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**The Psychological Distance and International Experience: An
Empirical Investigation of Russian Students at the University of
Nordland**

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Abstract

Psychological distance, as one of the non-tariff export barriers, is a relatively new concept in business literature and has not been studied much. One of the antecedents of psychological distance – international experience, has not been discussed a lot in the international business literature as well. This research on the perception of psychological distance by Russian students at the University of Nordland and their international experience explores the nature of two concepts, studies these concepts from the theoretical and empirical perspectives and gives a detailed explanation of what international experience is for Russian students at the University of Nordland.

University of Nordland in Bodø, Norway has a close cooperation with universities in many countries. Russia is one of those countries, which Norway is in close cooperation with, not only in terms of education. Neighboring countries has a shared border and collaborate in a number of industries. Therefore, it is important to study Russian-Norwegian cooperation.

This study provides evidence of psychological distance on the individual level and uses explorative approach and semi-structured interviews for collecting and analyzing data. Russian students from Saint-Petersburg and Arkhangelsk have been interviewed on the subject of international experience, perception of psychological distance and other constituents of it.

Key words: psychological distance, international experience, language, cultural distance, Russia, Norway.

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I INTRODUCTION

“Basically, I’m not interested in doing research and I’ve never been. I’m interested in understanding, which is quite a different thing.” – David Blackwell.

1.1 Background of the thesis

In these days of globalization, multinational cooperation and overall expansion of businesses and productions main focus of international business research is on export transferring of goods, products and services. Many firms take a decision to look for opportunities internationally, but less of them decide to export. And why do some firms export and others do not (Sharkey, Lim, & Kim, 1989)? Export barriers are the major obstacles on the way to successful operation on international markets (Gripsrud, 1990).

Not all export barriers have the same nature and easy to overcome. Psychological distance is one of the non-tariff export barriers which have an abstract form and exists in the minds of individuals (Håkanson & Ambos, 2010). International business literature provides different approaches to the measurement and constituents of psychological distance and suggests few important factors which influence the psychological distance perception. One of these important factors, which have not got a clear definition in the international business literature is an international experience. Moreover, there are discussions on which level the concept of psychological distance should be studied. Since, the concept exists in the minds of individuals (Håkanson & Ambos, 2010) and managers are those key persons which take a decision to export and generally are responsible for the internationalization of a firm, psychological distance concept studies on the individual level in this particular research.

International business literature about psychological distance is mostly written on the level of firm and most of the studies were conducted by asking managers about their psychological distance perception. Hence, it is individuals who decide the concept. Therefore, literature written on psychological distance can be applied on the individual level.

1.2 Relevance of the research

Export barriers are very important for internationalization of firms. And psychological distance is one of the barriers which difficult to manage because of its abstract form. It is pure individual perception and there is no law or legislation can be written to manage overcoming of this barrier (Sharkey et al., 1989).

Due to the fact that psychological distance is a relatively new abstract concept and it has not gotten a large attention in the international business literature and there are not many studies have been conducted on this subject, it is difficult to explain the phenomena. Psychological distance needs to be studied deeper. The theory about psychological distance concept is applied in this master thesis as a base for further research and the aim of this master thesis is to develop existing knowledge about the psychological distance concept and determinants experience and language. Also this study is aimed to explore existing theory and to extend it.

This research is conducted on business cooperation between two countries Russia and Norway. These countries have a long history of collaboration and shared borders. The importance of collaboration has been mentioned by Norwegian Minister of Trade and Industry Trond Giske – “Russia is a very important economic partner for Norway. Russia and Norway already collaborate in a number of industries like the maritime and marine sector, hotel management, energy cooperation, banking and finance, fisheries, aquaculture and tourism. Russia is also our geographical neighbor, and close co-operation in the northern region is of high priority.”¹

Due to the fact that business relationships have many different forms and conditions, we consider cooperation between business schools in Russia and Norway as business environment. The University of Nordland, specifically Bodø Graduate School of Business, has partnership agreements with several Universities in Russia. According to the agreements students from Russia, that have completed a certain academic degree (bachelor or specialist level) in their home institutions, have an opportunity to come to Norway and continue education for two years more and complete a Master level. While staying in Norway they are

¹ <http://www.regjeringen.no/en/dep/nhd/press-centre/Press-releases/2011/norway-and-russia---strengthened-relatio.html?id=634823>

provided by accommodation and scholarships which have no difference with those of Norwegian students. Russian university may be seen as a “company” that makes an agreement with a university in Norway and sends their “employees” (students) abroad to work in a foreign environment. As a foreign partner, a university in Norway hires employees from Russia and helps them with the integration process. Moreover, Norwegian university “hires” students not only from a partner university in Russia, but from different universities and different countries as well.

1.3 Problem statement and the research question

According to the information described above the research question of this thesis is

✦ What is the international experience for Russian students at the University of Nordland as a determinant of psychological distance?

The goal of this master thesis is to reveal the nature of psychological distance concept, international experience, language, cultural distance, and identify whether personal international experience of Russian students within the University of Nordland influence psychological distance. Earlier researchers have predicted that the impact of psychological distance on managerial decisions decreases with gained international experience, but this correlation have never been supported (Dow, 2000).

The aim of my master thesis is to increase the general understanding of the concepts of *psychic distance* and *international experience* within Russian-Norwegian collaboration.

The goals of my master thesis are:

- 1) to study psychic distance concept from the theoretical and empirical perspective;
- 2) to understand how do psychological distance perceived by Russian students in Norway and how do they define international experience;
- 3) to give a detailed explanation of the concepts used in the thesis and provide reasonable arguments for research and analysis;
- 4) to expand the literature on the psychological distance concept and international experience.

II THEORETICAL CHAPTER

“There is nothing so particular as a good theory” – Ludwig Boltzmann

This chapter highlights the main theoretical framework for the research and gives definitions of major concepts. There are different opinions of authors on the concept of psychological distance and its components. Hence, it is important to understand the context in which they use it for and how they define it. Since there is not many studies have been conducted on the psychological distance and the concept itself has not been discussed a lot, the theory chapter aimed to give as full as possible understanding of psychic distance and the key concepts providing different perspectives and findings.

2.1 What is a psychological distance?

One important export barrier is psychological distance. In 1956 psychological distance was used by Beckerman for the first time in order to explain the distribution of international trade (Evans and Mavondo, 2002). Later psychological distance has become broadly discussed since the introduction of the concept in 1973 by researchers from Uppsala school in Sweden, Vahlne and Weiedersheim-Paul. The implementation of empirical study of the spatial distribution of Swedish exports gave the concept new development in the International Business.

Later on psychological distance was introduced in econometric analysis by Hornell (1973), were it was used as explanatory factor for the country distribution of Swedish firms' foreign subsidiaries (Vahlne & Nordström, 1994). The general discussion of the concept lead to the finding that psychological distance was related to cultural distance and attempted to explain behavior of international players concerned with strategic management, impact on a managerial performance and expansion of the markets.

So what is the psychological distance?

The semantic meaning of the concept “psychological” coming from Greek “psychikos”, which means the combination of mind and soul. Basically, the meaning explains the remoteness of one subject from another in the mind of the observer (Håkanson & Ambos, 2010). The distance exists in the mind of an individual and depends on how the world is perceived by this individual (C. M. P. Sousa & Bradley, 2006).

Psychological distance in the international business literature explains the *perception* of differences between countries by individuals. Hence, the psychological distance is abstract concept which is difficult understand and difficult to measure. Concepts based on perceptual issues mostly characterized as subjective rather than absolute. It means that in order to measure such concept as psychological distance one cannot use absolute measurements and should focus on other methods (C. M. P. Sousa & Bradley, 2006).

Psychic distance is a reflection of the perceiver’s knowledge, familiarity and the sense of understanding of a foreign environment (Håkanson & Ambos, 2010). The notion of psychic distance includes perception of differences by individuals between countries in their minds taking into consideration some absolute factors, such as geographical distance. Moreover, the understanding of the concept does not limit by the perception of differences between countries. Individuals’ minds are receptive to note either *differences* or/and *similarities* between objects (Conway & Swift, 2000). Hence, the concept contains two perceptual factors such as perception of the differences and perception of the similarities between countries.

The literature contains arguments to support the opinion regarding the ability of managers to manage similarities and differences operating in the international environment (Conway & Swift, 2000; Mezias et al., 2002). It has been proved that for managers expanding business internationally easier to manage similarities than differences between home country and the host. At the same time managing similarities does not give organizations the competitive advantage in terms of capitalizing on the differences and avoiding the direct competition. Evens and Mavondo (2008) showed that psychological distance is directly and positively related to financial performance and strategic effectiveness of organizations and that managers recognize when they enter considerably different market from their own. Moreover, organizations may perform better on the psychically distant markets by reason of taking advantage of differences (Evans & Mavondo, 2002).

After the concept of psychic distance has been widely introduced into the business literature by scholars from Uppsala school in Sweden when they were studying an internationalization process of Swedish firms and market chose, it has been developed and modified.

Researchers provided different understanding of the concept trying to explain the nature of psychological distance. Certain authors argue that psychological distance should be taken into consideration as a *complex of factors* which influence the internationalization of businesses (Katsikea, Theodosiou, & Morgan, 2007; Vahlne & Nordström, 1994). For instance Vahlne and Wiedersheim-Paul (1973) define PD as a *group of factors* which prevent or disturb the flow of information between suppliers and customers. Hence, the concept consists of several variables. Some authors are convinced that psychological distance is a possible *statement*, explaining barriers to learning and understanding a foreign environment and it should be studied as whole (Brewer, 2007; Dow & Karunaratna, 2006; Evans & Mavondo, 2002; Håkanson & Ambos, 2010; O'Grady & Lane, 1996; C. M. P. Sousa & Bradley, 2006; Stöttinger & Schlegelmilch, 1998).

Figure 1 – Psychological distance as a complex of factors.

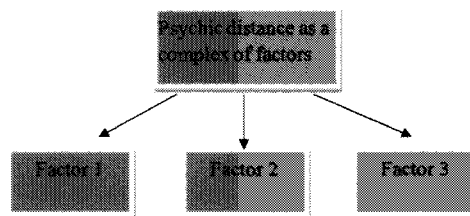
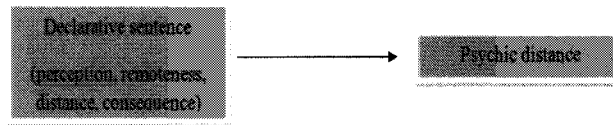


Figure two presents a model of psychological distance as complex of factors which influence the perception of foreign environment. Among factors are cultural distance, economic differences, language, international experience, differences in political situations.

Figure three presents a model of psychological distance concept as a declarative sentence or with other words – statement. It reflects a unity of the concept and refers to others concepts such as perception, remoteness, distance, consequence.

Figure 2 – Psychological distance as a statement.



Psychological distance as a complex of factors was discussed by Nordstrøm (refers to Vahlne and Wiedersheim-Paul (1973) who introduced the concept in an empirical study of the spatial distribution of Swedish exports, where they provided a conceptual model contained variables impeding trade. They defined psychic distance as a complex of factors which “prevent or disturb the flow of information between actual and potential suppliers and customers p. 42”.

The definition of psychic distance as a concept which reflects only lack of information between parties is too narrow to reflect all the components which contain the concept itself (Conway & Swift, 2000). A broader definition suggested by Nordstrom and Vahlne (1992) reflects an issue of learning and understanding a foreign environment. In addition, they examine the concept of psychic distance as a group of factors. According to them, psychic distance is a group of factors which prevent or disturb the successful learning and understanding of a foreign environment. The reason for explanation the concept in this manner is that all firms operating in the foreign environment have to learn facts about law and distribution system in the foreign environment; they also have to take into consideration the cultural issue. The greater difference between cultures of cooperating countries – the more difficult cooperation is (Vahlne & Nordström, 1994).

Sousa and Bradley (2006) argue that psychic distance is the *individual's perception* of the differences between the home country and the foreign country that shapes the psychic distance concept. The vision of psychological distance as “individual's perception” reflects the implementation of the concept on a micro level.

Some authors associate psychological distance with cultural distance and use synonymous definitions and constructs (Malhotra, Sivakumar, & Zhu, 2009). Other authors are against the practice to use psychological distance as an alternative for cultural distance. The reason for that is the difference in the levels of application of these concepts. While cultural distance is applicable on the national level, psychological distance has been mostly introduced on the

individual's level (C. M. P. Sousa & Bradley, 2006). In any case, these two concepts are closely related to each other. Cultural distance is often discussed as one of the components which contain the psychological distance (Evans & Mavondo, 2002; Håkanson & Ambos, 2010; Vahlne & Nordström, 1994).

Psychological distance and the degree of its symmetry has been discussed by several researchers, but has never attracted a great deal of attention. This may be because previous studies were conducted on a perspective from a single country (Håkanson & Ambos, 2010). According to Shenkar (2001) there is a contrast between geographical and cultural distances, which can be measure absolutely, and a psychological distance. Geographical distance is the *absolute* distance which perceives by country A to B as likely it perceives from B to A. But psychological distance is not necessarily symmetric since it has been defined as being perceived by an individual and, hence, can vary from respondent to respondent (Shenkar, 2001). The asymmetry of psychological distance concept has been supported by several researchers (Dow, 2000; Håkanson & Ambos, 2010).

Table one shows different approaches to explaining the psychological distance concept. As it was mentioned above the psychological distance concept is discussed in the international business literature in two different forms, as complex of factors and as a statement or declarative sentence. Therefore, table one provides division of the definitions into two groups – complex and statement.

Table 1 – Definition of the psychic distance provided by different authors.

<i>Author</i>	<i>Definition</i>	<i>Form</i>
Valhne and Wiedersheim-Paul (1973)	Psychological distance is a group of factors which prevent or disturb the flow of information between suppliers and customers	Complex
Nordstrom and Vahlne (1994)	Factors preventing or disturbing firm's learning about and understanding a foreign environment.	Complex
O'Grady and Lane (1996)	".. a firms degree of uncertainty about a foreign market resulting from cultural differences and other business difficulties that present barriers to learning about the market and operating there". p. 330	State
Lee (1998)	Synonymous with cultural distance "...international	Complex

	marketer's perceived socio-cultural distance between the home and target country in terms of language, business practices, legal and political system and marketing infrastructure". p.9	
Stottinger and Schlegelmilch's (1998)	In the focus of operationalization of psychic distance is a perception, which is based on the principles of cognitive mapping and gestalt psychology.	State
Swift's (1999)	"... psychic distance is a consequence of a number of inter-related factors, of which perception is a major determinant"	Complex
Evans and Mavondo (2002)	The distance between the home market and a foreign market, resulting from the perception of both cultural and business differences.	State
Dow and Karunaratna (2006)	The psychic distance to a specific country is a reflection of the perceiver's knowledge, familiarity and scene of understanding of it.	State
Sousa and Bradley (2006)	Individual's perception of the differences between the home country and the foreign country. Psychic distance cannot be measured with factual indicators, such as publicly available statistics on economic development, level of education, language and so forth.	State
Brewer (2007)	The conceptualization of "psychic distance" as the subjectively perceived distance between a home country and a given foreign one avoids the problems associated with its operationalization as a formative construct, regardless	State
Katsikea and Theodosiou (2007)	Specified as the remoteness with which a decision maker perceives a foreign market to be in a relation to his or her domestic market and in terms of culture, language, values, economic development, and so forth	Complex
Evans, Mavondo, Bridson (2008)	"The distance between the home market and a foreign market, resulting from the perception of both cultural and business differences". p. 34	State
Håkanson and Ambos (2010)	Subjectively perceived distance to a given foreign country. The definition recognizes the fact that individuals may differ in respect of their perceptions of foreign country.	State

In this thesis work definition of Katsikea and Theodosiou (2007) is adopted.

