A Detailed Comparison of Finland and India through Hofstede & Globe Study

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Abstract

The aim of this study is investigate the cultural differences and similarities between India and Finland through the cultural dimensions proposed by Hofstede and GLOBE study. To understand the differences between business and organizational cultures of Finland and India cultural dimensions play a significant role in business success. Though there are various people have contributed for differentiating the culture, the cultural dimensions proposed by Geert Hofstede has been first of its kind which opened up the imagination to differentiate the national cultures. Apart from Hofstede’s cultural dimensions GLOBE study has been one of the most recent studies on cultural dimensions and leadership effectiveness. The cultural dimensions are significant in finding out the similarities and differences between the cultural values, practices and leadership style of Finnish and Indian organizational culture. This study will contribute to the academic literatures devoted to cross-cultural management and International management. This paper will offer novel insight to cognize how Finland and India differ in their values, practices and preferred leadership styles through the cultural typologies proposed by Hofstede and GLOBE study. This study will also have number of practically applicable points for the business leaders to manage their business in between India and Finland.

Key words: Hofstede, GLOBE, Cultural dimensions, India, Finland

JEL Classification: C 19, G13, G 14
1. Introduction

Business cultures differ from country to country due to the influence of its national culture. The national culture of a country is shaped by various factor rights from the origin of that country to the present day social changes. The cultural values of nations have significant influence in the day today life of people and as well in its social, economic, political and business environment. The impact of national culture on the management and organizational behavior of an organization operating in a particular country is unavoidable (Francesco & Gold, 1998:18). The organizations operating in an international business environment may have set of standard policies and rules but it is obvious that those policies are followed differently within its own organization as the people from different countries do things in different ways. Moreover, people within the organizations will also have different attitudes and behaviors due to the influence of their national culture (Trompenaars & Turner, 1998:7). For example people experience phenomena such as authority, bureaucracy, creativity, good fellowship, verification and accountability in different ways in different parts of the world due to the influence of their national culture (Trompenaars & Turner, 1998:3). Therefore, it is inevitable that national culture affects its business environment and business organizations as business must interface with people, either as customers, employees, suppliers or stakeholders from different parts of the world (Jones, 2007:2). Besides, due to influence of culture the leadership style and management methods also varies as there is interdependent relationship between leadership styles and cultural underpinnings that cannot be underestimated (Jogulu, 2010:706; Taleghani, Salmani & Taatian, 2010:92). In order to understand the differences between business and organizational cultures of different nation’s cultural dimensions play a significant role. Hofstede (2010:31) defines “dimension as an aspect of culture that can be measured relative to other cultures. Cultural dimensions enable the provide ways of understanding behavior encountered in business situations that at first may appear odd, mysterious or inscrutable”. Therefore, cultural dimensions play a dominant role in understanding the organizational culture of different nations.

In the above mentioned background this study will compare the cultural dimensions of India and Finland. The reason for comparing India and Finland is that India and Finland are both different from each other in its culture, history and traditions. In the recent years there is an increase in economic tie between India and Finland. Finnish companies are expanding their businesses rapidly in India to serve India’s domestic market (Numminen, 2007; Finpro, 2007). At the same time the Indian companies are also expanding their operations in Finland. Comparison between India and Finland itself can lead to confrontations as there is huge dissimilarity between various aspects of Finland and India. India and Finland have specific
cultures which intend the people from both of these countries to behave differently. Finnish culture can be considered as homogenous when compared with the Indian one.

There are several differences exist between business culture and leadership style between Finland and India. First, in the Finnish culture supporting and delegating leadership style is preferred more, whereas, in Indians prefer more of a directing and coaching style (Routamaa & Debnath, 2011:898). Second, the leadership in India is based on paternalism where the leaders expected to behave like a father in family and inspire the employees (Rangnekar, 2004). Whereas, the Finnish leaders are expected to be straightforward and to show egalitarianistic behavior. Third, when comparing Finland and India based on Hofstede’s (1991) cultural dimensions India is characterized as masculine culture with high power distance; whereas, Finland is characterized as the feministic culture with low power distance. Fourth, Finland is characterized as individualistic culture while India is a collectivistic culture (Hofstede, 1991; Routamaa & Debnath, 2011). Fifth, due to the vast cultural differences between Finland and India (Finnish culture is considered to be more homogenous and Indian culture is more heterogenic and culturally pluralistic in nature) the very effective Finnish leadership style in Finland may be extremely ineffective style for India. (Kets de fries, 2001 in Lamsa, 2010:140).

In this kind of dissimilar cultural environment between India and Finland, the perceptions, attitude and behavior of Finnish leader in India may be different from the perceptions and behavior from the Indian followers and other stakeholders and vice versa. Therefore, it is significant to compare both Finnish and Indian cultures as it will facilitate the comparison between two different countries which are totally contrasting to each other. Furthermore, this study will also be a noteworthy contribution to the literatures devoted to cultural dimensions, comparison of cultural dimension between two countries (East vs. West), Hofstede’s cultural dimensions, GLOBE study, leadership styles comparison and Indian and Finnish organizational cultures comparison. This study will offer contributions to the literatures mentioned above by explaining how the factors such as power relations, leadership style, gender egalitarianism, future orientation etc is handled in Finnish and Indian culture. Additionally, this study will also give an insight how the cultural dimensions can influence people’s behavior in the Finnish and Indian organization. Besides, the study will also offer several managerial implications by providing insights to the business leaders and Individuals from India and Finland and as well as for those business leaders who would like to work in this countries. Therefore, it is important to understand the differences between Finland and India through cultural typologies proposed by Hofstede and GLOBE study.

Though there are various people have contributed for differentiating the culture, the cultural dimensions proposed by Geert Hofstede has been first of its kind which opened up
the imagination to differentiate the national cultures. Apart from Hofstede’s cultural dimensions GLOBE study has been one of the most recent studies on cultural dimensions and leadership effectiveness. GLOBE stands for Global Leadership and Organizational Behavioral Effectiveness. GLOBE was conceived by Robert J. House in 1991. GLOBE study published the cultural dimensions and leadership effectiveness of 62 countries. GLOBE conceptualized the culture of 62 countries in terms of nine cultural attributes that are referred as dimensions. The typologies proposed by Hofstede and GLOBE may not completely reveal all the aspects of Indian and Finnish culture totally as there are so many subcultures, languages, customs, traditions and other cultural factors are embedded in them. However, these dimensions enable us to understand both the cultures generally through the scores and ranking of the dimensions. Moreover, discussing the difference between Finnish and Indian culture through the cultural dimensions will enable us to predict the behavior of the people from both the cultures, it will explain the reasoning behind the actions of the people from both the cultures, it can help us to look for universalities between both the cultures, and it can create an understanding on standardized policies (Lewis, 2006:29, in Edinger, 2011:14). Moreover, understanding the cultural differences and similarities between Finland and India through Hofstede and GLOBE study will improve the bicultural interaction between the Indian and Finnish business leaders (Fougere, 2004:19). Besides, in-depth understanding of Finnish and Indian cultures are essential for the individuals, business leaders and multinational organizations involved in doing business from both the cultures. As a result, it is essential to cognize how Finland and India differ in their values and practices through the cultural typologies proposed by Hofstede and GLOBE study. In this scenario the aim of this study is to present the similarities and differences between Indian and Finnish cultures through the Hofstede and GLOBE dimensions. Therefore, the main research question of this study would be “What are the differences and similarities between Finnish and Indian culture that are identified in Hofstede and GLOBE study”?.

