

Saimaa University of Applied Sciences
Business Administration Lappeenranta
Degree Programme in International Business
Specialisation in Leadership

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**Finnish companies entering Singapore: analysis
of business environment and cultural differences.
Case: Exove Design**

Thesis 2019

Abstract

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The purpose of this study was to find out what information a Finnish company needs about Singapore before entering the business environment. When internationalising, it is important to know as much as possible about the target country to be able to operate effectively right from the beginning.

The theoretical part of the study was separated into two parts: analysis of the business environment and analysis of the national culture. The research has qualitative and deductive approach. The information for the first theoretical part about business environment was gathered from various sources such as business articles, academic literature and scientific journals. For the second part about national culture, the five-dimension model of culture by Geert Hofstede was used.

The qualitative research method was used for this study. The empirical part was done by interviewing the CEO of a case company from Finland that has experienced the process of entering and operating in Singaporean business environment. The interview supported the theoretical part in most aspects and it added other industry-specific outlooks on the research.

The results of the study show that Singapore is undeniably a very different country from Finland. The cultural challenges must be addressed before entering the Singaporean market and thorough groundwork to know the political and legal differences is needed. Nevertheless, Singapore offers good grounds for business and as long companies prepare carefully there is no reason why operating in Singapore would not be successful.

Keywords: business environment, national culture, international business, internationalisation, globalization, Singapore

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Appendix 1

Interview questions

1 Introduction

1.1 Background

As Finnish companies are looking for new opportunities outside of Finland, and globalization is becoming more of a rule than an exception for companies to survive, many companies have found Singapore as their new dream market. The country is considered as one of the Four Asian Dragons, a country that has experienced rapid economic growth in just a few decades that does not seem to stop. (Quah 2018.)

The purpose of this study is to understand the Singaporean business environment and the impact of national culture from a point of view of a Finnish company that aims to internationalise. The goal is to understand how the environment and culture affect internationalisation and what needs to be considered when entering the Singaporean market. When internationalising, one of the primary things that need to be done, is the analysis of the market and business environment of the target location. The initial research will help countries to prepare as best as they can for the upcoming differences and challenges that might follow. (Ferraro 2002.)

Singapore is a very diverse country with four official languages and three main ethnic groups: Chinese, Malays and Indians (CIA 2019). This poses a challenge for Finnish companies who are not familiar with different business environments and cultures. As Finland and Singapore are different, a research concerning the differences should be conducted to assure that running business in Singapore would be as effortless as possible.

This research is a current topic is because of the recent free trade agreement between the EU and Singapore. In the next five years, essentially all duties and tariffs will be removed between the EU and Singapore. This agreement has been the first one made between the EU and Southeast Asia and it could set an example for other free trade agreements between the EU and Southeast Asia. (European Parliament 2019.)

Moreover, Singapore is the most important trading partner in Southeast Asia for Finland and the European Union (EU). Over 10 000 companies from the EU have internationalised to Singapore, making the EU the biggest trading partner of services and the second biggest trading partner of goods in Singapore. (Ulkoministeriö 2019.)

Singapore is a very appealing location for many international companies, and it offers a gateway to the large Southeast Asian market. As English is the business language, starting a business as a foreigner is not an issue, besides Singaporean government is very welcoming towards foreign companies. Trustworthy government and stable economic situation are also some of the reasons many foreigners are gravitated towards Singapore. (Kauppapolitiikka 2018.)

1.2 Research objectives

The objective of this study is to understand the Singaporean business environment and culture from a Finnish company's perspective. The study will research what needs to be known when entering a new market. After a company has decided to internationalise it is important to comprehend what it means. One of the biggest roles in internationalisation is knowing the business environment and the impact of culture on doing business in a new market. (Hollensen 2014.)

The purpose of this study is to research the main differences between Finnish and Singaporean business environments. Singapore's population consists of Chinese, Malays and Indians, and all three ethnicities offer their own challenges and benefits. The two countries differ, and it is important for Finnish companies to understand a different business environment that is based on respect and high hierarchy differences. (Morrison & Conaway 2006, p. 439.) Knowing these aspects will help the Finnish companies to establish meaningful relationships with mutual respect and understanding.

The aim is to first look into Singapore's macro environment through an in-depth analysis. The analysis of the business environment is followed by a comparison of national cultural differences, which is a crucial part of cross-cultural communication and an essential part of internationalisation (Hollensen 2014, p. 244).

1.3 Research questions

The main research question of the thesis is:

- What information does a Finnish company need about Singaporean business environment and culture in order to enter and operate in the market?

The sub-questions are:

- What would be the most relevant information to know before internationalisation?
- How does culture affect internationalisation?
- How does business environment affect internationalisation?

Finding answers to these questions will offer a thorough view of how things differ from Finnish business environment and how to prepare for these differences.

Other topics such as why Singapore is such an attractive market for Finnish companies is also covered in the research through a PESTLE analysis of the macro environment. This will explain why Finnish companies would like to internationalise specifically to Singapore, what advantages and disadvantages the country offers.

1.4 Delimitations of the study

The emphasis of this research is on the analysis of business environment in Singapore from a general perspective. The thesis covers the matters of business done between these two countries. The point of view is of a Finnish company entering Singapore and what information they need about the business environment. The studies only concentrate on Finnish companies and country-specific issues that may arise in the internationalisation process and during operations in Singapore. The focus is in business environment and cultural differences since these are very large aspects in business anywhere. When it comes to delimitations, the theoretical part does not concentrate on one specific industry and business environment but rather it tries to bring general knowledge that can be applied in many different industries. Therefore, the research does not cover industry

specific topics. The business environment of Finland is not covered as the main focus is on Singapore and what Finnish companies need to understand about its business environment.

The second part of the research covers the national culture of Singapore with some comparisons to Finnish culture to highlight differences between those countries. This part is not separated according to the three main ethnicities of Singapore but instead the research is done on a universal level and take into account all the ethnicities. Even though religion plays a big part for Singaporeans, the subject is not touched in-depth in this thesis, as it is a very complex and broad topic, which requires its own research. However, even though Finland's business environment and national culture are not the main points of this research, both Singapore and Finland are analysed side by side as it will offer a more effective way to demonstrate the differences between the countries.

In the empirical part of the research, the point of view is of a Finnish case company operating in the service design industry. The industry of the case company might differ greatly from other industries, so the gathered empirical information does not offer a one-for-all description of the Singaporean market.

1.5 Theoretical framework

The theoretical framework consists of two different parts, first one to examine the business environment of Singapore and the second part to observe the cultural differences between the countries. This way a thorough look of the country can be conducted.

The theoretical framework is researched using several reliable sources such as business articles, academic literature and scientific journals. For the analysis of business environment, a PESTLE analysis method is used to have a detailed look of the business environment and the way it affects Finnish companies doing business in Singapore. With the help of the PESTLE analysis method, the most important aspects of the business environment are covered to offer a comprehensive look on the country. PESTLE analysis provides the groundwork for the

whole business environment part covering the following topics: Political, Economic, Social, Technological, Legal and Environmental aspects. (del Marmol 2015.)

