. National stereotypes derive many times from history even though people might not realise that. The stereotypes affect more when people don't have earlier experiences of multicultural co-operation. Some of the interviewees also noticed that their earlier stereotypes were in many ways far from the reality. The other Finnish interviewee was positively delighted that his stereotype of vodka-drinking Russian people was very far from the reality and the new picture is positive. (Interview 5) In spite of this, almost all of the interviewees mentioned stereotypes as a source of diversity and thought that they have an influence on the cross-cultural co-operation especially at the beginning of the project. However, they highlighted that after getting to know each other the stereotypes don't matter. When you get to know someone you think about him or her as a person not based on his or her nationality. So, the stereotypes lose their meaning after people get to know each other.

“You can't really judge one people or even a group of people because of a stereotype. Even though stereotypes work really well.” (Interview 3)

Besides the history, one of the participants brought up also the geographical and population related aspects to diversity. Even though the distances between the participating organizations are relatively small the differences in population are enormous. When in Inari there are 6 700 inhabitants in the entire municipality, in Murmansk there are more than 300 000 inhabitants in the city alone which is more than twice the population of the entire Lapland. But in reality the

numbers are lying, because in proportion to national situation Murmansk is as much on the periphery in Russia as Inari is in Finland. So, at the same time the population is a source of diversity, but somehow it also connects the areas together. (Interview 6)

Language was one thing all of the interviewees named as a source of diversity. The working language of the project is English. Besides English the members of the network don't have other common languages and English is not native language for any of them. Even though all the members of the steering group speak relatively good English, it was seen as a source of diversity and a potential source of conflict. Especially at the beginning of the project the risk of misunderstanding has been big. According to the Russian interviewee:

“So you have to check all the time: Is this clear, did I put it right?”(Interview 3)

Also the other interviewees saw the risk that even though all the managers speak good English they might mean different things with same words.

“We don't have enough words and common meanings to describe feelings, for instance. When I try to say something, it might not come out the way my intention was.” (Interview 1)

But at the same time that language was seen as a potential source of diversity, it was seen as a quite minor risk. The Finnish interviewee emphasized that the situation of the language skills has improved a lot and nowadays it is not necessary to use an interpreter anymore. Ten years ago direct communication between Russian and Finnish people would have been almost impossible. So, compared with that situation the risk of misunderstanding is considerably smaller. In his opinion it was also a positive factor that since English is not native language for any of the participants; it brings a certain balance to the co-operation. (Interview 6)

Many of the interviewees saw customs or habits as a source of diversity in the CYB-network. The Norwegian partners had noticed that there is a big difference in behaviour between Norwegian and Russian youngsters.

“The Russian youngsters had a habit that made our youngsters react. They appeared aggressive. I don’t think that they are aggressive though.”(Interview 1)

Even the Russian partner had realised this kind of difference in behaviour, but she didn’t think it as aggressiveness. Both Russian and Norwegian partners considered Finnish people to be very polite and easy partners.

When discussing about religion the interviewees’ opinions varied. According to Russians and Norwegians, religion didn’t play any role inside the network. They emphasized that in the context of CYB-network religion is a minor factor. Nevertheless the Finnish interviewees had realised that even though religious matters aren’t at the core of the activities, they have a role. According to the Finnish interviewees, in Finland the general attitude towards religion is more open and allowing than in Norway and especially in Russia. It is allowed to talk about religion even in a critical tone.

“In Russia the church is still an important institution and it’s forbidden to offend it. In Norway the Christianity is still really strong, and it affects the society more than here in Finland.”(Interview 5)

According to the Finnish participants, religion is definitely a source of diversity and a factor you need to be careful with. Religion carries always a lot of tensions that can cause trouble if the core values of different religions get assaulted.

“It is definitely something you need to be aware of when you work with these people.”(Interview 5 and 6)

Most of the interviewees saw differences in culture and social backgrounds between Norway, Finland and Russia. The Norwegian participants thought of themselves as being “in the front of an arrow of social development”. The Finnish participants had also noticed this attitude but they didn’t agree with it. The Norwegian interviewee explained the situation like this:

“The differences in societies are quite big and that mirrors to how we act. The big social change that we had in Norway in the 60’s, you had in Finland maybe in the 70’s or 80’s. And in Russia they are having it at the moment. Finland and Russia are far behind us, and that is a huge source of diversity.”(Interview 1)

This idea was maybe one thing that caused tension between the Norwegian and Finnish parties. The Russian interviewees on the other hand didn’t mention this kind of dilemma at all.

One cultural difference that all of the interviewees mentioned is the age of the youngsters participating in the project. “I knew already in the beginning that we are not going to get what we order from Russia. The youngsters in the target group are aged 14-19. And they are somehow missing from Russia. And I don’t really understand why.”(Interview 6) The interviewees explained that this phenomenon has something to do with differences in cultures and also possibilities for recreational activities. In Russia, the youngsters can’t start rehearsing playing music as early as in Finland and Norway and when they get to the same level of playing they are already much older.

