Negotiating in an Intercultural Environment
A Swedish perspective

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Titel
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Negotiating in an Intercultural Environment-A Swedish perspective

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Sammanfattning
Abstract
Intercultural negotiations are playing an increasing role in the globalisation nowadays. Business negotiators are now facing negotiations in which they have to meet people from all over the world because of the development of different market places. Sweden is particular case of this internationalisation. Swedish negotiators have to use their skills with new collaborators. Their particularities are of relevance for any international negotiator who will have to negotiate with them.

Nyckelord
Keyword
Negotiation, bilateral negotiation, culture, national culture, inter-cultural negotiation.
FOREWORD

Writing a thesis is a formidable experience, we cannot tell how much we learnt theoretically and practically while writing this these. We learnt for example to work in a team for several weeks that was maybe difficult at the beginning, but the result shows that we overcame the main problem.

Our first grateful thanks would be for Jorgen Ljüng who helped us a lot to perform this thesis all along the year. Then we would like to thank particularly and strongly our supervisor, Su Mi Park Dahlgard for her devoted patience, her judicious recommendations and the incredible amount of time she allocated us.

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Céline and Gérald.
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1 INTRODUCTION

1.1 Background

With the increase and the acceleration of the global economy since the early 80s, there has been an emerging trend of conquering new international business markets, establishing international alliances and developing trade agreements around the world. The internationalisation of firms was a *sine qua non* step to be able to reinforce and expand their competitive advantage.

We are now coping with a situation in which companies encounter specificities and business actors from a multicultural background. This new situation has triggered new challenges. Business workers will have to comprehend cultural diversity, be capable to integrate differences as language, laws, political and economic systems, business processes and management styles in order not to be outrun by the competitors.

Doing business in an intercultural environment requires some fundamental knowledge to succeed. Actors from different cultures have indeed different insights, different behaviours shaped by national culture. Essential is, for the business managers, to integrate the interaction of cultural factors and to understand the local specificities.

Negotiation is an interaction in which these exchanges are the most intense, business workers are interchanging ideas, trying to convince their counterparts, making concessions and sometimes reaching consensus. To overcome this, the international manager must have a deep knowledge on the significant impact of national as well as organisational culture on negotiation.
1.2 What are negotiations in an intercultural environment?

Negotiation is something everybody has experienced in his life. It comes up everyday, for example when we want to buy something or when a conflict arises. Bargaining a price and trying to resolve a dispute are examples of negotiation. However negotiation is not only a business focus, every side of life is painted with negotiation: when political leaders try to reach a common position in a specific problem (as European Union leaders), when a teenager wants to stay longer at a party and has to ask for his parents’ permission are also examples of negotiation, but this is not our focus here.

Negotiation is a term often used in the international business literature so we will clarify its meaning.
Ikle (1964:2) provides us a quite clear description of the basic characteristics of negotiation.

   “Two elements must normally be present for negotiations to take place; there must be both common interest and issues of conflict. Without common interest, there is nothing to negotiate for, without issues of conflicts nothing to negotiate about”.

In other words, both parties hope to achieve a common objective, i.e. both of them want the transaction to take place. From this point of view Ghauri (1983:16) defines negotiation as follow:

   “Negotiation is defined as an interaction process of resolving conflicts and reaching agreements to provide terms and conditions for the future behaviour of the parties involved”.

2
Why negotiation?
According to Hendon, Hendon, Herbig (1996), experts estimate that over fifty percent of an international manager’s time is spent negotiating. Negotiation is then an unavoidable part of each company’s lifespan.

Intercultural negotiations are occurring when two parts are negotiating but do not possess the same cultural background. Weiss (1993) defines cross-cultural negotiations as “the conscious and deliberate interactions between two parties, originating from two different national cultures, who are attempting to define their interdependence in a business matter”. We decided to use this definition of Weiss since our work is largely based on his twelve variables (cf. the methodology part for explanation of the adoption of these variables).

1.3 Problem

Literature on negotiation is flourishing but as Cavusgil and Ghauri noticed (1990), little research has been carried out on international business negotiations despite the increasing importance of international business. In the past, the ability to negotiate was considered innate or instinctive, but recent studies have shown that negotiation as a technique can be learned.

Negotiators are pursuing agreement. To do so, they need to be able to negotiate with people from different cultures and nationalities. No one can avoid thinking with his own cultural assumptions into any negotiation process. Some negotiators often believe that because everybody wears the same clothes, speak English and like the comfortable aspects of their culture, they are willing to behave in the same way, and that they are “pretty much alike”. Unfortunately for those negotiators, to negotiate in an intercultural environment is an even more complex and intricate phenomenon. Unless you
see the world through the other’s eyes, you may not be seeing or hearing the same.

Fisher and Ury (1987) reported that more than two third of many negotiations within business fail even though both sides want to reach a successful business agreement. The barriers, which impede that agreement are more often cultural than economic or legal.

The following famous metaphor about fish in the water may enlighten our subject: When the fish is in the water, it is unaware of any possible alternate environments; the water surrounding the fish is all it knows of the universe; hence, the whole universe must be made of water. Only when the fish is removed from the water does it perceive a different environment.

The first hurdle that hinders successful negotiations is often the lack of knowledge and understanding of the other part’s cultural values and norms. To overcome cultural differences in the negotiation process, it is necessary to learn how to influence and communicate with members of culture other than our own (Graham and Adler, 1989).

Here is the key for successful negotiations: understand others’ pattern of thought. Thus, negotiator gains in effectiveness and success as reported by Hendon, Hendon and Herbig (1996: x, introduction):

“Negotiators who take the time to understand the approach that the other parties are likely to use and to adapt their own styles to that one, are likely to be more effective negotiators”.
The problem is then the following: the world becomes increasingly intercultural and consequently more and more intercultural negotiations occur. But some negotiators underestimate the differences between national cultures, which lead to failures. Even if an object has the same name in different countries, it may not have the same meaning. Trompenaars (1994) related that Mc Donald’s, which is considered as fast buck, fast meal in the United States is considered as a sign of status in Russia.

Learning how to negotiate with a counterpart from another cultural background is indispensable to reach successful negotiations. This means understanding the impact of national culture on the counterpart negotiator but also on ourselves.

1.4 Scope

Writing about negotiations is interesting, but we have to set up clear boundaries in order not to be lost on the wide range on subjects and problems arising in the area. The first boundary is that we are studying in an organisational context, this is our field of study and we will not focus on other kinds of negotiations such as political or social negotiations. Moreover our main interest in face-to-face negotiations. Below are those negotiations presented that we may find within the cross-cultural context.

1.4.1 Multilateral versus bilateral negotiations

First of all, the study is not about multicultural negotiations, which are defined by Money (1998) as negotiations involving several parties (more than two) at the same time.

Our focus is bilateral negotiations, that is to say negotiations involving two parties. The main reason, which leads us to treat bilateral negotiations is
because bilateral negotiations are the most common. Then multilateral negotiations draw upon concern like forming coalition, oversimplifying the problem and the taking of role by some parties, as leader or scapegoat (Money, 1998), which can widen the problem of our topic. Multicultural negotiations lead to more complicated negotiations and are less common. Therefore, we will treat only bilateral negotiations.

1.4.2 Cultural, structural and individual factors

Negotiation in an intercultural environment can be influenced by several factors: national culture, structural and individual. National cultures factors refer to the culture of the nations where negotiators or companies have been evolving. Structural factors draw upon the size of the company, the experience in negotiation and the interest in the outcome. Finally individual factors take into account the personality of the negotiators (Money, 1998).

Here is one tricky point of the study, because culture and individual are situational factors that are constantly overlapping, i.e., one individual is shaped by his own anthropological characteristics which rely heavily on psychology, intelligence and past experiences. But we recognise that past experiences, and what is learned in a given context, is itself shaped by culture. Graham (1985) gives us some examples of individual characteristics like intelligence, self-esteem, credibility, attractiveness and power. So, in our research paper, we will set up a clear boundary between cultural factors and individual factors (even if these latter are also shaped by culture).

This study has the aim to have a focus on the influence of national culture on negotiations.
1.4.3 Organisational culture versus national culture

We would like to specify that our thesis is dealing with the national culture and not the organisational culture. This is a personal choice, but we think that national culture is more likely to influence intercultural negotiation in an evident way than organisational culture.

1.4.4 Intra-national versus international cultural negotiations

There are two possibilities for studying the national culture: an intranational and international point of view.

International cultural negotiation has been already defined and it concerns people from different national cultures while intra-cultural negotiation is defined by Weiss (1993) as the interactions between two persons from the same country.

Here we decide to treat international negotiations because this is a better and more efficient way to comprehend the national culture. It is more convenient to understand someone’s culture by comparing it to another culture instead of comparing it to the same culture.

In this paper we will discuss the influence of bilateral international culture on the negotiation process. We will understand how major cultural characteristics can influence negotiations.

First of all, we will grasp the complexity of the negotiation by explaining how negotiations are constructed in an intercultural environment. This will lead us to see what the major cultural characteristics intervening in this process are. Then we will point out how using the established theories specific national
culture dimensions can influence the negotiation process one way or another. An empirical part will follow with a Swedish perspective, where we will see how the Swedish culture influences the negotiation process. This empirical part will help us to understand which traps to avoid when negotiating with Swedish negotiators.

1.5 Purpose

The objective of this paper is to clarify how national culture shapes the part of business in which foreigners are communicating together, i.e. the negotiation. By appealing to established theories and research papers in cross cultural management, we will investigate how Swedish business people in a negotiating context act, and this will lead us to have a better acquaintance of how should one lead negotiation with Swedish people. We hope to contribute to bring some knowledge and enlightenments for further negotiations.

1.6 Study questions

The first question that arises in this field of study concerns the possible influence of culture on negotiation.

1. Does national culture have a tangible influence on the negotiation process?

Then if this is confirmed, we will investigate in which part of the negotiation process does culture has an influence.

2. In which part of the negotiation process does culture intervene?
If we manage to understand where culture intervenes; we would try to grasp the mechanism of this intervention.

3. How should we measure the impact of the cultural components on the actors of negotiation?

Finally, we would be able to differentiate the success criteria or the main pitfalls to avoid in intercultural negotiations.

4. Which trap to avoid in intercultural negotiations?

1.7 Reader’s Guide

This part has been written to provide the readers an overview about the thesis disposition. To have a concrete representation of all the following chapters and their contents, the Figure 1-Outline of the thesis draws the progressive approach.

Chapter 1-Introduction marks out our topic and describes precisely the context where it takes place and interacts.

Chapter 2-Methodology is the foundation of the thesis. All the following chapters are based on this part. In this part, we will expose which scientific approach and scientific method we decided to follow to carry out this work.

Chapter 3-Basis to understand what intercultural negotiation is, provides the readers some basic knowledge and theories required to tackle the negotiation concept from a cross cultural outlook. All these theories studied will help us to make deductions in the next chapter, and to understand how culture intervenes within the negotiation process.
Chapter 4-How are negotiation variables influenced by the cultural dimensions? investigates the potential links between culture and negotiation. Moreover in this chapter there is a focus on cultural dimensions and their effects on the negotiation process. It is a theoretical support to present the Swedish profile and then in another way would help us to understand what could be the keys of success and the trap to avoid when negotiating in an intercultural environment.

Chapter 5-The Swedish profile is related to the manner negotiations in a Swedish context are supposed to occur. This part would help us to build the empirical part.

Chapter 6-Empirical data is the practical approach. It contains an overview of the three companies we studied with as an illustration of the theories employed. Then it presents the empirical data as raw data.

Chapter 7-Analysis is the analysis of the empirical data. It provides the results that will lead us to the conclusion.