The information for the PESTLE analysis is gathered from various sources, for example, the website of Singapore's government (www.gov.sg) offers information about the political situation. Other reliable academic sources such as country reports by Economist Intelligence Unit, Trading Economics and World Bank offer different outlooks and information about Singapore that helps to understand deeper the macro environment.

Second key concept of the thesis is what culture is and how it affects business. The five dimensions model by Geert Hofstede has been chosen for the cross-cultural comparison part. Geert Hofstede is a Dutch social psychologist who is well known for vast studies in the cross-cultural field. Hofstede's book *Culture's Consequences* studied more than 50 modern nations, analysed over 116 000 questionnaires and through the studies the five dimensions of culture were identified. (Hofstede 2001, p. xix.) Comparing the differences between cultures is effective and presenting the main points is clearer with the book. The five dimensions are power distance, individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance and long vs. short-term orientation. In 2010, a sixth dimension called indulgence vs. restraint was added, but it is not included due to the lack of literature about the concept, nonetheless the original five dimensions offer a very thorough look on a culture. (Hofstede Insights 2019.)

Second source used for this part of the study is Hofstede's website: Hofstede Insights, which offers more country-specific information and updated material and scores for Singapore and Finland.

1.6 Research method

The research has a qualitative approach, which means, "Research is concerned with subjective assessment of attitudes, opinions and behaviour. Research in such a situation is a function of researcher's insights and impressions (Kothari 2004 p. 5)." The reason for using the qualitative approach is due to the nature of

the phenomena, which is subjective and varies from the people that are experiencing it.

This thesis has a case approach as the research strategy for the empirical part, which means that a single-case study is conducted to draw better conclusions with real-life examples. Case-approach is a form of qualitative approach as it also helps to answer the “how” and “why” type of questions. (Yin, R. 1994.) In this thesis, the case is a Finnish company called Exove Design that has first-hand experience in operating in Singapore. The CEO of Exove Design, Saku Sairanen, was interviewed on 27th of June 2019. The structured interview was conducted through a phone call and the questions were pre-selected before the interview.

The data was collected using a structured interview. As there are many topics to cover, a structured interview method is the most efficient one. With the help of predetermined questions, gathering information about each subject of the theory is more efficient compared to a semi-structured or unstructured interview style. This way analysing the empirical data and comparing it with the theory is more accurate. (Mathers, Fox & Hunn 2002.)

Even though the interview is done in the structured style, a few open-ended questions are used to leave more room for free conversation thus allowing the interviewee to truly get into detail of their experiences in Singapore. Open-ended questions encourage sharing more personal experiences thus, giving a good insight of the company’s operations. (Mathers et. al. 2002.)

1.6.1 Interview structure

In the beginning of the interview, the topic of the thesis was briefly introduced before going in-depth to the questions. The questions were selected and planned with a purpose to get as much industry specific information about operations in Singapore as possible.

The first part of the interview focused on the business environment of Singapore. In this part, PESTLE was explained and questions from the different variables were asked.

The second part of the interview was about national culture. Geert Hofstede's five dimensions were explained, as the interviewee had not heard of the concept before. The questions asked were based on the dimensions and the aim was to find the biggest differences the company had noticed whilst operating in Singapore.

1.6.2 Analysis of the interview

The analysis of data applies qualitative analysis method based on the recordings of the interview. The interview either supports the theory or adds new standpoints. (DiCicco-Bloom & Crabtree 2006.) The interview is conducted via a phone call; it is recorded and transcribed to create the most reliable way of analysing information.

Deductive approach is conducted throughout this thesis. The thesis moves from general information to very particular information; it starts from the theoretical part and ends with the case company research. The case company research helps to test the theory of already existing research done considering the topic of business environment in Singapore. (Dudovskiy 2019.)

1.7 Structure of the study

The thesis begins with a short presentation about general information and statistical information on Singapore. The reasons why Finnish companies want to operate in Singapore are discussed and explained.

The second and third parts are the theoretical aspects of the thesis. First, the business environment of Singapore is analysed. The analysis is done using PESTLE method, where each part is separated into its own chapter and is analysed thoroughly. Secondly, the national culture of both Finland and Singapore is analysed using Geert Hofstede's concept of five dimensions. Each dimension is separated and analysed in its own chapter. These chapters also include a comparison between Finland and Singapore, and they highlight the main differences.

The next part is the empirical part, which includes the presentation of the case company Exove Design. Followed by the in-depth analysis of the interview results and the experiences of Exove Design in Singapore.

Finally, a conclusion is drawn combining the theoretical and the empirical parts and summarising the results.

2 Singapore: an attractive market for Finnish companies

Singapore is a relatively small country in Southeast Asia with the total area of 719 square kilometres. Despite its size Singapore has become one of the world's most wealthy countries in a short time span since their independence in 1965. In 2018 Singapore's population was approximately 5,6 million people consisting of Chinese (74,3%), Malay (13,4%), Indian (9%) and other (3,2%) ethnic groups, this creates a unique environment with many cultures and religions living side by side. (The World Fact book 2019.)

Singapore's success stems from a few main influences firstly, great leadership ever since their independence, secondly effective bureaucracy, thirdly low corruption levels, fourthly investing in education and learning from others (Quah 2018). All the previously mentioned factors have now resulted in a country with a higher gross domestic product (GPD) than many developed countries. In 2017 Singapore's GDP was 323,91 billion US dollars whereas Finland's GDP was 251,88 billion US dollars. (Trading Economics 2019a.)

From a Finnish company's point of view, Singapore is a lively market full of opportunities and according to World Bank's annual ratings, Singapore is ranked second country worldwide in the ease of doing business. This means that the environment for starting and doing business is ideal and is relatively easy for foreigners. The bureaucracy in Singapore is efficient thus making the internationalisation simpler for a Finnish company. (World Bank 2019.)

Out of all the countries belonging to the Association of Southeast Asian Nations (ASEAN), Singapore is the biggest partner of Finland. There are over 180 Finnish companies or companies of Finnish origin in Singapore. The sales turnover between Singapore and Finland was approximately 400 million euros in 2017. Finland's main exports to Singapore is various machinery and their parts but also

enzymes. Singapore's main exports to Finland consist of oil, chemicals, pharmaceuticals and technology. The two countries have an agreement prohibiting double taxation, which benefits both countries. (Finland Abroad 2019.)

The recent free-trade agreement between the European Union and Singapore can potentially attract more Finnish companies to internationalise in Singapore and use it as a gateway to other Southeast Asian countries. The free trade agreement would mean the removal of almost all customs duties and improve bureaucracy. The agreement aims to improve pharmaceutical, food and electronics industries especially. (European Commission 2019.)

When looking at the facts Singapore can be a great opportunity for Finnish companies but the differences between the two countries can create unique issues to which Finnish companies should be prepared.