2.2 Determinants of psychological distance

In the international business literature the formation of psychic distance perceptions unfortunately has not been discussed widely and only the changing definition of the concept does not give a clear understanding of which factors contain the complex.

Primary determinants of psychological distance are the *costs* which occur in terms of collecting relevant and accurate information regarding international businesses and the markets for entry. Following this assumption, psychic distance is a concept which affects the managers' decisions regarding the international markets and preventing them from getting fully reliable information and making economically rational decisions (Håkanson & Ambos, 2010). Determinants of psychological distance are most likely to influence the appearing of costs.

Vahlne and Wiedersheim – Paul (1973) on the early stage of studying of PD marked out factors constituting PD, among the factors they pointed out

- differences in a level of economic development
- difference of the level of education between countries
- difference in business language
- difference in culture and local language
- existence of previous trading channels between countries

In the course of time and developing of the concept different determinants of psychic distance were suggested by researchers the determinants varied from study to study. Among them are geographical distance (Håkanson & Ambos, 2010; Malhotra et al., 2009), linguistic differences (Dow & Karunaratna, 2006; C. M. P. Sousa & Lengler, 2009), discrepancy in political and economical situations (Håkanson & Ambos, 2010; Malhotra et al., 2009), governance system differences (Malhotra et al., 2009), influence of a country (Håkanson & Ambos, 2010), the level of international experience (Evans & Mavondo, 2002; Klein & Roth, 1990), trust (Conway & Swift, 2000). But primary defined component of psychic distance and the most influential factor is a cultural distance concept.

Evans and Mavondo (2002) suggest a model where psychological distance consists of cultural distance, which conditioned by Hofstede's cultural dimensions (power distance, masculinity,

short-long term orientation, individualism, uncertainty avoidance) and business distance, which conditioned by legal/political system, retail structure, economy, business practices and language.

According to the research question, we discuss psychological distance and experience in terms of Russian-Norwegian cooperation. Therefore, several determinants of psychological are important for this particular research. In this paper I have adopted the following determinants of psychological distance:

- Cultural distance and cultural affinity
- Geographic distance
- Language
- Experience
- Political system
- Economic and industrial development

I have excluded differences in levels of education because both countries have European system of education. And influence of county was excluded as well. The reason is that influence of particular country can be measured in terms of big sample on the national level, but not in case of two countries and small sample (Håkanson & Ambos, 2010). Trust was excluded because this concept appears on the later stage of experience and thus, cannot be studied since there is no definition for experience (Conway & Swift, 2000).

These determinants reflect completeness of the concept of psychological distance and exclude such components as differences in education level which have been proposed at the starting point of developing the concept. At the same time political system and the level of economic development characterize circumstances on the national level even though the concept should be studied on the individual level. Knowing the background helps to understand the context

2.2.1 Cultural distance

Cultural differences are potentially problematic issue in the decision making process. Since Hofstede's study on cultural dimensions (Hofstede & Bond, 1984) it's been supported and measured that there is a great influence of cultural distance on international expansion (Malhotra et al., 2009). Within a certain culture individuals do not only behave in a common way, but also communicate and exchange the information in a different from other cultures way, they also interpret information in own manner (Carlson, 1974). Hence, cultural differences are important factor to understand the degree of complexity to which large cultural groups communicate. Large cultural distance between two groups of individuals will increase the consumption of business resources to interpret the flows of information between them and will increase the level of possible misunderstandings (Dow & Karunaratna, 2006).

As it was pointed out earlier the cultural distance and psychological distance have been defined as synonymous by some authors. Some studies provided even the interchangeable understanding of concepts. In spite of that, there are a number of studies which argue that cultural distance is a component of psychological distance, but only one aspect of several (Dow, 2000; Håkanson & Ambos, 2010; Malhotra et al., 2009; C. M. P. Sousa & Bradley, 2006). Moreover, Sousa and Bradley (2006) insist that while psychological distance exists on an individuals' level, cultural distance should be implemented on a national level taking in consideration the perception of it in a certain country. For all that they find a significant and reasonable relationship between these two concepts and shown the influence of cultural distance on a psychological distance perception (C. M. P. Sousa & Bradley, 2006). Hence, the concept is not regarded to individuals' level as the psychological distance.

Håkanson and Ambos (2010) assert that cultural distance increase the perception of psychological distance but this factor cannot approximate the concept alone.

Conway and Swift (2000) refer to Hallen and Wiedersheim-Paul (1979) who suggest three components of psychological distance trust, experience and not conventional concept of cultural distance, but *cultural affinity*. Together with cultural distance they apply it on a national level of business relationship concentrating attention on a degree of similarities than differences (Conway & Swift, 2000). As was mentioned above for companies it is easier to

manage similarities than differences in a business environment. Hence for companies, expansion to culturally similar countries assessed to be easier (Mezias et al., 2002).

2.2.2 Geographic distance

Geographic distance has been discussed in the international business as very important factor for considering international expansion for firms. Moreover, recent studies apply this indicator as a sole and primary (Dow, 2000). Successful internationalization determines by entering new market with reasonably low costs. Therefore, entering geographically close countries requires fewer resources and lowering economical and management costs (Malhotra et al., 2009). Empirical studies show that companies are most likely to choose geographically close countries to enter. For instance Clark and Pugh (2001) found that the first three countries chosen by British exporters were geographically significantly closer than those they entered subsequently (Clark & Pugh, 2001).

With gaining international experience the importance geographical factor decreases. Hence, geographical distance is particularly important factor for the first country selection (Clark & Pugh, 2001; Dow, 2000).

The influence of geographical distance on managerial decisions is determined by flexibility of resources and transportation, rapid communication and exchange of information. Hence, the development of telecommunications, transportation and logistics decreases impetuous the impact of geographical distance on the international activities (Dow, 2000).

In spite of these arguments, Håkanson and Ambos (2010) argue that geographical distance is very powerful antecedent of psychological distance and that it is much more important than cultural distance. Moreover, they assert that absolute geographical distance still create significant barriers to international interaction.

2.2.3 Political system

The political and military history of a certain country is likely to influence the perception of foreign countries. For example, a former ally would be perceived closer and warmer than a former enemy (Håkanson & Ambos, 2010).

Differences in political systems have been employed in several empirical studies as one of the component of psychic distance (Dow & Karunaratna, 2006). Governmental policies also play an important role in various business-to-business and business-to-customer communications, such as anti-competitive behavior controls and enforcing of contracts. As a result, foreign firms might misjudge government reactions on a specific situation and how firms are likely to react on governments interventions. Potentially both cases might increase risk of doing business abroad and increase the level of uncertainty, therefore increase psychological distance (Dow & Karunaratna, 2006).

2.2.4 Economic and industrial development

Empirical studies support the opinion that difference in economic development between two countries tend to increase the psychological distance (Håkanson & Ambos, 2010; Malhotra et al., 2009; Shenkar, 2001). This determined by several factors:

- 1) Developed economies have a better developed infrastructures for gathering, analyzing and spreading of economic information, which makes a gap with the countries where this processes are less developed (Håkanson & Ambos, 2010).
- 2) The transaction of existing business models to a country with the similar economic characteristics may give a company more chances to succeed in international environment in terms of media, distribution channels and business institutions (Malhotra et al., 2009).
- 3) Consumers in economically close countries are most likely to have the same consumption and to be exposed to similar marketing strategies. Opposite situation for economically different countries (Malhotra et al., 2009).
- 4) Companies entering economically similar markets to their home market can build on their economies of scale, scope and experience by transferring their skills and

knowledge from their home market to the new markets. Companies entering economically different countries cannot use the full spectrum of knowledge and skills they use on their home market, which increase psychological distance (Malhotra et al., 2009).

A good example of economic differences between two countries is a use of social services such as internet purchasing of goods through virtual money or with a bank card, use of credit cards and other services. Developed countries with a high income provide high-tech technologies for customer services while in such countries as India and China is a norm to use cash for purchasing goods and small brick shops still exist (Malhotra et al., 2009).

Industrial development of countries is important as economic development and large differences in this case between two countries has the same impact as differences in economic development. The implication of the factor is on the individual level and most likely about person's employment. The working environment shapes the way how we communicate exactly the same way as it does our school or university education. In addition to that, the norms of business-to-business communication and interaction are also dependent on the nature of economy and thus on the level of economic development. For instance, the communication and business norms in an agrarian economy are likely to strongly differ from those of a high industrialized with a large service sector. As it was mentioned above these differences introduce extra costs and uncertainties (Dow & Karunaratna, 2006).

2.2.5 Language

The significance of language has been proved historically and goes beyond the fact that it gives better access to the information about a foreign country. The use of domestic language gives managers ability to use also information which has been primarily intended for domestic use. Using common language gives advantages of communicating with partners, employing and interviewing people in familiar language (Håkanson & Ambos, 2010).

Language is also one of the antecedents of psychic distance which works as a main tool for communication and interaction. Similarities in languages assist to improve efficiency in business communication and international expansion. At the same time, big differences in

languages make it more complicated and contain high degree of risk. Thus, differences in languages increase transaction costs and risk (Dow & Karunaratna, 2006). Language refers to a degree of efficiency and transparency between parties. Common language supposes to reduce PD significantly.

2.2.6 International Experience

Experience is a powerful and influential determinant of psychological distance on an individual level. It affects the individuals' attitude formation and affects the behavior towards the international partner. With the acquired experience of different cultures and business practices companies getting knowledge about the international markets and customers preferences, which suppose to reduce the psychological distance perception (Conway & Swift, 2000). It has not been supported by a theory that with getting more experience, firms' psychological distance declines significantly. But this assumption has never been disproved either (Dow & Karunaratna, 2006).

Research has shown an empirical support for a positive relationship between firm's international experience and the foreign venture's performance (Evans & Mavondo, 2002). Which means that yet gained international experience will assist to operate more efficient on the same or different international market. Furthermore, with the gaining international experience the internationalization process becomes more organized and systematic, which influences the perception of differences within cooperation of international partners by reducing the effect of language barriers and cultural differences (Evans, Treadgold, & Mavondo, 2000). Experienced firms are better equipped to exploit opportunities and meet obstacles, to avoid threats, respond to environmental changes and reduce transaction costs (Katsikea et al., 2007).

There is an opinion that distance at the national level may overlook regional differences, differences within one industry and individual differences and experiences. It means that even the investigation of the concept on a *firm level* will have a high *degree of subjectivity* as managers within one firm heaving different levels of experience would perceive the psychic distance differently. The perception of differences between home market and the foreign market *partly* depends on the *individual experience* of a manager acquired during his or her

life. Hence, the managers' experience occurs on the individual level and not the level of a firm or national level (C. Sousa & Bradley, 2004)

Klein and Roth (1989) refer to Johanson and Vahlne (1977) that pointed out three ways of doing exports abroad: via agent, later on possibly establishing a subsidiary and eventually in some cases beginning own production abroad. If firms choose different ways of entering international markets, they get different types of experiences. For instance, companies operating at the same market through the agent after some years will gain international experience in certain field and those which were working independently within own subsidiary totally different. Experience could be at a more general level in terms of *experience of working abroad*, *experience of a certain culture*, *experience of a partner organization* (Conway & Swift, 2000).

Beside experiences in different areas of business communication the international business literature marks out *positive* and *negative* experiences. For instance negative experience might create a certain understanding of situation and lead to a negative consequences of the development of further cooperation between international partners. At the same time any kind of positive international experience will create an interest for further collaboration (Conway & Swift, 2000). Independently of type of experience that firms get internationally, first entry to the international market and so first experience of exporting is mentioned to be as unique and discrete in the internationalization process (Dow, 2000).

Evans and Mavondo (2008) assume that companies with the limited international experience might overestimate similarities or differences between home market and a foreign one. The reason for this assumption is that often companies getting information about foreign markets through superficial observations which are often made from a distance. Therefore we can assume that the observations made within the environment firm is planning to enter might give rather reasonable estimation of similarities and differences with the foreign market.

International business literature does not provide a wide range of methods for measuring international experience. It is something what is difficult to describe and generalize in terms of large sample. For instance, firms heaving different types of experience cannot be measured equally. In order to provide a reasonable measuring for international experience we should know *what experience is* and how clearly *define* it. For instance, one firm A is trading with

different partners on three or four different international markets. Another firm B, is trading with the same amount of partners as A, but within one international market, within one country. The experience of these two firms cannot be measured equally because of the significant differences of the markets they operate at. Moreover, the size of sample should be appropriate for generalization.

In order to provide objective measurement for experience of international players it should be taken into consideration the type or form of activity, not only amount of years working abroad. In this case defining the type of activities combining with the amount of years of international experience and amount of markets, can give a reasonably fair measurement for experience factor (Klein & Roth, 1990).

Sousa and Bradley (2006) support the argument that experience is an influential determinant of psychological distance and suggests a new measure of managers' experience. Respondents were asked to indicate their *level of international experience*, *level of professional exporting experience*, the number of *foreign languages* they spoke and their level of proficiency of the language that is spoken in the main export country. According to this measure it is possible to identify more accurate the type of experience and provide more objective information about managers and their skills. Measuring of experience by years does not give enough objectivity (C. M. P. Sousa & Bradley, 2006). These two indicators - level of international experience and level of professional exporting experience are closer to generalization but still have a large part of subjectivity. Evans, Mavondo & Bridson (2002) add to the measurement of experience by years the number of markets which companies were operating at.

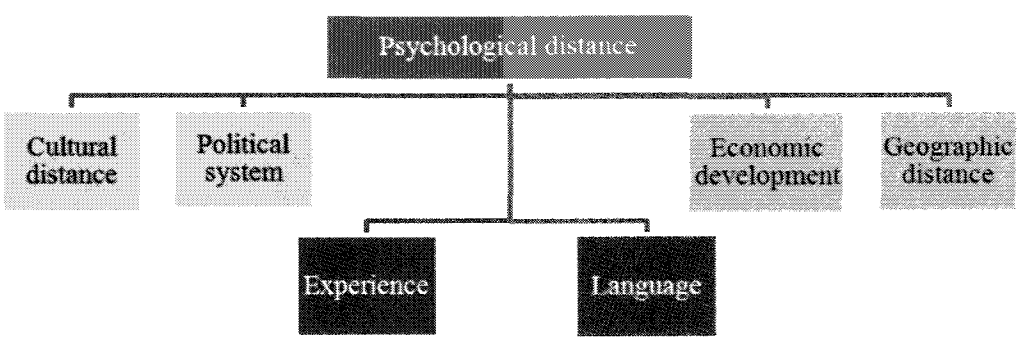
According to everything described above, the objective explanation for international experience could be given only on the individual level.