Chapter 8-Conclusion is the chapter where we will answer the study questions and provide an orientation for future studies.
Figure 1-Outline of the thesis
2 METHODOLOGY

This part presents the different scientific approaches and methods generally used to perform a research paper, and we will explain why we chose them to carry out this work.

To conduct a study it is determining to make some choices and decisions because the results will highly depend on the chosen approach and method. Before going further in deciding which scientific approach or method to adopt we should wonder what science is.

What is Science?

Science stems for the Latin word *Scien<cia*, which means knowledge. According to the Columbia Encyclopaedia, science refers to:

“The organized body of knowledge concerning the physical world, both animate and inanimate [...] and includes the attitudes and methods through which this body is formed; thus a science is a particular kind of activity and the results of that activity”.

In other words, science is something that includes both the methods for generating knowledge and the findings that stem from these methods. Moreover, the definition emphasizes on an “organized body”, which means that science is something, which relies on principles.
Wiedersheim-Paul and Eriksson (1991) add that science must meet the demands of creatively and critically reassessing established truths, notions and methods, as well as openly disclosing how results have been produced, so that the others may verify the accounted results. What we can learn is that both the scientific approach and method are important to attain a high degree of relevance.

2.1 Scientific approach

Arbnor and Bjerke (1994) argued that there are two realities: the objective reality and the reality constructed by the man himself. This leads us to two approaches. The two approaches which are commonly known are the positivist and hermeneutic. Gummesson (1991) stated that they are considered to be two extreme scientific paradigms.

2.1.1 Positivism

The Positivism is traditionally used in what is called hard sciences, i.e. mathematics, physics... the positivist approach states that there is an existing objective truth that we can measure. Many researchers still consider nowadays that this approach is the “correct” scientific paradigm (Gummesson, 1991) because it considers that there is only one and true reality no matter who observe it, where or when it is observed (Arbnor and Bjerke, 1994). First of all, it considers that only knowledge obtained by means of measurement and objective identification can be considered to possess truth. The positivist approach explains the causal relationships by means of objectives, “facts” and statistical analysis (Gummesson, 1991).
Then, there are several consistent issues consubstantial with a real positivist approach. Objectivity, precision, rationality and criticism of sources are these consistent issues.

To describe a problem with a positivist attitude, besides the integration of these issues, researchers traditionally divide the problem into several parts to study them precisely and carefully. These researchers bear the idea that the sum of the part is equivalent to the divided problem. Moreover, to ensure the validity and reliability in a positivistic approach, sources have to be verifiable.

While this approach is particularly appropriate for hard sciences such as mathematics, physics or other scientific topics that can be measured, it seems to be less pertinent with the emerging social sciences in the 18th century. The consequence was the development of hermeneutic science.

### 2.1.2 Hermeneutics

Hermeneutic was built in reaction toward the positivist approach. The roots of hermeneutics come from Aristotle but its adoption dates from the 17th century when researchers were studying sciences that could not be measurable like social sciences.

Actually, the word hermeneutic comes from the Greek word *hermeneuien* which means to interpret.

This difference with the positivist perspective is that this approach relies on the fact that reality can only be understood by a human interpreting the actions or language or another human (Patel and Davidson, 1994). This means that there is not one reality but each of us has his own reality because we are influenced by our own experiences, assumptions identities or affiliations (Arbnor and Bjerke, 1994).
This approach differs from the positivistic approach in several aspects. First of all, the researchers adopting this approach interpret the reality in a holistic way in order to understand it. Kerlinger (1976) added that the universal validity is not a goal in the hermeneutic approach, but the goal is rather to penetrate the abstract of reality and make it more concrete. The hermeneutic approach is then considered to be a subjective perspective on a given problem.

Finally, the hermeneutic perspective tends to understand from its own perspective rather than to describe in a universal way because it is clear that everybody does conceive the reality in a different way. As a result, in this approach, the entity, which is object of the investigation can not be separated from its whole.

Studying with a hermeneutic approach will not lead us to an end or a conclusion, but lead us to a new stage of interpretation the so-called hermeneutic spiral (Figure 2-Hermeneutic spiral). We will discuss the influence of our pre-understanding later on the methodological criticism part.
We would like to add that, as stated by many authors, there is no real pure positivism or hermeneutic approach. Nobody can pretend to have attained a real positivist approach in the sense that he is influenced by his own background, but at the same time nobody can pretend to be purely hermeneutic.

Our work is built on a hermeneutic approach because all the theories that are dealing with culture or the concept of culture are *a priori* used through the eyes of somebody’s culture. Moreover, we are dealing with values, beliefs and norms that are subject to interpretation. Thus, we are by definition of the hermeneutic perspective interpreting through our culture the influence of culture.
2.2 Scientific method

In this part we will try to answer to the question of how should our study be constructed, which patterns of structure should we base our work on?

We decided to build our work on Weiss’s twelve variables of intercultural negotiation (1994). Before knowing the existence of such variables we have been thinking of the potential variables that might encompass the negotiation process. We gathered by ourselves ten variables that were like ten of the twelve Weiss’s variables. When we found out Weiss’s twelve variables it became clear that his scheme was fitting to the insight we had about how to carry out this project.

Weiss’s twelve variables of the negotiation process would then be used all along this work: in the theoretical part where we link these variables with the cultural dimensions, and also in the empirical part where the variables help us to understand the negotiations from a Swedish perspective.

According to Lekwall and Wahlbin (1993), there are three main dimensions that should be discussed when elaborating a scientific work. The path of thoughts that is to say either deductive or inductive is the first one. Then, how should be the data collected? In a qualitative way or a quantitative way? The last dimension would be the use or not of a case study.

2.2.1 Deduction versus induction

Two paths of reasoning when somebody is basing his work on scientific knowledge may be explored.

Deduction is described to involve conclusion about an individual phenomenon based on general principles (Patel-Tebelius, 1987). In other words, when one is
deductive, it means starting out from existing theories, and with a logical system of thinking, proving hypothesis based on existing theories. In that sense, the deductive path of thoughts is a justification of the theory.

Induction could be understood to be the opposite of the deduction, because it is about drawing conclusions out of empirical observations (Lundahl and Sköldberg, 1994). In that sense, the inductive path of thoughts means to seek for new theories.

We build our work on a highly deductive method. The reason is the fertile amount of the existing theories that have been written on both culture and negotiation. The work is however not totally and absolutely deductive because quite often the findings lead us to new statements or hypothesis. As already stated, we adopted a hermeneutic perspective, which means that according to hermeneutical spiral, we are constantly reassessing our findings all along the carrying out of the work.

2.2.2 Qualitative versus quantitative

Another intense debate in the field of scientific knowledge is the data collection method. What should researchers base their empirical findings on? There are commonly two main types of collecting data: the qualitative method and the quantitative method.

Wiedersheim-Paul and Eriksson (1991) define the qualitative method as collected information that cannot be quantified typically when data is concerned about human attitudes or values. The qualitative method is then used for research data that cannot be measured, that is why the qualitative method is usually called the “soft” method. The opposite of the qualitative method is the quantitative method in the sense that it represents the hard data that can be measured and quantified. Arbnor and Bjerke (1994) define the
quantitative method as a one-way communication at which the research is done at researcher’s conditions. The quantitative method is the collection of data that can be measured: statistics, facts or figures.

Our research has the aim to understand how negotiation may be influenced by culture. We will illustrate this interaction with a Swedish perspective in the chapter 5, in order to comprehend the attitudes and values of the Swedish culture toward the negotiation process in an intercultural environment. In that sense, our work meets the definition of Wiedersheim-Paul and Ericsson about information as attitudes or values. We are thus using a qualitative method.

This dimension is highly linked with the case study choice.

2.2.3 Case Study

Merriam (1998) defines the case study as an examination of a specific phenomenon, for instance a program, a happening, a person... an institution or a social group.

Gummesson (1991) differentiates two kinds of case studies that can be done when carrying out a research. The first one attempts to derive general conclusions from a limited number of cases and the second type seeks to arrive at specific conclusions regarding a single case because this is of particular interest.

An important element of our master thesis is the fact that as exchange student we had to finish it before the month of June, and therefore we had only 10 weeks to perform it, taking into account that the last course of the strategy and culture program was in the end of March. Because of this lack of time we decided to build a particular approach in relation with our topic.
We decided to follow a kind of case study approach but this is not really a case study as explained in the above definition. We decided in our work to put a particular emphasis on the theoretical analysis (i.e. chapter 4). In this part we will make deductions from existing theories of how one, according to a particular culture, should negotiate. After doing this, we study this phenomenon from a Swedish perspective according to these deductions. This will lead us to interview some Swedish companies to illustrate our talk. So two distinct chapters come, first the empirical data part where we describe the companies and people we interview and where we expose the results and these interviews. Then we will analyse these data in the analysis part.

Moreover, Yin (1994) explains that a case study is always more appropriate when the formulation of the problem includes either a “how” or a “why” question. Since the question we raise in the formulation of the problem includes a “how”, this is more appropriate to use a kind of case study approach instead of a survey.

We interviewed three different Swedish companies to illustrate the way Swedish business people where negotiating.

One should wonder why three different companies instead of studying one company since the method chosen is qualitative and not quantitative. This was a point of debate in the building of our thesis; nevertheless we believed that by choosing three exporting Swedish firms we would widen the illustration given and avoid falling in the trap of the exception in the qualitative study. In that matter, our method is qualitative through the data collection, and the three companies were studied in order to have a larger grasp of Swedish negotiations.

The three companies chosen were found in the Swedish exporting directory of 2001. We select companies that were international that is to say that they were exporting in more than one country. Then, we asked them by email if they
were interested in answering to some questions for an illustration of a study about the way Swedes handle negotiations in an intercultural context. We finally selected the people who answered and who were highly involved in the negotiation process, that is to say the interviewee was always either a negotiator or somebody taking part in the selling or negotiating process.

There are typically two kinds of sources for conducting a research, the field research data and desk research ones. While the former draw upon self made interviews or surveys, the latter draw upon existing sources, or sources that have been created to the particular purpose of this scientific work (Gummesson, 1991). As field research data (or primary data) we used interviews of Swedish negotiators, and as desk research data (or secondary data), we used the existing literature in Linköping-city and Linköping University libraries and on the Internet.

2.3 Reliability and validity

Gummesson (1991) stated that reliability and validity are the most important criteria to assess the quality of a research. The reaching of both validity and reliability brings credibility to a research work.

Validity refers to the degree of correspondence between the theoretical framework and the observations (Wiedersheim and Eriksson, 1991). Thus a high degree of validity is reached when the observations made in the empirical part corroborate the findings obtained from the theoretical part.

In our work, the case study is an illustration of the theoretical part, the results obtained in the interview corroborated a lot of similarities with the deduction we made. So we can deduct that our thesis is built with a high degree of validity.
A reliable study should present the same results with the same method but carried out by different researchers. This notion is sometimes difficult to reach in qualitative studies with a hermeneutical approach since we are highly interpreting, and enslaved by our own cultural background and experiences. Nevertheless, we tried to reach a high degree of reliability in the treatment of the interviews and the existing theories, but obtaining the same interpretation with the same theoretical sources may be difficult.

2.4 Interviews method

According to Lundahl and Skärvad (1999), to conduct an interview there are several types of structure that one may use. Structured interviews are composed of questions in a predetermined order that leads to a specific path of answers. At the other extreme, unstructured interviews are defined by questions that are asked in an undetermined order. The semi-structured interviews would include both structured and unstructured methods. Questions are asked in a predetermined order, but the interviewer may deepen the question whenever he needs it.

In our research paper, we arrange questions in a predetermined order and we ranked our categories of questions according to the twelve variables of the negotiation process described by Weiss (1993). The interview guide (Appendix 4) was followed but not strictly to ask further questions when it was opportune. In that way we could have a deeper understanding of the answers and to really comprehend why Swedish negotiators were acting in a way or another. This attitude has made our interviews to be semi-structured.