3 Analysis of Singaporean business environment

The definition of internationalisation is moving and expanding various business activities such as research and development, selling and manufacturing into foreign markets. There can be many motives for a company to internationalise. The motives are categorised into two categories: reactive and proactive. For example, reactive motives arise when the home market is pressured or threatened, and proactive motives arise because of stimuli such as market possibilities and taking advantage of special resources or knowledge. (Hollensen 2014, p. 53.)

No matter what the motives for internationalisation are, companies need to understand the business environment of a market they are about to enter. When Finnish companies aim to internationalise to Singapore an analysis of the business environment is useful. The analysis will help Finnish companies prepare better for business in Singapore, understand customs, cultures and just general ways of doing business. This will allow doing business with mutual respect and understanding.

3.1 PESTLE analysis method

The PESTLE model is an analysis tool for business environment that is regularly used when creating business plans. In this research, the method is used to define the business environment and what information is needed before internationalisation. The analysis focuses on the macroeconomic environment and changes that might affect the development of a company. The main objective of PESTLE model is to identify the variables that play a role in the macroeconomics, which might affect the entry or development of a company. PESTLE analysis prepares companies for possible changes that might affect their business. (del Marmol 2015.)

The name PESTLE is an acronym for six macroeconomic variables of the model: Political, Economic, Socio-cultural, Technological, Legal and Environment. First variable to be analysed is the political environment and it is one of the most significant influences in a country. The decisions of a government have a direct impact on businesses so the government interference in an industry or economy is a crucial fact to know before entering the market. The government also affects the overall safety and stability of the country so it should be kept in mind. Other factors such as corruption, foreign trade policy and tax policies affect the businesses operating in the country. (del Marmol 2015.)

The second variable is the economic analysis of a country and it is very self-explanatory. When knowing the economic situation of a country, companies can prepare themselves to handle better fluctuations in the economy. When keeping an eye on monetary factors such as the GDP, tax rates and purchasing power of the country it can be easier to make decisions and adapt to changes in a country. (del Marmol 2015.)

The third variable is the socio-cultural variable, which helps to analyse the characteristics of a population to understand the market better. Themes such as religion, culture and traditions are covered in this topic. (del Marmol 2015.)

The fourth variable is the technological analysis where the level of technological incentive is assessed. How innovation is seen in the country, is it encouraged or

discouraged is an important fact to know before entering a country. On top of that knowing for example what the country's relationship towards automation and research and development is can be the turning point for a company in a technological industry. (del Marmol 2015.)

The fifth variable is the legal aspect, which overlaps with the political variable in some level. However, the legal aspects are analysed more deeply for example the state of employment, copyright, patent, discrimination, or any laws that can affect business. It is important to know how the government enforces laws and how businesses are protected in Singapore. (del Marmol 2015.)

The final variable is environment and it is of analysis of anything related on materials, pollution, availability of raw materials etc. Nowadays many companies follow some sort of corporate social responsibility practices and finding a country that aligns with them is important. (del Marmol 2015.)

The analysis focuses on the outermost layer of an organizations environment as seen in Figure 1. The macro environment affects all parts in which an organization operates in, these uncontrollable factors are important to understand when considering internationalisation. (del Marmol 2015.)

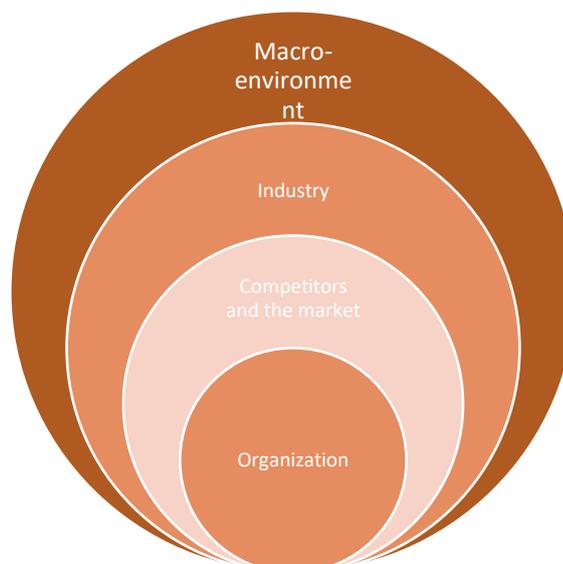


Figure 1. Layers of an organization's environment (del Marmol 2015)

The following chapters will analyse the macro environment of Singapore from a Finnish company's point of view that aims to internationalise.

3.2 Political

One of the most important aspects to look in the business environment when internationalising is the political environment. Finnish companies operating in Finland enjoy a safe environment that is also steady and transparent in life and in business. Finland is amongst the top 15 best business environments ranked by the World Bank. Finland is also one of the least corrupted countries in the world thanks to its effective politics. (Business Finland 2019.)

So how does the Singaporean political environment match up to level of stability in politics that the Finnish companies are used to? Ever since Singapore's independence in 1965, Singapore has evolved from a Third World country into a First World country. One of the leaders in this change was Singapore's first Prime Minister Lee Kuan Yew. Yew's pragmatic leadership and innovative thinking is one of the reasons Singapore's political state is as it is. The People's Action Party (PAP), that Yew was a leader of, still dominates the Singaporean political system. (Quah 2018.)

The government effectiveness is one of the reasons Singapore is such an attractive market for foreign companies, including Finns. The World Bank has defined government effectiveness as "The quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies (World Bank 2019)." Singapore placed first in government effectiveness in 2016 whereas Finland ranked fifth. (Quah 2018.) The success in government effectiveness stems from public bureaucracy, which consists of 16 ministries and 64 statutory boards that communicate between the public members and public services. (Government of Singapore 2019.)

As the government is ranked highly efficient, it also results in low corruption levels that affects businesses in a positive way and creates an attractive market. The reason for low corruption level is due to the autonomous Corrupt Practices Investigation Bureau (CPIB). (Quah 2018.) Singapore ranks third with Finland and Sweden (Transparency International 2019).

Due to well-functioning bureaucracy and openness for foreign companies, the ease of doing business is ranked second in the world (Trading Economics 2018c). This means that Singapore has simple and business-friendly rules and regulations for companies. In theory this means that the government interference is present but effective in businesses. This is an attractive factor for foreign companies to enter Singapore.

A big strength in the Singaporean political environment is that the PAP government is willing to learn from other countries. This means that by looking at the mistakes other countries have made, how they solve issues and how to avoid them. This creates stability on the long run for companies who plan to stay in Singapore for a longer period of time. (Quah 2018.)

3.3 Economic

The economic situation of Singapore offers Finnish companies an appealing environment with outstanding economic performance that offers many opportunities in various industries. Singapore's GDP per capita at purchasing power parity (PPP) is one of the highest in the world, in fact, Singapore ranks fourth worldwide and Finland 24th, making Singapore's GDP per capita (PPP) the highest in ASEAN. (Trading Economics 2019a) One of the reasons for Singapore's highly advanced free-market economy is their openness and strict anti-corruption laws and regulations, which promote fair competition and the number of educated workers (Heritage 2019).