The interviewees experienced different administrative cultures also as a source of diversity. It also shows that there is a certain unbalance in the administrative backgrounds of the participants. From Finland and Norway the participating organizations are municipalities, as in Russia it is a non-governmental organization. Because of this, the Russian partner feels that they have more freedom in decision making in comparison with the other members.

“It takes time taking decisions in Norway and Finland because they are not allowed to make big decisions alone.”(Interview 4)

The Norwegian partner on the other hand thought that in decision making economical situation matters a lot.

“I think one big issue we haven’t got conformed yet but we feel, is the Norwegian oil money. Compared with Finnish and Russian partners we have so much more money.”(Interview 1)

The question of money is one thing that even the Finnish interviewees had noticed as a factor that brings unbalance to the network. Finnish partners considered the question of money to be somehow also connected with general attitude towards life.

“Norwegians are proud; they can’t fit their egos in the same car with us.”(Interviews 5 and 6)

Despite these differences in administrative cultures and decision making, all of the participants thought that the decision making process works well when all of the parties are devoted to the project and reaching for the common goal.

The status and principles of youth work were seen as a source of diversity which derives from the different administrative cultures. The Norwegian way of organizing youth work has been closely attached to entrepreneurial and industrial development of the area.

“Norwegians are more like individualists in regard to youth work. They have integrated the youth work to education and industrial development.”(Interview 5)

At the same time, the youth house Mr. Pink in Murmansk was seen as a very special example of the power of youth participation.

“The Russians in the project represent the new generation of highly educated young people with good language skills. They are questioning the old way of doing things and they have fresh ideas.”(Interviews 5 and 6)

The Finnish way of organizing youth work was placed somewhere in between the Norwegian and Russian ways.

5.2 Perceptions of cultural diversity in CYB-network

Most of all cultural diversity was seen as a positive thing in the CYB-network. The most frequently mentioned advantage was possibility of mutual learning.

“When you work with foreign people you can see things from a different angle and you can put things in a totally new perspective. It’s a huge source of inspiration!”(Interview 3)

Many of the interviewees mentioned that the differences in managing and organizing youth work helps in improving their own operations. However, at the same time all of the participants had realised that moving working practices to a totally different context won’t improve anything.

“But you can’t just take it and move back home because it’s never going to work that way.”(Interview 3) *“We can try to take something interesting from both cultures and build something new. But they have to be applied to the Finnish system.”*(Interview 5)

The Finnish interviewees saw also that they could learn new attitudes from both of their partners.

“The Russians can teach that nothing is impossible when you want something. And from the Norwegians, of course the entrepreneurial attitudes towards the youth work.”(Interview 5)

As mentioned already in the previous chapter cultural diversity was experienced also strongly as a source of inspiration and enrichment to one’s own work.

“Personally I have received sort of new mental drive due to this project.”(Interview 6)

Naturally the affects of diversity were observed through the goals of the project. According to the interviewees, cultural diversity was one of the reasons that make the project special. In addition it helps the project in reaching its goal – enforcing the Barents region.

“I believe everything is interesting when there are differences. That is at the same time the most challenging and best thing about the project.”(Interview 4).

When moving on to the negative consequences or challenging aspects of diversity the most frequently mentioned factors were the uncertainty caused my communication and differences in administrative backgrounds and the organizing of the youth work. However, cultural diversity was seen mostly as a positive thing and the challenges were seen as minor. Besides, the challenges the project had faced were experienced as a possibility to improve the co-operation and one’s own practices. The communication was seen as a challenge mainly because of the work language, English, which is not native to any of the participants. Even though the language skills of the steering group are relatively good, there is always a possibility of unintentional misunderstanding which can cause tensions inside the network. Besides, the interviewees weren’t totally sure about how well the youngsters participating the project speak English. The goal of the project is to connect the youngsters in the Barents region, and considering that goal, the inadequate language skills of the youngsters can be seen as a threat to the project.

The interviewees saw some differences on the ways of organizing the project. Many of them are based on cultural and organization cultural aspects. The first minor problems were faced when preparing the first task for the youngsters. The managers had different views on how accurately they should advise the youngsters.

“The Norwegian way would have been giving them total freedom. If they have a task to fulfil, they think it’s boring and they don’t want to do anything. They feel like they are being forced. And for Russians, if they don’t have a clear task, they are just going to hang around because they don’t know what to do.”(Interview 3)

The Finnish way of organizing was placed somewhere in between the Norwegian and Russian ways. The problem was solved by giving the youngsters an assignment that was a compromise of the different ways.

The differences of administrative and professional backgrounds were experienced same time as a challenge and as an opportunity for learning.

“Diversity has a lot of angles. And you know it is impossible to find them all out in one project. Things open up in a totally different way from different angles.”(Interview 4)

There was also visible a serious concern about the meaning and goal of the project. Even though all of the interviewees seemed to be very serious with the project, at the same time many of them were worried about whether the project has a real meaning, an intention to make a real change.

“I have done project management for some years now. And sometimes I see that the project doesn’t really have a meaning. In my opinion projects are valuable only when they are there to make a change and I’m not sure if all of us are there yet.”(Interview 1)

What has to be noticed is that the concern was shared, and nobody was blaming others for not being involved.