2.5 Synthesis towards a conceptual framework

This particular research provides a conceptual framework which describes relations between psychological distance and the concepts of cultural distance, political systems, economic development, geographic distance, language and experience. This framework also examines closer the concept of international experience and language and describes the relation between

them. According to the research question and the theoretical framework following conceptual framework is proposed.

Figure 3 – Conceptual framework



III METHODOLOGY

This chapter presents to give an overview of chosen methods and techniques for this particular research. First of all, both the research topic and aim of research affect the choice of main research tools. The characteristics of research to a large extent depend on existing research question. Clearly identified research questions show, which methods are applicable and which are not.

The research question of this study is: “What is the international experience for Russian students at the University of Nordland and how do they perceive psychological distance between Russia and Norway?” As it was mentioned in the introduction there are few goals to be achieved during research process. First, is to study psychic distance concept from the theoretical and empirical perspective and understand what is psychological distance for Russian students in Norway and how do they define international experience.

According to the research question and the goals of research this is an explorative study where qualitative methods for gathering and analyzing data are applied. This chapter also describes philosophical position and provides consideration of validity and reliability.

What are the main components which characterize the methodology of certain research? Those are research question, timelines, research design, and philosophical position of researcher, data collection and analysis, validity and reliability (Holliday, 2007). Timelines of my master thesis are presented in the Appendix 1.

3.1 Philosophical position

The discussion of philosophical position is necessary for researcher because he or she should be aware of own idea of social reality. Philosophical position gives guidance to methodological aspects of research and helps to choose correct research tools. According to the philosophical position researchers observe the world and make assumptions about the reality existed. Easterby-Smith (2008) gives two different attitudes to understanding of social reality: positivism and social constructionism.

Positivist paradigm describes the world as the external whole and argues that its realities

should be measured through objective methods rather than through sensation, reflection or intuition. According to this position the reality is external and objective, thus positivists believe that the observer of social effects should be independent.

The key idea for social constructionism is that social phenomena being in a constant process of changing. And social reality is determined by people rather than by objective and external factors. Hence, the aim of researcher is not to gather the facts and measure how often they occur, but to appreciate the difference of constructions and meanings that people place upon their experience (Easterby-Smith, Thorpe, & Jackson, 2008).

It's mentioned in a theory that existence of pure positivist research or pure social constructionist research is almost impossible, because both positions use similar research methods. Therefore, I provide definitions for both philosophies in this study and following my methodology there have been used methods suitable for social constructionism and positivism.

Social constructionism position has following characteristics (Easterby-Smith et al., 2008):

- ✓ The observer is part of what is being observed
- ✓ Human interest considered as a main driver of science
- ✓ The aim of social constructionism research is to increase general understanding of the situation
- ✓ The research progress arise from gathering rich data from which ideas are induced
- ✓ The concepts should incorporate stakeholder perspectives
- ✓ As unit of analysis it is considered to include the complexity of the situation as whole
- ✓ Generalization arises from theoretical abstraction
- ✓ Sampling requires small number of cases chosen for specific reasons

There are some weaknesses and strength of the social constructionist research.

- ✚ One of the weaknesses is that the data collecting and obtaining can be problematical and time consuming.
- ✚ On another hand, strength, is that social constructionist research gives

opportunity to contribute to the evolution of theories, to understand peoples' meanings and to see how changes the process over time (Easterby-Smith et al., 2008).

I build my own philosophical assumptions upon social constructionism position. And there are several reasons for that:

- First of all, psychological distance is a concept which cannot currently be directly measured in sophistication by using objective forms. Hence, it should be studied through understanding of the reality described by respondents using personal interaction.
- There are no clear definitions of the concept of international experience provided in a literature. Therefore, the research is aimed to show the meaning of the concept which placed upon respondents' opinions.

Following this position the researcher should be involved in a process of observation and what is observed. For example, if the company issue is examined, the researcher should be a part of organization and see the problem from "inside". My own interest and active participation in the process is needed. Therefore, I have studied a small amount of cases chosen according to the main research question and the aim of the thesis and participating in the whole process of gathering empirical data, interpreting and analyzing.

3.2 Research design

Theory specifies three types of research: explorative, descriptive and causal. *Explorative research* is applicable when the problem statement is not defined clearly and the aim of researcher is to explore phenomena in new light or to discover the nature of a problem. These studies based mostly on collecting of secondary data and remain to reviewing available literature and data or detailed interviews. Explorative research is not very useful in terms of decision-making or for policy implications, but gives a good insight of the problem in general (Mason, 2004).

Causal studies search to establish causal relationships between two or more variables and to explain the cause-and-effect relationships between variables.

Descriptive studies aim to show the scope of the problem, process, events or situations in a precise and detailed way. It is structured and accurate. It answers the questions: what, who, where, when and how, but don't provide a causal explanation of a problem (Mitchell, Jolley, 2007).

In order to give an overview of existing situation and to provide an understanding of certain concepts explorative studies are applied. As it was mentioned above, both concepts of psychological distance and international experience require an explanation in terms of a certain situation. We have to find out what Russian students as a part of Russian-Norwegian collaboration imply as their international experience and how remote they perceive Norway in terms of psychic distance. Therefore, this explorative study explores phenomena in the light of specified situation. The theory is applied as a base for further research and the aim of this master thesis is to develop existing knowledge about the psychological distance concept, its determinants experience and language. Since, all the studies are conducted on different subjects and apply diverse methods it is very difficult to find pure causal or explorative researches. Hence, I admit that this particular thesis apply explorative research design and uses descriptive studies as well.

3.3 Sample

According to the research question of this particular study, we have to select students from Russia who study or have been studying at the University of Nordland following University's cooperation programs. But first of all we should understand and define the criteria of the sample. Respondents should meet several requirements. They should be students at the University of Nordland, they should be Russians and they should be living in Norway more than 3 months. Students staying less than 3 months considered as a group with limited international experience, due to the limited information they have gotten about the country. Russian speaking students from Ukraine or any other Russian speaking country were excluded. In order to provide the variation in the sample, I have chosen respondents which have different backgrounds and are at different age, but they all are involved in the same area of business – academic area. The list of respondents was created according to the existent information about international students at the University of Nordland, particularly

International Students' Union. International Students' Union is an organization within the University of Nordland which guidelines new coming international students and arranges activities. This organization keeps names of all international students within University of Nordland and information about their departure. Therefore, International Students' Union has been chosen as a source for gathering information about future respondents. Following the research question and my philosophical position, around 20 respondents have been chosen. The sample supposed to be small, but aimed to provide variation in order to understand the relationship between students' international experience and psychological distance. Respondents were chosen according to different periods of time staying in Norway and gender. After contacting the respondents and getting confirmation about willing to participate in research following results were achieved: the sample is presented by eight Russian students at the University of Nordland including international exchange students (3-5 month stay), bachelor and master students (2-5 years stay), PhD students and faculties. All of them are expatriates in Norway in terms of business or/and study.

The names of respondents in achieved sample have been changed by the reason of anonymity.

1 – Elena; Female; age – 22; in Norway 8 months; Study Master in Sustainable management. She comes from Russia, Arkhangelsk.

2 – Igor; Male; age – 22; in Norway 9 months; Study Master in Energy Management. He comes from Russia, Saint-Petersburg.

3 – Stavislav; Male; age – 24; in Norway – 1 year 8 months; Study Master in Science of Business. He comes from Russia, Saint-Petersburg.

4 – Andrey; Male; age – 24; in Norway – 1 year 8 months; Study Master in Science of Business. He comes from Russia, Saint-Petersburg.

5 – Darya; Female; age – 31; in Norway – 3 years 3 months; Study Master in Human Resources. She comes from Russia, Saint-Petersburg.

6 – Maria; Female; age – 28; in Norway – 4 years; Student in course of Chinese language. She comes from Russia, Arkhangelsk. Maria's case is different from other respondents in a sample. She started as a full time co-worker at the Norwegian Public Roads Administration and only after became a student at the University in Nordland.

7 – Nina; Female; age 28; in Norway 5 years + several months; PhD student, stipendiat, researcher. She comes from Russia, Saint-Petersburg, originally from Narian-Mar.

8 – Kirril; Male; age – 37; in Norway – 14 years; Associate Professor at the University of Nordland, Responsible for Master program, he started as a Master Student at the University of Nordland. He comes from Russia, Arkhangelsk.

For this particular explorative qualitative research existent sample consists of eight Russian students and scholars. Some of the respondents have scholarships and some are self financed students. Also, in order to provide evidence of relationship between psychological distance and experience the sample is presented by people staying different time in Norway. Moreover, I have chosen respondents of different genders in order to take into account differences in opinions.

To conduct an analysis I have grouped all the respondents into four groups based on the length of periods they were staying in Norway – short, medium, long. Short stay specifies as *3-11 months* of international experience. The second group consists of students and co-worker of the University in Nordland which have been staying in Norway more than 1 year but less than 5. During period from *1 up to 3 years* staying abroad individuals get basic information about the foreign environment, because they become familiar with the place they live and study/work, get to know people, complete visa requirements. During that time individuals are enough informed about differences in language, legislation, economical aspects. They have already experienced the most important aspects of integration into a foreign environment. Less information they get in period from 3 to 5 years. But differences in perception of foreign countries and the timelines for understanding of foreign environment vary from individual to individual. Hence, the same changes in perception of foreign environment might take different time for individuals. Because of these differences I divide the medium term extreme group into two parts: 1-3 years and 3-5 years.

The fourth extreme group presented by people who stays in Norway the longest period – more than 5 years. This group has the highest degree to which people assimilate into the foreign environment and eventually should have the lowest level of psychic distance.

Russian students were asked about languages they speak, specified theirs language skills and they told about their language barrier. Moreover, they told about people they most

communicate with, in which language and as a part of integration process they described hobbies they have and involvement in social activities while studying/working. In the section of language skills, Russian language has been excluded since it is a native language for all of the respondents.

Summary is presented in the Appendix 2. Below is provided the description of gathered information.

All respondents are students or have been students and/or working at the University of Nordland. Seven of eight persons are employed in Norway as part-time workers or full-time workers. Only one of the respondents is a part of Norwegian family. One respondent, female, age 31 is married with Norwegian citizen. Three of the respondents have been visiting Norway before moving and it is a minority of the sample. All of the respondents do speak English and Norwegian, but all of them have different levels of understanding. Five respondents out of eight, and it is a majority of the sample, do speak at least one other language beside English or Norwegian. Only three respondents out of eight admitted that they have language barrier when talking English or Norwegian. Five respondents answered that mostly used for communication language while staying in Norway is Russian. Only one respondent out of the whole sample have been studying Norwegian language before moving to Norway. Two respondents mentioned that they had difficulties to learn Norwegian language when came to Norway and six have not had any difficulties to learn. The majority of the sample, five respondents, admitted that they have had difficulties to integrate to integrate into Norwegian society.

In relation to the networks which respondents communicate with while staying in Norway, they were asked to answer separately which language they use most at the university, at work and during spending of their free time and who do they communicate with. All of the respondents answered that they mix languages while at the university, five out of seven persons (one respondent is not employed) answered that they use only Norwegian language at work, two out of seven in addition to Norwegian languages use English at work. During spending their free time, three out of eight persons answered that they use only Russian language for communication, three out of eight said that they mix Norwegian and Russian and two out of eight answered that they mix languages in general and have not specified them. Four out of eight respondents are involved in a social work and different types of activities

which gives additional opportunities to communicate within Norwegian society. Five respondents have hobbies such as sport or tourism. Five persons have had other international experiences in terms of business or education before moving to Norway. All the respondents answered that their international experience in Norway is strongly positive, which is important in terms of future integration into Norwegian environment.

All respondents by solid vote admitted that their experience was strongly positive. This fact leads to the assumption that further integration of by Russian students will continue in a rather smooth way. As we mentioned above positive experience creates interest for further collaboration while negative a certain understanding of situation which can lead to negative consequences (Conway & Swift, 2000). At the same time four out of eight respondents mentioned that they have had some negative aspects while staying in Norway.

The level of psychological distance perceived by respondents has a certain variation, but not much. Five respondents out of eight answered that their psychological distance to Norway is three points out of ten possible. One result is equal two points; one three point five and one is between one and two. First of all, the level of perceived psychological distance is not high in general and average is equal two point seventy five out of ten possible. We can interpret these results into twenty seven point five percent. Secondly, the level of perceived psychological distance does not decline sharply with the length of period respondents were staying in Norway. Still there are some small changes in the answers.

3.4 Data collection

Qualitative research implies obtaining of different types of data. Any collected during research data classified as *primary and secondary*. Primary data is more problematic to get and analyze because it related to an interaction and personal contact which requires right interpretation of details. Qualitative research mostly relies on data collection methods which involve human activity and participation and the process of theory development is rather creative than testing. Researcher is more a tool for collecting data, he or she has to interact with people and get information through asking questions and the respondent should reply (Easterby-Smith et al., 2008).

Primary data for this research has been collected through interviews and personal interaction. Every interview has taken approximately 15-20 minutes and the conversations were recorded. Analysis and results of gathered information in the large extent depend on a quality of interviews. That is why I have created an interview guide and worked properly the questions and topics for conversations. For example, to understand what respondents place upon the concept of experience it was necessary to make them to define it themselves. Therefore, they were asked to tell about their experience of moving to Norway and the answers have described what they considered as own experience. Moreover, all the questions were strongly related to the major topics and concepts.

Interviews took place in different days and different places, according to the agreement between respondents and researcher, in a quiet atmosphere and there were no one else beside respondent and researcher in the room.

The definition of psychological distance has been given to respondents before the interview in order to make them understand the topic of conversation. In addition they were informed that they will be asked about their own international experience which gave them an opportunity to create an image of own experience.

Doing my research I pay a lot of attention to the research literature as a starting point of my work. According to Easterby-Smith (2008) periodicals and journals hold the key to most up-to-date research. To make a proper literature review the researcher should know the literature and easily orientate him or herself in sources. Moreover, literature review is an ongoing process of the study or the research question. It modifies the thoughts on the duration of process. The researcher should be critical and pragmatic to a literature he or she studies (Easterby-Smith et al., 2008).

3.5 Measurements and the research instrument

One of the main discussions in the business literature concerns whether psychic distance should be measured as perceived by an individual or it should be measured more on a country level by using macro-level variables. Therefore, here will be provided proposed by other,

mostly quantitative studies, measurement of psychological distance and afterwards will be presented measurements and the research instrument for this particular research.

Some previous studies suggest use cognitive mapping to measure psychic distance as perceived by a key figures decision-makers (Dow & Karunaratna, 2006; Evans & Mavondo, 2002). Their point is based upon the idea that many of management decisions associated with psychic distance, such as decision to export or enter a new market, are based on the manager perception on that time. Moreover, the problem is that perceived psychic distance will not be stable over time, or homogeneous across the firms, nor country (Shenkar, 2001). These problematic issues led to a conclusion that perceived psychological distance should ideally be measured by the perception of a decision make at the time decision is made. Moreover, direct measurement of phenomena helps a researcher to avoid the possibility of confusing concepts. For example, differences in culture may increase psychological distance, but it may also be linked to special individual preferences. Both, psychological distance and cultural distance, may influence the perceived psychological distance and following actions, such as market selection. The limitation of these approach correlated with the ability of researcher to get information about a certain decision made and decision-makers' perceptions immediately when the decision is made (Dow & Karunaratna, 2006).