Singapore has a large service industry, which dominates the economy with sectors such as wholesale and retail trade, business services and transport, and storage services (Statistics Singapore 2019). Singapore is also a large manufacturer of electronics and petrochemicals and it operates one of the largest ports in the world. The industrial sector accounts for 16,2 % of the employment and service sector accounts for 83,6 %. (Santander Trade 2019a). For Finnish companies this means that there are opportunities in many different industries.

Even though Singapore's economy has been prosperous, especially in the eyes of a Finnish company, it faces difficulties and threats like any other country. Singapore's unemployment rate has been under 3 % for the past five years, and even though it seems advantageous, it has its disadvantages as well (Trading Economics 2019b). As the Singaporean market can be considered overemployed, it creates an environment where companies might be forced to hire anyone available. In practice, this means that people are not necessarily hired for their skills but rather hire people who simply apply for the job. To get a suitable person companies might need to offer higher wages, which can contribute to higher inflation. Other issue with overemployment is low productivity, as employees are not working the positions that suit them the best. (Plecher 2019.)

In theory, this could mean that Finnish companies might not be able to compete with other multinational corporations to offer an interesting workplace with good benefits and possibilities to advance on their career.

3.4 Socio-cultural

Singapore is a multicultural mix of cultures and people, the biggest ethnicities are Chinese, Malay and Indians, not to mention expats from all around the world. Even though Singapore is a mixture of so many cultures and ethnicities, disputes are rare, and everyone co-exists mostly peacefully. (Guide Me Singapore 2019.) Singaporean government is also involved in keeping things peaceful by setting up five basic shared values, which are to be followed regardless of ethnicity or religion:

1. Nation before community and society above self
2. Family as the basic unit of society
3. Community support and respect for the individual
4. Consensus not conflict
5. Racial and religious harmony (Singapore National Library Board 2015.)

Singapore's population enjoys high quality of life, which can be seen as a great benefit when internationalising by Finnish companies. Many factors account for high quality of life. For example, the political, economic and social environment

but also the level of education, public services and health and sanitation. These aspects mean that companies moving Finnish expats to work in Singapore should not worry for their families or employees being settled in the country. The high safety levels and low crime rates of the country are also one of the reasons why expats enjoy living in Singapore. (Guide Me Singapore 2019.)

Singapore's modern and westernized culture is inviting to Finnish companies who are also used to a structured society. This is an advantage to consider when internationalising, as there is essentially no need to worry for employees' safety in a stable environment such as Singapore. Singapore also has many Finnish organizations such as Team Finland, Business Finland and Finnish Business Council Singapore operating and helping other expatriates and companies to fit in. For example, these organisations offer various business services and support in internationalisation. (Team Finland 2019.)

The topic of cultural differences and how it affects business is analysed more in-depth in the chapter Analysis of national culture.

3.5 Technological

Singapore's adaptivity is the reason the country is considered the technology capital of Asia. One of the main reasons for Singapore's high quality of life is the technological advancement they have made in the past 50 years. The outstanding IT infrastructure has not only changed the private life of Singaporeans by making communication and connectivity easier, but also encouraged large international companies to move operations to Singapore. (Ng, Lim, & Wong 2018.)

Singaporean government has been heavily invested in the technological development through heavy investment in technological industries and having business-friendly policies. Singaporean Trade and Industry Ministry's national science and technology plan for 2020 consists of largest investment so far in Research and Development (R&D), innovation and enterprise with a funding of S\$19 billion dollars. (National Research Foundation 2019.)

The international companies operating in the country also see Singaporean government's heavy investment in technology. The country is very aware of the

changes in the market and how to benefit the most from them. The business environment allows companies to acquire quick access to one of the most developed IT infrastructures in the world (Singapore Economic Development Board 2019). As one of the important things for companies is, their intellectual property Singapore enforces tough intellectual property laws to ensure an inviting environment for all kinds of companies. Singapore ranks fourth worldwide in intellectual property protection whereas Finland ranks second. (World Bank 2019.)

Singapore is open for change and it ranks as third most innovative city globally which proves that the country is not afraid of change and this entices companies from all around the world to go to Singapore. This also attracts investors and creates an environment where companies wish to operate and most importantly, are able to operate on a long term. (Ng 2019.)

3.6 Legal

Singapore offers an effective and corrupt-free legal system, which can be considered a rarity in Southeast Asian countries. Laws such as Singapore competition law, employment law, defamation law and contract law make sure that doing business in Singapore is fair to both international and domestic businesses. (Startup Decisions 2019.)

The Singaporean legal system follows the English common law whereas Finland follows civil law system, which is based on the Swedish model. Naturally, the legal system is a big difference and might require deeper research from Finnish companies (CIA 2019). Presumably, as English language is widely used, foreigners facing Singaporean judicial system will need not a translator. Foreigners can expect impartial trial, which is useful especially in business-related subjects. Singaporean legal environment consists of three jurisdictions: the Supreme Court, subordinate courts and industrial arbitration court. The arbitration court is useful for international dispute resolution and it is recognized under the Singaporean law as a valid way of settling disagreements. (Santander Trade 2019b.)

Finnish companies that wish to operate in Singapore might find it useful that Singapore, like Finland, is part of the United Nations contract for the international

sale of goods (Santander Trade 2019b). This means that both countries follow a uniform law in international sale of goods that applies to private businesses. (United Nations 1980.)

One of the benefits of Singaporean legal system is that it is quick to adapt to the way the world is changing. With rapid globalisation and changes in technology, Singapore responds quickly with new laws or updating existing ones. If a Finnish company aims to stay in Singapore for an extended period, it is an advantage that the Singaporean legal system is so modern and aims to keep it that way. (Tan & Chan 2019.)

Depending on the company form, one possible downside of starting a business in Singapore's is that a company might need to appoint at least one Singaporean authorized representative in the company. The need for an authorized representative varies from company form, the common company forms that foreign companies use such as: subsidiary companies, branch offices and representative offices all require a local person to represent the company in Singapore. This means that companies will also need an employment pass or an entrepreneur pass for a foreign representative to be able to live and hire people in Singapore. This process is different depending on the company form and what kind of business is meant to be set up in Singapore. Companies should research this matter related to their entry plans. Companies without legal teams might struggle with the process of establishing a business in Singapore, as there are many things to consider to be able to start a business. (3E Accounting, 2019.)

3.7 Environmental

Singapore has a very different environment compared to Finland. Due to Singapore's location near the equator, the weather is tropical with high humidity, temperature and rainfall all year round. (Meteorological Service Singapore 2019.) Finnish people might have difficulties to adapt to this climate, as Finland is much colder and less humid than Singapore.

As many major cities in Southeast Asia suffer from heavy pollution, Singapore is battling the issue as hard as they can through regulations and standardised emission control. The government constantly encourages adoption of cleaner fuels in various industries including motor vehicles. Singapore has heavily invested in making their country clean and having effective waste management and recycling. Depending on the industry, companies must consider if their operations are environmentally suitable for Singapore. (Ministry of the Environment and Water Resources Singapore 2019.)