The time limit was set to one hour and a half for the first interviews and then we called them a second time to ask for clarification or confirmation of their statements. This checking task reduced misunderstandings and avoided to extrapolate what has been said.
We decided to interview two experienced persons to benefit of their deep know-how in negotiation, and a newcomer in that field to balance the analysis with a fresh regard toward intercultural negotiation.

To do the interviews, respondents scheduled a phone appointment to be sure to devote us at least the time needed. We inform them before about the approximate length of the interview.

During the interviews, one of us was taking notes and the other one was leading the discussion. As the interviews have been done over the phone, we preferred using a hands free phone in order that both of us were able to follow the conversation. We also recorded the whole interviews on a tape to check out if the notes taken were accurate.

2.5 Methodological criticism

As already mentioned, our empirical findings do not have the aim to build new theories, but rather to illustrate the deductions established from the existing theories.

The first critic we would like to express exists in every hermeneutical approach. Since we interpret the answers of the interviews from theories we already studied about we may be influenced by our previous knowledge and then interpret the answers in a certain way. But it is quite impossible to conduct a study without any knowledge (or pre-understanding) of the topic.

Each individual will build his own system of thinking during his upbringing provided by his school. This system of thinking is defined by our culture. As French students, we are aware that we had a specific way of thinking that has influenced us during the preparation of the study. Moreover this pre-understanding can also be felt in the way we perceive Swedish negotiators,
even if these perceptions are not always stereotypes. We are aware that at the beginning of our work we could have been influenced by both. Our system of making deductions is largely influenced by the Cartesian way of thinking and the perceptions about Swedish negotiators. Concerning the perceptions we had about Swedish negotiators, some have changed and some have been reinforced all along this study when we were learning new information about the way Swedish people handle negotiations. Nevertheless it seems that the specific way of thinking we had and the way we treat information were influenced by our French culture. This is one of the dangers that arise when one is carrying out a research using a hermeneutic approach. This is maybe one of the most tangible shortcomings of the thesis.

Moreover the language barrier is something difficult to overcome. We are not native English speakers neither native Swedish speakers, our contacts were not English native speakers neither French native speakers. This statement leads us to the assumption that there might occur some language misinterpretation. We are aware of that.

One other critic that may arise is that our respondents were aware of the purpose of the study. Moreover, the questions of “How do Swedish people negotiate” may have turn into the respondents’ mind into “how do you think Swedish people negotiate”. We tried during the interviews to ask them not to try to understand their behaviour but rather to describe it, in order not to add their interpretations to our interpretations.
3 BASIS TO UNDERSTAND WHAT INTERCULTURAL NEGOTIATION IS

In this part, models and theories will be reviewed to build up a greater understanding of the area to be studied. It is a selective approach, only significant theories and models applicable to the study will be introduced. However, our intention is not to give a lecture in theories within our topic, but to discuss the problem with different outlooks.

3.1 Description of the negotiation process

We will first define what intercultural negotiation consists of. Then, we will describe the negotiation process. Eventually, we will try to verify our first question concerning the tangibility of the influence of culture on the negotiation process.

3.1.1 Definition of negotiation process

Intercultural negotiations are occurring when two parts are negotiating together but do not possess the same culture.

One cannot underestimate the role of negotiation in international business. As Graham, Mintu and Rodgers (1994) pointed out, the role of negotiation in international business is predominant; it is a wide range of business areas: cross national mergers, acquisitions and investments, the sale of capital equipment, licensing agreements, distribution and service contracts. These transactions are always initiated through some form of face-to-face negotiations.
3.1.2 Negotiation framework, what is the negotiation process?

In this part, we will describe the negotiation process for a better understanding. We find it relevant to breakdown the negotiation process in different stages to discuss the issues relevant to each stage (Figure 3-Four stages of negotiation process).

Several authors have been writing on fragmenting the negotiation process in different stages. For instance, Graham (1985) divided it up in four different stages and this model has since been used by Hendon (1996), Cavugil and Ghauri (1990) and Deresky (1997). The main reason why we adopted this model is its relevance and widely spread use.

The four distinguished stages according to Graham (1985) are:

- Non tasking sounding
- Task related exchange of information
- Persuasion
- Concession and Agreement

Some authors, however, include a fifth stage, the follow-up. We decided to include it in the Figure 3 but just to show the path of negotiation because the follow up stage, as Hendon (1996) noticed, does not really pertain to the negotiation process, even if it is something substantial to keep constructive relationships.

The non-task sounding stage is the first one and is considered to be the most important. It includes the preparation and relationship building.
Preparation
A careful negotiator must pay attention to this part of negotiation. First of all, it is necessary to collect a lot of information about the other side. In this stage, we also must identify all the potential issues to be discussed and to prioritise them. The team would be assembled before the actual negotiation stage in accordance with what has been discussed and what culture is facing.
It is also primordial to view the negotiation site some time before the negotiation starts. In that way, avoiding jet lag and anxiety and meeting the local representative (Hendon, 1996).

Relationship building
In this part, parties try to get to know each other. Information specific to the negotiation is not considered. This part is important in the sense that negotiators create trust and confidence in the minds of others to provide a basis for relationship building (Hendon, 1996).

The task-related sounding stage is when each part exposes its states and positions. It provides direct information of the issue under negotiations. By asking questions, it is possible to update information and test the strategy. Here parties tend to reconciling interests rather than taking position and making demands. Each party explains its needs and preferences (Hendon, 1996).

The persuasion stage described by Graham and Adler (1989) and many authors like Hendon (1996), Deresky (1997) or even Ghauri and Usunier (1996) refer to various factors such as: resistance, reformulation of strategy, hard bargaining and decision making, and persuasion.
This part is known as the heart of negotiation where each part tries to convince the other to accept more of their strategy (Deresky, 1997).
Persuasion is of course occurring all along the negotiation process, but this is where negotiators usually apply their different tactics (Hendon, 1996).

The *concession and agreement* stage is the last part, where negotiators make some concessions to reach a final agreement. Each part must frequently give up some things.

The negotiation process stops here, but a successful negotiator would always have one more stage of *follow-up* to build an effective relationship for future negotiations (Hendon, 1996). This does not occur in every cultural negotiation but has a great importance.

Above-mentioned different stages in negotiation process are illustrated in Figure 3 (see below). This figure adapted from Graham (1985), shows the negotiation process already described above through the different stages. Moreover, we added that the negotiation process is surrounded by the negotiation variables described by Weiss (1993). Finally, we integrate the different types of situational variables influencing the negotiation variables, that is to say, cultural, organizational and individual. The negotiation process always leads to an outcome that can be integrative, distributive or sometimes an impasse.

In the following section, we will treat the variables involved in the negotiation process.
Negotiation Variables

Non-task sounding:
- Preparation
- Relationship building

Task sounding:
- Exchange of information

Heart of Bargaining:
- Resistance
- Reformulation of strategy
- Hard Bargaining and decision making
- Persuasion

Concessions and Agreement:
- Concessions
- Agreement.

Follow-up

Outcomes:
Profit and Satisfaction // Distributive or Integrative.

Figure 3-Four stages of negotiation process adapted from Graham (1985).
During the negotiation process, parties are willing to use different **strategies**, these different strategies appeal to different **tactics**, and most of the time they lead to different **outcomes**. We will define these terms here, because of their relevance for a comprehension of the negotiation phenomena.

**Strategies**

There are numerous negotiation strategies; four of them are particularly salient to business negotiations (Perdue, Day, Michael, 1986). These strategies encompass the possible strategies available in this kind of negotiation.

**Competitive**

This strategy is maybe the most used in traditional Western negotiation but not necessarily the best. This strategy appeals to competitive and individualistic behaviour. There is not real consideration for the satisfaction of the counterpart. It is highly persuasion oriented and leads to a distributive outcome, win/lose.

**Collaborative**

This strategy is widely used in negotiation, commonly known as the problem solving approach (hereafter PSA). This strategy relies on cooperation, trust and exchange of information (Pruitt 1981 quoted in Graham; Mintu; Rodgers, 1994). Weitz (1978) suggests that the PSA will enhance bargaining effectiveness. This strategy leads to an integrative outcome, that is to say a win/win situation. Graham, Mintu and Rodgers (1994) have also reported a positive relationship between PSA and joint negotiation outcomes.
Sharing
It tends to split the point of disputes in two for a partial satisfaction of both parties; this strategy relies on compromises and leads to an integrative outcome, which is most of the time a lose/lose outcome.

Accommodative
This strategy is seldom used in negotiation. In a long-term relationship, one party can self sacrifice its needs in order to attain a higher outcome later. This strategy leads to a distributive outcome: a win/lose situation.

Tactics
All these strategies are supported by different tactics. It is very difficult to classify them because of the “plethora of deductive and inductive classification” used in all studies (Rao & Schmidt, 1998). Despite this difficulty, a classification of negotiation used by Lewicki and Robinson (1998) provides a parsimonious classification of negotiation tactics that has been adopted by others authors like Volkema (1997, 1999), Rao and Schmidt (1998). Six tactics have been identified:

Bluffing
The negotiator states his intention to perform some acts, but has no actual intention to follow through. Bluffs can include false promises and threats.

Misrepresentation of position to an opponent
The negotiator distorts his preferred settlement point in order to achieve a better outcome. Misrepresentation permits concessions later on.
Traditional competitive bargaining
This includes tactics such as hiding the real bottom line from the opponent, or making an opening demand so high or low that it seriously undermines the opponent’s confidence in his ability to negotiate a satisfactory settlement.

Attacking the opponent network
The negotiator tries to create a dissension in his opponent’s network. He can try to lure his opponent’s network to join his group.

Inappropriate information gathering
The negotiator attempts to gain classified information that he cannot get from the opponent by giving opponent’s friends, associates, or contacts, gifts or by doing them favours.

Tacit bargaining
Tacit bargaining occurs when messages are passed between the negotiators in form of signs, hints, and obscure imitations (Wall, 1985). According to Schelling (1960), tacit bargaining is typically used when negotiating parties do not trust each other in explicit negotiation.

Outcomes
According to Brett (2001), there are three types of outcomes: integrative or distributive outcomes and sometimes an impasse.
Integrative outcomes will share an enhanced set of resources. That is to say that both parties may win something on the outcome. Integrative agreement is also known as the win/win situations; where people tend to do compromise paying thus attention to the counterpart’s satisfaction.
Distributive outcomes are known as win/lose situations, where one party tends to maximize its profits at the expense of the other.
Finally, the impasse is according to Brett (2001) when the proposed outcome is not considered fair enough by at least one party and when the counterpart cannot make more concessions. At the result there is no agreement.
A commonly used measure of outcomes is profits, both individual and joint, that negotiators have succeeded to gain during the negotiation Rubin and Brown (1975), Clopton (1984) Dwyer and Walker (1981). Nevertheless a measure of profits is not sufficient to grasp the complexity of the outcomes in the negotiation process. Focusing on profits is forgetting that the partner’s satisfaction in the final outcome is of importance. To be able to gain some satisfaction from the counterpart, it is advisable to reach a win/win situation instead of a win/lose situation.
The satisfaction of the partner is then considered simultaneously with the negotiator’s own profits. This consideration provides the value of the outcome. This theory on outcome’s measurement is developed by several authors (Graham 1986, Fisher and Ury 1981, Weitz 1978 and Graham, Kim, Lin and Robinson 1988).

3.1.3 The negotiation variables

Nevertheless, our focus is culture and how does culture influence the negotiation process. To measure this influence we will need to understand what the variables of the negotiation process are.
Weiss (1993) provides us an interesting framework for studying the negotiation process. As explained in the methodology, we will adopt all along this research paper these twelve variables.