To measure psychological distance Håkanson and Ambos (2010) suggest asking respondents to indicate to which extent they perceive foreign countries to be close or far in terms of psychic distance from their home countries. They used a 100 point scale. It is a rather subjective measurement which gives an opportunity for respondents and data to speak for themselves. In this particular study respondents were asked to measure their psychological distance to Norway on a ten point scale.

More practically useful and objective method of measurement of psychological distance have been provided by Dow and Karunaratna (2006) who proposed to split psychic distance into "a sequence of related constructs p. 580". Furthermore, literature provides a certain way of measurement for each construct. Here we will discuss measurements for determinants of psychological distance.

- 1) Cultural distance used to be measured by Hofstede's cultural dimensions (Hofstede & Bond, 1984). None of the studies on cultural differences have had so large impact as

the seminal work of Hofstede (Håkanson & Ambos, 2010). Mostly it happened because Kogut and Singh have been using dimensions and data provided in the study to calculate an overall index for cultural distance later on (Kogut & Singh, 1988). The cultural distance index calculated as an average of the differences of Hofstede's country score adjusted by the variance of corresponding dimensions (Håkanson & Ambos, 2010). For this particular research Hofstede's cultural dimensions and analysis have been used.

- 2) Geographic distance is used to be measured as an absolute distance in kilometers between capitals. Håkanson and Ambos (2010) in their study use the information from *Centre d'études prospectives et informations internationales* (CEPII, 2007) based in Paris. CEPII provides pair-wise country distance measures based on a distance between countries' major cities, mostly capitals. Another way to measure the absolute geographic distance is to translate into the distance between the degree of longitude of 0° (Greenwich) and 180 (date line). This geographic distance of approximately 16,700 km could be related to the respondents' answers on the magnitude scale. The respondents could be asked to indicate distance on magnitude scale and then the results associated to actual geographic distance. The estimation of respondents would not present the real sense of actual geographic distance, but would show the perceptual meaning (Stöttinger & Schlegelmilch, 1998). Absolute geographic distance is approximated by Google Maps for this study.
- 3) To measure linguistic differences or similarities Håkanson and Ambos (2010) propose the value "1" when at least one of the official or practically used languages of a country is the same as those of another. Otherwise it is 0 (CIA, 2005). This technique is not adopted for this qualitative research.
- 4) Political rivalry measurement suggested by Håkanson and Ambos (2010) provides an approach which according to historical facts of the World War II period tends to divide countries into two groups: western countries economies and former communist bloc. Basically the first group of former communist countries consists of China, Russia and Poland, the second one all others. For those countries belonging to "post-war bloc membership" the value "1" is taken and "0" otherwise. To highlight political situations in Russia and Norway I have used official web pages of Russian and Norwegian governments.

5) In some studies economic development has been approximated as gross domestic product per capita in a certain country (Dow & Karunaratna, 2006; Håkanson & Ambos, 2010) This approach is adapted for comparison of Russian and Norwegian economical situations.

Håkanson and Ambos (2010) in their study on the antecedents of Psychological Distance measured psychological distance between 25 different countries. The results are shown in the Table 2.

Table 2 – Psychological distance between 25 countries.

Psychic distance between the 25 countries																									
Distance to	Distance from																								
	ARG	AUS	AUT	BEL	BRA	CAN	CHE	CHN	DEU	DNK	ESP	FRA	GBR	IND	ITA	JPN	KOR	MEX	NLD	NOR	POL	RUS	SWI	TUR	USA
ARG	0	69	67	76	12	59	68	87	58	72	30	30	66	69	47	78	77	23	62	66	63	81	71	77	57
AUS	60	0	55	67	19	42	56	46	42	39	62	47	40	41	85	54	43	59	48	43	72	33	46	80	53
AUT	60	58	0	19	38	44	10	63	9	25	35	28	28	85	23	59	83	52	25	29	27	39	28	44	51
BEL	38	59	24	0	34	42	24	63	15	24	31	9	24	39	23	58	96	49	8	29	28	40	29	43	50
BRA	12	69	69	73	0	57	71	72	80	75	46	34	67	54	86	61	72	25	65	87	86	77	85	74	50
CAN	44	30	44	47	19	0	39	48	32	36	33	30	29	48	11	41	35	23	36	32	44	34	34	61	10
CHE	60	57	11	19	58	39	0	85	12	25	33	18	28	52	20	57	36	33	21	26	34	43	26	47	50
CHN	52	50	96	81	79	77	0	91	87	85	90	87	43	88	33	21	68	90	88	91	86	85	78	79	79
DEU	34	50	8	9	50	41	9	62	0	17	31	33	24	33	24	39	47	45	17	23	22	30	22	31	42
DNK	62	57	23	24	62	41	25	86	18	0	40	28	25	60	34	59	81	55	17	9	29	41	13	53	36
ESP	27	50	28	19	30	48	29	62	25	34	0	18	27	52	12	31	59	24	29	18	27	39	14	43	47
FRA	48	49	24	8	41	37	16	48	22	31	20	0	22	52	14	42	45	18	23	32	28	34	32	38	48
GBR	48	36	27	18	45	23	23	44	19	10	27	23	0	11	29	38	40	19	16	20	27	34	35	42	28
IND	86	59	80	71	74	77	79	48	78	82	83	77	57	0	74	47	30	67	78	83	82	86	73	77	77
ITA	30	46	17	22	35	47	19	56	23	36	16	16	29	47	0	42	51	30	28	17	25	34	34	28	46
JPN	54	49	81	80	79	31	75	29	78	78	89	79	72	35	62	0	22	65	83	83	84	72	74	69	35
KOR	89	83	86	88	83	91	87	23	86	96	98	67	33	57	86	29	0	23	83	86	85	72	81	75	68
MEX	23	70	17	67	64	80	46	77	38	39	33	34	63	62	33	39	67	0	91	88	94	83	83	74	63
NLD	54	57	36	7	60	41	19	62	13	16	15	16	19	39	30	58	53	54	0	19	28	37	39	44	38
NOR	37	64	25	29	50	42	28	94	22	7	46	72	28	58	30	61	62	64	21	0	31	0	37	36	46
POL	67	73	35	36	73	66	80	87	41	50	42	45	69	35	74	71	60	43	43	40	0	25	36	46	59
RUS	77	81	60	59	60	30	67	41	57	65	94	89	59	32	54	63	56	67	54	29	30	0	58	41	39
SWI	64	60	22	26	63	46	25	84	20	8	42	30	27	61	35	50	60	57	29	29	46	0	36	31	39
TUR	78	78	53	43	76	74	37	78	34	31	65	62	30	60	49	63	48	67	50	63	59	35	58	0	80
USA	36	29	47	43	29	6	17	44	30	30	42	17	28	44	24	22	15	33	31	40	54	31	50	0	

Adopted from (Håkanson & Ambos, 2010)

In their quantities research conducted on the national level they found out the degree to which psychological distance differs from country to country and did draw *asymmetric* results. Psychological distance was measured using independent variables such as cultural distance, geographical distance, commonality in languages, political rivalry or political environment, differences in economic development, relative governance quality, economical, political and cultural influence of the countries. The findings show that the psychological distance from Norway to Russia is measured as 63 points and they give 41 points to the distance from Russia to Norway. This means that Norwegian citizens perceive Russians more distant than Russians do Norwegians.

In this study on the perception of psychological distance by Russian students at the University of Nordland respondents have been asked about their international experience through an

interview in Russian language and answers have been translated into English. Russian language has been chosen as fundamental for interviews by the reason of differences in levels of English and Norwegian between respondents. Since Russian is a native language for all respondents and the researcher as well, interaction considered to be more efficient in Russian than English or Norwegian. In order to expose sample's characteristics, respondents have been asked to specify their age, gender, amount of years or months abroad and give an overview of the international experience they have had. The important part of the interview was to identify *what is experience* and how it should be defined, respondents' language skills and the process of integration and adaptation into Norwegian society. Therefore, respondents were asked to tell about their international experience in Norway and the answers were considered being a definition for the concept. Interviews have been conducted according to the interview guide. Interview guide is presented in Appendix 3.

During the interviews respondents were asked to tell in details about their language skills, which languages they speak and on what level, if they have a language barrier and which language they mostly use while in Norway. Furthermore, respondents were asked if they have perceived difficulties learning Norwegian.

In order to understand which language respondents use most in their everyday life and which nationalities they communicate with, they were asked to specify which language they use most while at the university, at work and while spending their free time. Moreover, they were asked about hobbies they have and if they participate in any social activities. Social activities and hobbies suppose to assist integration process.

In order to identify perceived by respondents differences and similarities between counties, they were asked if they perceive Norwegian and Russian cultures as different, after they were asked to name differences and similarities.

After all the questions about experience, language and cultural differences and similarities, respondents were asked to measure their psychological distance on a 10 point scale, where the minimum level of psychic distance is 0 and the maximum is 10. The scale is adopted form Håkanson and Ambos (2010). In order to provide more evidence to the concept, respondents were asked to explain how they understand 0 level of psychological distance and 10 as well.

3.6 Validity and reliability

Validity and reliability are very important factors that identify the value of research. Validity and reliability depend on researchers' methodological skills, penetration into research environment and sensitivity to external and internal factor which influent research process. Validity refers to actual existence and effectiveness of measuring methods. Researcher should collect trustful data and chose trustworthy methods to analyze and interpret it and make it neatly. Validity is concerned with the extent to which measurement process provides the efficient reflection of existing concept (Johnson & Duberley, 2000).

In this particular thesis work the content validity has been established through the literature review and analysis of previous studies on psychological distance, gathering data from reliable respondents and discussing every stage of research process with the academic advisor. Data has been gathered from native Russians being expatriated to Norway and staying for a certain length of time. This fact proves that respondents have needed experience and thus, dispose trustworthy information. During the interviews I've met some obstacles in terms of differences in understanding of the questions by respondents. They were corrected afterwards by more detailed explanation of the question and the concepts used in it. Finally, these situations led to the fact that respondents who did not understand the question from the beginning were more into subject after second explanation. Reliability is about replication. It means that other researcher should be able to repeat and reproduce results. Therefore I should be confident that my drawn conclusions and results can be used for further research and be reliable in terms of replication. In this work I study psychological distance perception by Russian students at the University of Nordland.

IV ANALYSIS AND DISCUSSION

“It is a capital mistake to theorize before one has data” – Arthur Conan Doyle

This chapter is aimed to expose gathered information from respondents and show the scope of the data gathered. It is very important to find out what respondents place upon their experience and which meanings they give to the concepts discussed above. Since, international experience concept has not been defined clearly in the business literature in terms of international cooperation, this chapter opens a new perspective on *what is experience* and *perceived psychological distance* in case of Russian students moved to Norway.

Data have been collected through personal interviews, recorded and transcribed. Since, all the interviews have been conducted in Russian language, they have had to be translated into English. Those parts of the conversations which contained significant information for the research, were useful for answering research question and exploring studied concepts, have been included in analysis. Quotes from the conversations are presented in analysis providing names of the respondents, age and the name of city they come from. Moreover, in order to provide evidence of the background of the respondents, the summary information has been collected in a table, which is presented in Appendix 3 and analyzed in section General findings. Further, it is necessary to highlight general political and economical situations in Russia and Norway in order to understand differences between environments. Although it is important to highlight political and economical situations by the reason of differences between environments they come from and which they came to.

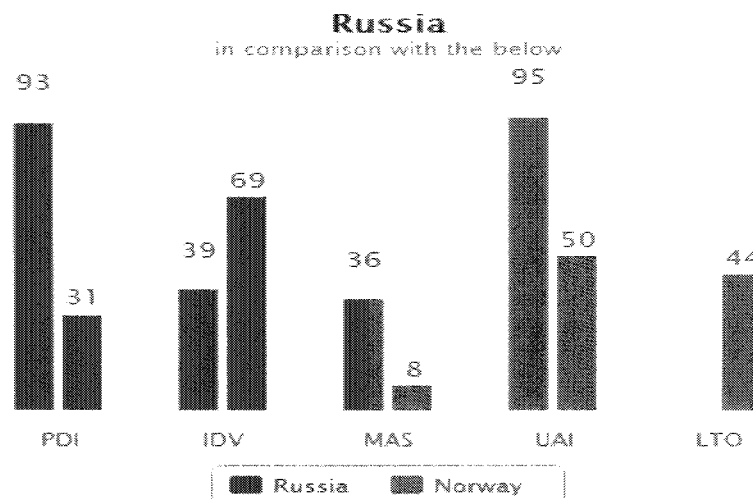
4.1 Russian and Norway: a cross-cultural comparison

Following the research question and in order to understand and explore the environment respondents come from and Norwegian environment, below we will examine cultural distance between Russia and Norway using Hofstede's cultural dimensions, absolute geographical distance between major cities or Russia and Norwegian cities and provide description and briefly comparison of the political systems in Russia and Norway and difference in economic development.

4.1.1 Cultural distance

To highlight cultural distance between two involved in research countries, for this particular study on the perception of psychological distance and international experience by Russian students at the University of Nordland, have been used Hofstede's cultural dimensions (Hofstede & Bond, 1984). Here is presented a ready comparison of Russia and Norway in terms of such cultural dimensions as power distance, individualism, masculinity vs femininity, uncertainty avoidance and long term orientation.

Figure 4 – Hofstede's cultural dimensions: Russia vs Norway²



First dimension, power distance, refers to the fact that all individuals within societies are not equal. Power distance expresses the attitude of culture towards these inequalities. Power distance defines as the extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally. In this case Russia, scores 93, is among the 10% of the most power distant societies in the world. This is explained by the fact that the largest country in the world is extremely centralized: two thirds of all foreign investments go to Moscow, where 80% of all financial potential is

² <http://geert-hofstede.com/russia.html>

concentrated. Hofstede mentions that this huge discrepancy between the less and the more powerful people leads to a great importance of statuses. Norway in this case scores 31. This low level of power distance refers to following behaviors: being independent, hierarchy for convenience only, equal rights, superiors accessible. Moreover, this analysis shows that power is decentralized and managers count on the experience of their team members, while employees expect to be consulted. Attitude towards managers is more informal and communication is direct, participative and consensus orientated.

On individualism dimension Russia scores 39 and Norway 69. Focus of this dimension is on the degree of independence a society maintains among its members. In individual societies people are most likely to look after themselves and their family only. In collectivist societies people belong to groups. Russia with the score 39 is a collectivist society. It is very important to belong to a group and communicate on a daily life basis, while Norway is an individualist society, where “Self” and “I” is much more important than “We”. Communication is explicit. At the same time the right to privacy is important and respected.