On top of being technologically inviting to companies, Singapore as a country is committed in making life environmentally friendly through technology. Green building has been mandatory since 2008 by the Building and Construction Authority of Singapore. Up to 95 % of Singapore's electricity is produced from natural gasses and the next big step is to adopt solar power to a wide use. Singapore invests in solar technologies, as their goal is to make their water treatment process running without fossil fuels. The year 2019 has also been dedicated to zero waste policies; The National Environment Agency's main focus is food and packaging waste. (International Trade Administration 2019.)

4 Analysis of the national culture of Singapore

To understand deeper the Singaporean business environment, it is important to understand the people operating in the market and how their culture might affect business. Culture can be a breaking point for a company planning to internationalise. It is self-evident that for a company, operating in a country with a similar culture is easier than managing a completely new culture and market. To ease the entry and operations in a foreign country, the advantages and disadvantages of the business environment must be assessed to ensure that business will run smoothly. (Hollensen 2014.)

Culture has many complex definitions but one of the most widely accepted definitions is by two American cultural anthropologists A.L. Kroeber and C. Kluckhohn. The authors' definition is as follows "*Culture consists of patterns, explicit and implicit, of and for behavior acquired and transmitted by symbols, constituting*

the distinctive achievement of human groups, including their embodiments in artefacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other as conditioning elements of further action (Kroeber & Kluckhohn 1952, p. 181).”

To understand the differences and similarities between Finland and Singapore the cultural characteristics have been analysed using Geert Hofstede’s model of national culture, which consists of five different dimensions: power distance, individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance and long vs. short-term orientation.

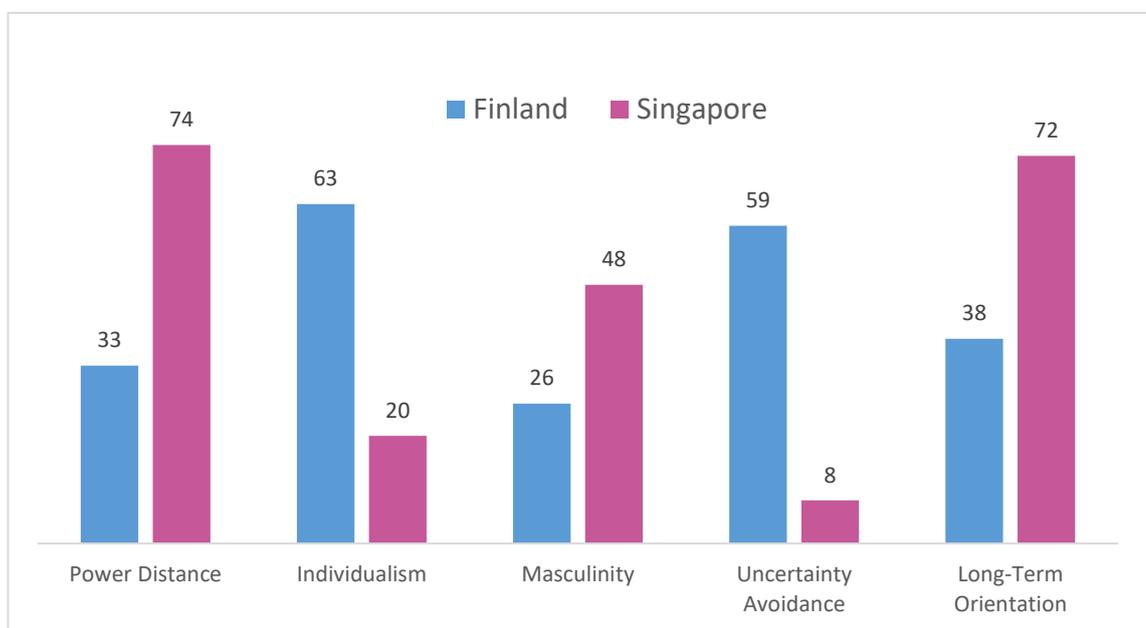


Figure 2. Country comparison Finland vs. Singapore (Hofstede Insights 2019)

The figure above demonstrates the differences between Singaporean and Finnish national cultures according to the studies of Geert Hofstede. All of the columns display quite big differences between the values, notably different are power distance and long-term orientation columns. Naturally, the results of Hofstede’s study do not apply to every person of a certain nation, but moreover it explains the way nationality affects thinking and shared values of each country. (Hofstede Insights 2019.)

For a deeper look, each dimension is analysed individually in the following chapters, highlighting the differences and the similarities thus, helping to understand more the issues and benefits of entering Singapore.

4.1 Power distance index (PDI)

The power distance index is described as “The extent to which the less powerful members of organizations and institutions accept and expect that power is distributed unequally (Hofstede 2001, p. xix).” Finland’s scores on this dimension at 33 whereas Singapore scores high at 74. This is one of the main differences between the two countries and it can be seen especially in business. Understanding high PDI score indicates that a country believes heavily that hierarchical differences and uneven distribution of power are just the natural order. PDI usually explains the type of relationships between bosses and subordinates, in a way, if it is formal or informal. (Hofstede 2001, p. 83.)

In Singapore, the high PDI can be seen particularly in decision-making process as the bosses must confirm all decisions, and subordinates do not have much saying in things. In cultures like these self-initiative is not encouraged, instead subordinated must wait until they are told what to do. The communication between bosses and subordinates is indirect and formal. (Hofstede Insights 2019.) The organization pyramid is tall and complex that can sometimes make business difficult, as managers are not involved in decision-making process and hierarchy brings information constraints. As a result, confusion between those working higher up and lower down is a common characteristic in high PDI countries. (Hofstede 2001, pp. 107-108.) As majority of Singaporeans are Chinese origin, the values that affect the high-power distance come from Confucian teachings and affect the relationships of people. One of the Confucian teachings tells that a stable society is based on uneven relations between people. (Hofstede Insights 2019.)

To a large extent, Finland can be considered Singapore’s opposite in the PDI score. Hierarchy differences are encouraged for convenience only. Power is spread equally and not centralised. Bosses and subordinates communicate more informally, and the subordinates’ self-initiative work is encouraged and accepted.

Opinions of those lower in an organization are also listened and appreciated. (Hofstede Insights 2019.) Communication with bosses is direct and this creates a more open atmosphere for everyone in the company, resulting in openness with information. (Hofstede 2001, pp. 107-108.)

Finnish companies planning to operate in Singapore should learn to do business in a way that the hierarchy of other companies is respected, especially in business meetings and negotiations. Finding the right communication style is key. Being polite and respecting those higher up is important when creating and maintaining relationships. If a Finnish company is to hire a Singaporean employee, they must understand that part of the cultural difference is lack of self-initiative, which Finnish companies might see as a negative thing.