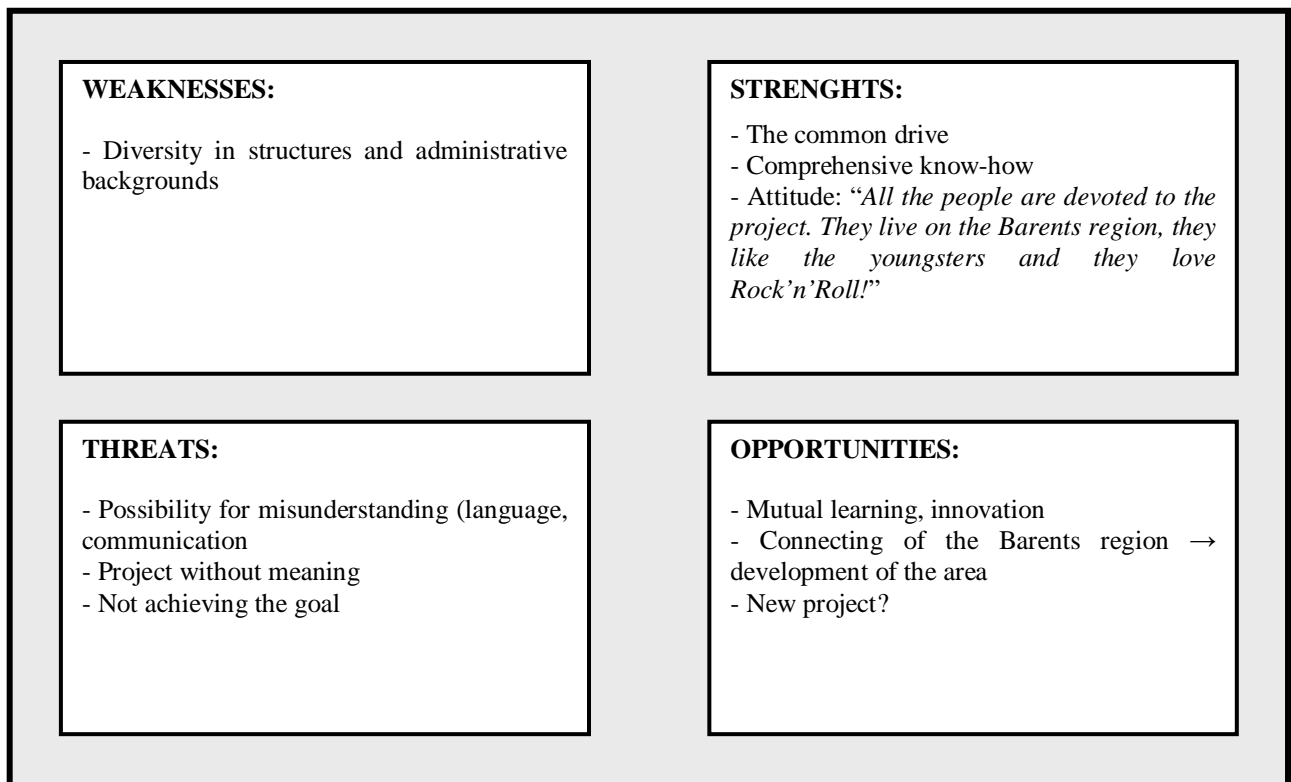


Figure 7. Balanced Score Card CYB from cross-cultural network management perspective

Figure 6 is a balanced score card of the CYB network. It is designed from the perspective of cross-cultural network management. According to the empirical material, the weaknesses of the CYB-network are related to the different structures and administrative backgrounds of the member organizations. These differences affect the cooperation on many different levels and occasions. For example differences in funding possibilities were seen as a potential source of conflicts.

Language and communication issues were seen as possible threats in the CYB-network. The differences in language skills and communication styles can cause unintentional conflicts in the network. Besides, according to the material the biggest threats are that the project doesn't reach its goal and that it doesn't have a real meaning.

CYB-network's strengths are shared drive and will to succeed. The project is important to the members of the network and that is why they are also willing to work towards their goal. The network members are also very competent which was also seen as strength. The biggest opportunities of the projects were possibilities for mutual learning and innovation. It was also

seen as possibility that the network would reach its goal – connecting the Barents region. This would lead to development of the area. A new continuing project was also mentioned as a positive opportunity.

5.2 Special features of the CYB

Networks are always unique organizations and because of that it is necessary to analyze the special features of the CYB-network. The CYB-network has some possible threats that could influence the success of the entire project. Nevertheless, the cooperation between the partners seems to be going well. The main reasons for this are the shared concerns of the future of the Barents region, the common devotion towards the goal of the project and the ability to make compromises.

“The most important thing is to learn to cooperate towards our common goal. The common goal helps us to cope with different problems.”(Interview 4)

One noteworthy thing is the interviewees’ opinions of the meaning of cultural diversity in general. It was clearly visible that the Finnish and Norwegian interviewees saw their nations as culturally homogenous. This means that they acknowledged that there is a Finnish culture or a Norwegian culture. At the same time, Russian interviewees emphasized in many contexts that the differences in behaviour and actions might be also caused by individual, not cultural, differences.