**Basic concept:** How do the negotiators perceive the negotiation? Is the negotiation process a competitive or problem-solving approach process?
Negotiator selection criteria: How should one base the criteria for selecting negotiators? (Status, expertise, personal attributes or some other characteristics)

Significance of type of issues: Is it deal-oriented or relationships-oriented?

Concern with protocol: What is the importance of procedures for the negotiators?

Complexity of communicative context: To what extent should one interpret nonverbal communication?

Nature of persuasive arguments: How do parties try to influence each other?

Role of individuals’ aspirations: What are driving motivations for those who are involved in the negotiation process?

Basis of trust: What is the place of trust? How should trust be gained?

Risk taking propensity: How do parties try to avoid risk? What is the value of risk?

Value of time: What are the attitudes of party toward time?

Decision making process: How does each party reach a decision?

Form of agreement: How is the final agreement reached?

In the next chapter we will see, according to the existing cultural theories, how the culture influences these variables. However to be able to understand the way culture is affecting these variables, we first need to understand the phenomena of culture by investigating some existing theories.
3.2 The concept of Culture

In this part we will point out the cultural theories that we will adopt as a framework throughout the work. So, the field of research has to be delimitated.

3.2.1 Definition of the concept of culture

Origin of the concept
The word “culture” stems from the Latin “colere” that can be translated as to build on, to cultivate, and to foster. Leibnitz, Voltaire, Hegel, von Humbold, Kant, Freud, Adorno, Marcuse... all have reflected on the meaning of the word in different versions of its use. In the early stages of the philosophical debate about what “culture” is, the term often referred to the opposite of “nature”, i.e. something willingly constructed by men, while “nature” was given in itself.

The meaning of culture
Giving the perfect definition of the concept of culture is not that easy. There is almost the same number of authors as the number of definitions of culture. And as Borowsky (1994) and Ortner (1984) (quoted in Alvesson, 2001) pointed out, there is not a fixed or broadly agreed meaning even in anthropology. What we can be sure of, is the centrality of the concept of culture in all aspects of the reality, and in our case, business environment. According to Alvesson (2001) the centrality of the culture concept follows from the profound importance of shared meanings for any coordinated action. Hofstede (1981) introduced a definition that has been adopted by other researchers over the years. According to him, everybody carries his own pattern of thinking and feeling which is being learned throughout life. This pattern is called by Hofstede “the collective programming of mind”. Culture is
then something built through life that brings to the concept, the idea of temporality of culture. Culture is evolving.

Another dimension of the definition of culture deserves to be exposed. Trompenaars (1994) tells us that if we consider ourselves as fishes, then culture could be water, i.e. what is sustaining around us. The fish would normally not be aware of being in the water but he breathes and lives through it. To be aware of our own cultural particularities, it is necessary to get out from water. We can now consider that culture is space related in the sense that what is “my culture” in this place might not be in another place.

As we can note everything is culture, since culture represents our surrounding environment. The question arising, and which may be difficult to answer, is: What is not encompassed by culture?

Alvesson (2001) underlined that culture is a tricky concept as it is easily used to cover everything, and consequently nothing.

Everything and nothing make the concept very difficult to comprehend. To grab this complexity and the extent in which culture may influence our lives, Trompenaars (1994) suggests that we should decompose culture into layers.

**The layers of culture**
The model of culture suggested by Trompenaars (1994), see Figure 4-The layers of culture, consists in three different layers, each of them representing a level of culture. The outer layer represents the most explicit level of culture. In other words the outer layer is what I can see when first coming in a new country, i.e. the observable reality. This reality includes the language, food, buildings, houses, monuments, agriculture, shrines, markets, fashions and arts (Trompenaars, 1994). The next layer, also called the middle layer includes the norms and values of a group of people. Trompenaars defines the norms as the
mutual sense a group of people has of what is right or wrong, while values, on the other hand, determine the definition of good and bad. Finally, the inner layer represents the basic assumptions a group of people has about existence. These layers go from the most explicit (outer layer) to the more implicit (inner layer) as can be seen in Figure 4, below.

![Diagram of cultural layers](image)

**Figure 4**-The layers of culture, Trompenaars (1994).

Finally, Trompenaars (1994) suggests that in every culture, a limited number of general, universally shared, problems need to be solved. The cultures are distinguishing themselves by the specific solution it may choose for those problems. These problems are due to a relationship toward people or entities. According to Tayeb (2000), we can classify these relationships according to different cultural characteristics.
3.2.2 Major cultural characteristics

Tayeb (2000) ranked the major cultural characteristics that may influence people in all societies (Appendix 1-Major cultural characteristics). He sorted out the characteristics according to the relationship that can stem from the individual.
These categories are:

- Individual himself
- Relationship with others
- Relationship with environment
- Relationship with the society and the state
- Expectations from companies
- Political views and activities
- Economic views and activities

The utility of these categories will tightly differ from one to another and as a result of this; we will select the most significant. Trompenaars (1994) and also Hofstede (1981) have demonstrated the utility of assembling these characteristics into core cultural dimensions.

In order to be as clear as possible in the progress of our thesis we will use Hofstede’s and Hall’s dimensions of culture to describe the influence of culture in the negotiation process. We decided to keep these two models because they were the ones, which have deeply explored culture through cultural dimensions. Moreover, as Sondergaard (1994) confirmed, these models have been widely adopted among researchers for decades. The exploration of culture through cultural dimensions and the widely spread use of these models through time were the main reasons why we adopted them as well.
3.3 The Hofstede’s and Hall’s cultural theories

To understand the major cultural characteristics, we decided to use the following theories: Hofstede’s cultural dimensions and Hall’s model.

3.3.1 Hofstede’s cultural dimensions

Dr. Geert Hofstede, a Dutch social scientist, developed a questionnaire to illustrate culturally dependent work preferences. This questionnaire is related to the culture in the work place especially focusing on values, perceptions and satisfactions and is composed of 150 questions. Hofstede elaborated the questionnaire and submitted it into a large American multinational corporation in 1968-1972. This survey involved more than 116 000 employees and covered 66 nationalities.

The data analysis placed a great emphasis specifically on 20 indices and finally formed the basis of the cultural dimensions that Hofstede labelled as: power distance, uncertainty avoidance, individualism versus collectivism and masculinity versus femininity.

The results of Hofstede, as noticed by Sondergaard (1994), were confirmed by many others researchers. Moreover, these results were used as a framework for many other researchers because of the relevance and rigour of Hofstede’s work. Indeed, Hofstede was quoted 1036 times in journals from 1980 to 1993. In comparison, another famous typology used in a different field of management – Miles and Snow’s typology of strategy- was only cited 200 times in almost the same number of years (Sondergaard, 1994).

In our study, we decided to use Hofstede’s cultural dimensions as a framework to describe the influence of culture.
**Power distance**

This dimension focuses on the nature of human relationship in terms of hierarchy. It indicates the extent to which a society accepts to distribute in the power in institutions and organizations in an unequal way. Hofstede argues that the society's level of inequality is endorsed by the followers as much as by the leaders. Power and inequality are extremely fundamental facts of any society and anybody with some international experience will be aware of that all societies are unequal, but some are more unequal than others.

Some basic traits reflect the power distance level in a concrete manner. High power distance is in an organization characterized by some particularities as considering authority as a fact of life, individual awareness of everyone’s specific place, stressing power holders on their position, respecting authority and applying a centralized authority.

The low power distance is the perfect contrary approach. Class structures deviation is minimized, consequently no set hierarchy, minimization of power position, respect for individuality and authority is decentralized. In that sense, large and small power distances represent two extremes in the way of perceiving hierarchy and status inside the organization.

**Uncertainty avoidance**

This dimension focuses on how culture adapts to change and copes with uncertainty. There is a particular emphasis on how a culture feels threatened or is anxious about ambiguity.

This variable indicates to what extent a culture programs its members to feel either uncomfortable or comfortable in unstructured situations. Unstructured situations are novel, unknown, surprising, and different from usual. Uncertainty avoiding cultures try to minimize the possibility of such situations by strict laws and rules, safety and security measures, and on the philosophical
and religious level by a belief in absolute Truth: “There can only be one Truth and we have it”. People from uncertainty avoiding countries are also more emotional, and motivated by inner nervous energy. The opposite type, uncertainty accepting cultures (i.e. low level of uncertainty avoidance), is more tolerant towards opinions different from what it is used to. It minimizes the rules and its importance as possible; on the philosophical and religious level it is relativist and allows many currents to flow side by side. People within these cultures are more phlegmatic and contemplative, and are not expected by their environment to express emotions.

Consequently high anxiety and uncertainty avoidance cultures are more resistant to change, often characterized by more elaborated rituals or religious practices. At the contrary, low uncertainty avoidance cultures tend to accept competition and conflict, tolerate dissent and deviance.

**Individualism versus collectivism**

Individualism and collectivism are two opposite approaches of the degree to which people integrate themselves into a group. In other words, it is the degree to which individuals are willing to emphasize on them or the group, in every aspect of the social life.

In individualistic cultures, we find societies in which the ties between individuals are lower: everyone is expected to look after him/herself and in the best cases, his/her immediate family.

In collectivistic cultures, we find societies in which people from birth onwards are integrated into strong, cohesive in-groups, often extended families (with uncles, aunts and grandparents), which continue protecting them in exchange for unquestioning loyalty. The word “collectivism” in this sense has no political meaning. It refers to the group, not to the state. Additionally, the issue addressed by this dimension is an extremely fundamental one, regarding all societies in the world.
Individualistic cultures incline people to speak out, to question a lot and confrontations are direct. On the other hand, collectivistic people blend in, avoid conflict and use intermediaries.

**Masculinity versus femininity**

The predominant pattern of socialization in all societies is for men to be more assertive and for women to be more nurturing. Various data on the importance of work goals have showed both consistency on men scoring advancement and earning, and consistency, on women in quality of life and people.

Hofstede draws the consequence that, masculine societies tend to see men as assertive and women as nurturing. In other words, masculine cultures tend to be competitive, visible, stress success, and vocation-oriented while feminine cultures tend to have both men and women in nurturing and advocate equality and fairness: both men and women focus on cooperation, awareness of people in difficulties.

**Long-term versus short-term orientation**

In 1988, Hofstede with the help of Bond added the fifth dimension: the Confucian dynamic. This dimension divides the orientation of people toward time into two: the long-term and short-term orientation.

This fifth dimension was found in a study among students in 23 countries around the world, using a questionnaire designed by Chinese scholars. Both the positive and the negative values of this dimension are found in the teachings of Confucius who was the most influential Chinese philosopher who lived around 500 B.C. The dimension, however, keeps all its relevance in countries without a Confucian heritage.

Long-term orientation involves perseverance, ordering relationships by status and observing this order, thrift, and having a sense of shame. Short-term
orientation involves personal steadiness and stability, protecting your face, respect for tradition and the reciprocation of greetings, favours and gifts.

### 3.3.2 Hall’s model

Hall is also providing a useful framework for our study. We will indeed adopt Hall’s concept of time and context in particular for the purpose of our work.

**Time**

Hall (1976) argued that the perception of time could be divided into two groups of culture: the monochronic and polychronic cultures carrying different perceptions of the time. Hall (1976) pointed up the central role of time, and the resulting division toward its perception:

"*Time is one of the fundamental bases on which all cultures rest, and around which all activities revolve. Understanding the difference between monochronic time and polychronic time is essential to success...*"

Monochronic time is characterized as linear, tangible, and divisible. In monochronic time, events are scheduled one item at a time and this schedule takes precedence over interpersonal relationships.