4.2 Individualism vs. collectivism (IDV)

The individualism and collectivist are considered as opposites and are described as “The degree to which individuals are supposed to look after themselves or remain integrated into groups, usually around family (Hofstede 2001, p. xix).” Collectivistic societies usually have “we” mind set; being loyal to extended families in exchange for loyalty whereas individualistic societies have “I” mind set; taking care of only themselves or immediate family only. (Hofstede 2001, p. 227.) Singapore scores 20 on this dimension meaning it is a highly collectivistic society. Finland scores 63 and is an individualistic society, once more Singapore and Finland score on the “opposite” parts of a dimension. (Hofstede Insights 2019.)

The typical characteristics of “we” can be seen strongly in Singapore, people belong to larger in-groups such as families and organisations and in exchange for loyalty, they are looked after. One of the reasons for collectivism in Singapore is again a key principle of Confucian teaching: family represents the society. Therefore, the main characteristics of collectivism is that a person is not considered as an individual but rather a member of a family. For example, respect for elders and those higher in a business organization is vital. (Hofstede Insights 2019.)

Collectivist thinking results in a concept of maintaining face, a concept where one’s embarrassment also means embarrassment for their family and losing their

face. Losing face is essentially the same as losing respect of others, be it colleagues or friends. For example, criticizing a co-worker in public, pointing out errors made by those who are hierarchically higher are a way of losing face. Being respectful and polite is appreciated and it helps to maintain face. Whereas being loud and rude is a quick way to lose face. (Drake 2019.)

For Finnish people and companies operating in a highly individualistic country, the rules of a collectivistic society are unfamiliar which can result in confusion and disrespecting someone without even realising it. In Finland, one is only responsible for themselves and their immediate family's image. In business, hiring someone is done based on their skills and abilities, not so much on who they are or whom they know.

The most important thing Finnish companies should learn about collectivism is the concept of maintaining face, and how to avoid causing any colleagues or business partners lose their face. Losing face can happen in business negotiations especially if there is a disagreement, to save face no negative opinions or emotions can be shown. This results in difficulties to understand if yes means yes and no actually means no, being polite and maintaining harmony is more important than honest answers. (Hofstede Insights 2019.) In this case, Finnish people need to learn to interpret the answers and body language in a completely different way than they would in Finland, to understand their business partners and their motives. Not understanding subtle hints can cause business negotiations to fall through in the case of misunderstandings.

4.3 Masculinity vs. femininity (MAS)

Masculinity and its opposite femininity refer to "Distribution of emotional roles between the genders ... it opposes "tough" masculine or "tender" feminine societies (Hofstede 2001, p. xix)." In business highly masculine countries people "live in order to work" meaning that work comes first and everything else after that i.e. family and friends. Inequality between men and women and their wages is also another notable difference from feminine countries. (Hofstede 2001, p. 318.) Singapore and Finland both are considered feminine countries; nonetheless, Finland

scores 26 points and Singapore much higher leaning slightly more towards femininity rather than masculinity with 48 points. (Hofstede Insights 2019.)

Singapore scores 48 and even though it is in the middle of the scale, it is considered a more feminine country, although some masculine traits are to be seen in the society. For example, Singapore is highly competitive; this competitiveness cannot only be seen between businesses, it starts from a very young age from school throughout universities and work life. (Hofstede Insights 2019.) Other masculine traits such as high gender-inequality between men and women is common in Singapore, where women get paid 20 per cent less than men do. (Chia 2019.) This could be seen as men being appreciated more in the workforce than women. The traits of femininity in Singapore can be seen as sympathy towards others, especially those who are in weaker position, modesty and being humble is encouraged. (Hofstede Insights 2019.) The government also supports femininity which results in low percentage of poor and illiterate, and those better off pay taxes to support the poor (Hofstede 2001, p. 323). Femininity is also in Singapore's third core value: Community support and respect for the individual. (Hofstede Insights 2019.)

Finland scores 26 points meaning that it is a feminine country where work is done in order to live and not vice versa. Equality and high quality of life is valued although showing off wealth and status is not common. There are similarities in this dimension between these two countries, but Finnish companies should keep in mind that inequality between genders is still common in Singapore and female employees might be treated differently.

4.4 Uncertainty avoidance (UA)

Uncertainty avoidance describes "The extent to which a culture programs its members to feel either uncomfortable or comfortable in unstructured situations. Unstructured situations are novel, unknown, surprising, and different from usual (Hofstede 2001, p. xix)." Essentially, this dimension is about how members of a society cope with the uncertainty of the future, through laws, technologies and religions (Hofstede 2001, p. 145). Finland and Singapore are in opposite sides of the uncertainty avoidance scale, Finland scoring 59 points and Singapore 8,

meaning that in business; this can be one of the biggest differences considering how companies and their people behave. (Hofstede Insights 2019.)

Usually uncertainty avoidance shows itself through many rules and regulations concerning everything, as it is in Singapore, except that Singapore's many rules stem from high power distance. Singapore would not be one of the Four Asian Dragons if they did not take risks regarding their politics and leadership of the country. (Hofstede Insights 2019.) Low UA score also shows itself in a more accepting attitude towards innovation which can also be considered one of the characteristics that make Singapore so successful (Hofstede 2001, p. 170). Many of the common characteristics of low uncertainty avoidance do not apply to Singapore because of the high power-distance score. For example, few of the main characteristics such as "admitting dissatisfaction about the employer" and "if needed employees may break the rules", do not apply to Singapore due to the fear of losing face and respecting hierarchy (Hofstede 2001, p. 160). Singapore is in a bit unusual situation as the high PDI score eradicates most of the basic characteristics of low uncertainty avoidance.

Finland is a very punctual country with a "time is money" mentality; this can also be applied to Singapore even though the uncertainty avoidance is considered low there. Finnish businesses do not usually take crazy risks and organizations tend to have many rules and guidelines. Hofstede states that being loyal to a company and following company rules is a virtue in countries with high UA. Issues may arise for Finnish companies operating in Singapore if the expectations of company and business partner loyalty is not met. (Hofstede 2001, p. 160.)

The two countries are definitely on the opposite ends of the uncertainty avoidance dimension and in business that can mean more adaptation from Finnish companies. In Singapore, punctuality and precision might not be important in personal life, but in business, planning meetings in advance and arriving to them on time is very important. (Fenton 2012.) Likewise, when reading into the common characteristics of low UA, Finnish companies should keep in mind that other dimensions, such as power distance, affect the way low UA is actually present in Singapore. Finnish companies should take this into consideration and not just assume that all the basic low UA characteristics apply to Singapore.

4.5 Long-term orientation vs. short term orientation (LTO)

Long-term orientation, and its opposite, short-term orientation refers to “The extent to which a culture programs its members to accept delayed gratification of their material, social, and emotional needs (Hofstede 2001, p. xix).” Countries that score high on this dimension prepare for future through contemporary education and frugality, and those that score low want to keep following traditions and have a doubtful attitude towards change. Once more Finland and Singapore score very differently on a dimension, Singapore 72 points and Finland 38. (Hofstede Insights 2019.)