In this above discussed correlation this study is organized as follows. The first section of this study will present the Indian and Finnish culture through Hofstede’s cultural dimensions. The second part of the study will discuss Indian and Finnish culture through GLOBE study. The third section of this paper will discuss the Indian and Finnish leadership style through GLOBE study. The fourth section of the study will discuss the major findings of the study and the final section of the study will present the conclusion of the study.

2. Literature Review

This study has taken Hofstede’s cultural dimensions and GLOBE study for the following reason. The Hofstede’s cultural dimension is the one of the first studies which opened up the
discussion in comparing the organizational cultures of different nations. “Hofstede’s observation and analysis provide scholars and practitioners with a highly valuable insight to the dynamics of cross-cultural relationships”. Moreover, “Hofstede’s cultural dimensions has been instrumental in the implementation of many business systems including: compensation practice, budget control practices, entrepreneurial behavior, training design, conflict resolution, leadership styles, performance, and workgroup dynamics” (Micheael 1997, Smith 1998 in Jones, 2007:3). Likewise, the GLOBE study is the most recent survey which offers an analysis in differentiating the relation between the social values, social practices and leadership effectiveness of 62 societies or countries in the World (Schlosser, 2006; Terlutter, Diehl & Mueller, 2006). Moreover, the GLOBE study adds up new dimensions that were left in Hofstede and gives an overview about the preferred leadership of people from different parts of the World. Therefore, comparing the Indian and Finnish organizational cultures through the Hofstede and GLOBE study will offer novel insight in understanding the commonalities and distinction between Finnish and Indian organizational culture and preferred leadership styles.

2.1. Hofstede Cultural Dimensions

Hofstede’s cultural dimensions help to look in-depth at the cultural differences between Finland and India. The Hofstede’s cultural dimensions were predominantly constructed based on the data from the IBM employees based on 88,000 respondents in 20 languages from 66 countries (Hofstede, 2011; Terlutter. Diehl & Mueller, 2006). Hofstede proposed first four dimensions such as power distance, individualism vs. collectivism, masculinity vs. femininity and uncertainty avoidance. Later on Hofstede introduced the fifth dimension which is long-term orientation and the sixth dimension which is indulgence vs. restraint. The Hofstede’s cultural dimensions are the most cited cultural typology which will be highly valuable in unveiling the dynamics of Indian and Finnish culture (Jones, 2007:2). Hofstede’s proposed six cultural dimensions such as power distance index (PDI), Individualism vs. Collectivism (IDV), Masculinity vs. Femininity (MAS), Uncertainty avoidance index (UAI), long term vs. short term orientation (LTO) and indulgence vs. restraint (IVR) are explained and compared the scores of India and Finland in the following section. The following table gives the Hofstede’s scores and ranks of Finland and India.
Table 1: Comparison of cultural dimension scores on India and Finland

<table>
<thead>
<tr>
<th>CULTURAL DIMENSIONS</th>
<th>INDIA</th>
<th>RANK</th>
<th>FINLAND</th>
<th>RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power distance index (PDI)</td>
<td>77</td>
<td>17-18</td>
<td>33</td>
<td>68</td>
</tr>
<tr>
<td>Individualism vs. Collectivism (IDV)</td>
<td>48</td>
<td>33</td>
<td>63</td>
<td>22</td>
</tr>
<tr>
<td>Masculinity vs. Feminity (MAS)</td>
<td>56</td>
<td>28-29</td>
<td>26</td>
<td>68</td>
</tr>
<tr>
<td>Uncertainty avoidance index (UAI)</td>
<td>40</td>
<td>66</td>
<td>59</td>
<td>50-51</td>
</tr>
<tr>
<td>Long term vs. Short term orientation (LTO)</td>
<td>51</td>
<td>40-41</td>
<td>38</td>
<td>51-54</td>
</tr>
<tr>
<td>Indulgence vs. Restraint (IVR)</td>
<td>26</td>
<td>73</td>
<td>57</td>
<td>27-29</td>
</tr>
</tbody>
</table>

(Source: Hofstede, 2010)

**Power Distance (PDI):** Power distance is the degree to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally (Hofstede, 2010; 2011). The comparison of power distance (PDI) between both the countries reveals that India scores 77 in the power distance which is higher than the world average 56.5 and ranks between 17-18. Whereas, Finland stands on low power distance which scores 33 and it ranks 68 in the world scores (Hofstede, 2010). It is evident from these scores to understand how hierarchical Indian society and work environment when compared with Finland. Power is distributed unequally in high power distance cultures like India as it is based on relationship and dependency. Likewise, in high PDI countries, less powerful members accept power relations that are more autocratic and paternalistic (Hofstede, 2010). Subordinates acknowledge the power of others simply based on where they are situated in certain formal, hierarchical positions (Hofstede, 2010). India is a culture with high power distance where the subordinates depend on the people with high status with power. The roots of hierarchy in India have been the replication of caste system that originated thousands of years ago and also due to the influence of migration and colonialism. The caste system in India has created a rigidity which created hierarchy between the members of its society. The caste system is a hierarchical ordering of society into groups that each has their own status, set of norms, and overall function such as priest, warrior, merchant, and worker (LeFebvre, 2011:4). The power distance between the members of the society has also transferred to workplaces which has created hierarchy in the organizations. For instance in Indian business organizations the decision making is made at senior level or by the top management. Moreover, in the organizations the junior members in the organizations are expected to give respect and display loyalty to their seniors in the organizations. Whereas, the low power distance culture like Finland the subordinates or the people have limited dependency with the people with high status and power. It is evident that Finnish organizations the power is
distributed equally. Moreover, in Finnish organizations people are based on interdependence rather than relationship. The dependence on the superior is meager and the dependence relationship is mutual in low PDI cultures. Also, the relationship between the leader and subordinates is open which allows the subordinates to approaches their leaders easily (Paakkala, 2011:27). People relate to one another more as equals regardless of formal positions. Subordinates are more comfortable with and demand the right to contribute to and critique the decision making of those in power. Moreover, in low power distance culture where the decision making can be done even from a junior level without the consultation of the senior level people in the organizations. In the Finnish organizations the members are expected to behave equally where the gap between the members of the organization is minimal when compared with Indian organizations.

