

# **Deciphering and understanding cultural codes within Finnish-Russian business relationship development**

*Maria Ivanova  
Åbo Akademi University, School of Business and Economics,  
Henrikinkatu 7, 20500, Turku, Finland,  
mivanova@abo.fi*

*Work-in-Progress*

## **Abstract**

This paper is of descriptive character and its aim is to understand the intercultural side of Russian-Finnish business relationships and interaction. Within business relationships studies there is a definite need to have a cultural perspective, which will differ from the predominant functionalist cultural model of Hofstede. This paper regards culture as a system of shared cultural codes that are inherited and learned by an individual. Cultural codes of another culture are subconsciously and consciously learned in the process of social interaction and help the interacting persons to culturally adapt and improve business relationships. Individuals within business relationships use the inherited and learned cultural codes in order to conduct, as well as make sense of business acts.

The particular research questions are concerned with what cultural codes should we be aware of and/or adapt to in the process of business relationships with Russian firms and how these cultural codes can be interpreted/understood. Moreover, it is expected that investigation of symbolic expression will help to uncover how Finnish managers adapted to cultural traits of Russian business. It should be noted that as the empirical cases within this paper regard Finnish side as a seller and Russian as a buyer, the specific focus is on Russian business culture, although Finnish cultural traits are also considered to some extent.

This paper employs sensemaking as the methodological approach and hermeneutical analysis in order to interpret respondent's stories. The main findings represent itself a hermeneutic interpretation of cultural codes within Russian-Finnish business relationships and interaction through socio- and lingo-cultural context. The main contribution of this paper is applying the culture as knowledge perspective and cultural codes concept in the study of business relationships and interaction, which deviates from that of national culture model of Hofstede, predominantly used in the IMP studies. Moreover provides managers with an in-depth understanding of Russian business culture from a different angle, implying possible contextual explanations of cultural codes.

**Keywords:** intercultural business relationships, cultural codes, Russian business culture, hermeneutics.

## INTRODUCTION

Business relationships, their development, as well as interaction within them, have been a topical issue in business-to-business marketing literature, in particular that of the IMP group, for several years now. The foundation for this paper is the framework of business relationship development developed by Dwyer, Schurr and Oh (1987). The authors divided business relationships development into five phases: Awareness, Exploration, Expansion, Commitment, Dissolution. Although there are other possible variations of these phases, the main idea applied in this paper is the change of interaction character during these phases. In this paper I will focus on the following three phases:

1. Awareness: *searching for a feasible relationship partner on the basis of external information, no interaction with the partner,*
2. Exploration/Initiation: *first meetings, getting to know each other, obtaining initial interaction based understanding.*
3. Expansion: *enhancing interaction, adaptation, increase in partners interdependence,*

International business relationships are a crucial element of today's business world. Nowadays, national borders do not restrict business relationships, as it was a few decades ago. Nevertheless, the main actors in any business relationships are people, which are engaged in them and represent their companies. Therefore, such factor as socio-cultural differences can be a border for conducting international business efficiently. On the basis of international business literature review and personal research experiences Leung et al. (2005) propose that there are rare situations where culture would not be of any importance. Without taking up the cultural context, the interpretation of human actions would be meaningless and trivial.

The empirical context of this paper is Finnish-Russian business relationships. In particular, it refers to a situation when Finnish counterpart tries to establish or improve business relationships with a Russian partner, which is the main reason for focusing on Russian business culture. Puffer and McCarthy (2011), in their review on two decades of Russian business and management research consider cultural aspects as a driving factor of business behavior and decision making in Russia. The authors also note that most studies in the 1990s through the early 2000s investigated Russian national and organizational culture using Hofstede's cultural dimensions. In their implications Puffer and McCarthy (2011) particularly stress the influence of *traditional culture* on Russian business. This paper attempts to get a deeper view on Russian business culture, than the one, which could be gained by applying Hofstede's dimensions. It adheres to Holden's notion (2011, 353) that "Russia is learning a new language both literally and metaphorically." Therefore, this paper takes a social constructivism approach to culture views it as knowledge of 'cultural language' and/or system of shared cultural codes that are inherited and learned by an individual. The main question of the paper is: *What cultural codes should we be aware of and/or adapt to in the process of business relationships with Russian firms and How these cultural codes can be interpreted/understood?*

The paper is of an abductive character and is constructed as follows. First the cultural perspective of the paper is introduced. Second, the sensemaking approach, the method of data collection and analysis are described. Third a hermeneutic interpretation of respondent's stories and vision of business relationship and interaction with Russian partners through phases is presented. Finally some conclusions and managerial implications are provided and avenues for further research are given.