Polychronic time, on the contrary, is characterized by "the simultaneous occurrence of many things and by a great involvement with people". Consequently polychronic culture tends to have not an absolute view of time but rather relative. Polychronic people have no problems to do several things at the same time, or to arrive late at a meeting in the sense that time is not central to them.
**Context**
High and low contexts refer to the amount of information that a person can comfortably manage. This can vary from a high context culture where background information is implicit to low context culture where much of the background information must be made explicit in an interaction. People from high context cultures often send more information implicitly, have a wider "network" and thus tend to stay well informed on many subjects. People from low context cultures usually verbalize much more background information and tend not to be well informed on subjects outside of their own interests.

**3.3.3 Does culture really have an influence on the negotiation process?**

We will now discuss the possible influence of culture on the negotiation process.

Bouchner and Perks (1971) and Bouchner and Ohsako (1977) have demonstrated that when individuals interact with people from different cultures, the differences between them become salient. This salience of cultural differences shows that during the interaction of people, cultural differences intervene.
Moreover, Sheriff and Hovland (1961) and Vassilious et al. (1972) showed that when people in interpersonal situation confront these actual differences, they tend to exaggerate them.

We can deduce that in an interaction, one can perceive the cultural differences of individuals from different cultural backgrounds.

The remaining questions are therefore: does culture influence this particular interaction, which is negotiation? Do cultural differences mean national cultural differences?
In their study, Graham and Adler (1989), wonder whether culture influences negotiation or not by examining the differences between cross national negotiation and intra-cultural negotiation. Two kinds of people were negotiating together, people from the same national culture, and people from different national cultures. The only variable of their study was the national culture. The results were exploitable and showed that cross-cultural behaviour differs highly from intra-cultural negotiation.

The results also revealed that people from the same national culture had better facilities to negotiate with their counterparts than people from different national cultures.

This study helps us to understand that people from different national cultures are influenced by their cultural values or cultural backgrounds in a negotiation context. But does it mean that this national culture is tangible? Are people aware of being shaped by their national culture?

Since this study of Graham and Alder (1989), many authors as (Ghauri, 1990; Weiss, 1994; Hendon, 1996; Rao & Schmidt, 1998; Brett 2001) have pointed out, that national culture does have an influence on negotiations. Despite this plentifullness of articles on the importance of national culture on the negotiation process, few of them have really worked on the way culture shapes negotiations.

Nevertheless, Shi (2001) demonstrated in a recent study, that negotiation towards each part is implicitly regulated by their cultural values.

So, by referring to these authors we can admit that our question preliminary to our work (i.e. whether culture has an impact on negotiation or not) tends to be confirmed: differences between different national cultures are salient and even exaggerated. Negotiators are influenced by their cultural values and this influence may slow down the negotiation process and make it more
complicated. Finally, this influence is expressed in an implicit way. We can then try to measure the influence of culture, because other authors have proved this influence.

Now one question is arising: in which part of the negotiation process does the culture intervene?
4 HOW ARE NEGOTIATION VARIABLES INFLUENCED BY THE CULTURAL DIMENSIONS?

In this chapter, we decided to follow a method consisting of taking the Weiss’s variables and explain the influence of cultural dimensions on these variables. These variables are the components of the negotiation process in an intercultural environment (Weiss, 1993). All of our deductions will be summarized in table at the end of each variable.

4.1 Preamble

The growth in international trade in recent years necessitates a better understanding of customs and expectations in cross cultural negotiations. As Adler and Graham (1989) noticed “Not understanding the negotiating conventions and expectations of one’s foreign counterpart can lead to surprises, frustrations and to missed opportunities”.

That sentence reflects the crucial need and the cross-cultural stakes that represents the understanding of the dynamics of the negotiating process. We will progressively realize that none of the variables is influenced by the cultural dimensions in the same manner; moreover not all of the cultural dimensions influence the variables of the negotiation process. We decided to keep only the cultural dimensions that have a meaningful impact and which are relevant on those variables. And we based our deductions on Hofstede and Hall theories, but also some authors who refer to them. In order not to make the text weighty, we decided not to write down the name of Hofstede and Hall
and each cultural dimension instead our deductions are made according to their theories exposed in the previous chapter.

So, the following sections will scrutinise the twelve variables influencing the negotiation process earlier established. Then we will analyse each of them via cultural dimensions related to the theoretical framework presented through chapter 3.

4.2 How do specific cultural dimensions influence negotiation process

Here we will describe how cultural dimensions influence each variable.

4.2.1 Basic concept

The basic concept in negotiation defined by Weiss (1993) shows how a specific culture will conceive the concept of negotiation. There are two points of view of the concept of negotiation: the concept of negotiation may lead to a distributive or integrative outcome. To put it differently some countries see the outcomes as a win/win situation while some others see it as a win/lose situation. This part is clearly dealing with PSA and collaborative process that is to say strategy: How will a specific culture understand the negotiation process and which strategy will it use?

In this part several cultural dimensions can intervene.

Collectivism versus individualism

People belonging to high collectivistic cultures are willing to make strong differences between in-group and out-group members in comparison with people belonging to high individualistic countries. Moreover collectivistic
people have a strong commitment to the group and at the same time are considering out-groups members as strangers (Brett, 2001). Collectivistic negotiators are then willing to change their negotiation strategy according to whom they are negotiating with. If they are negotiating with an in-group member, the strategy is bound to be collaborative. They use a group defending and competitive strategy to preserve the group from outside. In the meantime, individualistic people do not make in and out-group differences. Moreover, they do not pay attention to the creation of a group (Brett, 2001). It seems that individualistic people are not willing to change their strategy whoever they are negotiating with. Hofstede (1981) demonstrated that individualistic people are known for searching personal achievement and performance, and are also pursuing high personal goals for themselves. We can deduce that in a negotiation, their attitude would be to generate as much profit as possible for themselves. This is typically an attitude of a competitive strategy. This deduction is comforted by Money (1998) who argued that those people have a tendency to reject acceptable but suboptimal agreements.

We can then conclude that collectivist people will tend to have a more collaborative and problem solving approach (PSA) unless they are facing a negotiation in which the group is attacked. Then, it would be a more competitive negotiation style. Individualistic behaviour by overemphasizing the importance of personal achievement, will try to maximize profit in negotiation. Brett (2001) underscores that it does not mean that individualistic will always look for competitive behaviour, but will have an individualistic behaviour in the strategy with more concern for competition.
**Uncertainty avoidance**

Hofstede (1981), points out that people from strong uncertainty avoidance are very risk averse in comparison to people from weak uncertainty avoidance. Moreover, people from strong uncertainty avoidance are very suspicious with foreigners and have a low readiness to compromise, while people from weak uncertainty avoidance are more open to foreigners and consider a wide range of opinions (Elahee, Kirby and Nasif, 2002).

Therefore, people from strong uncertainty avoidance, express a deeper concern for the outcome of the negotiation. Their low readiness to compromise and suspicion for foreigners make them reluctant to adopt a competitive approach. Likewise people from weak avoidance are considered to be more open and also more willing to compromise with foreigners. We can deduce that these people will adopt a more collaborative approach.

We can conclude that people from strong uncertainty avoidance will adopt a competitive strategy when the uncertainty is high in order to avoid it, while people from weak uncertainty avoidance will adopt a problem solving approach.

This is not definitive. What we would like to point out here, is that people from strong uncertainty avoidance will have a deep focus and look in the outcome. Then, a situation where events are unforeseeable will foster them to seek for the approach in which the uncertainty is the lowest.

Because of their openness to foreigners, negotiators from a weak uncertainty avoidance level have a tendency to privilege collaboration. Nonetheless, these kinds of negotiators have no fear to use one or the other strategy according to the situation.
Power distance
The power distance dimension of culture is also very helpful for this variable of the negotiation. Graham, Mintu and Rodgers (1994) stated that the problem solving approach will be more effective when power relationships are equal and when interpersonal relationships are sought. This situation is usually more sought in a small power distance society. The status is not the predominant concern and people are treated equally. We can deduce that in small power distance societies, negotiators will have a tendency to use a problem solving approach rather than a competitive strategy.

Then, in large power distance culture, the PSA will not be very effective in comparison with small power distance culture regarding the overemphasizing importance of status. Additionally negotiation will be considered as competitive if negotiators do not share the same status. In fact, negotiators from large power distance do not consider their counterpart equally if the statuses are different. In order to emphasize on the status differences and to win more than a negotiator whose status is lower, negotiator from large power distance will adopt a competitive style. However, if the counterpart has the same function in his company, i.e. equality in status, the strategy sought will be collaborative.

Masculinity versus femininity
The masculinity versus femininity gives us an interesting insight about the consideration of the concept of negotiation in these two different cultures. Hofstede (1981) wrote that masculine cultures emphasize on competition and performance while feminine cultures emphasize on equality and harmony. Moreover, masculine societies perceive negotiation as a game whereas negotiators from femininity cultures tend to perceive negotiation as a process, as an interaction (Mintu-Wimsatt and Gassenheimer, 1995).
As a result we can deduce that masculine cultures will tend to adopt a competitive strategy where they would be able to maximize their outcomes and be in competition. People from feminine cultures will adopt a collaborative strategy where equality and harmony is respected.

**High versus low context culture**

Finally, the last meaningful variable is high versus low context culture (Hall and Hall, 1990). People from high context cultures will avoid to lose face at all cost when people from low context culture do not have a real concern for face saving (Grosse, 1992).

Consequently negotiators from high context cultures arguably will not accept a competitive strategy in which they can loose some profits. They will try to use the strategy that makes them able to save the face. That is to say, negotiators will take on a competitive approach of the basic concept if they are in a more powerful position, and a cooperative approach if there is no real significance in power difference.

**Opportunism**

The strategy used is then highly dependent on cultural dimensions exposed. What is important to consider for the choice of strategy (i.e. collaborative or competitive) is the extent in which people will act opportunistically. Opportunism refers to the tendency of negotiators to maximize their gains at the expense of their partner. Rao and Schmidt (1998) suggest that a competitive frame is analogous to high opportunism, whereas cooperative frame suggests low negotiator opportunism. We can easily find opportunism in masculine, large power distance and individualistic cultures. On the other hand, culture acting friendly and privileging equality, that is to say feminine and small power distance will generally use cooperative strategy (Rao and Schmidt, 1998).
It is however not possible to be systematic and to affirm that one culture uses one specific strategy, and consider one way to win. In the following table, we will summarise the different strategies used according to the cultural differences.
<table>
<thead>
<tr>
<th>Cultural dimensions</th>
<th>Strategy that may stemmed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Power distance:</strong></td>
<td></td>
</tr>
<tr>
<td>Large</td>
<td>Using competitive strategy if status is different.</td>
</tr>
<tr>
<td>Small</td>
<td>No concern for the status differences.</td>
</tr>
<tr>
<td><strong>Uncertainty avoidance:</strong></td>
<td></td>
</tr>
<tr>
<td>Strong</td>
<td>Use the strategy where the risk to lose is the lowest.</td>
</tr>
<tr>
<td><strong>Individualism/collectivism:</strong></td>
<td></td>
</tr>
<tr>
<td>Individualism</td>
<td>Competitive for the gains</td>
</tr>
<tr>
<td>Collectivism</td>
<td>Competitive if out-group members, otherwise collaborative.</td>
</tr>
<tr>
<td><strong>Masculinity/femininity:</strong></td>
<td></td>
</tr>
<tr>
<td>Masculinity</td>
<td>Negotiation is perceived as a competition.</td>
</tr>
<tr>
<td>Femininity</td>
<td>Negotiation is perceived as collaboration.</td>
</tr>
<tr>
<td><strong>High context culture:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Depends on the power of the counterpart, if high: competitive, if weak: collaborative.</td>
</tr>
</tbody>
</table>
4.2.2 Criteria for selecting negotiators

In this part we will explore the relationship between the cultural dimensions and criteria for selecting negotiators. Because negotiators do not possess the same culture, we can suppose that their choice of selecting negotiators differs. However, it is admitted that negotiator skills are diverse. It can be related to status, personal attributes or even experience.