**Individualism (IDV) vs. collectivism:** Individualism refers to the societies or cultures in which the interest of individuals prevails over the interests of the group (Hofstede, 2010). “The individualism emphasis on individual goals, individual rights, autonomy, self-reliance, achievement orientation, and competitiveness” (Hofstede,2011). Collectivism on the other hand emphasis on collective goals, collective rights, interdependence, affiliation with the larger collective, cooperation, and harmony” (Kulkarni et al., 2010:95). The comparison between Individualism vs. Collectivism (IDV) dimensions Finland high on individualism which scores 63 and ranks 22. Whereas, India scores 48 and rank 33 which is considered as the collectivistic culture (Hofstede, 2010). In individualistic cultures like Finland people are expected to stand up for themselves and their immediate family, and to choose their own affiliations. The individualistic are focused on individual rights and personal achievement. Individualism pertains to societies in which the ties between individuals are loose. Management in an individualist society is management of individuals where the bonus and rewards are linked to individual performance. In Individual cultures the task is important over personal relationship (Hofstede, 2007:67). The relationship is playing a minimal role in establishing business relationship. In individualistic cultures like Finland business relationship are more on transactional basis when compared with collectivistic culture like India where the business relationship is viewed as long term and sustainable. Moreover, in collectivist societies such as India individuals act predominantly as members of a life-long and cohesive group or organization. In collectivistic societies the interest of the group members prevails over the interest of the individual which is seen in the families and also in the organizations. Moreover, in India people have large extended families, which are used as a protection in exchange for unquestioning loyalty. In the collectivistic cultures people are integrated in to cohesive group right from their birth and they protect their group throughout their life time. In collectivistic culture like India the relationship is prevailed over the task
orientation. Moreover, in India personal relationship prevails over task relationship (Hofstede, 2003:47). Trust plays a major role in establishing business relationship as Indians tend to do business with the friends rather than with the unknown people. Besides, the individualistic cultures like Finland believes in individual accomplishments whereas the collectivistic culture like India is more concerned with group or team accomplishments. The social norm of individualistic culture is to have a nuclear and egalitarian family on the other hand the social norm in collectivistic culture is community family (Hofstede, 2005; Kazi, 2009).

**Masculinity (MAS), vs. Femininity:** Masculinity (MAS) vs. Femininity is the dimension that deals with the distribution of emotional roles between the genders within a culture (Hofstede, 2010). The gender roles are separated in masculine cultures which emphasis men to be assertive, tough and focused on material success and additionally, masculine cultures values competitiveness, assertiveness, materialism, ambition and power (Hofstede, 2010). In the feminine cultures both women and men are supposed to be equal, modest, tender and concerned with quality of life (Hofstede, 2010; 2011). Feminine cultures place more value on relationship where men and women have the same values emphasizing modesty and caring (Hofstede, 2011:12). Hofstede’s scores on the comparison between Masculinity vs. Femininity (MAS) dimensions reveals that India stands high on masculinity which scores 56 and ranks between 28-29. While, Finland scores 26 and ranks 68 which is considered to be feminine culture. The masculine culture like India value earnings, recognition, advancement and challenge. On the other hand Feminine culture Finland value personal relationships, care for others, quality of life and service (Francesco & Gold, 1998:18). The representation of women in workforce and representation of women in higher position in organization is lesser in Indian organizations as the culture is male dominated. It is obvious people display wealth and thirst for achievement in masculine culture and the feminine culture focus on preserving the environment and helped under privileged people. The perception such as “big is beautiful” is appreciated more in highly masculine culture whereas the feminine culture believes in the perception of “small is big” (Elkjaer et al, 2007: VII). The workplaces in masculine cultures prefer traits like authority, assertiveness, performance and success while the workplaces in feminine cultures tend to be more democratic (Jones, 2007:4).

**Uncertainty avoidance index (UAI):** This dimension deals with the society's tolerance for uncertainty and ambiguity. UAI can be defined as the extent of which the members of the society or culture feel threatened by ambiguous or unpredictable situations (Hofstede, 2010; 2011). The UAI cultures programs its members to feel either comfortable or uncomfortable in an ambiguous situation (Hofstede, 2011:10). In UAI dimension India scores 40 and ranks 66 and considered as weak uncertainty avoidance. But, Finland scores 59 and ranks 50-51 which is high in uncertainty avoidance. The cultures with high uncertainty avoidance try to
minimize the occurrence of unusual circumstances by careful planning and implementing the rules and regulation to cope with ambiguous situations. The societies with low uncertainty avoidance are comfortable and ready to face the ambiguous situations and tend to be pragmatic and try to have few rules as possible which are based on realistic situations (Hofstede, 2010). High uncertainty cultures like Finland are highly structured with explicit rules of behavior and the law is respected seriously. The low uncertainty avoidance culture like India favors unstructured which makes it flexible for the people. Though there are strict laws exist it is not taken seriously as people are not completely aware of the legal aspects as it is not common to be aware of it (Hofstede, 2010; Francesca & Gold, 1998:18). People are threatened by the uncertain situations in high UAI cultures which lead them to create formal rules and believe in their correctness. The cultures that are weak in UAI the people are not threatened by the uncertain situations as uncertainty inherent in life is accepted and each day is taken as it comes. Therefore, weak UAI societies do not indulge in creating formal rules and believe in their correctness (Hofstede, 2011:10, Hofmann, 1999:19).

**Long term orientation (LTO), vs. Short term orientation:** First called “Confucian dynamism”, it describes societies’ time horizon (Hofstede, 2010;2011). The LTO societies give more significance to the future which foster pragmatic values oriented towards rewards, including persistence, saving and capacity for adaptation. The short term orientation societies are concerned with the fostering of virtues related to the past and present-in particular, respect for tradition, preservation of face and fulfilling social obligations. The comparison between Long term vs. Short term orientation (LTO) dimensions reveals that– India scores 51 and ranks 40-41 which is high in long term orientation. Finland scores 38 and ranks 51–54 which is considered to be short term oriented society. According to Hofstede (2011:15) long term oriented culture like India will believe in the events that will occur in future and the short term oriented cultures like Finland believes in the important events that occurred in the past or takes place now. Deep sense of harmony and stable relationships are essential for doing business in LTO societies and personal steadiness and stability are required for short term oriented societies for the purpose of business (Hofmann, 1999:24).

**Indulgence, vs. Restraint (IVR):** “Indulgence stands for a society that allows relatively free gratification of basic and natural human desires related to enjoying life and having fun” (Hofstede, 2011). Restraint stands for a society that controls gratification of needs and regulates it by means of strict social norms” (Hofstede, 2011:15). The comparison between Indulgence vs. Restraint (IVR) dimension reveals that India scores 26 and ranks 73 which is considered as restraint society. Whereas, Finland scores 57 and ranks between 27-29 which is considered as highly indulgence society. The high indulgence society’s people can freely fulfill their basic needs and desires freely as there are no strict social norms. On the other
hand restraint societies have stricter social norms the gratifications of drives are suppressed and regulated (Hofstede, 2011:15). The indulgence society like Finland believes freedom of speech as important thing. Whereas, in the restraint society like India freedom speech is not a primary concern (Hofstede, 2011:15).