## CULTURE AS KNOWLEDGE OF CULTURAL CODES VOCABULARY

Culture is a very broad concept, therefore there can be several perspectives even on one intercultural issue. The perspective on culture within international business, management and IMP group research, in particular, has been dominated by a western ethnocentric view and looking at culture as values (Lowe 2001; Lowe et al. 2005, Fletcher & Fang 2006, Holzmueller, Nijssen & Singh 2006, Busch 2011). Seeing western culture as a universal value model, led both business management researchers and practitioners to disregard the alternative “other” perspective on it (Frenkel & Shenhav 2006). A perspective on culture, which has been rarely used in international business and management studies, is the one regarding culture as a system of knowledge shared by a community (Busch 2011).

The perspective of culture as knowledge interrelates with the concepts of cultural schemas and cross-cultural code switching. Cultural schemas are cognitive structures that comprise knowledge for interpersonal interaction in a certain cultural environment (Nishida 1999). Metaphorically speaking cultural schemas represent themselves shared “vocabularies” (Ridgeway 2006), “words” from which can be used in order to deal with various interactive situations. The metaphor of “vocabularies” leads to considering the concept of cultural codes, which represent cultural-specific norms encoded in event-based schemas (Molinsky 2007). Once the person learned the codes of a specific cultural behavior, he can switch and use these codes in appropriate situations. Within a business relationship context learning and adapting the cultural “vocabulary” is done from interaction to interaction, step by step.

Apart from interaction, adaptation is one of the core concepts in terms of business relationships development. Within the IMP group adaptation is predominantly regarded on an inter-firm level as standardization of processes and synonym for the concept of transaction-specific investments (Brennan & Canning 2004). Research in *cultural adaptation* among the managers of business relationships and interaction within IMP group is scarce. Cultural adaptation within this paper is regarded as the incorporation of cultural specific codes into person’s cultural vocabulary and the ability of using them in particular interaction situations. The main reason behind little research on cultural adaptation within industrial context may be the restrained access to information. Therefore methodological approach needs to be carefully thought through, which is attempted in the following section.

## METHODOLOGICAL CONCERNS

In this paper, sensemaking is regarded as an alternative approach to case studies. Mills & Hellms Mills (2011, 343) consider the whole process of case study as a sensemaking strategy for developing “plausible accounts of reality and knowledge”. Sensemaking “is concerned with the way people make bets on ‘what is going on’ and what to do next by way of (inter)action.” (Colville & Pye 2010) This paper addresses “the way people make bets on ‘what is going on’”. Recently sensemaking approach has been used in IMP literature, but mainly applied to understand business networks (Möller & Svahn 2003, Hennenberg, Naude & Mouzas 2010, Colville & Pye 2010). When we are talking about intercultural business relationships the question on how to grasp the socio-cultural aspect in individual sensemaking arises. Moreover, culture is itself a context, embedded in wider contexts (Osland & Bird 2000). Therefore in order to understand “the way people make bets on ‘what is going on’” through a cultural sensemaking prism we need to take the contextual factor into account as well. Osland and Bird (2000) call it “cultural sense-making in context”.

The primary data was collected through in-depth semi-structured interviews with sales managers and managing directors within three firms representing Finnish metal construction and a managing director of a Russian electrical engineering company. Two of the respondents have at least 20 years of experience on Russian market, which presumes high level of cultural knowledge and adaptation. Other two respondents are of Russian origin, although have lived in Finland for around 20 years, which makes them bicultural. Individuals who are bicultural are more proficient in cultural code switching (c.f. Brannen & Thomas 2010); therefore their stories are of particular value, when looking for these specific cultural codes. The interview with the managing director of the Russian company was used in order to complement the interpretation of other respondent's story. The interviews were conducted face-to-face and lasted from one to one and a half hours. In total, there were eight interviews between May-June 2011 and November 2011 at the premises of the firms located in Finland and in Russia. Although all the interviews were considered, quotes from only five interviews are used in this paper. The questions concerned intercultural aspects in business relationships development, how the information was gained, how the first meeting and following interactions were conducted. Therefore they focused on Awareness, Exploration and Expansion phases of business relationships. Detailed information on used cases is presented in Appendix 1. The names of the respondents were substituted by fictional ones due to confidentiality matters.