Masculinity vs femininity refers to an issue what motivates people wanting to be the best (masculinity) or liking what you do (feminine). Russia in this case scores relatively low result – 36, which is in conflict with the power distance results. Dominant behavior might be accepted from a boss. Norway scores even lower result 8, and becomes the second most feminine society after Swedes. Trying to be better than others is neither socially nor materially rewarded in Norway and societal solidarity in life is important.

Uncertainty avoidance is “the extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these”³. Scoring 95 Russians feel very much threatened by ambiguous situations, as well as they have established one of the most complex bureaucracies in the world. Therefore detailed planning is very common. Russians appear to be very formal and distant if they talk to a person considered to be stranger; also Russians prefer to know context and background information. Norwegians score 50 and thus become a fairly pragmatic culture in terms of uncertainty avoidance. People are fairly relaxed and not adverse to take risks. There is focus on planning, and they can be altered at short notice and improvisations made.

³ <http://geert-hofstede.com/russia.html>

There is no score provided on Russia in terms of long term orientation and therefore we cannot make a comparison with Norway. Norwegian culture scores 44, which makes it pretty short orientated culture. The long term orientation dimension is “the extent to which a society shows a pragmatic future-oriented perspective rather than a conventional historical short-term point of view”.⁴

4.1.2 Geographic distance

Geographic distance is very powerful antecedent of psychological distance and that it is much more important than cultural distance (Håkanson & Ambos, 2010). Therefore, we should estimate absolute geographic distance between Russia and Norway. In order to provide objective results we should clearly define between which points the geographical distance will be estimated. According to the research question Norwegian city Bodø is a key point in Norway. Since all the respondents coming from two different places in Russia, Saint-Petersburg and Arkhangelsk, we will provide estimation of absolute geographical distance between Bodø and Saint-Petersburg, and Bodø and Arkhangelsk.

Approximated by Google Maps geographical distance between Bodø, Norway and Saint-Petersburg, Russia is 1486 kilometers.⁵ Geographical distance between Bodø and Arkhangelsk is 2430 kilometers. In terms of comparison between those two distances, Saint-Petersburg geographically is closer then Arkhangelsk.

4.1.3 Political system

Russian modern political system was established by the 1993 constitution, where the president has considerable executive power. In this system there is no vice president, and the legislative branch is weaker than the executive. The legislative branch is bicameral and

⁴ <http://geert-hofstede.com/russia.html>

⁵ http://maps.google.no/maps?hl=ru&pq=world+factbook+2011+distances&cp=38&gs_id=2p&xhr=t&q=world+factbook+2011+distances+between&bav=on.2,or.r_gc.r_pw.r_qf,.cf.osb&biw=1280&bih=709&um=1&ie=UTF-8&sa=N&tab=wl

consists of the lower house (State Duma) and the upper house (the Federation Council). The president nominates the highest state officials, including the prime minister, who must be approved by the Duma. The president can pass decrees without consent from the Duma. He also is head of the armed forces and of the Security Council (R. Government, 2012).

On the elections of December 4, 2011, the pro-government party United Russia took 49% of votes which is translated into 53% of seats in the Duma. The total amount of seats is 450. The results of December 4, 2011 elections were much lower than in 2007, when the party won more than two thirds of seats and got a right to change the Constitution. The Organization for Security and Cooperation in Europe's (OSCE) Office of Democratic Institutions and Human Rights (ODIHR) sent a commission to observe the Duma's elections. The ODIHR identified some distinctions in voting, counting, and tabulation procedures. Moreover, they noted that the elections took place in an atmosphere which seriously affected and limited political competition. The next Duma election will take place on December 2016, as a new legislation expanded the mandate of the Duma from 4 years to 5. On September 24, 2011 Prime Minister Vladimir Putin announced his wish to seek for a new term and won the elections on March 4, 2012. The OSCE/ODIHR again observed the election and noted similar shortcomings to those noted in the Duma elections including the lack of genuine competition and biased media coverage affecting the fairness of the election. The December 2008 law that extended the Duma's mandate also lengthened the term of Russia's president, beginning with the 2012 election, to six years, so the next presidential election is scheduled for 2018 (Federation, 2012).

Norway is a constitutional monarchy. The functions of the king are mainly ceremonial, but he has influence as the symbol of national unity. The constitution of 1814 grants important executive powers to the king, these are almost always exercised by the Council of Ministers in the name of the king (King's Council). The Council of Ministers consists of a prime minister chosen by the political parties represented in the Storting and other ministers. The 169 members of the Storting are elected from 20 fylker (counties) for 4-year terms according to a complex system of proportional representation.

The Stoltenberg-led coalition government took office in October 2005 and was reelected in 2009 continued the northern policy laid down by the government led by Kjell Magne

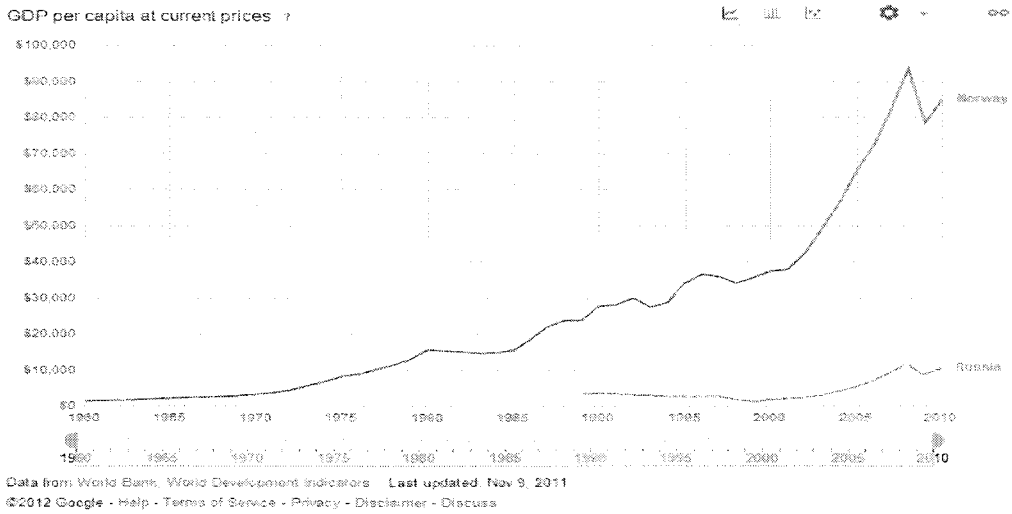
Bondevik (of the Christian Democratic Party) in 2003. This "High North" strategy has remained one of the constant themes of this government and encompasses many of the government's highest priorities, including environmental protection, responsible development of energy resources, maintaining a security presence in the Arctic, and developing Norway's relations with Russia. In 2010, Norway concluded bilateral agreements with Russia resolving the two countries' long-disputed maritime boundary in the Barents Sea and Arctic Ocean and facilitating travel for border residents. Upon ratification, the maritime boundary agreement entered into force in 2011 (N. Government, 2012).

4.1.4 Economical and industrial development

Russia and Norway dispose natural resources such as petroleum and natural gas which has become a subject of collaboration and number of economical agreements. Russian GDP in 2010 estimated as \$1.477 trillion and growth rate in 2011 4%. Norwegian GDP in 2011 is estimated as \$479.3 billion and annual growth rate in 2011 – 1.7%. Graph below shows factual GDP per capita in Norway and Russia.

As we can see from the Figure 5, economically Norway is much more stable than Russia following the level of GDP per capita. The gap between indicators is huge and approximated by \$ 75000.

Figure 5 – GDP per capita in Norway and Russia, thousands US dollars



The graph is created by Google Public Data.

4.2 Language

As we discussed above language was also mentioned as the most complicated issue to integration into Norwegian society. Language is the most important tool for communication between individuals, for exchanging information. It's a part of culture and very influential determinant of psychological distance. As it was mentioned above, similarities in languages provide better efficiency in communication. The closer languages are the more understanding between parties.

In our case, Russian and Norwegian languages are coming from different families. Russian is a Slavic language which belongs to an Indo-European family and mostly widespread language on Eurasia. This East – Slavic language is spoken in Belarus, Ukraine, Kazakhstan and other countries of the former Soviet Union. Approximated amount of native speakers by CIA The World Factbook in 2005 is 160 million people. The language contains dialect forms which are dependent on the geographical location of speaking part of inhabitants. Ever since the dialects have occurred several centuries ago Russian language became more holistic in terms of phonetics recently. And nowadays there is no large gap between dialects.

Norwegian language belongs to North – Germanic group of languages and is spoken primarily in Norway. There are about 5.3 million of native speakers and around 150 000 speaking people in Denmark. Scandinavian languages have similar structures and are comparable with each other. Bokmål and Nynorsk are two official languages in Norway and there are a certain amount of dialects. The wide range of differences makes it complicated to estimate a real number of different Norwegian dialects. Compare to Russian, Norwegian dialects have a large variety in grammar, syntaxes, phonetics and can be created on a level of farmer cluster (CIA, 2005).

According to described above Russian and Norwegian languages are more dissimilar than similar. Among common characteristics we can mark out only loanwords from other languages. This means, that interaction between native speakers is hardly possible.

Russian and Norwegian languages have different structures and belong to different linguistic groups, but all the respondents have answered that they have not had any difficulties to learn Norwegian language. Some of them have mentioned that dialects were difficult to understand.

- ✦ *Elena, age 22 – “It is not difficult to learn Norwegian language, more difficult to understand, and to read it is just easy.”*
- ✦ *Igor, age 22 – “The dialect can be problematic. Often is very difficult to understand colleagues. But they realize that I learn «bokmål» and, therefore, try to speak clear and slower. ”*
- ✦ *Kirril, age 37 – “In the beginning I was communicating mostly with Russians. Knowledge of English language was poor and Norwegian I could not speak at all. ... After 5 years I started to prefer Norwegian company of people. The language is not a problematic issue now as it was before. Not only language was problematic, but language as a part of culture.”*
- ✦ *Andrey, age 24 – “I speak English and Norwegian. English is fluent, I don’t have any difficulties to speak English. Norwegian – don’t even know how to describe. Very good level of Norwegian. Writing is fluent. I can read fiction with some difficulties if it is nowadays language, not classical style which is close to Danish. When it comes to oral speech, I can speak but it’s complicated on the level of perception. That is why probably Norwegian enunciation is beautiful because everyone speaks differently and you should collect in your mind the ways they talk and only then you’ll get an understanding of how people speak and what is their manner.”*

Also some of them mentioned more problems in understanding than speaking Norwegian. As it was mentioned above and shown in Appendix 3 only three out of eight respondents had language barrier and only two out of eight mentioned that language was difficult to learn. Respondents have not had language barrier mostly by the reason of large amount of English speaking population in Norway. Following answers of respondent, *language is not a problematic issue* in case of Russian-Norwegian communication, even though linguistic groups of languages are different.

4.3 International experience

In order to provide a reasonable measurement for international experience we should clearly define it and specify the meaning of the context. Following our example, all the respondents have shown different understanding of the concept “experience”. As we can see, some of the

answers were describing experience as *experience of cultural differences*, as *experience of work/study* and other types of it. Mostly respondents linked their experience to the first or most important reason of coming to Norway. Few answers about how Russians see their international experience were related to the integration process and language skills. Furthermore, one respondent named as experience personal internal feelings of safety and security.

Table 3 – Definitions of experience

RESPONDENT	MEANING
1. Elena, 22	"It was easy to enter Norwegian live, because there are many Russians here. Therefore I did not have any psychological barrier in communication with people. If I wanted to talk to someone there were always Russian students or international students. It was more difficult with Norwegians first 5-6 months. It was difficult to get in contact with them. The reason was language barrier and some psychological misunderstandings."
2. Igor, 22	"When I just came here the first impression was – <i>difference in cultures</i> , first of all the treat of people, individuals. I mean such simple things as treating in shops, public transportation. People are predisposed to contacts here. They are more kind I think. Later, when the study started I realized the difference in an education system. ... Later I got a job. ..."
3. Stanislav, 24	"I came here with <i>expectations</i> different from what I've got. Here is my experience. When I was going here I thought that it is a <i>socialist country and people are like Vikings</i> etc. In the end – unbelievable nature and people speak English. All of them though, all ages. It was a surprisingly for me. I like this very calm life style."
4. Andrey, 24	"First of all it is <i>experience which occurs on the contrast of cultures</i> . How life in one country differs from the life in another. This is what more evident as experience and what is the most useful. What shall I start with? With the <i>education</i> , I guess. Because it is the main reason why I came here. ..."
5. Darya, 31	"I think it is very difficult to <i>integrate</i> to Norwegian society in terms of they don't search for your company. When it comes to <i>work</i> - managers treat foreigners neither better nor worse. My friends are mostly Russians here but I have good Norwegian friends too, which I met here at school."
6. Maria, 28	"When I came to Norway in 2008 I started <i>working</i> . I could not speak Norwegian, so I was working using English. First week my colleagues were talking to me in English and had a lot of interest, but then everything became normal and they were talking Norwegian all the time. When we had coffee in common areas everyone was talking Norwegian and I was just seating and smiling. It was very difficult...."
7. Nina, 28	"When I moved to Norway and was living here for half of a year without leaving the country, I felt that it was something different here but could

not understand what exactly. And only when I got back to Russia, I realized that it was feeling of *safety and security*. It has made a strong impression on me and still this feeling has not left me.”

8. Kirril, 37 “My experience first of all related to my *education, getting a master degree*. First it was a master program, then doctor degree and after associate professor. Notably, doing scientific work, teaching and administrative operations.”

As we can see from the table, two respondents mentioned as own experience *the process of integration* or “entering Norwegian life”. Most of the respondents mentioned that it was easy to integrate by the reason of large number other Russians around. Russian network is large in Bodø, especially at the University of Nordland. As it was mentioned above international cooperation between many universities and University of Nordland employs international students, the majority of which are students from Russia. They do not have a need talking native language or to look for contacts especially, because they were easy accessible.

Igor, age 22, Saint-Petersburg - “To adapt to people around was not difficult at all. It would have been much more complicated in my opinion if students from Russia would not be here. But they are here and even students from my home university as well, people who I already have known earlier. But of course in the beginning I was missing home. ...”

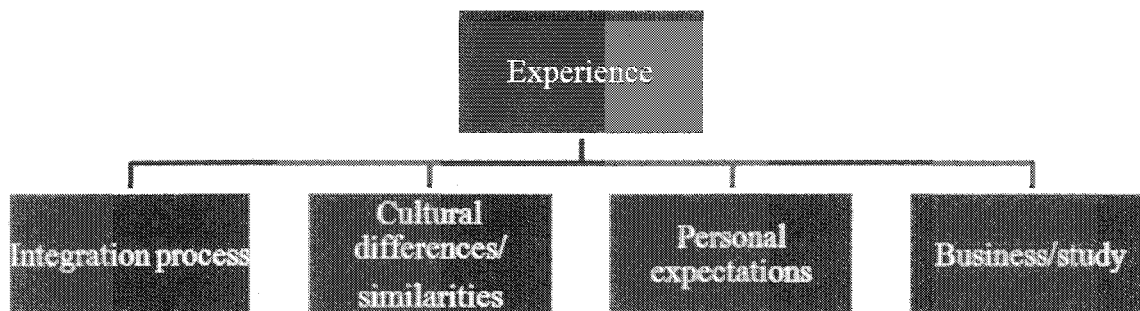
There is also an opinion that if respondents would not have such a large network of Russian students around, the integration process would become more complicated. The society of Russian students which has been formed earlier used to help new coming students with the adaptation process.