Singapore scores high and is considered a long-term oriented country. Long-term orientation shows through huge economic growth of Singapore in the recent 50 years as a result of persistence, long-term thinking and investment in pragmatic approach. In countries that score high in this dimension it is usual that options are kept open, there is no clear right or wrong, combining the best, and worst to create something greater is a common mindset. (Hofstede 2001, p. 366.) Building relationships and improving market position is seen important in business, which benefits the Singaporean economy even more, thus, creating an inviting market for foreign companies. (Hofstede Insights 2019.)

Finland scores low on this dimension and it can be seen in sometimes being stuck in traditions and doing things in a certain way, just because “they have always been done this way”, opposing change just because it means change is normal. (Hofstede Insights 2019.) This can pose an issue operating in Singapore where the pace is extremely fast, and change is inevitable in order to survive in any industry. This normative thinking of Finns, and searching the absolute right or wrong, can slow down the growth of a business. If changes and innovation are always met with suspicion, it can result in lack of business partners in Singapore. Finnish companies should keep an open mind and be ready to evolve and innovate if operating in Singapore for a longer time is their goal.

5 Case company: Exove Design

Exove Design was chosen as the case company because of their operations and experience in Singapore. Exove Design is originally a Finnish company that has been internationalising on a small scale in various countries. The company has first-hand experience in operating in Singapore and how business is done with Singaporean clients. The input from Exove Design helps to study the business environment and national culture of Singapore from a digital consulting and service design industry's point of view.

5.1 Exove Design

Exove Design is a Finnish service design company that was founded in 2011 in Helsinki. The company has had operations in Singapore since early 2017, they offer services related to digitalisation, consulting, software design and developing. The company has offices in London, Tallinn and Singapore and three offices in Finland. Exove Design is planning to use Singapore as a gateway to other countries in the Asian market such as China. (Exove Design 2019.)

5.2 Exove Design's business in Singapore

The interview began with the topic of how Exove Design sees the business environment of Singapore, from entering the market and to the current operations.

As mentioned before, Exove Design has operated in Singapore since 2017, the decision to enter the country did not come easily. There were multiple options on the table such as the United Kingdom, the Americas, South Africa and of course, Singapore. The owners of the company set a few requirements for a country they wanted to expand. The most important requirements were a vibrant market where they could operate with good language level so that they could run the business themselves. The language criteria limited many of their options, even Central Europe proved to be difficult. The owners of the company wanted to be setting the way themselves instead of a representative doing everything for them. As the research continued, they chose Singapore because it offers a straight way to China and works as a gate to other Asian markets.

When the company decided to enter Singapore, their expectations were based on various sources that proved that service design industry is still a developing market, which offered a good market opportunity for Exove Design. Especially, because they have skills regarding service design and Finland has a great reputation in Singapore. They were ready to improve the service design industry and digitalization of companies. Also combining service design and digitalization was seen to have a niche in the Singaporean market.

Nowadays Exove Design has a Singaporean representative working at their Singapore office and they are sending Finnish employees there whenever they are needed. As they are offering digital services, it is not necessarily a must to have people physically present to complete a project. Hiring a local person who knows the local culture, business and how to behave is important but it was also highlighted that a big portion of companies in Singapore are Western so finding an expat with a good network who can sell to Western companies is just as a valid option.

5.3 Exove Design and business environment of Singapore

When it comes to the business environment, establishing the business was easy and the company got help and support in the market from various contacts and Finnish organizations such as Finpro (now called Business Finland). Obviously, there were also some difficulties related to the company structure that made it hard to set up a bank account. Part of the reason was also that starting the business was timed poorly, the regulations for banks had just gotten stricter and they were not taking any risks.

They were able to discuss business with fairly highly positioned people easily. As a business environment, Singapore is not used to buy consultancy services from a company of the size of Exove Design. However, through contacts they were able to do business. There is no similar technical consultancy market as there is in Finland.

Networking is much more important in Singapore than in Finland, on the other hand, it is also easier due to various events and more active people. In Singapore,

networking is successful by just being present when in Finland you need to have an existing network to talk to companies.

The interviewee points out that in the end they are a quite a small company and even in Finland things have changed. For example, 15 years ago small companies did not have the means to consult bigger companies. Now in Finland size is not looked so attentively, instead the weight is more on the professional skills and experience. Finland has many entrepreneurship-based companies that are able to provide services even for big corporations and the numbers are growing. Singapore still has a way to go for openness same as in Finland. Exove Design's size contradicts with the range of selection in Singapore, purely professional skills are not enough, and Exove Design believes they have it on a very high level.

When asked about the differences between the Finnish and Singaporean business environment, Exove Design has experienced differences mostly in the way of networking and how it affects business. In their experience, networking is much more important in Singapore than in Finland, on the other hand, it is also easier due to various events and people that are more active. In Singapore, networking is successful by just being present in events, when in Finland you need to have an existing network to talk to companies. They were able to discuss business with fairly highly positioned people easily. As a business environment, Singapore is not used to buy consultancy services from a company the size of Exove Design. Nevertheless, through contacts they were able to do business. There is no similar technical consultancy market as there is in Finland. Exove Design's industry is much more developed in Finland. Their company and what they do is understood better in Finland. For example, how the projects are done, what is the price range and what it consists of, why some things are done as they are, when in Singapore much more explanation is needed.

In Exove Design's case, the issues they faced in the business environment are mostly related to the high level of government interference. The public administration is a large operator in Singapore. The interaction is very formal and slow in majority of the things Exove Design has tried to advance even on the private sector has collided with the need of government funding, meaning that everything revolves around the government, especially development projects. The same

phenomenon can be seen in Finland as well but not as strongly as in Singapore. Nothing happens in Singapore without having to apply for government funding. It slows down and makes things quite a bit more difficult. The government is met all the time, which is understandable as the local businesses are highly supported as all the operations are put on a small island. The wealthy government wants to control development by directing funds into development projects that are seen useful from government's point of view.

In Exove Design's experience, Finland differs in many things but what has been positive is that everything works and operates in English; everything can be done in English. The locals and foreigners live in mutual understanding and they cooperate. It probably affects that Singaporeans take into account that they cannot succeed by just their own means but that they need foreigners, companies and employees so that their society and economy can flourish.

5.4 Exove Design and the national culture of Singapore

In this part, it was asked how cultural aspects and differences affect Exove Design's business in Singapore. What the major differences have been and how they overcame them. Exove Design mainly works with Singaporeans of Chinese ethnicity so their experience of working with Singaporeans is based on that.

The biggest difference has been how low hierarchy country Finland is and how much of an opposite Singapore is. In Finland, the organizations are based on trust and working is very self-guided, instead of asking for permission to do something, it is more common to simply report what changes have been made. The decision-making is done at a low level as well or it is pursued. In Singapore when working with locals every decision needs to go through bosses before anything can be done which slows down the pace of business. In Exove Design's case the situation is a bit different as they work mostly with local family businesses where decision-making is fast but when talking about big corporations, decisions can take a long time because they are not originally a Singaporean company and do not operate primarily from Singapore. In Exove Design's experience, when it comes to decision-making, the size of the organization is what makes a difference rather than culture.