When being interviewed respondents express what Goffman (1959) called 'front'. "Front is the expressive equipment of a standard kind intentionally or unwittingly employed by the individual during his performance" (ibid.: 22) It is not rare to come across a situation when the respondents starts to show the research the factory and talk about his production, profits or other related professional matters even of not asked. Therefore it can be assumed that in an interview situation the respondent take in his usual professional identity and is acting naturally. When making sense of business relationships with Russians, in particular, the respondents put on their identity as a 'an expert on Russian business culture', therefore unconsciously apply cultural codes that can show his/her experience. Therefore, in this paper, cultural codes are the 'expressive equipment' of the respondents, which appears in their interview texts in the form of phraseologies, metaphors and other linguistic shapes.

The interviews within this paper are treated as texts or stories. The method of textual analysis applied is that of hermeneutics. Prasad and Mir (2002) referring to Ricouer (1980) state that the task of hermeneutic interpretation is to unveil the symbolic meaning within the text, which consists of literary and figurative meaning, or in other words try to find the hidden meaning in the apparent one. In order to understand various constructions and meanings the researcher should gain in-depth understanding of the context in which people are acting. Hermeneutical analysis means looking beyond the interview situation and turning to the "contextual interpretive horizon provided by history and tradition" (Kvale & Brinkmann 2009, 51), which corresponds with the cultural sensemaking approach of this paper. In this paper the notions of cultural history (Osland & Bird 2000), traditional culture and business journals' current discourse, in particular, are taken for analyzing respondents' sensemaking.

By analyzing the stories of respondents, picking out certain cultural codes and hermeneutically interpreting them with the help of cultural history, we can understand the level of cultural adaptation and knowledge of the respondents. As the respondents in this paper are experienced or bicultural it is assumed the level of cultural adaptation is high. Therefore by deciphering the cultural codes from respondent's stories and hermeneutically interpreting them we can get a feasible image of the cultural context behind business

relationships with Russians. Secondary data consists of proverbs and scientific articles on traditional Russian rituals, language and history.

## ANALYSIS AND DISCUSSION

### *Awareness phase*

#### *General perception of each other: reliability vs. faults*

As with the brand of products in consumer marketing, on the Awareness phase of business relationships the “image” of business culture still seems to be quite important. Let us start with analyzing the symbolic “image” of Finnish business culture made by Svetlana.

*For Russians Finland is the symbol of **quality, stability and reliability** (Svetlana, Sales manager, Firm B)*

This symbolically grounded sensemaking of Finnish “image” quite well reflects the general discourse regarding Finnish business in Russian mass media. For example an article of *Kommersant Sekret Firmy* (Kryukov 2011) tells about a Finnish businessman Juhanni Jarvilehto and his problems on the Russian construction market. The country of origin factor can be already seen in the naming this article’s subsection: “The Finns are better”. Further in this sub-section of the article the following words can be traced: “At first the Finnish origin and experience of Järvillehto and the reputation of the company where he previously worked helped him.” (Kryukov 2011) Although this story continues not so well, when Juhanni faces problems related to corruption, the popularity and usefulness of Finland as a country brand within business relationships is apparent. Since the 1990s Finnish marketers with the state support tried to build the country image as progressive, responsible and technologically advanced (Ryan 2008) and it this “image” seems to work well on the Russian industrial market. Moreover, the general attitude towards West and everything related to it is quite positive in Russia (Diligenskii 2000).

On contrast, the general “image” of Russia in the eyes of Finnish managers is not so positive, which might have certain impact on business relationships.

*I know a lot of Finns when they are across the border, in Russia, they watch that things through some kind of glasses. There is this kind of impression that all the **faults need to be taken into the consideration** at first and see what isn’t right in here. When I went there, everything wasn’t alright, but I wasn’t wearing any glasses. (Tapio, Sales director, Firm C)*

Where can this ‘impression glasses’ come from? And why Tapio was not wearing any glasses, while the others were? The respondent has 20 years of experience, and first experienced Russian business in the beginning of the 90s. Back then, economical and political transformation has just started. Therefore, a person who went there back then did not have enough knowledge to form a new “image” of the “new” Russia. It could be assumed that Tapio had the “image” stemming from Soviet Union, where business was centrally planned, stable and predictable (c.f. Sharma 1993). Therefore there was no turbulence seen on markets yet, as it only started to develop in the 90s and the managers did not transform yet.