2.2. Globe Dimension

GLOBE stands for Global Leadership and Organizational Behavior Effectiveness. The GLOBE study used the results of previous empirical studies, other factors such as common language, geography, religion and historical accounts. Using the data collected on cultural values and beliefs from 62 countries and discriminant analysis (a technique which statistically test the extent to which GLOBE classification is supported by the data) to confirm the clusters, globe developed a strong support to the existence of their proposed 10 cultural clusters (Elkjaer et al., 2007). Cultural similarity is greatest among societies that constitute a cluster, and cultural differences increases the farther clusters are apart. The GLOBE’s ten clusters are Nordic Europe, Anglo, Germanic Europe, Latin Europe, Eastern Europe, Confucian Asia, South Asia, Arab and Sub-Saharan Africa (House et al, 2007). The GLOBE’s nine cultural dimensions are power distance, uncertainty avoidance, humane orientation, institutional collectivism, in group collectivism, assertiveness, gender egalitarianism, future orientation and performance orientation. In this conceptualization GLOBE measures both cultural practice (the way things are) and values (the way things should be) at the organizational and social level of analysis. The GLOBE study is most recent study which offers an alternative perspective to the existing cultural dimensions such as Hofstede and Schwartz as it clearly distinguishes the social practice and values separately (Terlutter, Diel & Mueller, 2006:434). Besides, the GLOBE (2007) study also analyzed the preferred leadership styles of the 62 countries.

In the GLOBE study Finland belongs to Nordic Europe cluster which also includes other Nordic nations such Denmark and Sweden. The Nordic countries tend to be modest, punctual, honest and high minded (Smiley, 1991 in Gupta, Hanges & Dorfman, 2002:14. On the other hand India belongs to South Asian cluster which also include other countries such as Philippines, Indonesia, Malaysia, Thailand and Iran. The South Asian countries value collective goals, futuristic orientation and rule-based structures (Gupta, Hanges, & Dorfman, 2002:14). The following table gives the scores of both the countries on each dimension.

Table 2: Comparison of society practice scores on India and Finland

<table>
<thead>
<tr>
<th>GLOBE Cultural dimension</th>
<th>Society practice (As is) FINLAND</th>
<th>Rank FINLAND</th>
<th>Society practice (As is) INDIA</th>
<th>Rank INDIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uncertainty avoidance</td>
<td>5.02</td>
<td>8</td>
<td>4.15</td>
<td>29</td>
</tr>
<tr>
<td>Humane orientation</td>
<td>3.96</td>
<td>35</td>
<td>4.57</td>
<td>9</td>
</tr>
</tbody>
</table>

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Table 3: Comparison of social value scores on India and Finland

<table>
<thead>
<tr>
<th>GLOBE Cultural dimension</th>
<th>Society value (Should be)</th>
<th>Rank</th>
<th>Society value (Should be)</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FINLAND</td>
<td></td>
<td>INDIA</td>
<td></td>
</tr>
<tr>
<td>Uncertainty avoidance</td>
<td>3.85</td>
<td>53</td>
<td>4.73</td>
<td>29</td>
</tr>
<tr>
<td>Humane orientation</td>
<td>5.81</td>
<td>2</td>
<td>5.28</td>
<td>44</td>
</tr>
<tr>
<td>Institutional collectivism</td>
<td>4.11</td>
<td>55</td>
<td>4.71</td>
<td>32</td>
</tr>
<tr>
<td>In group collectivism</td>
<td>5.42</td>
<td>47</td>
<td>5.32</td>
<td>50</td>
</tr>
<tr>
<td>Assertiveness</td>
<td>3.68</td>
<td>35</td>
<td>4.76</td>
<td>7</td>
</tr>
<tr>
<td>Gender egalitarianism</td>
<td>4.24</td>
<td>45</td>
<td>4.51</td>
<td>36</td>
</tr>
<tr>
<td>Future orientation</td>
<td>5.07</td>
<td>51</td>
<td>5.60</td>
<td>29</td>
</tr>
<tr>
<td>Power distance</td>
<td>2.19</td>
<td>60</td>
<td>2.64</td>
<td>38</td>
</tr>
<tr>
<td>Performance orientation</td>
<td>6.11</td>
<td>20</td>
<td>6.05</td>
<td>26</td>
</tr>
</tbody>
</table>

(Source: GLOBE, House et.al. 2004; 2010)

**Uncertainty avoidance** refers to the extent which a society, organization, or group relies on social norms, rules and procedures to alleviate unpredictability of future events (Javidan, Peter, Darfman, Luque & House et.al, 2006:70). This dimension emphasizes people’s attitudes in seeking orderliness, consistency and structure (Javidan, Stahl, Brodbeck & Widerom, 2005:62). The societies that score high on uncertainty avoidance rely on formalized policies and procedures, establishing and following rules, verifying communications in writing and the societies that score low rely on informal interactions and informal norms rather than formalized policies, procedures and rules (House et.al. 2004). According to this dimension higher scores indicate greater uncertainty avoidance. In this dimension society practices (as is) indicate Finland scores 5.02 and India scores 4.15. The social values (should be) India scores 4.73 and Finland scores 3.85. The societal practices of this dimension reveal that Finnish society tends to avoid uncertainty when compared with Indian society. The Finnish culture seems to be less comfortable in handling uncertainty and the Indian culture is more relaxed in dealing with ambiguity.
Humane orientation refers to the degree to which a collective encourages and rewards individuals for being fair, altruistic, generous, caring and kind to others (Javidan, Peter, Darfman, Luque & House et.al, 2006:70). The GLOBE study (2010) states that the societies that are with high humane orientation values altruism, benevolence, kindness, love and generosity. Whereas, the societies that have low humane orientation values of pleasure, comfort, and self-enjoyment (House at.al. 2004). According to this dimension higher scores indicate greater humane orientation. In this dimension in the society practices (the way things are) India scores 4.57 and Finland scores 3.96. The social values (the way things should be) scores indicate that Finland scores 5.81 and India scores 5.28. Historically Indian culture is deeply rooted with humane orientation as the most striking feature of ancient Indian civilization is its humanity (Chokkar, 2007:972). Moreover, Indian culture also believes in “Karma” which is the major belief in Hinduism means the action of an individual whether it is good or bad it come back to the individual in the future. Therefore, it is obvious India is highly humane oriented society which is also supported by the GLOBE scores which shows that the social practices of India scores higher on humane orientation than Finland.

Institutional collectivism refers to the degree which organizational and societal institutional practices encourages and reward collective distribution of resources and collective action (Javidan, Peter, Darfman, Luque & House et.al, 2006:70). This dimension emphasize the individuals encouragement by the society to be integrated into broader entities with harmony and cooperation as paramount principles at the expense of autonomy and individual freedom (Javidan, Stahl, Brodbeck & Wilderom,2005:62). The societies that are high on institutional collectivism tend to have members that assume that they are highly interdependent with the organization and believe it is important to make personal sacrifices to full their organizational obligations (House at.al.,2004). On the other hand the societies those scores high on individualism tend to have members that assume that they are independent of the organization and believe it is important to bring their unique skills and abilities to the organization (House et.al, 2004). According to this dimension higher scores indicate greater collectivism. In this dimension the societal practices (the way things are) indicate that Finland scores 4.63 and India scores 4.38. At the same time the scores of social values (the way things should be) India scores 4.71 and Finland scores 4.11.