“Well, it’s hard to say because people are different, you know. You can’t really judge the whole nationality based on the one person you are working with.”
(Interview 3)

This difference can be explained by the geographical differences of the three countries. As Norway and Finland are small countries with ethnically relatively consistent population, Russia is both geographically and in regard to population many times bigger which makes the culture much more fragile and versatile.

As a matter of leading the network some of the interviewees questioned the formal leadership of CYB-network. As networking is a decentralized and relatively loose way of organizing it is not always easy to locate or define the formal power inside the network. The fact that the managers are in different positions in their home organizations mirrors to their positions in the network. The participants with a lot of professional experience were seen as “teachers” or informal leaders who have more power inside the network than the amount their formal position would allow. There were seen both non-formal leadership and non-formal organizations inside the formal CYB-network.

Another factor that rose from the material was that the national boundaries of the Barents region weren't seen as obstacles to cooperation. Even though the national border politics are still quite tight between these nations, the Barents region was seen as an entity where borderlines are flickering. This means that besides the national cultures there might be a parallel culture of the Barents region. By this I mean, that there might be more similarities between the worldviews of the youngsters of the Barents region in different nations than there is between youngsters in northern Finland and southern Finland. The North is an important dimension in the lives of people from Barents region and in some situations it might be more powerful than the meaning of nationality.

6. RESULTS

6.1 Implications from the empirical material

I have divided my research results into three main categories which are *society based implications*, *organization based implications* and *social interaction based implications*. The main categories are formed on the basis of the twelve lower categories. The categories stem from the vertical and horizontal network management activities by Agranoff and McGuire (2003). However, on more than a couple of occasions it has been difficult to separate the observations strictly to different categories and especially society and organization based implications have many similarities. Table 1 demonstrates the three main categories and their division into the twelve lower categories.

Table 1. Implications from the empirical material

SOCIETY BASED IMPLICATIONS	Status and purpose of youth work
	Administrative backgrounds
	Political backgrounds
	Financial opportunities
ORGANIZATION BASED IMPLICATIONS	Financial opportunities
	Organizational backgrounds
	Professional backgrounds
	Differences in ways of organizing and motivating
SOCIAL INTERACTION BASED IMPLICATIONS	Language
	Cross-cultural communication
	Attitudes towards cooperation
	Attitudes towards project work
	Attitudes towards cultural diversity

Next I'm going to represent the results in chapters 5.1, 5.2, and 5.3.

6.1.1 Society based implications

The main category of society based implications includes the lower categories of *status and purpose of youth work, administrative backgrounds, political backgrounds* and *financial opportunities*.

Information seeking is the first of the two vertical collaborative management activities. In CYB-network money, the status and purpose of the youth work, and political backgrounds were seen as the three biggest sources of diversity that affect information seeking activities. Generally, all interviewees acknowledged that the Norwegian participants had more money and bigger freedom to use their money than other partners.

“The Russians can’t rely on the municipality for extra funding. They have to count for everything. For us, money is no problem; we don’t have to look at the small numbers.” (Interview 6, Norway)

The different financial possibilities of partners can create tensions inside the network, even though there haven’t been concrete problems based on financial backgrounds.

It was apparent that the status and purpose of the youth work are different in Finland, Norway and Russia. The status influences on the degree to which the youth work is independent and to the possibilities to get extra funding from vertical and horizontal actors. In Norway, the youth work is integrated into the entrepreneurial development of the area which secures the funding of the activities. In Finland youth work is part of municipalities’ government which makes it more controlled. However, the Finnish interviewees emphasized that even though they have limited resources they can act quite autonomously with the resources they have. On the contrary, in Russia the youth work is organized by a nongovernmental organization. These different organizational and administrative backgrounds can affect the vertical information and funding seeking, decision-making and implementation.

Cultural diversity came up also in regard to vertical adjustment seeking activities. Here again, the most important single factor is the organizational and administrative backgrounds of the different actors. The Russian partners thought that because the Norwegian and Finnish partners

are representatives of municipalities it makes it more difficult for them to seek for vertical adjustments.

“It takes time to make decisions in Norway and Finland because they can’t make big decisions alone” (Interview 4, Russia).

The Russian partner represents a non-governmental organization which, according to the Russian interviewees, enables more flexibility. However, most of the interviewees pointed out that when it comes to working with formal authority in Russia, things usually get more complicated. At the same time more than half of the interviewees pointed out that all of the members of CYB-network have the same basic political set-up.

“We all have the same political set-up: the authority is in the south of the countries. And we are trying to defend our regions as well as we can.” (Interview 5, Finland).

This similarity was seen as a resource and strength in regard to adjustment seeking. Furthermore, even though the differences connected with social interaction based implications were seen as possible threats it was also mentioned that the differences in economical possibilities, and administrative and political backgrounds are a source of inspiration and innovation. The diversity creates a possibility for mutual learning.