Discursive practices in international and Finnish journals might form the ‘fault glasses’ through which a Western businessman sees the Russian market. The number of articles in

international mass media about corruption in Russia, although always present, seems to have escalated during the past few years. We could see the headings as: “Red tape and bribes greet small businesses in Russia” (Sweeney, 2008), “Finnish hauliers pay up to 20000 euro a year in bribes at Russian border” (Helsinki times, 2009), “Russia is so corrupt that it’d be cheaper to pave the roads with Louis Vuitton bags and foie gras” (Burleigh, 2011). In Finnish press we could also see the story about medical workers with fake diplomas from Russia (Yle, 2012), which brings the corruption and fault image outside the business scope. Moreover Alexey Navalny, a popular anti-corruption activist is quite popularized abroad, being listed in Time 100 most influential people of 2012 (Kasparov 2012). All of this adds to the image of the country as the one struggling with heavy corruption in all social spheres.

Still, one cannot say that this is only the image of Russian business culture. Let us turn to discourse in Russian business journals and conduct a quick search in a popular Russian business journal *Kommersant Sekret Firmy* set for the period of last half a year with the key words “business relationships”. Such topics as lack of trust among Russian businessmen and the influence of personal relationships on the business success was stressed in some of the articles. While most of the articles, which appeared in the search result were concerned with corruption, which to a certain extent confirms the general perception expressed above. Moreover, Tuomas, who has himself almost 20 years of experience on the Russian market made a short misinterpretation, when being asked whether his marketing strategy would differ when going on the Russian market.

*No, no...we have never **bribed** (Tuomas, CEO, Firm A)*

Corruption “is for Russians a normal, not punishable and even desirable phenomenon” (Tulchinsky, 2006, 101), therefore, there is no surprise that marketing strategy question was misinterpreted as bribing in the respondent’s sensemaking. The following depictive view on Russian business culture from a managing director of a Russian firm can be added to conclude this section,

*Everything goes bad, everything is upside down, bribes, things like that ...Nothing has really changed ... it is as it was, and remained the same ... Well ... something better, something worse. But overall it is the same ... Of course since the early 90s till today things have changed towards a better, positive side, but it did not become the same as on the West. That it still has its own tricks. And above all we have a very corrupted country, like Africa... it affects very strongly all sorts of issues. (Aleksandr, Managing director, Firm D)*

### ***Getting information: doubts and gossip***

The most common way of obtaining information among respondents was to ask those Finnish companies who already did business in Russia. Nevertheless, I would like to concentrate on ‘gossip’ as a part of Russian culture for getting information, which was the code that appeared from respondents’ sensemaking.

*Then another one has been... was the purpose to, when we were with my wife in Saint Petersburg, or my wife was there... yes of course she found out a bit about these things (business). Are we sure (in the information)? That’s very common. Because getting information otherwise than **through this kind of doubts** is much harder than in Finland. (Tapio, Sales director, Firm C)*

*Well, of course through the Internet firstly. The most accessible. **Social networks**, where people simply communicate with each other, various **forums**, there also is a lot to gather. (Anastasia, Sales manager, Firm A)*

The sensemaking of the first respondent indicates the importance of rumor and gossip as a source of information in Russia, as rumor or gossip represents itself unverified information, therefore can be perceived as **this kind of doubts**. It also refers to the general feeling uncertainty, when entering on turbulent Russian market.