In-Group collectivism refers to the degree which individuals express pride, loyalty and cohesiveness in their organizations or families (Javidan, Peter, Darfman, Luque & House et.al, 2006:70). The societies that are high on in group collectivism have individuals who are integrated in to strong cohesive groups and the societies that are low in this dimensions has the individuals who look after themselves or their immediate families (House et.al, 2004). According to these dimension higher scores indicates greater collectivism. In this dimension
the societal practices (the way things are) India scores 5.92 and Finland scores 4.07. On the other hand the social values (the way things should be) Finland scores 5.42 and India scores 5.32. When comparing both the countries the scores of societal practices reveals that India scores very high on this dimension when compared with Finland though the social values predicts that Finnish society is more in-group collectivistic than India. India is a collectivistic society where the individuals are concerned about the common good of the group which they are associated with. Moreover, the collectivistic nature of Indians also embedded with the caste system as people are very much associated with their caste. It is also seen in the work place people work as teams where the people work for the common goal of the team. The roots of collectivism in India stem in part from the emphasis on family, caste system, sense of kinship, and community (Kulkarni et. al., 2010: 97). The family is the integral part of the collectivistic culture in India. For example in India quite often the families take decision on major issues of the individuals such as marriage (the family members choose the bride for their sons or daughters), education (family members advice what to study), job (family members advice on taking a job offer with a particular company) etc. It is also very common that people work in the teams hang out together even after their work. On the other hand in individualistic culture like Finland the role of family in individual’s life is minimal and individuals are responsible for decision making in important events happen in their life.

Assertiveness refers the degree to which individuals are assertive, confrontational, and aggressive in their relationships with others (Javidan, Peter, Darfman, Luque & House et.al, 2006:70). According to GLOBE the societies that score higher on assertiveness value assertive, dominant, and tough behavior for everybody in society. These societies value competition which value success and progress (House at.al., 2004). On the other hand the societies that score lower on assertiveness tend to view assertiveness as socially unacceptable and value modesty and tenderness. Moreover, this societies value cooperation which has value for people and relationships. According to GLOBE study the society practice (the way things are) reflects that Finland scores 3.81 and India scores 3.73. In the social values (the way things should be) India scores 4.76 and Finland scores 3.68. In this dimension Finland scores high according to the social values (as is) when compared with India. The social values of GLOBE shows that India is high on assertiveness which values competition, success and progress and on the other hand Finland scores low on assertiveness which values cooperation, warm and relationships (Grove,2004 & House,2004).

Gender egalitarianism refers to the degree to which collective minimizes gender equality (Javidan, Peter, Darfman, Luque & House, 2006:70). According to this dimension the lower scores indicates greater male domination and the lower dimension indicate gender equality (House et.al, 2004). In this dimension based on the society practices (the way things
are) Finland scores 3.35 and India scores 2.90. Finland has more gender egalitarianism than India. In the society values (the way things should be) India scores 4.51 and Finland scores 4.24. In the societal practice India has greater male domination. According to GLOBE the societies that score high on gender egalitarianism have more women in the positions of authority and as well as high status in the society (House et.al, 2004). Whereas, the societies that score lower on gender egalitarianism tend to have fewer position of authority and will have women in lower status in the society (House et.al, 2004). When comparing the societal practices between both the countries India scores low as it is more male dominated society where men tend to be dominant. Finland scores higher on this dimension where the women have equal value so as man in the organizations. Though scores on the social values reflects that India scores high on this dimension when compared with Finland it is assumable the role of women in the society have gained importance over a period of time.

**Future orientation** refers to the degree to which individuals engage in future-oriented behaviors such as delaying gratification, planning, and investing in the future (Javidan, Peter, Darfman, Luque & House et.al, 2006:70). The societies that are high on future orientation tend to achieve economic success whereas, the societies lower on future orientation tend to have lower economic success (House et.al, 2004). The scores of this dimension based on society practices (the way things are) Finland scores 4.24 and India scores 4.19. The scores of society values (the way things should be) shows that India scores 5.60 and Finland scores 5.07. The future orientation in Finland denote systematic planning process, careful in risk taking and opportunistic decision making (Javidan, Peter, Darfman, Luque & House, 2006:69). On the other hand future orientation is perceived differently in India which tends to be more based astrological predictions. In India people go for astrologers to ask for predictions on several activities such as employment, marriage, wellbeing, health issues, starting new ventures and other activities. The Indian astrologers offer astrological predictions for the people to give remedies solve problems and predict the future of people’s life based on the planet positions and astrological calculations. Besides, people also look for “Vastu” predictions to build their houses and official buildings which is similar to Chinese “Feng Shui”. Moreover, people also look for auspicious time to start new activities as the activities they start should be successful in long-term. The GLOBE scores reveals that the societal practices states that Finland scores high on future orientation and the societal values remains contradictory.

**Power distance** is the degree to which members of an organization or society except and agree that power and privilege should be stratified and concentrated at higher levels of an organization (Javidan, Peter, Darfman, Luque & House, 2006:70). According to GLOBE study in the high power distance culture power is seen as providing social order, relational
harmony and role stability whereas the low power distance cultures considers power as source of corruption, coercion, and dominance (House et al…2004:536). In this dimension based on society practices (as is) India scores 5.47 and Finland scores 4.89. The scores of social values (should be) India ranks 2.64 and Finland scores 2.19. From these scores it is evident India is high power distance culture when compared with Finland. Finnish organizations are less hierarchical where the individual employees are encouraged to take independent decisions. Moreover, the Finnish managers do not underestimate their employee’s capabilities to make decisions (Elkjaer, 2007). On the other hand Indian culture is hierarchical where the decision making is most often taken by the managers or the senior most people. Moreover, the employees or subordinates in a team are obligated to agree with their managers and they may not have an opportunity to disagree. Besides, the subordinates expect the superior to be benevolent towards them, and if this benevolence is reciprocated, the subordinate is also likely to respond by remaining loyal (Kumar, 2005:3). From this it is understandable that Finland is low power distance culture and India is high power distance culture.

Performance orientation refers to which the collective encourages and rewards group members for performance improvement and excellence (Javidan, Peter, Darfman, Luque & House et.al, 2006:70). Moreover, it also reflects to the extent which a community encourages and rewards innovation, high standards, and performance improvement (Javidan, 2004:239). However, according to GLOBE the societies that scores higher on performance orientation emphasize results more than people. Moreover these societies value assertiveness, competitiveness and materialism. Whereas, the societies that scores lower on performance orientation emphasize loyalty and belongingness. Besides, these societies also value harmony with environment rather than control. In this dimension the scores of society practices (the way things are) of India is 4.25 and Finland scores 3.81. In this aspect India ranks higher in performance orientation than Finland. In the aspect of society values (the way things should be) Finland scores 6.11 and India scores 6.05. The social value scores of India and Finland are closer to each other which mean both the countries societal values are based on performance orientation. The data shows that the Finnish society has more emphasize towards performance than the Indian society. As there is contradiction between the scores of both the countries in society practice and social values it is hard to generalize the fact about the performance orientation. The below mentioned graphs explain the comparison of Indian and Finnish social value and social practice cultural dimensions.
The social practice scores of Finland shows that the top scores of dimensions are high on uncertainty avoidance (5.02), power distance (4.89) and institutional collectivism (4.63). The social practice scores of India reveals that the top scoring dimensions are in-group collectivism (5.92), power distance (5.47), and humane orientation (4.57).