6.1.2 Organization based implications

The main category of organization based implications includes *financial opportunities, organizational backgrounds, professional backgrounds* and *differences in ways of organizing and motivating*.

Resource exchange is the second horizontal collaborative management activity. As mentioned already earlier on the occasion of information seeking, the Norwegian partner brought up that in general they have bigger resources compared with the other partners.

“I feel that the Norwegian oil money affects somehow” (Interview 1, Norway).

This matter came up in more than half of the interviews. However, all of the participants emphasized that when ever possible, they try to share resources. They also have joint financial resources which add resource exchange. Even though the resource exchange seems to be working it has to be acknowledged that the big differences in financial opportunities can create tensions inside the network. If not within the steering group, the youngsters might consider the differences unfair.

The fifth collaborative management activity is project based activities. They are related to organizing a particular project. In CYB-context, the most significant sources of diversity concerning project based activities are differences in ways of organizing and motivating, and orientation towards project work. The Russian interviewees had recognized that there is a significant difference in the Norwegian and Russian ways of organizing and motivating. When instructing the youngsters, Norwegians tend to give the youngsters a big freedom to plan and execute projects themselves. In Russia, on the contrary, youngsters are used to having clear instructions.

“The Norwegian way would have been giving them a total freedom. If they have a task to fulfil, they think it’s boring and they don’t want to do anything. And for the Russians, if they don’t have a clear task they are just going to hang around because they don’t know what to do. And the Finnish approach was kind of mixture of those two.” (Interview 3, Russia)

Differences of this kind in every day project management can end-up in unintentional misunderstandings and conflicts. Also, when instructions aren’t understood by all the participants, the results and efficiency of the work can suffer. However, differences in ways of organizing and motivating also offer a possibility for becoming aware of alternative ways of doing things.

According to the interviewees, this same freedom is visible in Norwegian youth education on all levels. These kinds of big differences in regard to the ways of motivating and organizing can take a big role in joint project management if they are not taken into consideration.

6.1.3 Social interaction based implications

The main category of social interaction based implications includes *language, cross-cultural communication, attitudes towards cooperation, attitudes towards project work and attitudes towards cultural stereotypes.*

In regard to policy and strategy making language skills and different ways of communication were most often mentioned as factors that can possibly affect joint policy and strategy making. Also the different attitudes were seen as influential matters. When the cooperation includes formal partnership and joint policymaking trust and communication comes into a crucial role. To make the cooperation work partners have to be able to understand each other explicitly to prevent conflicts. Even though all the members of the CYB-network can speak English fluently, the use of foreign language as working language was seen as a risk for misunderstanding.

“We don’t have enough words and common meanings. When I try to say something it might not come out the way my intention was.” (Interview 1, Norway)

Also the ways of non-verbal communication were mentioned being different which can cause misunderstandings and that way affect joint policy and strategy making.

All of the interviewees mentioned the other partners to be eager and involved actors. All of the participants have a good attitude towards the cooperation which makes joint policy and strategy making easier.

“What I have noticed is that they (Finns and Norwegians) are really involved, they take it really seriously. And that means they are eager to take decisions.” (Interview 3, Russia).

The positive general atmosphere inside the network reflects in the joint policy and strategy making by making the activities easier.

The interviewees also spoke about the participants' attitudes towards project work in general. The Norwegian interviewees emphasized the importance of continuous work towards something valuable rather than organizing projects without a real reason.

“Sometimes I see that a project doesn't have a real meaning. In my opinion, projects are valuable only when they are there to make a change. And I'm not sure if all of us are there just yet.” (Interview 1, Norway)

Nevertheless, also the other interviewees pointed out the same importance of looking further to the future, not only one project at a time. This is very important nowadays when project work has become more and more common. The risk of project work is that the activities can become too short term orientated and that way the work can lose its strategic touch. That is why the different orientations to project work can also hinder project based collaborative management activities if all the participants don't share the same attitude towards project work.

6.2 Transferability of results

As discussed in chapter 3.1.3, Criticism towards Hofstede and Trompenaars, the entire concept of national cultures has been questioned in scientific discussion. Can cultures be classified according to national borders? The criticism points out to the debatable homogeneity of national cultures and the ignorance of the existence of organizational and ethnical cultures. Even though the empirical material from the CYB-network shows that cultural diversity has affects on network management, at the same time the interviewees questioned the significance of culture. Especially the Russian interviewees emphasized several times that even though there are differences in behaviour they might be caused by individual, not cultural factors. This notion goes well together with the scientific discussion where it was noted that people from bigger countries tend to underline individual rather than cultural characteristics. Also in regard to cultural stereotypes the Russian interviewees brought up the individual qualities.

“Stereotypes work well, of course. But you can't really judge one people or even a group of people because of a stereotype.” (Interview 3, Russia)

This notion was acknowledged also by the Finnish and Norwegian interviewees although they weren't able to categorise which factors were caused by cultural or individual characteristics.