Business gossip has been a topic mainly discussed in intra-organizational literature. Within Russian context gossip is not only a phenomenon of communication, but also a part of Russian linguistic image of the world\*<sup>1</sup> (Osetrova 2011). In Russian social relationships gossip was and still is highly credible and sometimes is regarded as authoritative source of information with a high level of trust towards it (ibid.). **Social networks** and **forums** represent themselves a kind of virtual or online gossip. As we see from Anastasia's quote it is a feasible way of getting aware of the Russian partners. To conclude, gossip is a way of finding information about a partner, as well as being found, which is reflected in the following quote:

*...this so called **grapevine**, that you know that you will get doors from there, that's where we started...(Tuomas, CEO, Firm A)*

#### ***Exploration and Expansion: getting to know the 'dusha'***

*You need to **give something from yourself**, maybe go **have dinner together**, offer something else **to be able to distract** [from business issues], to show that we not only want to make business, but also are ready to provide our time and money. (Svetlana, Sales manager, Firm B)*

Having dinner or activities outside of the work context appeared to be important not only in the aforementioned quote, but in all the respondents' answers. Russian traditional concept that refers to having dinner together with guests is 'zastol'e' and literary means to sit at the table. Therefore eating is not the principal activity in 'zastol'e', the main aim is to get together, have nice food, relax and get to know each other. The traditions of 'zastol'e' comes from the time of merchantry in 9th century, when a foreign merchant was called 'guest', which is also the etymology of this word in Russian language. In Russian cultural context having dinner together with guests corresponds also with the ritual of 'gostepriimstvo', which can be literally translated as "hospitality" and refers to the ritual of hosting. The main aim of 'gostepriimstvo' is to establish a positive image, mutual loyalty and continuation of good relationships (Abramova 2010). This ritual also refers to a cultural norm of offering the guest as much food as possible in order to show a traditional trait of the national character as generosity. Another respondent, remembering an occasion of first meeting in her business life from the 90s told a following story, which quite vividly depicts the ritual of 'gostepriimstvo' in business relationships with Russians.

*Before I joined this company, I worked as interpreter, and we went to the city of Bryansk with representatives from the city of Forssa, there was some project. They wanted to build something in there, but eventually they never did. So there were architects flying there, construction workers from Finland. This was all supposed to be financed by some European*

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\* refers to how language influences our world view

association, and a part of the project was lead by the Finns, that's why I came there too. And what was there... Laughs. This is what you call an **open Russian soul**. This is what really differs. Everything started with the change to a train in St.Petersburg, where they were already treated. They were fed and drink drunk. And in Bryansk there was a hell lot of everything, excursions, welcoming and sittings at daytime, and at night in Bryansk there were even astronauts! There was the head of district committee sitting next to us, he was a major mafiosi as I understood, the richest man in Bryansk. It was all in the nineties, around 1993-94, when private companies started appearing there. There were two astronauts, very famous, that's why I noticed them straight away. I was shocked. Several companies came there and what did they do! After there were evenings in the house of that oligarch, that was something. And, of course, all the Finns were lying on the floor [meaning – full from food, drinks]. No matter how hard the Finns try, they are far away from this **prosperity of soul**. (Anastasia, Sales manager, Firm A)

Although nowadays the scope of 'gostepriimstvo' may be more modest, nevertheless, basing on respondents' stories, it is still widely practiced in the first meetings. Continuing her story on business relationships with Russian partners, Anastasia says the following, relating the **Expansion phase** and on-going interactions after the first meetings:

*If these guys are coming we don't meet in evening every time, because they come often and we come often...it is not that of a **feast** anymore...but for the first meeting or if they come with guests, then we invite them to restaurant.* (Anastasia, Sales manager, Firm A)

Returning to Svetlana's sensemaking we can also see a metaphoric expression – **give something from yourself**, which refers to a Russian phraseology 'give yourself' and means to dedicate yourself to something or someone. It accords with the sensemaking of Anastasia, mentioning **open Russian soul** and refers to the concept of 'dusha', which is literary translated as soul. There are several phraseologies relating to these two stories and the concept of 'dusha' (soul), as 'give a part of your dusha', 'open Russian dusha', 'prosperity of Russian dusha'. Moreover, most of the respondents stated *openness* as being important in business relationships with Russians. But what does openness, in particular an "open Russian soul" mean and how can we benefit from the understanding of this concept?