The social value dimensions of Finland reveals that the top ranking dimensions are performance orientation (6.11), humane orientation (5.81) and in-group collectivism 85.42).
The social value dimensions of India reveals that the top ranking dimensions are performance orientation (6.05), future orientation (5.60) and in group collectivism (5.32).

2.3. GLOBE Leadership styles

The GLOBE study also presented its research on leadership dimensions viewed by the people of the countries that have been researched. According to GLOBE people from different cultural groups share a high level of agreement on their beliefs about effective leadership and that significant statistical differences exist among cultural groups in their beliefs about leadership (House et.al, 2004). This shared belief may be described as culturally endorsed implicit theory of leadership (CLT). GLOBE study analyzed the responses of 17,300 middle managers and identified the 112 leadership characteristics. The analysis of the study generated 21 leadership scales which were statistically and conceptually reduced to six scales which resulted leadership styles such as performance-oriented style, team-oriented style, participative style, humane style, autonomous style and self-protective style. The following table shows the preferred leadership style in Finnish and Indian cultures according to the GLOBE study.

<table>
<thead>
<tr>
<th>LEADERSHIP STYLES</th>
<th>FINLAND</th>
<th>INDIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charismatic / value based</td>
<td>5.94</td>
<td>5.85</td>
</tr>
<tr>
<td>Team oriented style</td>
<td>5.85</td>
<td>5.72</td>
</tr>
<tr>
<td>Participative style</td>
<td>5.91</td>
<td>4.99</td>
</tr>
<tr>
<td>Humane oriented style</td>
<td>4.30</td>
<td>5.26</td>
</tr>
<tr>
<td>Autonomous style</td>
<td>4.08</td>
<td>3.85</td>
</tr>
<tr>
<td>Self-protective style</td>
<td>2.55</td>
<td>3.77</td>
</tr>
</tbody>
</table>

(Source: GLOBE, House et.al., 2004; 2010)

Charismatic / value based leadership style reflects the ability to inspire and motivate and achieve high performance from their followers on the basis of firmly held core beliefs (Javidan, Darfman, Luque & House, 2006:73). Charismatic leadership style creates a passion among the followers to perform better as they are motivated by the core values of the leader whom they follow. This dimension includes six leadership sub scales such as visionary, inspirational, self-sacrifice, integrity, decisive, and performance oriented (House at.al, 2004). The comparison between the preferred leadership style of Indians and Finnish managers shows that the preference of charismatic leadership or value based leadership is higher in Finland (5.94) than in India (5.84). Charismatic leadership style is the most preferred style both in Finland and India. Indians scores lower in this style when comparing Finland however, the notion of being charismatic have different meaning between Indians and Finns. India has seen many great leaders like Mahatma Gandhi, Subash Chandra Bose, Swami Vivekananda, and Jamsedji Tata whom have been considered as role model and visionaries. Indian subordinates view their leaders as the one who inspire and motivate them.
subordinates look at the leaders as a role model (the one who behaves ideally as a good leader in personal life as well as the public life) and the one who cares about them by bringing integrity to work for the common goal of the company. It could be taken that Indian leaders are viewed by the subordinates as the one who is transformational who creates a common bonding with them. On the other hand the Finnish leaders are viewed by their subordinates as the one who provide advice and support, provide feedback on successful work and show confidence with them (Elkjaer et al. 2009).

**Team-oriented style** refers effective team building to achieve the goal in the organization (Javidan, Darfman, Luque & House, 2006:73). Team building style instills pride, loyalty, and collaboration among organizational members; and highly values team cohesiveness and a common purpose or goals (House et.al, 2004). This globe CLT dimension includes five primary leadership scales such as collaborative team orientation, team integrator, diplomatic, malevolent and administratively competent. The comparison between Finland and India show that the preference for team oriented style is higher in individualistic culture Finland (5.85) when compared with the collectivistic India (5.72). In the Finnish work environment the Finnish leaders should set clear goals and define objectives and each of the team members have an important role to play and each of the members are expected to contribute in their unique way (Lewis, 2007 in Elkjaer et al. 2009). Moreover, in the Finnish team oriented style the team members have the liberty to be independent and come up with their own decisions. On the other hand team oriented style in India works in different way where the team leaders specify the task for each team members and the team members are expected to perform by the given orders. Often the team member’s motivation is to be loyal to the team leader and follow the orders given by the team leaders. Independent decision making may not be common among the team members. The main aim of the Indian leader is to get the work done efficiently through his team members who are clearly monitored. Moreover, it is also not common the team members outperform their bosses in the Indian environment. Challenging and outperforming the leaders or bosses may have serious consequences for the team members in the near future (Pal & Kapur, 2011). Though Finland and India both are closer in preferring team oriented leadership style it works differently in both the countries. India is a high power distance culture which is hierarchical in nature. Whereas, Finland is low power distance culture which has flat hierarchical structure. From this it is obvious the team oriented style may have different style in both the countries.

**Participative style** reflects the style which includes the managers and the employees involve in formulating and implementing decisions (Javidan, Darfman, Luque & House, 2006:73). Participative style encourages input from others in decision-making and implementation: and emphasizes delegation and equality which includes two primary
leadership subscales such as autocratic and non-participative (House et.al, 2004). The comparison between the scores of Finland and India shows that Finnish employees and managers preference for participative style is higher (5.91) when compared with the Indians (4.99). India scores low in participative leadership style as it is a high power distance culture it also creates a business environment where the authority lies with the boss and the employees are generally not empowered. The employees are expected to follow their leaders even the employees may know that their boss is incorrect (LeFebvre, 2011; Kumar, 2005). Therefore, most often the decision making is done by the senior member of the Indian organization in which the other members of the organization have minimal role in decision making. Moreover, the employees do not expect them to play a role in decision making which show that authoritarian style of decision making is common. Therefore, though the subordinates are well educated and knowledgeable than their leaders still they are expected to behave in a submissive way by not challenging or surpassing their bosses. In this kind of traditionally rooted leadership style though the Indian leaders are independent and authoritative and therefore participative leadership is not common among the Indian organizations. The Finnish leadership style is democratic approach which allows the employees to work with their leaders and make decisions flexibly together with their leaders (Vesterinen, Isola & Paasivaara, 2009:506). Therefore, participative leadership style is more common in Finnish work organizations when compared with Indian one.