The second most notable difference is the concept of face, which Finnish people are not familiar with. People are afraid of losing face and they are very careful with the concept. In Exove Design's experience, losing face is unacceptable in any situation and it should be avoided as much as possible. If someone has lost their face it will never be brought up afterwards, but it becomes obvious afterwards in various interactions. The good side is that Singaporeans are more forgiving towards Westerners than each other, and issues like these are forgiven quicker, it is not expected to know all the customs right away, but of course good manners and respect are always expected.

In Exove Design's experience, networking is much more important in Finland. In the CEO's experience, it is best for the people who answer for the business to go on the spot themselves to get to know the market and the network. It is important to have contacts before giving away the responsibility to an employee. It is easier to make decisions when knowing the market and people. Companies need to do their homework beforehand.

6 Conclusion

The purpose of the study was to acquire the most important information to improve the understanding of a Finnish company that wishes to enter Singapore. Therefore, the information gathered for this thesis had a point of view of a Finnish company. Essential topics about the differences appeared during the research and interview. These findings could potentially help a Finnish company to expand their operations to Singapore. When establishing a business in a foreign country a thorough research should be conducted. That is why the thesis was separated into three parts to give detailed information about the differences between Finland and Singapore.

The thesis started with the PESTLE analysis of the business environment of Singapore. The reason for choosing the PESTLE analysis method was for its vastness of topics that it covers. The thorough analysis of the political, economic, social, technological, legal and environmental aspects helped to understand what kind of business environment Singapore has and how it could benefit Finnish

companies. Main contributor for the ease of doing business in Singapore was its well-organized government and ministries. The government of Singapore encourages practices that benefit companies and keeps the business environment innovative and inviting. The government is strongly present in business environment of Singapore, so it should also be taken into consideration. The research points out that the government is efficient with its bureaucracy. However, the government can also slow down business, as most of the business is controlled by the government at least in some form.

Singapore's thriving economy can be very inviting to Finnish companies. However, finding a skilled employee can be difficult, especially for smaller companies. This is caused by the low unemployment rate and a competitive job market, which leads to few people looking for work with many job opportunities. In order to attract skilled workers, companies need to be successful, inviting and offer growing opportunities. Singapore also offers opportunities for technological companies with an outstanding IT infrastructure and protection of intellectual property, which is very important in a highly innovative environment.

There are some issues with pollution in Singapore but compared to other big cities in Asia, the problem is not as bad. Correspondingly, Singaporean government is also battling pollution and trying to keep the country clean and environmentally friendly. Other issues that may arise concerning environment is the warm and humid weather, which Finnish people are normally not used to.

The second part of the thesis was an analysis of the national culture using Geert Hofstede's concept of five dimensions. The five dimensions are power distance, individualism, masculinity, uncertainty avoidance and long-term orientation. The comparison of the five dimensions between Finland and Singapore proved that the countries have very different cultures, which affects business in many ways. First and foremost, the concept of face is something that should not be taken lightly. If a Singaporean business partner or colleague is to lose their face, it can be difficult to establish a good relationship again. The concept of losing face could be considered one of the most important things Finnish companies should study before entering Singapore, as it is one of the cornerstones of Singaporean culture.

Other major cultural difference between Finland and Singapore is the power distance. Whereas in Finland equality is the norm, in Singapore high hierarchical differences are the foundation of their society. Once more, understanding the concept of face becomes important. For example, it is important to respect those who are positioned high in an organisation during a meeting or even when addressing the person. Failing to show the required respect might result in unintentional insulting and losing face.

The concept of face also connects with the third dimension, collectivism. Singapore is a highly collectivistic and “we” is important in organizations. To offend one member of an organization and making them lose face, can affect the whole organization. That is why conflicts should be avoided to maintain face and harmony.

The last part of the thesis consists of the interview with Exove Design, and it has supported the theory in a few ways. Even though doing business is not easy anywhere, Singapore offers easy and good grounds for business especially for Finnish companies with strong sense of innovation and high motivation. Nevertheless, many differences need to be considered. Although Singapore is very open to foreigners and encourages foreign companies to enter, the interview with Exove Design confirms the issue with government interfering sometimes on a harmful level. As the bureaucracy is a big part of business, it sometimes slows down the pace of business. Nevertheless, without the effective bureaucracy, it probably would not be possible for the government to work so well together with foreign companies. Besides, in this aspect Finland and Singapore do not differ too much as bureaucracy is a vital part of business and life in Finland as well.

During the interview, it was highlighted that power distance plays a big role in everyday life and business. Decision-making processes can be slower due to the complex organisational hierarchy. Secondly, the concept of face is brought up once more. The importance of understanding the concept cannot be ignored. Although in Exove Design’s experience Singaporeans tend to be more forgiving towards Westerners, good manners and respect are always expected. These outcomes of the interview prove that the culture should be examined carefully to be as prepared as possible, in order to enter the new business environment.

Each Finnish company wishing to start operating in Singapore needs to prepare for the difference according to their industry and company. The biggest difference that concerns all Finnish companies wishing to operate in Singapore comes from cultural differences. This aspect requires a large amount of preparation and studying before Finnish companies should even consider internationalising in Singapore or in that matter, anywhere in Asia. The interview with Exove Design further supported the theory of the five dimensions and the main differences in those between Finland and Singapore. Mostly, the aspects that came up in the interview support the theory, especially the cultural differences.

Overall, the outcome of the thesis is that Finnish companies need to prepare well before entering Singapore. Knowing the business environment and especially the cultural differences can ease the whole process of entering and operating in the country significantly.

Companies considering expanding to Singapore should do additional research regarding their own industry, as industry-specific differences are possible. Secondly, this thesis does not include the topic of various religions in Singapore. Religions can also affect very differently on the cultural aspects and overall business environment.

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Appendices

Appendix 1 Interview questions

Part I Business environment

1. Overall look at the business; what type of business do you do?
2. How long have you operated in Singapore?
3. Why did you decide to enter Singapore?
4. What type of business do you do in Singapore? How does it differ from the domestic market?
5. What were your expectations of Singapore? Were they answered?
6. How did you find the legal environment of Singapore? (Was it a welcoming country; was setting up a business easy?)
7. In your words, how would you describe Singaporean business culture? What advantages and disadvantages?
8. What things you think should be improved in the Singaporean business environment?
9. Does the EU free trade agreement affect your industry?

Part II National culture of Singapore

1. What do you think is the biggest cultural difference between Singapore and Finland and how can it be seen?
2. Finland is the opposite in every aspect in Hofstede's cultural dimensions except indulgence. How do you perceive/do you have examples about these five dimensions? (The dimensions were explained in the beginning of the interview)
3. Have you had any issues when working with local people? If yes, what issues and how were they solved?
4. Would you recommend hiring a local person and why?
5. How do Finnish customers differ from Singaporean customers?
6. Do you mainly work with Chinese, Malay or Indian ethnicities in Singapore?
7. What advice would you give for Finnish companies entering Singapore?