Hardly translatable Russian 'dusha' can be placed in the 'high' area of binary opposition framework "the soul - the body" (see Zaliznyak 2003) (Appendix 2). Russian 'dusha' is the symbol of the irrationality, as well as represents the importance of emotions. "One's *dusha* opens when one shows to other people what one thinks and feels— and when one does it impulsively, spontaneously, because one wants to say to someone else what one thinks and feels, and not because of anything else" (Wierzbicka 2002, 428). Being able to have an 'open *dusha*' and '*razgovor po dusham*' are vital components of interpersonal interaction and friendship in Russia (Wierzbicka 2002, Shmerlina 2006). '*Razgovor po dusham*' can be translated as heart-to-heart talk and basically means to have unconstrained, open interaction, without any artificial external politeness (Wierbizca 2002). In turn, all of the respondents mentioned interpersonal interaction and friendship as important for business relationships in Russia. It should be noted that friendship in Russian business culture includes social friendship and not only business friendship. The '*razgovor po dusham*' code when doing business in Russia on later **Expansion phase** of relationships can be depicted by the following quote:

... there was sometimes such a **loud noise that you thought they are fighting** with each other but they were just talking about all sorts of things (Tuomas, CEO, Firm A)

Tuomas tells his impression of the business talks between his sales manager Anastasia and Russian partners. The **fighting** impression can be related to Russians speaking on a quite emotional level. While Anastasia tells the following story about her day-to-day interactions with Russian partners.

*IL –Let’s take phone calls, they are very **relaxed, loose**. If they call me, you can say they call as friends do, speak very **simple language**, maybe **even with swear-words** sometimes. And if you compare it with the phone calls I do within Finland, you wouldn’t see that. With Russians you can ask him how is his newborn child, you can laugh about something, he might tell you a story, like there was his car parked for just one minute and the tow-truck came... These telling stories about one’s life is something very much widespread in Russia... I wouldn’t say a Finn would tell so much when he calls. Although I might also keep in touch with him once a week, too. That would be business talks only. (Anastasia, Sales manager, Firm A)*

The feeling of relaxed, loose interaction was also reflected in Svetlana’s quote (see the beginning of this section), through the words **distract [from business]**, relating to the first meeting and going somewhere out of the office space. But how can this difference in interaction styles be interpreted? If we turn to Finnish culture, one of the main concepts is ‘*sisu*’, which is a hard to translate, almost spiritual quality (Aslama & Pantti 2007). The spiritual basis of ‘*sisu*’ positions it in the ‘high’ area of ‘the soul – the body’ framework, as well as the concept of Russian ‘*dusha*’. Nevertheless, while Russian ‘*dusha*’ refers to irrational and emotional, ‘*sisu*’ has a more rational meaning. ‘*Sisu*’ is related to perseverance (Aslama & Pantti 2007). In turn, perseverance comes together with rational thinking and acting, as well as is related to physical, body qualities. Therefore we can assume that Finnish ‘*sisu*’ is related more to the rational ‘mind’, rather than that of irrational, as the concept of Russian ‘*dusha*’.

If we continue the foregoing discussion on rational versus irrational and transfer it to a managerial level, it could be said that a Russian manager most definitely has a Janusian thinking. Janus was a Roman god, which has been always presented on a Roman coin with a double-faced image directed in two opposite ways. As Sjöstrand (1997) explains, this type of thinking implies that managers should not try to eliminate their irrational side and dissonances related to that, but rather recognize that these conflicting entities will never disappear. Looking at the traditional cultural artifacts, one can notice that the heraldry of Russia represents itself an image of double-headed eagle, which traditionally meant the dual sovereignty of the Emperor - secular and religious, which can be also interpreted as the rational and irrational sides accordingly. Therefore, parallels with Janus image can be made (see Appendix 3). Dissonance itself seems to be incorporated in the mind of a Russian manager from the very beginning and he does not put any effort to eliminate it, as it is a part of Russian business culture. While the Finnish manager should comply with Sjöstrand’s (1997) advice and not try to eliminate the irrational, emotional side of himself in business relationships with Russian managers, particularly when being outside the office space. It can be presumed that Finnish managers get to this emotional level on the later phases when the relationships develop, while Russians are open from the first meeting:

*MK: In ten years I learned that **Russians are very friendly from the first meeting***

The quote by Tapio does not mean that Russians are more friendly than Finns on the first meeting, but it rather implies the open soul issue discussed in this section. At the same time it should not be perceived that the Russian manager is less rational on the Exploration phase. Let us look at the following quotes:

*...if they come here to specifically to ask about certain product and they are very thorough out interested... First thing that comes to mind is he... that kind of a **factory spy...**(Tuomas)*

The metaphorical expression **factory spy** can be interpreted as suspicion towards the partner and willingness to get as much information as possible. A Russian proverb 'Trust, but verify' describes quite well this trait of Russian character to check carefully the information even if it is first-hand and reliable.