In a negotiation, expectations are different from one country to another (Hendon, 1996) while all people try to reach a satisfactory outcome, the ways to attain these outcomes may differ. So, the stemming question would be which criteria would be used to select negotiators in a given country?

Masculinity versus femininity

People from masculine and feminine cultures have a different perception of selecting negotiators. This variable is of use for the focus on equality among genders. Participation is taken for granted as well as equality among genders in feminine cultures. As a result, there is no difference for them to negotiate in front of a woman or a man. Nevertheless, this may bring serious differences in masculine societies, especially in Japan, Latin America or the Arab world. Not only would they predominantly send men in their negotiation teams, but if the opponent team is composed of women, they would feel strengthened. Women are indeed not as equally considered as men and they are not as respected or listened to in certain countries.

Individualism versus collectivism

The main difference between collectivistic countries and individualistic countries may be the number of participants in the team negotiation (Hendon, 1996). Collectivistic countries are more willing to send large delegations of individuals to conclude the deal. However, this may be a threat for
individualistic countries that are used to sending small teams. A large team may be advantageous in the sense that it allows negotiators to divide tasks during the negotiation process. Nonetheless, sending large team may be a serious disadvantage for individualistic negotiators who may not work well together or have not agreed upon positions. Sending large teams requires consensus and coordination that is mostly found in collectivistic countries.

**Power distance**

The difference pointed out between large power distance culture and small power distance culture, may definitively be the criteria for selecting negotiators such as experience, status and age (Hendon, 1996). A large power distance culture is characterised by a significant importance accorded to experience, status and age as Hofstede (1981) told us. As a result, a company belonging to a large power distance culture may send a team composed of individuals excelling in these criteria. In East Asian cultures, typically large power distance cultures, negotiators are always chosen according to their previous experiences and their status in the company. It is common to negotiate with an old and experienced negotiator and it is especially true when the negotiation has a great importance for the strategy of the company. However, negotiators from large power distance cultures may lose face if they negotiate with younger people who do not share the same status in the other company. In the United-States, the negotiating team is often chosen on the basis of substantive knowledge of the issues at the table. As Hendon (1996) noted, they may not be well received by large power distance team, because it is difficult for these ones to believe that somebody so young has the decision making authority.
Time orientation

This last variable of Hofstede (1981) helps us also to understand the differences in the selection of negotiation teams. According to their action of belonging to long term or short-term oriented cultures, members of the team may change remarkably. People from long-term orientation are indeed subject to change their team easily due to their view of time. As Hendon (1996) noted, in long term oriented cultures, discussions may be started with one manager and proceed with a different one for the next session. Whereas in short term cultures people tend to select specific negotiators for specific negotiations. It may be frustrating for short term oriented cultures to see new negotiators every time. Firstly it is because of the importance to keep track of what has been negotiated and secondly each negotiation team from long-term orientation culture may ask a little gain of the contract and at the end, you may lose everything. It is like the salami technique. You have salami and if someone tries to take it all at once, you would fight or leave. But you will not fight that hard for just one slice of salami. So the first team takes a slice. Then, the next team takes a slice. Then, the next team takes a slice, and so on, until they have your entire salami. This technique may be used by long term orientation cultures but also by large power distance cultures, where negotiators have to refer to their superior or to somebody else.
<table>
<thead>
<tr>
<th>Cultural dimensions</th>
<th>Criteria selecting negotiators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Masculinity/femininity:</strong></td>
<td></td>
</tr>
<tr>
<td>Masculinity</td>
<td>Women are under considered and negotiating with them may weaken the position of the opponent.</td>
</tr>
<tr>
<td>Femininity</td>
<td>Equality among genders, no problem to negotiate with men or women.</td>
</tr>
<tr>
<td><strong>Individualism/collectivism:</strong></td>
<td></td>
</tr>
<tr>
<td>Individualism</td>
<td>More willing to send small negotiations teams.</td>
</tr>
<tr>
<td>Collectivism</td>
<td>Negotiations teams are larger in order to divide tasks.</td>
</tr>
<tr>
<td><strong>Power distance:</strong></td>
<td></td>
</tr>
<tr>
<td>Large</td>
<td>Negotiators are selected from status, experience and age.</td>
</tr>
<tr>
<td><strong>Time orientation:</strong></td>
<td></td>
</tr>
<tr>
<td>Short time oriented</td>
<td>The team remains the same from the beginning to the end of the negotiation.</td>
</tr>
<tr>
<td>Long time oriented</td>
<td>Negotiation team may change often during the negotiation.</td>
</tr>
</tbody>
</table>
4.2.3 Issues stressed

In this part, we will expose the link between the cultural dimensions and the issue stressed. The issue stressed in the negotiation process may either be the deal or the relationship.

Individualism versus collectivism

Mintu (2000) reveals that collectivistic countries contrary to individualistic countries have a preference to build and maintain relationships. In collectivistic cultures, relationship is primordial in the negotiation process. Hence collectivistic countries try to build relationships prior to the deal concern. As noted earlier, people from collectivistic countries make a strong difference between in-group and out-group members. Then this may be more tangible in negotiation that includes two collectivistic cultures or somebody belonging to the group; negotiation is expected to last longer. Those negotiators will set up higher and deeper relationships. The time devoted to the non-deal focus to negotiation is longer.

At the opposite people from individualistic cultures tend to be more concentrated on the deal than on relationships (Deresky, 1997). What we should understand here, is that individualistic cultures are not relationships averse, but their relationships are not as profound and intense as collectivistic cultures.

The dyadic individualistic versus collectivistic is not a definitive splitting between relationship and deal focus, but relationships in collectivistic cultures tend to have greater profoundness and importance.

Uncertainty avoidance

Due to their risk aversion (Hofstede, 1981), people from strong uncertainty avoidance are more interested in developing relationships than negotiators
from weak uncertainty avoidance cultures. The reason is that the relationship is the basic step to reach the primary concept of trust. However, we have to wonder at the genuineness of these relationships and if these relationships are nothing but a kind of opportunism in order to achieve a situation where the future is structured.

**Masculinity versus femininity**

Money (1998) provides us in his research a worthwhile approach. According to this author, negotiators from low masculinity (i.e. high femininity) emphasize on relationships and harmony. At the contrary, masculine societies tend to emphasize competition and, in that sense, do not consider relationships building as very important.

Graham, Mintu and Rodgers (1994) fortify this idea with their research paper. They deduced that the behaviour of business people from masculine cultures are willing to be less nurturing in relationship building than in feminine cultures.

We can state that people from masculine societies will build weaker and more fragile relationships than people from feminine societies.

**Time orientation**

Graham, Mintu and Rodgers (1994), have confirmed that negotiators from long time orientation perspective are willing to order relationships by status, while negotiators in short time orientation would behave in accordance with reciprocation of greetings, favours and gifts (Hofstede, 1981). The two orientations provide a difference in the significance for relationships building. While long-term orientation people would see relationship as an important process for a future result, people from short time orientation would put importance in relationship since it provides direct meanings and interests.
People from long-term orientation cultures are then willing to build relationships in a worthy way, where the relationship is true and provide friendship in the future. At the contrary, people from short-term orientation cultures will build relationships as long as it provides direct results for an immediate interest.

**High versus low context culture**

According to Grosse (1992) negotiators from low context cultures want to get to the heart of the matter quickly, whereas people from high context cultures want to spend time developing contact and trust before addressing business details. Graham, Mintu and Rodgers (1994) also proved that people from high context cultures are more consistent with relationship building where personal relations are important.

We can then deduce that people from low context cultures would be more interested in the deal rather than in the relationship building. People from high context cultures are more concerned by relationship building.

**Monochronic versus polychronic**

Likewise, people from monochronic cultures tend to pay slight undivided attention to the discussion of the potential contract; however, negotiators from polychronic cultures feel uncomfortable if they do not simultaneously take care of other business affairs (Grosse, 1992).

What we can deduce is that monochronic cultures, will focus primarily on the deal, but may also pay attention on relationship building. However, when they pay attention to the deal or relationship building, they concentrate on it. On the contrary, people from polychronic cultures may give attention to the deal and relationship building at the same time.
We can conclude that different cultures value differently the amount of time devoted to relationship building. This is more a matter of orientation than really a definitive separation. Business people with a deal-focus orientation are of course building relationship, but not as profound or intense as business people with a relationship-focus.

Moreover, in some countries like India, Egypt or Saudi Arabia, the social contact developed between parties is more significant than the technical specifications and prices. For instance, in Latin America, the people they do business with, are more important than the company. This is the main distinction with people where the deal-focus orientation is more tangible. For instance, in the United-States, American people are more apt to size up the other side within the context that is “getting down to business”. This is illustrated by Hendon (1996) who noticed that American negotiate a contract, Japanese a relationship.

<table>
<thead>
<tr>
<th>Cultural dimensions</th>
<th>Issue that may stressed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individualism/collectivism:</strong></td>
<td></td>
</tr>
<tr>
<td>Individualism</td>
<td>No differences in relationships with people from outside the group and inside.</td>
</tr>
<tr>
<td>Collectivism</td>
<td>Intense relationships, even more in in-group members.</td>
</tr>
<tr>
<td><strong>Uncertainty avoidance:</strong></td>
<td></td>
</tr>
<tr>
<td>Strong</td>
<td>Build relationships in order to minimize uncertainty.</td>
</tr>
<tr>
<td>Cultural dimensions</td>
<td>Issue that may stressed</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Masculinity/femininity:</strong></td>
<td></td>
</tr>
<tr>
<td>Masculinity</td>
<td>Perception of the other as a competitor. Deal orientation.</td>
</tr>
<tr>
<td>Femininity</td>
<td>Attracted to relationships.</td>
</tr>
<tr>
<td><strong>Time orientation:</strong></td>
<td></td>
</tr>
<tr>
<td>Long time orientation</td>
<td>Relationships as something worthy, durable, future oriented.</td>
</tr>
<tr>
<td>Short time orientation</td>
<td>Relationships as something reciprocal, exchange of gifts…</td>
</tr>
<tr>
<td><strong>High/low context culture:</strong></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>Relationships focus oriented.</td>
</tr>
<tr>
<td>Low</td>
<td>Deal focus oriented.</td>
</tr>
<tr>
<td><strong>Monochronic/polychronic:</strong></td>
<td></td>
</tr>
<tr>
<td>Monochronic</td>
<td>Relationships or deal are important and focused.</td>
</tr>
<tr>
<td>Polychronic</td>
<td>Relationships or deal are important but not the only focus.</td>
</tr>
</tbody>
</table>
4.2.4 Protocol

The iron rule of international business is extremely important in this part: the visitor has the responsibility to understand local business customs and practices. International negotiators who flagrantly violate this rule risk alienating their local counterparts (Gesteland, 1999).

A good starting point is to learn as much as possible about local sensitivities before visiting a particular market. According to Gesteland (1999) protocol process includes the following elements: dress code, punctuality perception, non-verbal greetings, verbal greetings, form of address, exchanging business cards, exchanging gifts, sitting manners, bribery and corruption.

High versus low context culture
Usually in high context cultures, people are used to respect the protocol because it is meaningful and reveals some particularities, the dress code evoking for instance the hierarchy level. Additionally, they also pay attention to verbal and non-verbal greetings. Communication style will be treated with alertness because it reflects respect to people.

In low context cultures, they do not have a great interest in the protocol as high context cultures could have. They are used to go straight to the point so they do not need any emphasis on politeness to establish a deal or an agreement.

Monochronic versus polychronic
In polychronic groups, people are used to do several things at the same time. So they concentrate their efforts to concede a great interest to all details of the protocol process. Then they will not forsake any steps but they are supposed to have a global overview.
In monochronic groups, people prefer doing one thing at the same time. By this way it is possible for them to lead only one element of the protocol at the same time.