On the adaptation: Elena, 22: “I did not have any cultural shock. Everything went smoothly. I had much support and help from Russian guys who have been staying for a long time already. And I realize that if anything happen or I will meet some challenges on my way I always get support from people I know and even Norwegians.”

This type of help in terms of integration suppose significantly reduce psychological distance because of lacking need for exploring new environment. There are people who have already done the exploration of surrounding environment and are ready to share their knowledge. Furthermore, with the gaining international experience the internationalization process becomes more organized and systematic, so those individuals, who already got some kind of

international experience, have certain confidence to succeed another time. Moreover, the perception of differences between Russia and Norway by an individual with international experience (Norwegian or any other) may have influence on the perception of the same differences by an individual without international experience if they have shared any information about it between each other (Evans & Mavondo, 2002). Perceptions of differences might be affected by other party's opinion through transmission of knowledge and information about foreign environment. Experience helps individuals to exploit opportunities and be better prepared to meet obstacles and to avoid threats (Katsikea et al., 2007). We can assume that even someone's experience may be useful in terms of integration to a foreign environment because it can be shared between individuals. According to the respondents answers what does experience mean to them, I've developed a figure, which shows the components or variations of perceived experience. The concept of international experience by perception of the respondents looks very complex and united. Among components of experience respondents described following concepts: integration process, cultural differences or/and similarities, personal expectations and business or/and study. Figure shows the model of respondents' international experience. Furthermore we will discuss each component in particular and provide comments of the respondents for them.

Figure 6 – International experience by definitions of respondents.



4.3.1 Integration process

Integration process was identified by respondents as one of the components of their international experience. In order to provide more evidence to the concept, respondents were

asked to identify what are the most important issues of the integration process. The majority of respondents (5 out of 8) responded that they had certain difficulties to integrate to Norwegian society. Above we will discuss the problematic issues and comments.

Igor, age 22, Saint-Petersburg – “The language is probably the most important. It is very difficult... People are all different, it’s not a secret. Everyone has different abilities, everyone has own attitude of mind. Communication barrier is the most important here. Even though Norwegians are the most English speaking country in Europe, nevertheless they try to save their identity, their historical constituent and the language plays the key role here.”

Language as one of the antecedents of psychological distance has been mentioned as problematic issue by one more respondent. On the question “What are the main problems of integration?” *Darya, age 31 from Saint-Petersburg answered – “Language.”* Language is marked as the component of integration process which matters. Moreover, according to the respondent opinion it’s the most problematic issue of integration into Norwegian society.

Andrey, age 24, Saint-Petersburg – “No, it was not difficult to integrate. Norwegians are Scandinavian nation and I’ve been born in Saint-Petersburg, which is 2000 kilometer from Bodø. The climate is similar. Of course some people think the climate here is nastier. I would say that mostly it depends on upbringing how people integrate. When I was 18, my parents told me that I’m adult and I have to work. I have not got that much ward from them after that. Of course they were still there for me, but not in the same extend. Well, I’ve tried to work in Russia. When I came to Norway I found out that it’s society of individualists and I liked this fact. Of course I was not familiar with the society, but I liked this cold, calculating Nordic streak. And I still like it as whole. Also there is never much press on you at work. Always the word of law has incredible power. And it’s a big difference with Russia where the law is a décor.”

Andrey, age 24, Saint-Petersburg: “I think Norway is similar to Russian North-West region. I don’t see it so different.” “I think culture reflects geographic of population.”

He mentioned that the integration process was not hard. As one of the arguments to support own opinion respondent provided geographical closeness between Saint-Petersburg and Bodø. This fact in large extent supports argument that geographically close places are easier to adapt to. As we know from earlier discussion, geographic distance creates significant barriers to

international interaction (Håkanson & Ambos, 2010). Therefore, Andrey mentioned geographical closeness as one of the factors which reduces the effect of integration process.⁶ This fact reflects *personal perception* of an absolute factor such as geographic distance. It means that individuals will differently define a certain distance in kilometers as short or long.

Another component of integration process was mentioned by Maria, age 28. Her case was different from other students, because firstly she came to Norway by the reason of full time job and only afterwards she became a student.

On the question if it was difficult to integrate to Norwegian society *Maria, 28 answered: "Difficult. It would be possibly much easier when a person coming as a student. They get many contacts, a lot of communication, only after student life they get into a working environment. To me it happened oppositely. I got into work straight away and have not known anyone there. I knew my boss and he was the best friend for me. I was going to him with any questions and problems. What about all the others at work, I've never had or heard any negative form them, had only positive. They all tried to show their interest. Anyway, all of them are busy and finding friends is very difficult, because average age in our department was around 50. All of them have families, husbands and wives, friends, children, absolutely own life. Work is work. Work is from 8.00 to 15.30 and what shall I've done after? But when I was transferred into another department, there were much more young people and there I was picked as one of the responsible persons for welfare committee. One of Norwegian girls was picked as well, Kristin from Trondheim. So we were watching each other and could not get what are we supposed to do together. After a while we started to communicate, to approach closer, also we had a group work together. It helped a lot and she became a key person for me to the Norwegian society. She was inviting me to join her for some arrangements..."*

According to her answer *communication* and *contacts* plays a key role in the integration process. She mentioned that one of the obstacles was to find friends among the group of colleagues she was involved with, because of the age difference. In comparison with the

⁶ The absolute geographic distance between Bodø and Saint-Petersburg approximated by Google is 1486 kilometers and the length of Norway as whole is 2544 kilometers.

comment of Elena, age 22: *“It was not difficult to enter Norwegian life, because there are many Russians here....”* Previous description of integration process shows us that network of Russian speaking people is important for individuals to feel comfortable within international environment. Therefore in the Figure 5 Network and contacts marked as one of international experience component. Moreover, on the question if respondents feel comfortable in the surrounding environment all of them have answered “Yes”.

4.3.2 Cultural differences

“We need to reach that happy stage of our development when differences and diversity are not seen as source of division and distrust, but of strength and inspiration” – Josefa Iloilo.

There have been no information or definition provided for respondents about cultural differences or/and similarities as it was done with the concept of psychological distance, therefore given answers were considerably different from the theoretical approach to the definition of culture. Cultural differences and similarities between Russia and Norway described by respondents reflect several aspects of countries’ features. Among them are: bureaucracy, attitude to work, sense of humor, culture of communication and at last, but not least differences and similarities between Russia and Norway which have a long historical roots.

Nina, 28, Saint-Petersburg, has opinion about bureaucracy as a similarity of both cultures: *“Absolutely, all cultures are different. I think Norwegians are more organized; they do everything in a right way. They are people of rules, we are people of exceptions. I believe that solving bureaucratic issues in one country and another is the best way to understand cultural differences. In due time, I’ve met a problem and realized that there is disorganized disorder in Russia and in Norway is organized. Bureaucracy exists in both countries. But it’s a question what is better for us Russians, because in Russia it’s possible to skip all the rules and find someone who can help you in your particular situation, it does not mean that outside the law, but... It’s always possible. In some situations you follow the law and according to the rules everything should work, but you cannot get any results just because people don’t fulfill their duties. I think, the treatment of the rules is important, because Norwegians respect them,*

appreciate them, live with them. And we respect them only when it's convenient... Well, major similarities...I think it's people are more open on the North, which is not so obvious on the South. I'm from the Northern part as well. It was very easy to rent an apartment and communicate with my neighbor. My lessors have not even taken a deposit from me. They said that if we allow you to live in our house how can we not rust you? They give me cakes and bring presents from vacations. I don't agree with stereotypes of severe, cold Norwegians which you can't find a contact with. I don't share this opinion."

This comment supports existence of administrative distance (as a part of political distance) between Russia and Norway. Administrative distance exists due to different bureaucratic, working, and political structures prevalent in countries (Malhotra et al., 2009). Therefore it creates a barrier for living and working in foreign country when administrative systems are different. As it was mentioned by respondent Nina, the law does not have same power in Russia as it does in Norway and it may be one of the issues of integration and adaptation as well.

There are some opinions which slightly remind us about Hofstede's cultural dimensions (Hofstede & Bond, 1984), but they are not in comparison by the reason of differences in levels of discussion. Hofstede's cultural dimensions have been described within national level while we are looking at cultural differences perceived by individuals. For all that, respondents have mentioned high degree of individualism inherent to the Norwegian society.

Andrey, 24, Saint-Petersburg: "When I came to Norway I found out that it's society of individualists and I liked this fact. Of course I was not familiar with the society, but I liked this cold, calculating Nordic streak. And I still like it as a whole."

Historical aspects play very important role in forming of cultures. Since two countries have historical similarities, they might have common values as well. Presence of such factors may influence psychic distance and therefore reduce it. Big historical gaps and, therefore large cultural differences, tend to increase influence of psychic distance on individuals' perception. During the World War II in 1944 some northern regions of Norway (Finnmark and Troms)

were liberated by Soviet Union soldiers from the Nazi army, which created an ally opinion about Russians among citizens of those regions.⁷

Andrey, 24 on cultural differences: "It's very difficult to characterize Russian culture, as well as Norwegian. Russian culture as such survived the 90's, all this disorganization. 90's were the time of criminality and mess which made all people to feel scared. Just now it starts "to raise a head". Somehow starts to remember religious values, somebody started to practice moral and ethics, even political opposition started to act actively even though it's under the pressure in Russia. Thanks to our media through which people still can show own will and wish. It's good. I think if Russia will not put Iron Curtain then we will be able to develop some strong qualities of our culture. We are actually more western culture than Arabic countries for example. We are striving for capitalist system as USA. Norwegians in terms of culture have not had any shocks or perturbations and their problem is that their history did not exist 100 years ago. Well it existed but it was in kind of spread – as many settlements, as dialects. They had Edward Munch which was painting beautiful pictures. This depressive style is appearing in the whole Nordic core. I like that it is little down to the earth. Like Norwegians call themselves "grundig". It may seem little boring for our emotional and creative minds, but at the same time they make mistakes very seldom. Continue about the culture... They are trying to revive it. I'm happy that they understand their imperfection and can laugh about themselves. Russians cannot do it, they would rather laugh about the neighbor. For example, person from Moscow would laugh about a person from Saint-Petersburg when in Saint-Petersburg. In this case Norwegians trying to take care of their small culture and I think they will be fine if they will work on it. Sometimes they borrow a lot from United States and other countries, like for example fast food became a big part of Norwegian culture...."

Andrey, age 24 on similarities: "Of course, there are similarities. Maybe our agrarian past is similar? When I've learned Norwegian language I realized that some of the sayings have direct translation into Russian. Moreover, what was Russia in the beginning of 20th century? It was country with big cities and aristocracy and large amount of rural population. The same situation was in Norway. In 50's it was many settlements with fishermen, farmworkers and

⁷ http://en.wikipedia.org/wiki/Occupation_of_Norway_by_Nazi_Germany

aristocracy, the same system. Therefore values are the same, they had similar history. Another thing that Norway is Scandinavia and Europe and Russia is something like Asia. We have larger contrast. We don't know ourselves who we are. They have risen in a more harmonic way, therefore the culture has more accurate shape, but it is faded itself."

For example, among similarities between Russian and Norwegian culture, respondent mentioned valuable factor such as nature, and among differences - art. Norway has been recognized as postmodern country in terms of art. Therefore it creates a big gap between Russian classical culture of art and Norwegian postmodern.

Stanislav, 24: "I think there are some similarities, but in general, yes, they are different, because Slavic culture and Scandinavian culture are different things. Only one thing can say – nature matters a lot in both countries. If we talk about ancient culture, both had paganism. If we talk about modern culture, I can say that modern culture in Russia does not exist as such. What we can call modern culture is all coming from ancient times. If we talk about behavior of people, Russian culture is closer to such cultures as Italian and Spanish. Norwegian culture of behavior is quiet, confident without any excessive emotions. If we talk about culture of art, Norway is a modern culture, they have very specific art. Russian culture is very classical, therefore we used to classical music and painting."

Among similarities respondent Igor, age 22 from Saint-Petersburg mentioned multinationality in both countries. Russia is historically very multinational, but Norway has been forced to become multinational country in opinion of respondent. – *"The difference is that Russia historically is multinational country, as I know Norway became multinational only 50 years ago. I think it started in 1969. Norway has been forced to become multinational country while Russia was multinational for many centuries. Moreover, another difference is that they are proud of their culture and I cannot say the same about Russians."* This fact may influence perception of other cultures by Norwegian citizens in comparison with Russians. Russians might be more used of other nationalities within the same environment, while it takes some time for Norwegians to adapt to the existing situation. Even though both countries have become multinational the attitude to other cultures might be not the same.

In terms of work and business, respondents' opinions have divided into two groups. Some of them recognized attitude to work as a difference and some as similarity. On cultural

similarities Maria, 28: *“They are different, but I cannot say it is a huge difference. Sense of humor is similar, jokes and anecdotes. Attitude to work is similar.”*

Other differences and similarities between Russian and Norwegian cultures mentioned by respondents are shown in the table below.

Table 4 – Cultural differences and similarities

Cultural differences	Cultural similarities
Life style	The nature matters a lot
Rhythm of life	Attitude to work, business aspect
Mentality	Sense of humor
Attitude to work, business aspect	Bureaucracy
Education system	People are open on the North
The word of law	Multinational country
Child upbringing	Values
Culture of food	Paganism
Culture of communication	Sami population
Holidays	Climate
Art	
Culture as pride	

Table 4 shows cultural differences and similarities mentioned by respondents. All of the opinions reflected in the table. Life style and rhythm of life were mentioned when talking about sizes of the cities where respondents come from and to where they came. Saint-Petersburg is the second biggest city in Russia and approximated amount of inhabitants is 5 million people and Arkhangelsk is approximated by 500 thousand people. The intensity of life and temp in big cities is much higher than in smaller ones. Since Bodø is approximated by 50 thousand inhabitants, we can assume that respondents mentioned differences in the context of city sizes as well.

All of the respondents mentioned attitude to work in cultural aspect. But some of them mentioned it as difference and others as similarities. This aspect shows the variation in opinions of individuals towards the same subject. Moreover, few of them mentioned that

education systems are different in Norway and Russia, which may create a cultural barrier and increase psychological distance perception.

The word of the law has been discussed above and two respondents mentioned that power of the law in Norway and Russia is very different. Norwegian legislation has more power and respect in Norway than Russian law in Russia.

Child upbringing was mentioned by respondent which is a part of Norwegian family. She mentioned it as differences and claimed that Russian way is less democratic and more strict than Norwegian. Culture of food, different holidays, as well as the art, were mentioned by respondents and seem to be an important factor of cultural differences. Food, art and national celebrations are a part of any culture. Culture of communication was mentioned by respondents in terms of the way people speak, the way people behave while speaking and who fast people speak. *Stanislav, age 24, Saint-Petersburg: "It was very difficult to adapt to how slow people speak. In Russia people communicate very quick and exchange information very fast."*

Talking about similarities in Russian and Norwegian cultures respondents mentioned attitude to work, sense of humor, climate. The importance of nature in both cultures was mentioned by several respondents, they said that beauty of the nature matters a lot in both countries. Paganism in old times was a certain religion in both countries, which was also mentioned as similarity. Sami population also exists in both cultures, especially on the North.