*They calculate all this marketing, learn about our competitors, see what the prices should be.*

It is obvious that one cannot **count marketing**. In this quote the verb count is a literal translation from Russian verb 'proschet', the meaning of which, apart from count, is that all the steps are carefully thought ahead, as in a chess game. In business Russians are like chess players, carefully and strategically planning all the steps.

*For Russians the **business comes first** unlike here in Finland. For a Finn there can be time to feel and then do something but Russian doesn't have time that way...Then that quite fast you try to find something that works for them, which way suits and what could interest them. (Tapio)*

To sum up the above mentioned quotes, while the irrational side and openness of the soul is important when doing business in Russia, the foreign partner should not forget that business in Russia is not all about feast. In business matters Russian managers are as professional as Western ones. There is a Russian proverb that clearly depicts this side of Russian business culture: 'Friendship is friendship, but [keep our] money apart', which basically means that although friendship is crucial, **business** and formal responsibilities **come first**, as was said by Tapio. Figure 1 depicts the foregoing discussion and illustrates the positions, roles of Russian and Finnish managers during the Exploration phase. Both Russian and Finnish managers take on their rational side in office context and as mentioned by all the respondents, the former is even more business oriented than the latter. Nevertheless business dinners and informal meetings are a vital part of the Exploration phase, as well as Expansion. On the basis of the interviews it could be said that during this informal part of Exploration phase Russians tend to open their 'dusha', while Finnish managers are still taking on the rational 'mind' role.

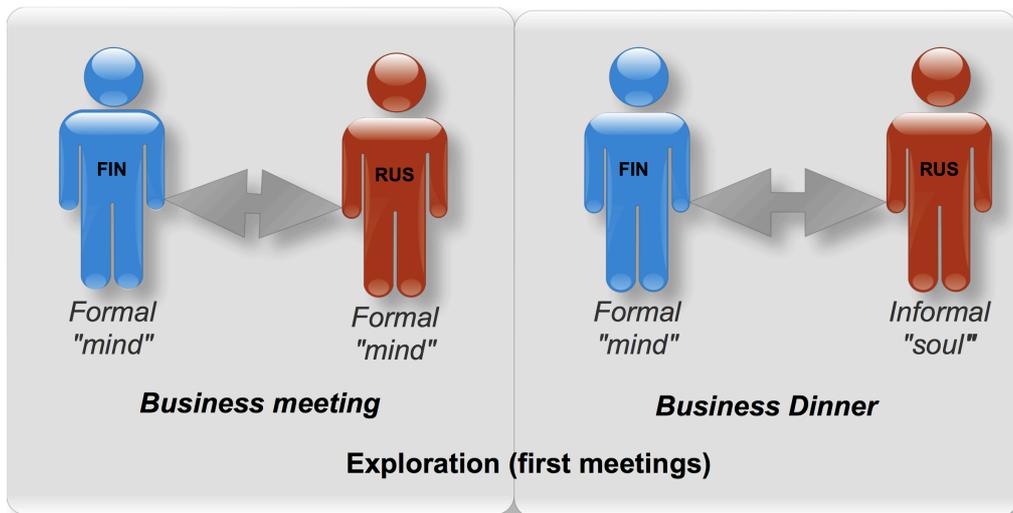


Figure 1. First meetings within Russian-Finnish business relationships and managers' roles

## CONCLUSIONS AND MANAGERIAL IMPLICATIONS

This paper applied a different approach, than the predominant one, to looking at intercultural issues in business relationships and interaction. Its main contribution lies in showing the usefulness of looking for meaningful interpretations, instead of applying positivistic thinking, which still prevails even in qualitative case studies (see Piekkari & Welch, 2011). It contributes to the research on intercultural business relationships by implying the relatively new for this area concept of cultural codes. Methodologically, this paper showed that cultural sensemaking approach and hermeneutic analysis through the prism of socio- and lingocultural context are helpful for understanding the intercultural aspect of business relationships. Moreover wide usage of other's culture codes in individuals' sensemaking showed their level of cultural adaptation. Still, it should be noted that hermeneutic analysis is a purely subjective procedure. Therefore, the reader should remember that the interpretations within this paper are done from the perspective of the author and should not be treated as an absolute truth.