**Power distance**
In large power distance cultures, people express a great respect and distance toward the hierarchy system. So they are used to place a great emphasis on what they are doing and especially how they are doing it. For instance dress code has to be formal, punctuality may also occur as a proof of respect. But the most significant element will be the way of address to superiors with the use of “vouvoiement” when the language permits it.

In small power distance, the previous detail does not make any sense. Actually people do not have the same perception of hierarchy, consequently they do not have to manifest or even express any excessive marks of respect. Informal communication does not have any irreversible implications.

**Uncertainty avoidance**
In strong uncertainty avoidance groups, protocol will be highly important. They are used to stick to the formal protocol to optimise the avoidance of risk. Moreover, protocol is an element of structuring the unexpected. In that way, it is for sure that none other factors will intervene because everything will be planned and nothing spontaneous will arise. They need a perfect control of the situation to feel secure during all the negotiation process.

Moreover in a weak uncertainty avoidance context, actors will focus on the protocol for the future outcomes that it represents, sincerely not for the way to act.
Masculinity versus femininity

A feminine group oriented manifests a diverse interest in protocol contrary to a masculinity group. It tends to be more employee-oriented and in the negotiation process that feeling is transmitted by sticking to the protocol. In that way, they can assure to provide a certain comfort to the other part and be sure that the other side will not be disturbed by local habits. This is why they prefer keeping a neutral way of doing, transmitted by a use standard protocol.

A masculinity group oriented will favour a regular talk without too many accessories included in the protocol. They only seek for result, not for personal relationships.
<table>
<thead>
<tr>
<th>Cultural dimensions</th>
<th>Protocol</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High /low context culture:</strong></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>Protocol is meaningful, so people have to respect it.</td>
</tr>
<tr>
<td>Low</td>
<td>They do not care so much of the protocol but are used to be straightforward.</td>
</tr>
<tr>
<td><strong>Monochronic/polychronic:</strong></td>
<td></td>
</tr>
<tr>
<td>Monochronic</td>
<td>Concentrate on only one detail of the protocol at the same time.</td>
</tr>
<tr>
<td>Polychronic</td>
<td>Do not stress on entire details of the protocol.</td>
</tr>
<tr>
<td><strong>Power distance:</strong></td>
<td></td>
</tr>
<tr>
<td>Large</td>
<td>People are so respectful to hierarchy that they are really cautious in the way they address people or they are dressed.</td>
</tr>
<tr>
<td>Small</td>
<td>No excessive marks of respect, informal way of addressing people.</td>
</tr>
<tr>
<td><strong>Uncertainty avoidance:</strong></td>
<td></td>
</tr>
<tr>
<td>Strong</td>
<td>Protocol has to minimize the risk.</td>
</tr>
<tr>
<td>Weak</td>
<td>Protocol is oriented to the future outcomes and not on the uncertainty aspect.</td>
</tr>
<tr>
<td><strong>Masculinity/femininity:</strong></td>
<td></td>
</tr>
<tr>
<td>Masculinity</td>
<td>Prefer regular talks without accessories as protocol provides.</td>
</tr>
<tr>
<td>Femininity</td>
<td>Protocol has to provide the comfort of the counterpart.</td>
</tr>
</tbody>
</table>
4.2.5 Communication

In a cross-cultural context when two persons are communicating, each of them has his cognitive world and cultural conditioning (Herbig and Gulbro, 1997). Cognitive frames may differ from culture to culture. Cognition is probably shared by all people across cultures, but cognitive schemes and frames cannot be assumed to be identical in all cultures. What is rational and logical differs from cultures (Adler et all, 1996). That means all cultures do not define rational and logical in the same way. Their manners to express feelings are really different according to cultural dimensions.

Consequently, communication is a crucial component to stress on, especially in a cross-cultural context (Mintu-Wimsatt and Gassenheimer, 2000). Otherwise difficulties and communication problems could come up (Francis, 1991).

Additionally communication is a process where the initial message can be interpreted in different ways mainly because the interpretation differs from cultures. Even if the message is supposed to follow a neutral scheme, the content will be interpreted many times between the source and the receiver (Figure 5-Shannon and Weaver’s scheme, 1949).
As it is described in the scheme, the initial message undergoes a progressive way where several factors as the personal interpretation or the noise source can intervene.

Then when people do not have the same cultural backgrounds (as it occurs in cross-cultural negotiation) the deviation between the emitted message and the received message is accentuated. Moreover communication is a dynamic process whereby human behaviour, verbal and non verbal included, is perceived and analysed.

Communication is composed of three fundamentals:

- Verbal communication: Has to do with words and the meaning of words
- Non verbal communication: Assists the interpretation of verbal messages throughout some key elements:
  - Proxemics: spatial behaviour, interpersonal distance
  - Haptics: touch behaviour
  - Oculesics: gaze behaviour, eye contact
  - Kinesics: body movement, gestures
- Paraverbal communication: is related to body language, the way we communicate using any words at all.

So we decided to analyse communication variable through cultural dimensions completed by the transversal approach.

**High versus low context culture**

In high context cultures a larger portion of the message is left unspecified and accessed through the context. So less information is contained in verbal expression. Exchange of ideas will be really subtle because counterpart has to apply a between lines interpretation of what is said. Therefore they are really expressive and their non-verbal communication transmits their thoughts. They are not used to hide their emotions, so body language is highly rich and varied. The paraverbal as the ton of the voice will easily be connected to what they sincerely think. Consequently, one can read through the gesture of Italian people, a typically high-context culture, what they think because most of the message is not verbally expressed. At the same time, the ton of their voice translates also their thoughts, for instance an aggressive ton of voice may manifest an extreme disagreement. Then natives of high context culture are famous for implicit conclusion from informal interaction.

Concerning the distance separating counterparts, high context cultures are used talking really close to other, respecting an average distance of 20-35cm: they are tactile people.

In low context culture, messages are expected to be explicit and specific. Formal communication is the standard of reference for discussion. They place a great emphasis on what is verbally expressed. What is not said cannot be guessed; consequently they focus on what could be clearly understood. Directness and frankness are synonyms of honesty and sincerity (Gesteland,
1999). That is the case of Swedish and German people who use a blunt language. Japanese people do not understand why Westerners talk so much and often appear to contradict each other on the bargaining table. They believe in mutual understanding and are adept of the analysis of non-verbal behaviour (D. Hendon, R. Hendon and Herbig, 1996). They also hide negative emotions because they fear rudeness and offensive reaction of the other side. Consequently verbal expression and paraverbal communication are quasi inexistent. In the United States for instance, we will never observe any negotiator making a lot of gesture instead of saying what he deeply thinks. They are also reputed to discuss from a certain distance to each other, of almost 40-60cm. That fits in their conception of the need of space to discuss, not being so close. Then eye contact is moderate as well as the touching behaviour.

**Monochronic versus polychronic**

In that part we tackle dissimilar perceptions of time in monochronic and polychronic oriented cultures.

Monochronic groups have a linear temporal orientation of time that affects communication. In those geographic areas, people value response in discussions with little introductory phrase or politeness. They behave in that way due to their time conception. They talk in a concise style not to waste any time. Then they fragment tasks into predetermined units of time to schedule the negotiation. Time is a real constrain that they have to face and consequently adapt their way of doing on it. In North America, time is considered as a scarce resource. Contrary to monochronic cultures, polychronic cultures have a flexible view of time.
**Power distance**
Communication in intercultural negotiations is also shaped by the power distance. The influence of power distance on the communication variable is however, more evident within large power distance cultures. People from large power distance emphasize on status difference and hierarchical importance. As a result, in large power distance countries, according to who is negotiating with, one may use different manners. In France, a typically large power distance country, when negotiating with somebody, whether he is a superior or not, one may use the “vouvoiement”. People often communicate with each other with distance, which may be accentuated if the negotiator from large power distance is facing a negotiator who is from a lower decisional level. Large power distance requires formal communication. At the contrary, in small power distance cultures, there is no such kind of difference within the negotiation. The communication style is direct.

**Uncertainty avoidance**
One can note the influence of the uncertainty avoidance variable in the communication style because of their willingness to minimize risks, people from large uncertainty avoidance will use different forms of speech. They may use conditional form to be more cautious about what they are saying. At the contrary, when people from weak uncertainty avoidance are expressing themselves, they express their deep thoughts with heavy meanings. Their thinking shows their determination feeling, that attitude can include an authoritative approach.

**Individualism versus collectivism**
When people are from collectivistic cultures, they place a great emphasis on intra relationships; as a consequence they feel more comfortable to deal with their network than out-group people. Additionally these kinds of people tend to
involve all their colleagues on the deal because everyone is a part of the group. Consequently when they have to deal with strangers, group-oriented people will be colder and more cautious.

On the other side, in individualistic cultures, people are used to stress their independence from the group. That manifests their autonomy and self-involvement. So whomever they are communicating with, their way of addressing people sounds is personally appropriated.

**Masculinity versus femininity**

A feminine way of communication will be characterized by cautious expressing manners, giving the top priority to maintain harmony and promote smooth relationships. They, for example, pay a lot of attention on what they are saying and watch carefully what is said to avoid embarrassing the counterpart.

A masculine communicative style is determined; it is be rude and straightforward due to their main concern: beneficial results. So they will not look for a comfortable communicative style but an efficient one.

Whatever the communication style is used throughout the process, the verbal communication is applied as an instrument of achievement.
<table>
<thead>
<tr>
<th>Cultural dimensions</th>
<th>Communication</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High/low context culture:</strong></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>Less information is contained in the message. Non-verbal and paraverbal</td>
</tr>
<tr>
<td></td>
<td>communication express their thoughts.</td>
</tr>
<tr>
<td>Low</td>
<td>Verbally expressed, formal communication. Non-verbal communication is not useful</td>
</tr>
<tr>
<td></td>
<td>because frankness is enough to get the point.</td>
</tr>
<tr>
<td><strong>Monochronic/polychronic:</strong></td>
<td></td>
</tr>
<tr>
<td>Monochronic</td>
<td>Direct approach, short introductory phrase.</td>
</tr>
<tr>
<td>Polychronic</td>
<td>Need a huge speech before starting the negotiation.</td>
</tr>
<tr>
<td><strong>Power distance:</strong></td>
<td></td>
</tr>
<tr>
<td>Large</td>
<td>Indirect communication accentuates differences of status.</td>
</tr>
<tr>
<td>Small</td>
<td>Direct communication.</td>
</tr>
<tr>
<td><strong>Uncertainty avoidance:</strong></td>
<td></td>
</tr>
<tr>
<td>Strong</td>
<td>People use cautious language, conditional mode.</td>
</tr>
<tr>
<td>Weak</td>
<td>They react immediately with spontaneous arguments which creates the risk</td>
</tr>
<tr>
<td><strong>Individualism/collectivism:</strong></td>
<td></td>
</tr>
<tr>
<td>Individualism</td>
<td>Communication style is personally appropriated.</td>
</tr>
<tr>
<td>Collectivism</td>
<td>Communication starts easily if in-groups negotiators. May be cold with out-group</td>
</tr>
<tr>
<td></td>
<td>people.</td>
</tr>
<tr>
<td><strong>Masculinity/femininity:</strong></td>
<td></td>
</tr>
<tr>
<td>Masculinity</td>
<td>Say what they think without paying attention to emotional consequences.</td>
</tr>
<tr>
<td>Femininity</td>
<td>People pay attention not embarrassing their counterpart by their speeches.</td>
</tr>
</tbody>
</table>
4.2.6 Nature of persuasive arguments

The persuasion within a discussion can be expressed itself though the use of a variety of different types of arguments. Some of them rely on facts and logical arguments, others on the way things were done by the past, others on intuition or emotion.