4.3.3 Personal expectations

Personal expectations in terms of international experience have a special context. International business literature does not provide any explanation on personal expectations of individuals. Thus, this issue should be studied deeper. We can assume that personal expectations about a foreign country may be supported or disproved when coming there.

Stanislav, age 24, Saint-Petersburg: "I came here with expectations different from what I've got. Here is my experience. When I was going here I thought that it is a socialist country and people are like Vikings etc. In the end – unbelievable nature and people speak English. All of them though, all ages. It was a surprisingly for me. I like this very calm life style. And

everything is organized here. People are not in a hurry, but they have time to complete everything. They work from 9 to 5 and after they only take care of families, children etc. they are little bit close. They communicate in local groups and to become friends with them is difficult. They live in communes for many-many years and have very close relationship so to enter the commune is problematic.”

Respondent mentioned that his personal expectations about Norway in terms of experience were disproved when he came here. He does not expose his opinion largely but he admits discrepancy. It is very difficult to conclude something about personal expectations in terms of international experience, because they have not been studied before. Therefore, we consider it as new dimension of international experience on the individual level.

4.3.4 Business/study

This section is very important in terms of differences in business aspects between Russia and Norway. Respondents described their own working experience and provided comparative information about working conditions in Russia and Norway.

Maria, age 28, Arkhangelsk: “Difference from Norway is that we have more control on working places. In Norway people have own responsibility, not much control over them. When I was working in Russia my boss controlled every my step and what is on screen of my PC, and with whom I was talking on the phone, independent on what kind of results I had. But people cannot watch screen for 8 hours. But in Russia we suppose to work etc. Here is calmer, everyone has own office and you can close door and work. You can decide yourself when you work and when you drink coffee.”

Maria comment on differences in levels of control on working places. Russian working environment, following her opinion, implies high level of control, while Norwegian system allows employees to manage working time under own responsibility.

Relationship between manager and employee are practically problematic issue in Russia. Therefore, Igor mentioned one more important difference between countries in terms of business.

Igor, age 22, Saint-Petersburg: "The gap between manager and employee. In the relationship between manager and employee they don't have a big gap. In Russia this gap is large and very visible."

He said that in Norway the gap between manager and employee is not as large as it is in Russia. Next comment on differences in business environment describes degree to which student is independent from professor.

Andrey, age 24, Saint – Petersburg: "In Russia professor is your mentor and it is a considerable difference in education process, because in Norway it is opposite. Student is more independent from teacher. In Russia this relationship may become subjective. It means that professor may treat student in a good or bad way, which is excluded in Norway. The same scheme will work in business as in Russia as in Norway. There is independence in relationship in Norway, no emotions, objectivism. It will stay there. While in Russia, as we all know, business will work according to your connections with certain people who can help you and be dependent on how well you know them. This goes through all cultural levels..."

Previous comment refers to the importance of connections and networks while doing business in Russia. People's relationship is important in working and business process. Norwegian system does not allow personal relations influence working results. Good example is a grading system at the university. Russian grading system does not provide much objectivity because of personalization of the process. Professors know who they examine and may be subjective in giving grades.

The implementation of working process was mentioned as part of working experience and one of the differences between Russian working environment and Norwegian.

Maria, age 28, Arkhangelsk: "Group work is developed here. When working in Russia you should be specialist in everything not only your field. But here tasks are divided. If I'm a designer of roads then my colleague is a geologist. And we work in groups, meet each other and discuss. And work does not occupy so much time here as it does in Russia."

Group work is important aspect in terms of business communication in Norway. According to previous comment, group work is not developed in Russian environment and employees are more likely to work by their own and find solutions themselves even if they are not

competitive enough in certain areas. Norwegian approach implies group work in order to provide efficiency in dividing responsibilities.

Moreover, on the question if respondents would like to do business with Norwegian person all of them answered by solid vote that they would. Some arguments provided below.

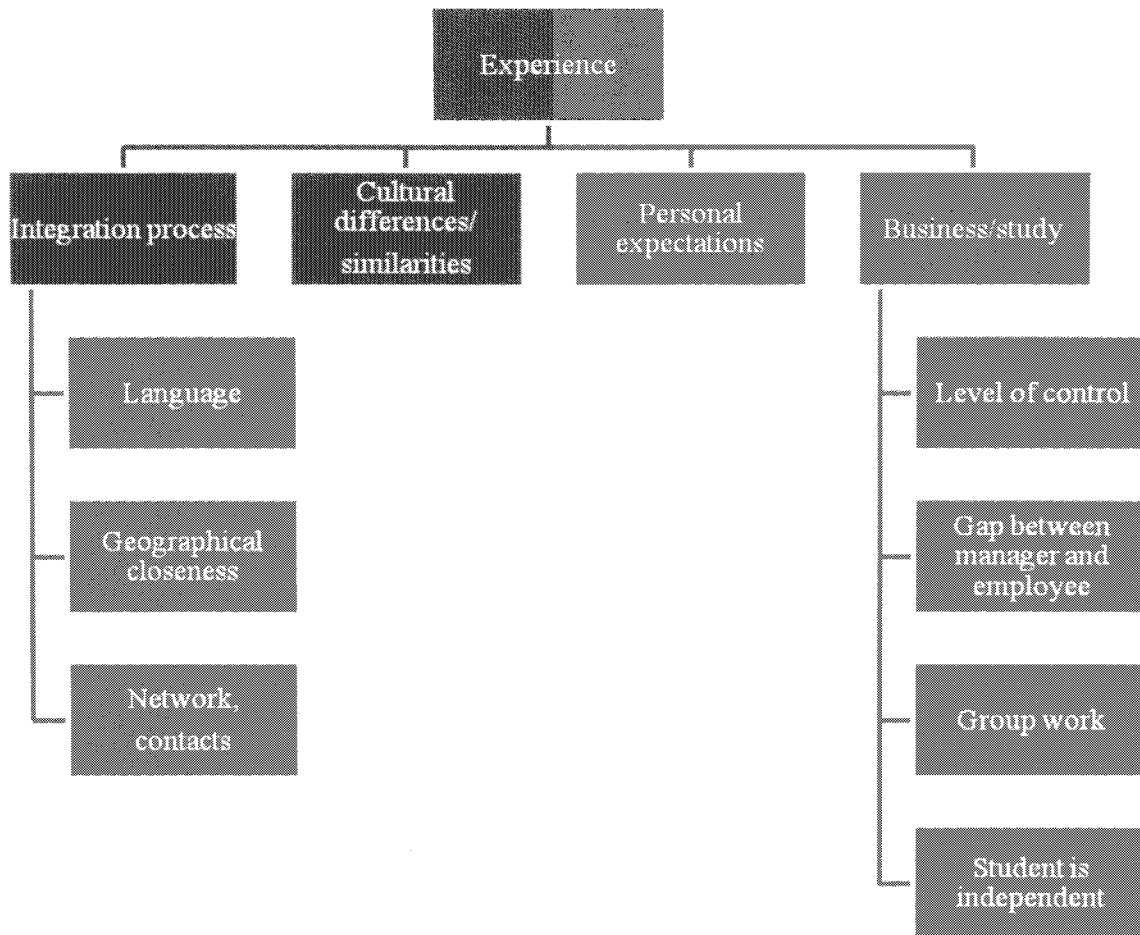
Nina, age 28, Saint-Petersburg: "Definitely I would, because they are very serious in terms of responsibilities. I have not met even a single Norwegian person who would not be punctual. I think they are reliable people. Maybe it is difficult to find understanding with them sometimes. But I think if we talk about some business in Russia they should seek advice from us and if we talk about business in Norway then we should be consulted by them."

Maria, age 28, Arkhangelsk: "I would. Because I think we supplement each other."

Andrey, age 24, Saint-Petersburg: "I would and I have a share of trust to Norwegians. The problem is that they are closed people, but I think in terms of business I can trust them."

The summary of the results obtained on the definition of international experience are presented in Figure 6. The structural model of international experience defined by respondents shows the link between experience and its determinants. Respondents mentioned language, geographical closeness and network, contacts as important determinants of the integration process as a part of international experience. Respondents have described cultural differences and similarities as a part of international experience. Among differences they have mentioned attitude to work, life style, mentality and rhythm, culture of communication, culture of food, holidays, art, child upbringing and culture as a pride. Similarities in cultures were presented as attitude to work (and difference as well), importance of nature in both countries, sense of humor, bureaucracy, values, paganism, both countries are multinational, climate and existence of Sami population.

Figure 7 – Structural model of international experience



4.4 Psychological distance

As it was mentioned previously the level of psychological distance of all the respondents was relatively low and average level is equal two point seventy five. The highest level of psychological distance among respondents is tree point five out of ten possible and the lowest is between one and two. The lowest level of psychological distance was presented by the respondent which has spent fourteen years in Norway. Below are presented comments of respondents on their level of psychological distance perceived to Norway and the explanations of lowest and highest possible rates. The presentation of comments starts with the shortest term of staying in Norway, continues with the medium and ends with the longest term.

Elena, age 22, Arkhangelsk, psychological distance level 3: "10 to me would be the feeling like I'm on another planet. If I would dreaming about to go back home. If I would suffering here and be very close. And 3 is because I socialize, communicate with Norwegians. I share their habits like "matpakke", "go på tur. I mean their habits seem normal and I don't notice myself how use them. Language is already familiar; I watch TV, read news. My life is Norwegian life. 0 to me is if I would be living here 10 years and if I would have my family here, friends and all my life would be linked to Norway, but now I can't say so because my friends and family are in Russia."

Igor, age 22, Saint-Petersburg, psychological distance level 3: "There are still some mental moments, mentalities are different and understanding of all around. But I get exactly needed amount of information, attention and support. I don't require any extra, it's enough for me to talk about certain things and in this case I think psychological distance is not large. 0 to me if I would come here and realized that everything is mine and it's close to me. 10 to me is my departure after 2 weeks. I know some examples when people could not adapt and left."

Both respondents from the first group with length of staying between tree and eleven months marked their psychological distance as tree point, but the explanations for the results were different. The extreme rates were explained in a pretty similar way. Both mentioned that the highest level of psychological distance would be achieved by them if they would have felt very uncomfortable in Norway. They explained uncomfortable feeling bordering with the feeling of being unable to stay in the country for some personal reasons. And the lowest level of zero was explained as staying in Norway longer time then they have spent and feeling very comfortable within foreign environment. This perception of lowest level makes us question where native Norwegians should be placed. This perception of psychological distance, which show respondents, is pure individualistic without considering any other individuals while giving an answer. They answered how they should have left themselves in order to mark zero or ten. In comparison with the next comments first group gave answers without taking into consideration other individuals.

Stanislav, age 24, Saint-Petersburg, psychological distance level 3: "First, I'm calm and steady person and I think it reduces psychological distance between me and Norway. That is why I have not had any problems with communication. Reduces distance also the fact that I was living here for 2 years and have learned some cultural features, historical aspects,

learned how they see Russia. Once you understand differences and learn culture the distance reduces significantly. To reach 0 person should be born in Norway, but for foreigners the distance will always exist. To me 10 is a person from African country from settlement. Between him and Norwegian citizen will be distance 10, because these people do not have anything in common. Cultures are totally different.”

Andrey, age 24, Saint-Petersburg, psychological distance level 2: “Sometimes I don’t feel Russian in Russia that is why I will never put 0 to Norway. On another side everything here seems very near, almost native. So the distance is not large. These 2 years I was interested in Norwegian culture, Norwegian history in terms of how Norwegians think, what kind of values they have, which historical moments they remember. In real it’s a social-democratic country with the capital word social. It is exactly what they tried to build in former Soviet Union and have never reached it. For us, children of 90’s, this system with these values are in our heads, we have been raised with this idea. I came to Norway and understood that this system is somehow implemented here. Therefore, I’m not afraid of this system. 0 to me if I would have been born Norwegian, if I would have been raised here. 10 to me is absolute cultural shock, when you don’t understand how people think, how they judge. For example, my previous Egyptian experience. That country shocked me but even there I would not put 10. I’ve noticed many similarities.”

Respondents from the next group with length of staying between one year and tree years mentioned that in order to have zero level of psychological distance a person should have been born in Norway. One of the respondents said that person should either have been born in Norway or been raised in Norway, while the second respondent from this group mentioned that it is impossible for foreigner to have zero level of psychological distance. To describe the highest level of psychological distance one respondent mentioned a person from an African settlement and gave an argument that cultures are totally different. The second respondent from this group mentioned “absolute cultural shock” as the highest level of psychological distance. Hence, both of the respondents describe the highest level of psychological distance as big cultural differences. As we can see, two different groups of respondents understand the concept differently.

Darya, age 31, Saint-Petersburg, psychological distance level 3: “I have language barrier. The city I come from is huge compare to Bodø. It’s difficult to come to village from

megapolice. I feel need for big city life, cultural arrangements, glamour arrangements. 0 to me when I have Norwegian children (she is married to Norwegian), fluent language and I can discuss anything, to follow Norwegian traditions, to work in stable Norwegian company, meet colleagues outside of working place. 10 is when I'm in Saint-Petersburg and don't want even think about Norway. Where is it?"

Maria, age 28, Arkhangelsk, psychological distance level 3,5: "I more less understand the psychology of what requires from me at work, I know how to talk to boss and make him understand that I know what to do. I know how to talk to someone in a bar. And I know that when they feel confident with you they start to be more open. 0 to me is to be Norwegian. I think zero is unreachable for foreigner. 10 to me is a Muslim person from Africa. I don't think it is a large distance between Russia and Norway as it is between Norway and Africa. It's a chasm."

Respondents from the third group show differences in perceptions of extreme rates: individualistic perspective and big cultural differences which can create a highest level of psychological distance. The same situation is with the lowest level of psychological distance. One respondent claims that it is possible for foreigner to achieve the lowest level of psychological distance zero and it is the third result out of six.

Nina, age 28, Saint-Petersburg, psychological distance level 3: "In general I feel good here, just don't feel myself as a full-fledged part of society, because my language is not ideal and I cannot say everything I want, to understand all details. I see language as a basic problem anyway and probably I should share the culture in order to feel as part of society, just to be interested in culture and history more. Now I understand that Russian traditions are more important to me. I think if person comes here because of own wish then he or she will feel good here. And I just realized that Russian life style is not mine. Here I feel myself happy every day, just because it's so beautiful outside and I can believe that everything can be good, calm and safe in the world. 0 to me is being native Norwegian. And 10 is a person who can speak neither English, nor Norwegian and love big city."

Kirril, age 37, Arkhangelsk, psychological distance level between 1 and 2: "Well, something Russian is still inside me. I would say I'm psychologically close, but I cannot pretend to understand the country 100%. 0 is to be Norwegian, to born here. 10 to me is lack of

assimilation when person does not understand at all. I probably had 9 or 10 points when I just came and it was difficult to adapt from hurry and active life which I had in Russia and loved it, to exactly opposite conditions. But I made this distance from 9 to 2 during this 14 years or even less."