This paper provides several avenues for further research in this area. First, the role of cultural products, as proverbs, movies and metaphors, in cultural sensemaking could be investigated. A particular accent could be made on metaphorical expression in sensemaking, as useful when investigating the cultural aspect. Second, the linguistic aspect of cultural sensemaking analysis should be considered as fruitful for understanding possible cultural misunderstandings in business relationships. Finally, of particular interest would be to investigate how to grasp positive and negative cultural stereotypes within cultural sensemaking. Moreover, what influence external factors have on stereotypes formation and what role do cultural stereotypes have in intercultural business relationships.

Managers are like tourists who need a map to the country named business relationships, which shows in what direction to go, so that they will not get lost and will not step on a "dead end" road. Appendix 4 represents a map of cultural codes, which resulted from interviews interpretation. Although this map needs to be developed further, knowledge and deep understanding of cultural codes represented in it may help managers in business interaction

and relationships on the Russian market. Foreign managers should be aware of Russian traditional cultural codes in order to understand fully its business culture, in particular codes related to the concept of 'dusha'. This paper provides managers only with some ways and roads towards understanding business relationships on Russia. Further elaboration of managerial guidelines should be done in order to improve the practical side of this paper.

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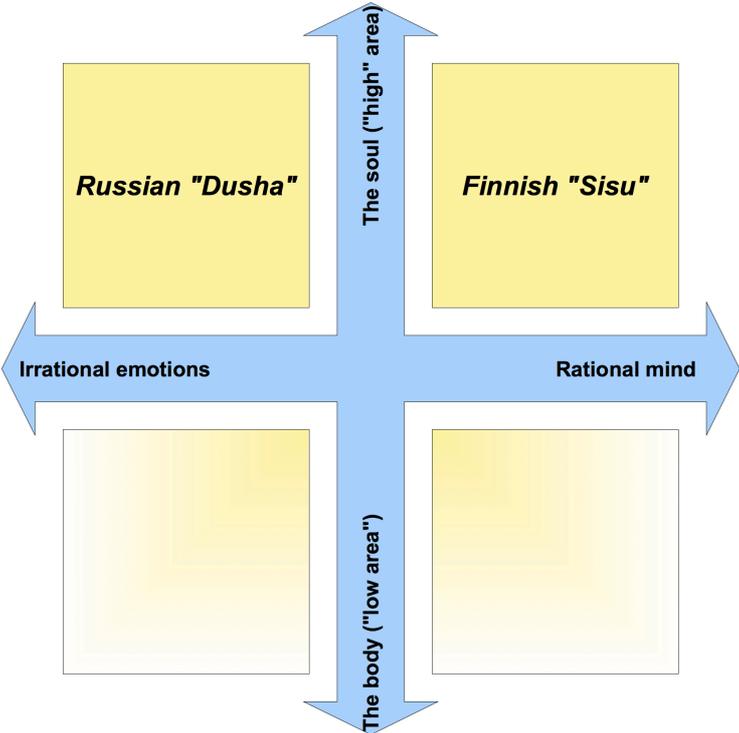
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**Appendix 1.** Information on respondents, quotes of which were used in the paper

| Respondent | Respondent position | Respondent experience in Finnish-Russian relationships and Russian business culture | Finnish firm case | Year of incorporation | Firm operations on Russian market currently  |
|------------|---------------------|---|-------------------|-----------------------|--|
| Tuomas     | CEO                 | Highly experienced. Originally Finnish. In Russia since 1975                        | A                 | 1960                  | sales since 1975<br>production planning      |
| Anastasia  | Sales Manager       | Bicultural. Originally Russian, around 20 years in Finland.                         |                   |                       |  |
| Svetlana   | Sales manager       | Bicultural. Originally Russian, around 20 years in Finland.                         | B                 | 1960                  | sales since 1994<br>storehouse planning      |
| Tapio      | Sales Director      | Highly experienced. Approximately 20 years of operations on Russian market          | C                 | 2000                  | sales planning                               |
| Aleksandr  | Managing Director   | Originally Russian  | D                 | 1991                  | Russian company, has a subsidiary in Finland |

**Appendix 2.** Russian “Dusha” vs. Finnish “Sisu” positioning



**Appendix 3.** Image of Janus and double-headed eagle heraldry



**Appendix 4.** Cultural codes map for business relationships with Russian partners