Another matter related to questioning the importance of national cultures that came up in context of the CYB-network, was the significance of the common Barents region and living in the North. The reason why the CYB-network has been established in the first place is the shared anxiety about the future of the northern Barents region. What if, underneath the national cultures, there is a parallel "northern culture" or "Barents culture" that unites the participants more than the national cultures separate? In the end, it comes to determining whether the people living on the Barents region and interviewed in this study identify themselves only with their national culture or with the shared regional sub-culture of Barents region. In the context of CYB-network it is almost impossible to determine how much the perceived coherence of the area affects the perceptions on culture.

It was also emphasized by more than half of the interviewees that all of the members of the steering group share the same professional backgrounds. Youth work and the concern for the future of the youngsters concerns all of the members of the steering group. They have a shared goal where they are heading and this goal helps them to conquer all the difficulties on the way.

"All the people are devoted to the project, they live on the Barents region, they like the youngsters and they love rock 'n' roll." (Interview 4, Russia)

This notion is maybe the most important single observation in this research. It is clear, and it has been noticed in many studies, that cultural diversity has affects on management, and when it comes to network management the affects come to an even bigger role.

What is important to notice is that even if cultural diversity can hinder cooperation and create conflicts, there are ways of turning it into a resource rather than a source of trouble. Also in CYB-network there are sources of diversity that can possibly have serious consequences on the cooperation. It is nothing new, and it is not the most important result of this study. The most important result is that despite the differences, a shared goal and a shared will to reach the goal

can conquer all the difficulties faced on the way. This kind of will can turn the differences into resources and into opportunities for mutual learning.

“Its (cultural diversity) a huge source of inspiration for me, and again, you can learn all the time.” (Interview 3, Russia)

By concentrating on the negative aspects of cultural diversity it is never possible to learn from the possibilities it creates. Especially now when organizations on all fields of life and across the world are facing the same consequences of cultural diversity it is crucial to understand the possibilities it creates. Understanding these matters the importance of joint policy and strategy making comes into an important role. When the partners have a shared goal and plans for reaching the goal, the cooperation gets easier.

Concerning the transferability of the results, it is also needed to discuss whether the sample of this research, six interviews, is vast enough to create a comprehensive insight into the implications of cultural diversity on network management. In qualitative research tradition the size of the empirical material is not considered being of crucial importance when estimating the transferability of the research results. Even a case study can create new scientifically significant information. In this piece of research, my aim was not to create a new theory on cross-cultural network management. My aim was to examine the implications of cultural diversity in CYB-network. I believe that in fulfilling this task I have succeeded, and that the results of this study can be transferred into similar organizations across the world.

7. CONCLUSIONS

7.1 Discussion between theoretical frame and results

Finally I'm going to discuss the results of this study in regard to the scientific discussions introduced earlier. Figure 7 describes the results of this piece of research. Cultural diversity appears on all levels of network management. The members of a network have all different national, individual, and organizational backgrounds which affects on how they act in the network. This culturally diverse network challenges the traditional forms of management. Society, organization, and social interaction based implications describe how cultural diversity appears in network management.