The last group of respondents mentioned as the lowest level of psychological distance being native Norwegian. The highest level they described differently. One made it from the perspective of speaking languages and another from the life style perspective.

There are two respondents were presented in each group and their comments were presented in an order from the shortest period of staying to the longest one. As we can see, the perception of psychological distance is very different it terms of explanation of almost similar results. The level of psychological distance is varies from one or two to three point five but comments on what this number means to them are significantly different. There are some similar opinions on the perception of extreme rates as zero and ten. These results show us pure individualistic perception of the concept of psychological distance which should be examined in a specific case.

There are some explanations of the relatively low level of psychological distance provided by respondents. Andrey, age 24, Saint-Petersburg mentioned that his level of psychological distance two is related to his interest in Norwegian culture and the time he have spent here. *"On another side everything here seems very near, almost native. So the distance is not large. These 2 years I was interested in Norwegian culture, Norwegian history in terms of how Norwegians think, what kind of values they have, which historical moments they remember. In real it's a social-democratic country with the capital word social. It is exactly what they tried to build in former Soviet Union and have never reached it. For us, children of 90's, this system with these values are in our heads, we have been raised with this idea. I came to Norway and understood that this system is somehow implemented here. Therefore, I'm not afraid of this system."* By his perception psychological distance can be reduced by getting knowledge about the culture and history and understanding how people think. According to one of the definitions in the theory the psychological distance to a specific country is a reflection of the perceiver's knowledge, familiarity and scene of understanding of it (Dow & Karunaratna, 2006). Moreover, previous comment explains respondent's low level of psychological distance as understanding of political system and as a historical aspect. Another

respondent Stavislav, age 24, Saint-Petersburg from the same group comment on his low level of psychological distance equal tree points: *“Reduces distance also the fact that I was living here for 2 years and have learned some cultural features, historical aspects, learned how they see Russia. Once you understand differences and learn culture the distance reduces significantly.”* His opinion is that psychological distance reduces significantly with the passing time and staying in country, as well as learning culture and historical aspects.

There is a very interesting opinion closely related to the reduction of perception of psychological distance by Russian students at the University of Nordland:

Stanislav, age 24, Saint-Petersburg: “In addition, want to say that all the conditions which were created here for us are exactly that kind of approach which should be applied to reduce psychological distance. This smooth process of adaptation helped everyone who came here on these conditions. If person just sent into culture without any help there are two options – either he or she will adapt or will hate the country. I know few examples when people have not have opportunity to become familiar with the culture smoothly don’t like Norway and want to leave the country.”

V CONCLUSIONS AND IMPLICATIONS

5.1 Summary of the study

Following the research question “What is the international experience for Russian students at the University of Nordland as a determinant of psychological distance?” and the main goals of the study we have discussed concepts of psychological distance, international experience and language within suggested by the international business literature theoretical framework. Besides that, we have discussed political systems in Russian and Norway, differences in economical and industrial development between countries, cultural differences identified by Geert Hofstede and geographical distance.

Theoretical framework provides different definitions to the concept of psychological distance. In this particular study the following definition have been adopted: Psychological distance specified as the remoteness with which a decision maker perceives a foreign market to be in a relation to his or her domestic market and in terms of culture, language, values, economic development, and so forth (Katsikea et al., 2007). International experience has not been discussed much as an important determinant of psychological distance in the literature, therefore, we have studied the concept of international experience and how is it defined by Russian students at the University of Nordland.

The research has obtained following results. International experience by the definition of Russian students at the University of Nordland was presented as integration process, experience of cultural differences and similarities, personal expectations and experience of business or study processes. All the respondents have shown different perceptions of international experience.

The factor of personal expectations is considered to be a new dimension of international experience since it has not been studied earlier and international business literature does not provide any information on it.

Experience as a business/study was determined as differences in business and education systems. The differences in a level of control, gap between manager and employee, group work the level to which student is independent from professor were described by respondents.

Even though the respondents have defined experience differently and they have spent different periods of time in Norway the psychological distance perception does not have a big variation. Therefore, this fact does not support the assumption about existent link between psychological distance and international experience.

Language has been included in the research as a second important factor of psychological distance. Results show that even Russian and Norwegian languages are not similar and coming from different linguistic groups most of the respondents have not had any difficulties to learn language or speak it. One of the main problems among respondents was to understand Norwegian language. Only three out of ten respondents mentioned that they had language barrier. Moreover, language was mentioned as one of the most important factors of the integration process.

Respondents were asked to mark their psychological distance to Norway on a ten point scale and the following results were obtained: the average level of psychological distance is two point seventy five, the highest level of psychological distance is three point five out of ten possible and the lowest is between one and two. The majority of respondents mentioned that in order to achieve zero level of psychological distance one should be born in Norway. But some respondents considered that it is possible for foreigners to get zero level after a long period of living in Norway. The highest level of psychological distance – ten was described from two different perspectives: individualistic and from the perspective of large cultural differences. Those respondents, who described the highest level of psychological distance from own perspective told what their personal feelings should have been in order to have this high level, while others compared Norway it with other cultures, such as African.

We can assume that psychological distance might have implications on the national level and can be measured there as well, since all the respondents from the small sample had similar results even though all of them had different background, experience and language skills.

Respondents have mentioned that network of Russian students at the University of Nordland is pretty large and they did not have any difficulties to adapt to the environment because they have got support from the earlier coming students and they have not had problems with seeking for contacts and managing lack of information about the Norwegian environment. This type of support in terms of integration suppose significantly reduce psychological

distance because of lacking need for exploring new environment. Moreover, the perception of differences between Russia and Norway by an individual with international experience (Norwegian or any other) may have influence on the perception of the same differences by an individual without international experience if they have shared any information about it between each other (Evans & Mavondo, 2002). Perceptions of differences might be affected by other party's opinion through transmission of knowledge and information about foreign environment. Although, some of the respondents mentioned that their relatively low level of psychological distance linked to the length of the period they stay in Norway and assumed that psychological distance would decline with the passing time and getting knowledge about Norwegian culture and values.

5.2 Implications

This particular study conducted on the concept of international experience and the perception of psychological distance by Russian students at the University of Nordland is one of the studies conducted on the subject of cooperation between Russia and Norway. It may have implications on the level of universities (firms) or national level in terms of politics of collaboration of these two countries within education area. As it was mentioned above Russia and Norway have collaboration in many different areas of business, among them is education. This study reflects individuals' opinions on some political and economical aspects, which may find implication on the national level.

This research reflects the perception of Norway and particularly University of Nordland by Russian students in terms of difficulties which they meet when coming to the foreign environment and during the integration process. The research may be applied by Russian universities as well as the University of Nordland in order to improve the quality of cooperation and provide better conditions for expatriated students. Also, it might help to reveal problems in the integration process and solving them.

University of Nordland can implement this study in order to improve the degree of integration and adaptation of Russian students to the Norwegian environment. In order to assist the process of integration of students, University of Nordland could organize extra social activities, where international students could communicate not only between each other, but

with Norwegian students as well. According to obtained results and the fact that language is a very important determinant of international experience, University of Nordland may implement additional courses of Norwegian language, where students could learn language quicker and harder. Moreover, Russian universities may organize language courses for those leaving to Norway students before departure. It would help to reduce psychological distance if students would become familiar with the Norwegian language before coming to Norway.

5.3 Limitations and further research

Small sample and the limited information, provided in the international business literature on the studied concepts, are two major limitations of this research. International business literature highlights the concept of psychological distance but not always provide clear and accurate definitions on the constituents of psychological distance. For example, there is no clear definition on the concept of international experience. Therefore, it should be studied in terms of a specific situation or/and within specific type of business. When international experience is clearly defined further research can be conducted on the relationship between psychological distance and experience on the national level or within industry.

Since psychological distance is a relatively new concept in the theory of firms' internationalization there is still a limited amount of researches have been conducted on it. It makes a research process more complicated in terms of finding right sources.

There are opportunities for further research in the area of Russian – Norwegian collaboration and psychological distance perception. As it was mentioned above Russia and Norway collaborate close with each other, but psychological distance have not got much attention in this field. Psychological distance can be studied on the level of firm or on the national level as well, thus this topic is relevant for further research. Although, might be relevant to study the question how to reduce the psychological distance once we know what is it.

For further research I propose qualitative cross-sectional studies on the concept of international experience and its dimensions and/or longitudinal studies on the question of reduction of psychological distance between Russia and Norway.

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VII APPENDIXES

Appendix 1

Research Timelines

In order my research to be completed on time, I have followed certain schedule which helped to organize the work and fulfill required terms. As it was mentioned above time frames are important for researcher. Writing master thesis and investigation of the research questions covers period from January 2012 to May 2012. During this period there are few important stages to go through: identifying main research question and relevance of the research as whole, identifying methodology, gathering theoretical information and reviewing, empirical study and analysis.

Timelines of MOPP

No.	Period	Actions
1	11.01.2012 – 24.01.2012	Clarifying the topic of MOPP and the research question.
2	25.01. 2012	1 st report to a scientific advisor and delivering of MOPP work requirement.
3	26.01.2012 – 08.04.2012	General correction of theoretical framework and methodology according to discussion with the scientific advisor. Changing the research question and the methodology of MOPP. Working on the sample. Identifying respondents and topics for interview. Writing theoretical chapter and methodology.
4	09.04.2012	2 nd reporting and delivering work requirements.
5	10.04.2012 – 30.04.2012	Preparing interview guide. Conducting interviews. Transcribing interviews and analyzing.
6	01.05.2012 – 15.05.2012	Writing down analysis and conclusions. Meeting with scientific advisor.
7	16.05.2012 – 19.05.2012	Final remarks.
8	21.05.2012	Delivering MOPP

Appendix 2 Summary information about the sample

Background		Short term 3-11 months		Medium term 1-5 years				Long term More than 5 years	
		1	2	1-3 years		3-5 years		7	8
				3	4	5	6		
Student (have been)		✓	✓	✓	✓	✓	✓	✓	✓
Employment		-	part time	part time	part time	part time	full time	full time	full time
Part of Norwegian family		-	-	-	-	✓	-	-	-
Visited Norway before moving		-	-	-	✓	✓	-	✓	-
Language skills	English	✓	✓	✓	✓	✓	✓	✓	✓
	Norwegian	✓	✓	✓	✓	✓	✓	✓	✓
	Other	Chinese	Turkish	Ukrainian/German/ French	-	-	Chinese	French	-
Language barrier		Yes	Yes	No	No	Yes	No	No	No
Language mostly used		Russian	Russian	Russian	Russian	English	Norwegian	Russian	English
Learned Norwegian in advance		No	Yes	No	No	No	No	No	No
Difficulties to learn language		No	Yes	No	No	Yes	No	No	No
Difficulties to integrate		No	Yes	Yes	No	Yes	Yes	No	Yes
Network	University	Mixed	Mixed	Mixed	Mixed	Mixed	Mixed	Mixed	Mixed
	Work	-	Norwegian	Norwegian	Norwegian	Norwegian	Norwegian	English/ Norwegian	English/ Norwegian
	Free time	Russian	Russian	Russian/ Norwegian	Russian	Russian / Norwegian	Mixed	Russian / Norwegian	Mixed

Social work	Yes	No	Yes	No	Yes	Yes	No	No
Hobbies	Yes	No	Yes	No	Yes	Yes	Yes	No
Other international experience	Yes	No	Yes	No	Yes	No	Yes	Yes
Type of Norwegian experience	positive	positive	positive	positive	positive	positive	positive	positive
Negative aspects	No	No	No	Yes	Yes	No	Yes	Yes
Psychological distance (out of 10)	3	3	3	2	3	3,5	3	1-2

1 – Elena; Female; age – 22; in Norway 8 months; Study Master in Sustainable management. She comes from Russia, Arkhangelsk.

2 – Igor; Male; age – 22; in Norway 9 months; Study Master in Energy Management. He comes from Russia, Saint-Petersburg.

3 – Stavislav; Male; age – 24; in Norway – 1 year 8 months; Study Master in Science of Business. He comes from Russia, Saint-Petersburg.

4 – Andrey; Male; age – 24; in Norway – 1 year 8 months; Study Master in Science of Business. He comes from Russia, Saint-Petersburg.

5 – Darya; Female; age – 31; in Norway – 3 years 3 months; Study Master in Human Resources. She comes from Russia, Saint-Petersburg.

6 – Maria; Female; age – 28; in Norway – 4 years; Student in course of Chinese language. She comes from Russia, Arkhangelsk. Maria's case is different from other respondents in a sample. She started as a full time co-worker at the Norwegian Public Roads Administration and only after became a student at the University in Nordland.

7 – Nina; Female; age 28; in Norway 5 years + several months; PhD student, stipendiat, researcher. She comes from Russia, Saint-Petersburg, originally from Narian-Mar.

8 – Kirril; Male; age – 37; in Norway – 14 years; Associate Professor at the University of Nordland, Responsible for Master program, he started as a Master Student at the University of Nordland. He comes from Russia, Arkhangelsk.

Appendix 3

Interview guide

The purpose of this interview guide is to understand what Russian students at the University of Nordland place upon their international experience, how remote do they perceive Norway in terms of psychological distance. Also this interview guide is aimed to reveal respondents language skills and opinions about cultural differences.

1) Basic information about respondent

How old are you? What program do you study/been studying? What is your position at the University?

2) Information about experience.

Please, tell me about your experience of moving to Norway. What do you consider as an experience? Tell me about the process of adaptation. Was it difficult to integrate? Why? Please, tell about positive sides of your experience in Norway and negative. What was the reason of coming here? Have you had other international experience beside Norway in terms of business/education? What are the main problems of integration in your opinion?

3) Language.

What languages do you speak? What is the level of languages you speak? Do you think Norwegian is very different from Russian? Was it difficult to learn language? Is there a language barrier? Explain.

4) Culture

Tell me about people you spend your free time with. How do you spend your free time? Do you have Norwegian friends?

Do you think Russian and Norwegian cultures are different? What are the differences? What are the similarities? Do you think it's difficult to understand Norwegian culture?

Do you follow Norwegian holydays? What are the key aspects of understanding Norwegian culture? Share your opinion.

5) General environment

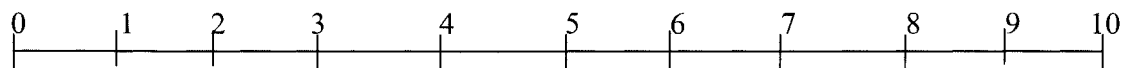
Do you have hobbies? Do you participate in any social activities? What makes you feel comfortable in the surrounding situation? Do you feel happy?

Would you like to do business with Norwegian person?

- 6) Here is a definition of psychological distance. Psychological distance - Specified as the remoteness with which a decision maker perceives a foreign market to be in a relation to his or her domestic market and in terms of culture, language, values, economic development, and so forth (Katsikea, Theodosiou, & Morgan, 2007). Please, identify your perception of Norway on a 10 point scale in terms of psychological distance.

The lowest level

The highest level



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