Humane oriented style is about being supportive and considerate leaders to the managers and employees with generosity and compassion (Javidan, Darfman, Luque & House, 2006:73). Humane style stresses being supportive, compassionate, modes, generous and concerned with the well-being of others which includes two leadership subscales such as modesty and humane oriented (House et.al, 2004). Indians employees are more positive towards humane oriented style (5.26) when compared with Finns (4.3) who ranks lower. India scores high on this as the dimension as the Indian leaders give importance to various societal activities. Indian business environment is uncertain, dynamic and extremely fluid. Moreover, the Indian business environment also has poor infrastructure with various challenges (Useem, 2010:23). It is extremely important for the Indian leaders to cultivate a good image and reputation through their wealth. Therefore, the Indian leaders involve in nation building activities and also various philanthropic activities. By doing these activities Indian leaders are also seen as motivators and role models. Whereas, Finland is a highly developed society with good infrastructure which may not require their business leaders to involve in social and philanthropic activities and also Finnish traditional values are based on modesty where displaying ones wealth may be considered as arrogant (Elkjaer, 2009).
Autonomous style is characterized by an independent, individualistic, and self-centric approach to leadership which includes one primary leadership scale which is labeled as autonomous (Javidan, Darfman, Luque & House, 2006:73). The comparison between the scores of Finland and India shows that Finnish employees and managers prefer more autonomous style (4.08) when compared with Indians (3.85). Lindell & Sigfrids, (2007) in Elkjaer et al. (2009) states that the Finns are highly educated and knowledgeable which means the subordinates who work under the Finnish leader are also the same. Moreover, according to the authors it is up to the leaders to inspire and get the best out of their employees. So in case of Finland also the subordinates who work under the leader have the same knowledge or more knowledge than the leader which is hard to dictate them in an authoritative manner. The Indian leadership style is rooted in the traditional idea of benevolent paternalism which means that the bosses have the right to order at the same time take care of his subordinates (Arora, 2010:21). Moreover, India is a collectivistic culture therefore, it requires the Indian leaders to behave in a socially accepted way. Being autonomous, independent, individualistic and self-centered may be considered as selfish or not caring in Indian environment. Whereas, Finland is an individualistic culture being independent and self-centered is socially accepted behavior therefore, autonomous leadership style is more common in Finland than in India.

Self-protective style emphasizes procedural, status-conscious, and face-saving behaviors and focuses on the safety and security of the individual and group (Javidan, Darfman, Luque & House, 2006:73). This leadership dimension includes five primary leadership subscales such as self-centered, status conscious, conflict inducer, face saver and procedural (House et al., 2004). The comparison between Finland and India shows that Self-protective style is preferred higher by the Indians (3.77) when compared with Finland (2.55). Due to collectivistic culture in India the power distance is higher between the Indian leaders and their followers. The subordinates are expected to be give respect to their superiors, be obedient, submissive, and be formal with their leaders. Though there is this kind of expectations there is much emphasis is placed on the quality of relationship between the leader and his subordinates. Therefore, the Indian leaders are status conscious and exhibit face saving behaviors as the Indian leaders are expected to behave as a father in a family who takes care of everybody’s needs. Paternalism is considered as one of the traits for a good leader. Therefore, self-protective leadership is essential for the Indian business leaders to maintain the harmony and to be procedural in their behavior. On the other Finland is an egalitarian society and the status conscious are low among the members of the society and the concept of face saving does not have much emphasize in the Finnish society. Moreover, as Finland is a highly organized state the security of the individual and group in the organizations does not
required to be taken care by the state. So there less expectation on self-protective style among the Finnish employees.

3. Results and Discussion

This study is intended to present the differences and similarities between Finnish and Indian culture through the cultural dimensions proposed by Hofstede and GLOBE study. The findings of the study are as follows.

Hofstede

The scores or rank on Hofstede’s (2010) dimension on India shows that out of the six dimensions India scores high on power distance which is followed by other dimensions such as long term orientation, masculinity, collectivism, uncertainty avoidance and indulgence. On the other hand Finland scores high on Individualism, followed by uncertainty avoidance, indulgence, long term orientation, power distance and masculinity (Hofstede, 2010). From the comparison it is obvious to understand the wide gap in the cultural differences between Finland and India. Hofstede’s, (2010) six cultural dimensions may not be the perfect indicator in giving the exact information about both the cultures. However, these dimensions will provide a basic understanding on the national cultures between both the countries. Moreover, analyzing the cultural dimensions is an endeavor to understand the Finnish and Indian culture as a large group at the general level. The results of these cultural dimensions may be contrasting at Individual level as the individual personalities from both the culture may have different values and behavior. The below mentioned graph explain the comparison of Indian and Finnish cultural dimensions.

![Figure 3: Comparison of cultural dimension scores on India and Finland (Source: Hofstede, 2010)](image_url)
GLOBE

The top three ranks of Indian social practice GLOBE cultural dimensions are in-group collectivism (4), humane orientation (9) and future orientation (14). The top three ranks of Finnish social practice cultural dimensions are uncertainty avoidance (8), institutional collectivism (10) and future orientation (14). The top three ranks of Indian social values are assertiveness (7), performance orientation (26), uncertainty avoidance (29) and future orientation (29). The top ranking Finnish social values are humane orientation (2), performance orientation (20) and assertiveness (35) (House et al., 2004). The below mentioned graph explain the comparison of Indian and Finnish cultural dimensions.

Figure 4: Comparison of society practice and society values scores on India and Finland (Source: GLOBE, House et.al., 2004; 2010)

Hofstede and GLOBE

The findings of the study of Hofstede and GLOBE study reveal that there is big difference in hierarchy between the Finnish and Indian culture. The Hofstede score on power distance (PDI) for India is 77 and Finland is 33 and the different between both the cultures is 44 which is a major difference. Therefore, it is assumable that power distance is greater in Indian culture when compared with the Finnish culture. The low power distance of Finland is also visible both in Hofstede and GLOBE study. As per the GLOBE social practice India scores 5.47 and Finland scores 4.89 and the difference is 0.58. The high power distance in India is visible in both Hofstede and GLOBE study. The Hofstede score on individualism vs. collectivism (IDV) dimension is that Finland scores 63 on individualism and India scores 48 in this dimension and the difference between both the cultures is 15. Hofstede scores confirm Finland is more individualistic than India. As per the GLOBE India scores 5.92 and Finland
scores 4.07 and the difference between both the cultures is that 1.85. It is evident from this scores that the GLOBE study also confirms the Indian social practices are high on in group collectivism when compared with the Finnish culture. Therefore there is a huge difference in handling power relation in both the cultures.

In the masculinity vs. femininity (MAS) dimension India scores 56 and Finland scores 26 and the difference between both the cultures is 30. This confirms that India is high masculine culture when compared with India. In correlation with MAS dimension the GLOBE score on society practice of gender egalitarian scores of Finland is 3.35 and India is 2.9 and the difference is 0.45. The Hofstede score on uncertainty avoidance index (UAI) for Finland is 59 and India is 40 and the difference between both the cultures is 19. The GLOBE social practice scores of uncertainty of Finland is 5.02 and India is 4.15 and the difference between both the cultures is 0.87.

The Hofstede (2010) score on long term vs short term orientation (LTO) for India is 51 and Finland is 38 and the difference between both the cultures is 13. The Hofstede (2010) score confirms Indian culture is more long term oriented than the Finnish one. However, the GLOBE score on society practice on future orientation of Finland is 4.24 and India is 4.19 and the difference is 0.05. The results of GLOBE (2004) shows Finland is more future oriented society than India by little difference which can interpret as both Finland and India are future oriented society.

The Hofstede (2010) score on indulgence vs. restraint (IVR) for Finland is 57 and India is 26 and the difference between both the cultures is 31 which confirm Finland is an indulgence society and India is a restraint society. The GLOBE score on society practice of institutional collectivism for Finland is 4.63 and India is 4.38 and the difference is 0.25. The GLOBE (2010) score on society practice of performance orientation is higher in India with 4.25 and Finland is lower with 3.81. The difference between both the cultures is 0.44 which confirm that performance is high in India than in Finland. The GLOBE score on society practice of assertiveness is higher in Finland with 3.81 and India is 3.73 and the difference between both the cultures is that 0.08. The GLOBE scores confirm that both Finland and India is assertive societies.