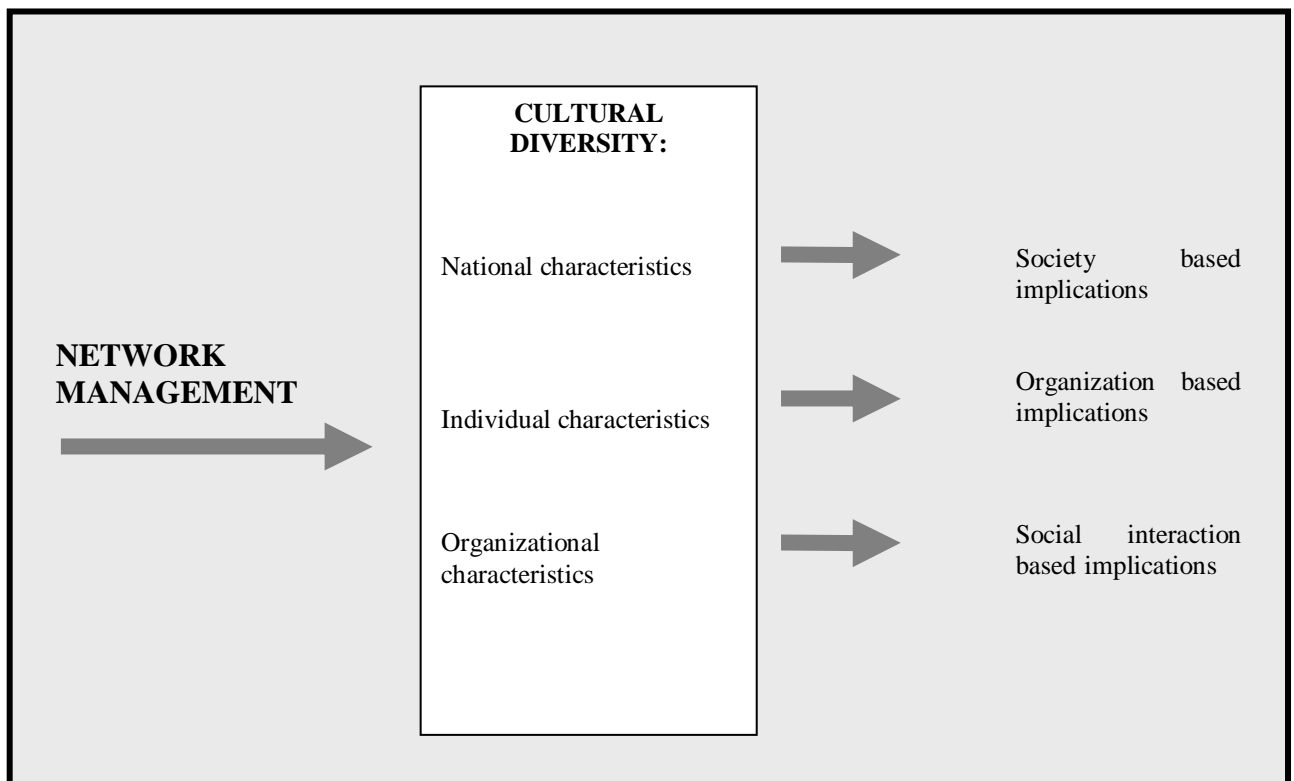


Figure 8. Implications of cultural diversity on network management

The problem in regard to the results of this study and Hofstede's dimensions is that because Russia (Soviet Union) wasn't part of Hofstede's study, it is difficult to estimate whether his results correspond to mine. Nevertheless, next I am going to reflect my observations to Hofstede's dimensions. The dimensions introduced earlier in this thesis are *power-distance*,

individualism–collectivism, masculinity–femininity and avoidance of uncertainty. According to Hofstede's findings Finland and Norway are relatively close to each other in regard to all of the dimensions. About Russia's scores, we can only guess. The power–distance dimension appears for example in the relationship between subordinates and superiors in different organizations. According to my observations on the CYB-network, the low PDI of Finland and Norway appears for example in the ways of organizing and motivating. When the youngsters consider the steering group members as fairly equals to themselves they are also willing to organize things themselves and they don't need as much motivating and advising as in high PDI cultures. This same observation can also be examined from the perspective of avoidance of uncertainty dimension. The need for rules and guidance in a culture usually reflects to a relatively high UAI rate, which means that people try to avoid uncertainty by forming rules and laws. Finland and Norway have a relatively low UAI and this theory is also supported by my research findings in CYB-network.

In regard to individualism–collectivism dimension all of the interviewees emphasized the meaning of individualistic characteristics and values. According to Hofstede's study Finland and Norway are supposed to have a high IDV rate which means that they are relatively individualistic cultures. Also according to my observations on CYB all of the nationalities researched seem to have high IDV rates. As high IDV and low PDI should be related to each other Hofstede's theory corresponds to mine in this respect.

The femininity–masculinity dimension can be discovered usually by observing the relationships between genders and gender roles. In high masculinity cultures, the gender roles are clearly visible and one typical sign of this is that women don't have equal chances for developing a career compared with men. According to my observations on CYB and also according to Hofstede, Finland and Norway have low MAS index rate which means that they are relatively feminine cultures. In general, gender issues didn't seem to have a big role in CYB-network. The Finnish and Norwegian interviewees brought up that at the moment things are changing in Russia. The new generation is challenging the old structures, and at some point also the formal administration has to change. I have a feeling that my observations from Russia represent the new wave and new culture, which might still differ from the old mainstream.

As concluded earlier in this study, relationships, communication, and trust are the most important single factors on cross-cultural network management. Communication affects all the other management activities in any organizations, and it has an important role on creating interpersonal and inter-organizational relationships and mutual trust. Also the empirical material of this study emphasizes the meaning of communication. Cross-cultural communication in particular demands attention. Especially, when there are language issues involved the meaning of communication skills becomes more important. However, good relationships and trust between the network members also makes coping with language problems easier. Regardless of the minor language issues in the CYB-network, the good and confidential relationships between the network members prevent conflicts caused by communication problems.

Harris, Moran and Moran (2011) have divided the competences of cross-cultural manager into organizational and individual competences. The key competences on both organizational and individual level are awareness of cultural and organisational cultural diversity and respect for other cultures. From the perspective of network management the ability to work with different partners and different tasks simultaneously appears to be important. The empirical material of this study supports these notions. It was clear that the awareness of cultural differences and respect for others was in a big role in the interviews.

Holden (2002) describes the tasks of cross-cultural manager with the roles of communicator and global knowledge worker. Also from the perspective of network management, communication and maintaining relationships becomes highlighted. Even according to this study meaning of communication can't be emphasized enough. This is a significant notion when concerning the difficulties cultural diversity and network form of organizing cause for communication.

Based on the earlier research and the results of this study the most important areas of cross-cultural network management are *cross-cultural communication*, *cultural awareness (cross-cultural intelligence)* and *ability to manage vertical and horizontal relations simultaneously*. As discussed earlier in this study, communication is the most likely source of problems in cross-cultural network organizations. Besides language, also non-verbal communication and communication styles, are different in different cultures. Furthermore, working on second language often causes problems especially when all the members of the network aren't on the

same level in regard to language skills. The importance of cultural awareness has also been pointed out several times. Even though cultural diversity can cause problems in all work organizations, being aware of them can ease coping with the issues. It is also important to be aware of the possibilities cultural diversity creates so that it is possible to take full advantage of them.