**GLOBE Leadership styles**

In the GLOBE study India belongs to south Asian cluster which prefers charismatic or value based leadership style (5.85) the most. The second preferred leadership style is team oriented style (5.72) and the humane oriented style (5.26) is viewed higher and comes as the third preferred leadership style. Participative leadership style (4.99) comes in the fourth position which is followed by autonomous style (3.85) and self-protective style (3.77) as fifth and sixth preferred leadership style among the Indians (House et.al, 2004). The scores of all
preferred leadership style in India are lesser when compared with the scores of South Asian cluster. Whereas, Finland comes under the Nordic cluster in the GLOBE which prefers charismatic or value based leadership as the most preferred leadership style. Charismatic leadership style is higher in Finland (5.94) when compared with the average (5.93) of Nordic cluster. Participative style comes as the next or second most preferred leadership style in Finland. The scores of participative leadership style are higher in Finland (5.91) when compared with the average (5.75) of Nordic cluster. Team oriented style is the third most preferred leadership style in Finland. Humane oriented style, autonomous style and self-protective style are preferred fourth, fifth and sixth respectively (House et. al, 2004). The below mentioned graph explain the leadership preference among Finnish and Indian employees.

The preference for the leadership among the Finnish and Indian employees has both similarities and differences. The similarity is that both India and Finland scores high on charismatic leadership style. Though both Finland and India are very different culturally the preference for charismatic leaders is high in both the cultures. This shows that irrespective of cultures the employees prefer leaders who can inspire and motivate the employees to achieve performance from them. Finland scores 5.94 for the preference of charismatic style and India scores 5.85. The difference between both the cultures is that 0.09 which shows that there is more similarity in the preference between both the cultures even though there is no complete similarity between both the cultures. Another similarity between both the India and Finland is that the preference for team oriented style is high among both Finnish and Indian employees. Finland scores 5.85 and India scores 5.72 and the difference between the preference among
the employees of both the cultures is 0.13. Therefore, the preference is very closer among both the cultures.

However, the preference of other leadership style among both the cultures is vast. For example, the preference for participative leadership style according to GLOBE study is higher in Finland than compared with India. Finland scores 5.91 and India scores 4.99 and the difference between both the cultures is 0.92. The participative leadership is preferred more among the Finnish employees as there may be the reason due to the power distance. Finland is a small power distance culture the use of power should be legitimate and is subject to criteria of good and evil (Hofstede, 2011:9). Therefore, the inequality between the leaders and employees are less and the employees are encouraged and motivated to take part in the decision making process. Whereas, in India the power distance is large and the legitimacy of power is irrelevant as power is the basic fact of the society (Hofsetde, 2011:9). Therefore, there is inequality exist between the power relations of employees and the leaders and the employees are not encouraged to participate or consulted in decision making. The difference in preference for humane oriented style is higher among the Indian employees than the Finnish employees. India scores 5.26 and Finland scores 4.3 and the difference is 0.96. This also confirms the huge difference between both the cultures. The Indian culture believes in the notion of “Karma” which means the individuals are responsible for their own actions. It means if people do good it comes back and if they do badly it comes as well which simply denotes what goes around comes around. Due to the influence of this belief may also be one of the reasons that India scores on Humane oriented style. On the other hand such belief may not be existing in Finnish culture which may also be one of the reasons for low preference in humane oriented leadership style among the Finnish employees.

Besides, the difference in preference for autonomous style is slightly higher among the Finnish employees than the Indian employees. Finland scores 4.08 and India scores 3.85 and the difference is 0.23. The reason for the preference for autonomous style among the Finnish employees may also be due to the individualistic culture. In the individualistic culture like Finland the individuals are expected to take care themselves and the individuals are “I” conscious (Hofstede, 2011:11). Therefore, the people look at others as individuals who also reflect their expectation and preference regarding the leaders who are independent and self-centered. Whereas, in the collectivistic culture like India the Individuals are expected to look after their siblings and the individuals are “we” conscious (Hofstede, 2011:11). Therefore, people expect their leaders to be paternalistic which also reflects their low preference for autonomous style. The comparison of preferred leadership style also reveals that there is a huge difference between the preference of self-protective style among the Finnish and Indian employees. India scores (3.77) and the Finland scores (2.55) which reveals that the high
power distance and collectivistic culture is replicated in the self-protective leadership style. As Finland is small power distance and individualistic culture the need for face saving behavior and status consciousness are lower. Therefore, self-protective leadership style is not the most preferred one among the Finnish employees.

4. Conclusion

The in depth review of Finnish and Indian culture through the Hofstede and GLOBE study shows that there are significant differences and similarities exist between both the cultures. The review reveals that there is massive difference in terms of power distance, gender egalitarianism, individualism uncertainty avoidance, future orientation, uncertainty avoidance etc. At the same time there are also similarities in terms of leadership style such as charismatic and team oriented style. However, it is still questionable whether the similarities on the cultural dimension have same meaning in both the cultures. Moreover, generalizing Finnish culture through the cultural dimensions proposed by Hofstede and GLOBE study is more rational as Finland is more homogenous in nature with approximately 5.4 million people as its population. However, generalizing India may not be more rational due to its huge population (approximately 1.27 billion people), cultural pluralism, and diversity. Besides, Indian cultural values, beliefs and conditions are contradictory from state to state and region to region (Sebastian, Parameswaran & Yahya 2006:1). Therefore generalizing Indian culture can lead to confrontation due to its history and geography etc. Rather than thinking India as one single culture it is wiser to think it as an association of various regional and subcultures.

The contribution of this study to the literatures is as follows. First, this study will be one of the first study which gives insight by comparing the similarities and differences between Finnish and Indian organizational culture and preferred leadership style. Second, this study will be one of the few studies that compare Indian and Finnish organizational culture through Hofstede and GLOBE study. Third, this study is also one of the few studies that compare the countries which are totally dissimilar in terms of population. Besides, the study also offers several important managerial implications. First, the study explains the commonalities and distinction between Finland and India. Second, this study explains the power relations, gender egalitarianism, future orientation, uncertainty avoidance, institutional collectivism between both the countries. Third, this study explains the preferred leadership style among the employees of Finnish and Indian organizations. Fourth, this study gives an overview to the Finnish and Indian organizational cultures. The findings of the study will be highly practical for the Indian and Finnish business leaders who are involved in doing business in Finland and India.
This study has significant limitations. This study is a review study investigating the Finnish and Indian culture through empirical research could shed light on more interesting facts on Finnish and Indian culture. In order to understand Indian culture completely it is significant to conduct empirical study with focus on different regions, zones and states in India. At the same time conducting a similar empirical study on different regions of Finland may also reveal more insights to the Finnish culture. To conclude the intention of this study in general to give a bird’s eye view of Finnish and Indian organizational culture and leadership style through Hofstede and GLOBE study.

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