In regard to network management the most important area is the ability to manage vertical and horizontal relations simultaneously. Network managers work in a complex environment where horizontal and vertical relations exist overlapped. Effective horizontal and vertical negotiation is of crucial importance in cross-cultural network management. In cross-cultural network context cultural awareness, cross-cultural communication skills, and ability to negotiate vertical and horizontal relations form the core competences of cross-cultural network manager.

In the current network management discussion it was mentioned often that network management is an undervalued and under researched subject. It was also pointed out that network management differs greatly from traditional hierarchical management and market orientated management traditions. In addition, it was mentioned more than once that network management is difficult. My observations from the CYB-network support all of these statements. It was clear that network management discussion wasn't in a big role in the network and it was even hard to really locate the power and authority in the CYB. It could be recognized that maybe the formal and informal leadership weren't meeting and the final solution was some kind of shared leadership model. This really reflects the status and importance of network management research. Still, even though networking isn't a new way of organizing, network management is too often not taken into real consideration.

7.2 Summary and final conclusions

In general, cultural diversity has numerous reflections on organizational life and management. Some of the reflections are negative, and the others are positive. The most common challenges created by cross-cultural network management are related to communication. Depending on the nature of the cooperation, also the differences closely connected with the task of the network can have a big influence on the success of the cooperation. Especially differences in ways of organizing and motivating can affect the cooperation process. Network management itself has

also many challenges. Especially managing horizontal ties doesn't come without difficulty. In horizontal relationships, where you don't necessarily have formal hierarchies, locating power and authority is often ambiguous. Lack of management can cause many kinds of problems concerning for example decision making and coordinating. Due to geographical distances between the network partners and working simultaneously in two organizations, the work of a network manager becomes even more complicated.

But then again, cultural diversity can also promote cooperation and enhance creativity and innovation. Individuals with different cultural, educational, national, and organizational backgrounds see things differently. An outsider can see the solutions and innovations that are not the most obvious ones. Seeing different policies and practices can also help in finding solutions to one's own problems. As its best, cultural diversity offers new and innovative solutions which the network members can apply to their own organizations. Typically, copying policies and procedures doesn't work but it is always possible to take parts of someone else's work and adapt it to one's own needs.

As discussed earlier, the most important factors of cross-cultural network management are cross-cultural communication, cultural awareness, and ability to manage vertical and horizontal relationships simultaneously. As communication is the most important means of transmitting meanings between individuals it is important to make sure the important information inside the network is understood by all the participants. Taking into consideration the differences in language skills it is wise to confirm that all the participants really understand the intended message in the same way. For example, if a matter is agreed on verbally it is a good idea to still write it down and send it to all the participants by email. This way the misinterpretations will be noticed before they create difficulties. In case there are immense differences in language skills inside the network some form of language training should be considered. The native speakers should also accommodate the language they use to a lower level and use simplified expressions. If the cultural differences inside the network are very big, cross-cultural training can help in prevention of conflicts. Information about the history, cultural characteristics of the different nations and habits of the other participants help to overcome the differences and understand the behaviour of the other individuals. If a large-scale cross-cultural training program is not possible

to organize, it can be arranged so that every participant gives a lecture on one's own native country, culture, and habits.

The results of this study take part in the discussions of cross-cultural and network management. The current scientific discussions on the fields of network management and cross-cultural management are relatively active and wide-spread. This study concentrates on the quite narrow but extremely important area of cross-cultural network management. As cross-cultural networking is becoming more and more common it is important to take part in this conversation and develop it further on. The results of this study agree with many other researchers on this field and emphasize the importance of this research area.

I believe that this piece of research is relatively successful even though it has some limitations to it. This study was conducted within the steering group of the CYB-network and therefore it has a clear management emphasis. To be able to do conclusions about the entire network also the youngsters of the network should be taken into the research process. The second limitation results from the character of the interviews. Because the interviews were conducted at one go and there were no observations done, it wasn't possible to make conclusions about the development and characteristics of the network dynamics. However, the research questions are placed suitably in regard to the research problem. Also the data collection and analysing methods are suitable concerning the research problem. The results of this study answer the research questions adequately. The CYB-network has offered a fascinating context to this study and there are still many other research problems and questions waiting for answers. However, to be able to broaden the research it is needed to do some more thorough interviews and even observations inside the network.

This piece of research proves that cross-cultural network management is still an important and topical research subject. Since there still are not too many studies done on this research area I would suggest that the research should continue. As the importance of communication came up powerfully in this piece research, one interesting future research orientation would be for example studying further on the functions of cross-cultural network communication. Furthermore, as relationships affect network management also the affects of different relationships on cross-cultural network management could be a topical research orientation. In

the CYB-network it would be interesting to take the youngsters along to the research process. The question of locating power and authority in a network organization remained as well without an answer. Another research direction could be connected to determining power and authority in cross-cultural networks. Both of these research orientations would include observation inside the network.

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