Before any negotiation, the design of the strategy is an important step because that determines the choice of the adopted tactic. Thus, reaching the right person with the right arguments, that permits the negotiator a maximum impact on the process to yield a sustainable deal (Sebenius, 2002).

High versus low context culture

Argumentation in global negotiations involves a blend of logic, emotion and dogma. Therefore, negotiators tend more often to use one of those elements according to their need of conviction (D. Hendon, R. Hendon and Herbig, 1996).

Dogma arguments are used by negotiators from low-context cultures in order to convey the impression of giving indisputable truth. For example, Americans expect rational arguments to be convinced (French, Hasslein and Robert van Es, 2002).

High context cultures prefer using a logical reasoning to convince their counterpart. So they use substantive proofs, empirical results or factual evidences. They apply a deductive reasoning as for instance French bargainers whose argumentation reveals particular skills and mastery of logic on an intellectual accomplishment worthy of great respect (D. Hendon, R. Hendon and Herbig, 1996). One other trait of high-context cultures is their focus on emotion especially in Latin cultures. Emotion as substance in the nature of persuasive arguments implies evidences from historical and cultural tradition.
In the Mexican culture, emotion and drama carry more weight than logical arguments (D. Hendon, R. Hendon and Herbig, 1996).

**Masculinity versus femininity**

Dean Rusk (D. Hendon, R. Hendon and Herbig, 1996) said that one of the best way to persuade other, is with your ears-by listening that is to say that, to convince people the listening capability is one of the main basic requirements of a negotiator. But each counterpart has his own argumentation, which has to be adapted according to the other’s arguments. Then, through the bargaining, it is essential to integrate what are the expectations of the other part to suggest a valuable proposition. This is a typical solving approach with a femininity orientation.

A masculinity approach will focus on the results and profits of their own part without stressing on the counterpart satisfaction. They are task-oriented and that particularity is apparent. So they will definitively not focus on the comfort or the satisfaction dimension of the other part, but only their own interests and profits. They would be willing to listen but mostly to enforce their arguments.

**Individualism versus collectivism**

An individualistic oriented negotiator tends to involve only himself in the argumentation. When he negotiates an agreement for the firm that he belongs to, he makes a strict difference between his personal obligations and the firm ones. His discourse never includes any group ties but only personal responsibilities.

Collectivistic negotiator constructs his argumentation with his personal argument and mixed it with the group implication. Then the proposal argument will reflect a general consent of preserving harmony, avoiding loss of face and gaining the agreement of all people involved.
The nature of arguments used through the process might influence the outcomes of the negotiation.

<table>
<thead>
<tr>
<th>Cultural dimensions</th>
<th>Nature of persuasive arguments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High/low context culture:</strong></td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td>Rational/dogmatic argumentation is preferred.</td>
</tr>
<tr>
<td>High</td>
<td>Deductive/Emotional reasoning is mainly used.</td>
</tr>
<tr>
<td><strong>Femininity/masculinity:</strong></td>
<td></td>
</tr>
<tr>
<td>Femininity</td>
<td>People are more willing to listen to the arguments of the other part.</td>
</tr>
<tr>
<td>Masculinity</td>
<td>People would more enforce their own argumentation at the expense of the other part.</td>
</tr>
<tr>
<td><strong>Individualism/collectivism:</strong></td>
<td></td>
</tr>
<tr>
<td>Individualism</td>
<td>Nature of the argument involves only the decision maker. They are personal oriented.</td>
</tr>
<tr>
<td>Collectivism</td>
<td>Reference to the group in the nature of persuasive agreements.</td>
</tr>
</tbody>
</table>
4.2.7 Role of the individual

Individuals are involved differently in the negotiation process according to their driving motivations. In some groups, individuals are seen as important and their particular role will determine the outcome of the negotiation. In other groups individuals are considered as subordinated to the home negotiating party and their ambitions are contained. Individuals can have a collective implication (individual value added) on the process or only a personal and individual dimension. As Hendon (1996: 95) noted:

“*You clearly need to know people’s negotiation authority. If you underestimate it, you may lose the deal. If you overestimate it, you may weaken your bargaining position*.”

**Individualism versus collectivism**

In a collectivistic culture, your identity belongs to the group to which you are a part of. The group would have to reach a consensus on any decisions. The individual in the group would avoid making individual decisions. So, we deduce that in a collectivistic group oriented culture, the role of the individual sticks to the group needs and expectations. He thinks through the group spirit and he only acts to create or to maintain the group interest. As Mintu-Wimsatt and Gassenheimer (2000) noted, negotiators from collectivistic cultures could sacrifice their own interests for the group’s benefit. People are interdependent to each other. The opinion of everyone is required in the ideal case, and they prefer finding a compromise. Moreover while doing business with negotiators from a collectivistic culture, it is necessary to convince the whole group and not only one individual.
Individualistic negotiators are highly concerned by their own interests. They are looking for the best contract for themselves and their company; they are not so concerned with the satisfaction of the other part. That accounts for the statement of Fisher (Volkerma and Fleury, 2002): “Individuals frequently take hard position to protect their interests, even sacrifice their ethic when stakes are high”. When the bargaining team is composed of the several individuals, one of them is bound to take the final decision.

**Power distance**

The power distance will also influence the role of the individual within a culture. Large power distance is affected by the overwhelming presence of status and protocol. Then, in large power distance, it is expected that the role of the individual increases with the importance of status. In small power distance cultures, there are no such differences and nobody seems to have a greater role.

**Uncertainty avoidance**

People from strong uncertainty avoidance cultures emphasize on the importance of structure to avoid the possibility of risks. In that culture, the individual will have a clear and defined role. In weak uncertainty avoidance cultures, there is no such importance accorded to the structure. Roles are not that determined, and it is possible to find somebody who will try to reinforce his role at the expense of others.
<table>
<thead>
<tr>
<th>Cultural dimensions</th>
<th>Role of the individual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individualism/collectivism:</strong></td>
<td>Sounds often with personal interests. Group oriented, group interest are prevailed.</td>
</tr>
<tr>
<td>Individualism</td>
<td></td>
</tr>
<tr>
<td>Collectivism</td>
<td></td>
</tr>
<tr>
<td><strong>Power distance:</strong></td>
<td>Role of individual increase with the hierarchical level. No such differences.</td>
</tr>
<tr>
<td>Large</td>
<td></td>
</tr>
<tr>
<td>Small</td>
<td></td>
</tr>
<tr>
<td><strong>Uncertainty avoidance:</strong></td>
<td>Roles are defined. Risk of opportunism.</td>
</tr>
<tr>
<td>Strong</td>
<td></td>
</tr>
<tr>
<td>Weak</td>
<td></td>
</tr>
</tbody>
</table>
4.2.8 Basis of trust

When negotiating in an intercultural environment, trust becomes an absolute necessity to be able to make proposal and therefore to reach an outcome. However, each individual may establish trust on a different basis (Hendon, 1996).

In this part, we will highlight how culture through the cultural dimensions influences over the process of establishing trust.

As Soule (1998) noted trust is also a necessary precedent for long term relationships. Moreover, trust can be conceptualised as a belief, confidence, sentiment or expectation about an exchange partner’s intentionality or likely behaviour (Anderson and Weitz, 1990). People often conceive an exchange relationship based on their own values. And the level of trust they place in an exchange partner is likely to increase if they find value congruence with that partner (Jones and Georges 1998). We can summarize it, by saying that trust is the link between two individuals in any kind of interaction.

Trust is then an unavoidable variable of the negotiation process. Besides its influence on the negotiation process, trust also has a deep influence on other variables of negotiations. Moreover trust prevents dishonest behaviour.

The stemming question is then: how will a culture shape trust? How will culture determine the degree of confidence negotiators are willing to place in others? We will try to answer it through the cultural dimensions.

Individualism versus collectivism

We noted earlier that collectivistic people behave very differently toward out-group as compared to in-group members. Moreover, Hsu (1983) wrote that while collectivistic negotiators are very trusting and empathic toward their in-group members and behave very cooperatively with them, they tend to be very suspicious with foreigners, and are not willing to display trust easily. On the
other hand, people from individualistic cultures do not make distinctions between in-group and out-group members.

It can therefore be concluded that collectivistic people are prone to place more trust in a domestic negotiator than they would place in a foreign negotiator. In the other hand, individualistic people, who are not making differences between out and in-group members, will not change their way of displaying trust with negotiators whoever they are.

In an international negotiation, where negotiators are facing people from different cultures (i.e. foreigners), if somebody from a collectivistic culture negotiates with out-group members (the group can be family, nation, club, organization), they would be very mistrustful. If they negotiate with somebody from the same group, the trust atmosphere would be more willing to settle down. This notion of trust is omnipresent in the in-group members of collectivistic people.

**High versus low context culture**

People from low-context and high-context cultures display their trust toward people in different ways (Hsu, 1983). People from low-context cultures are more straightforward and explicit in their dealings; moreover they are less concerned with the loss of face compared to people from high-context cultures (Hall, 1976). People from high-context cultures are mistrustful because they are afraid of losing face, which is not a problem for low-context cultures people. As a consequence negotiators from low-context cultures are likely to place more trust in a foreign negotiators from high-context cultures would.

**Uncertainty avoidance**

As we already pointed out, folks from strong uncertainty avoidance are suspicious of foreigners. Weak uncertainty avoidance cultures tolerate a wide range of opinions and behaviours, which is not the case of strong uncertainty
avoidance people (Kale and Barnes, 1992). Therefore, people from weak uncertainty avoidance cultures, as opposed to people from strong uncertainty avoidance cultures, are more likely to be open to foreigners, even though foreigners may have different opinions and behavioural patterns. Thus, comparing weak and strong uncertainty avoidances to their particular way of displaying trust, negotiators from strong uncertainty avoidance cultures are likely to show less trust toward negotiators from foreign countries.

**Power distance**

Power distance within a society often shows how much trust a person is willing to place in another person. Doney et al. (1998) argued that the incidence of opportunism and coercion, which breeds unacceptable behaviour in a negotiation, is much higher in large power distance than in small power-distance countries. Therefore, people from large and small power distance are likely to exhibit diverse perceptions about ethical behaviour in international negotiations. In small power distance cultures, people are more likely to consult with others and act less opportunistically, whereas in large power distance societies, the exercise of power and use of coercion occur quite frequently (Kale and McIntyre, 1992). Doney et al. (1998) argued that opportunism, which signals an absence of mutual trust, is less likely in small power distance cultures. Therefore, in large power distance cultures, trust would be a more scarce resource when in small power distance cultures, trust is a quite established phenomena between parties.

We can conclude that trust is granted in specific way according to the cultural background. People from large power distance, high context cultures, strong uncertainty avoidance and collectivistic cultures will place less trust in foreign negotiators.
<table>
<thead>
<tr>
<th>Cultural dimensions</th>
<th>How trust is displayed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individualism/collectivism:</strong></td>
<td></td>
</tr>
<tr>
<td>Collectivism</td>
<td>Low degree of trust for out-group members, high degree of trust for in-group members.</td>
</tr>
<tr>
<td>Individualism</td>
<td>No particular differences.</td>
</tr>
<tr>
<td><strong>Uncertainty avoidance:</strong></td>
<td></td>
</tr>
<tr>
<td>Large</td>
<td>Place less trust in relationships.</td>
</tr>
<tr>
<td>Small</td>
<td>Place more trust in relationships than high UA.</td>
</tr>
<tr>
<td><strong>Power distance:</strong></td>
<td></td>
</tr>
<tr>
<td>Large</td>
<td>Presence of opportunism, trust is a scarce resource.</td>
</tr>
<tr>
<td>Small</td>
<td>Widely spread phenomenon.</td>
</tr>
<tr>
<td><strong>High/low context culture:</strong></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>Willing to place few trust in order to avoid to loss face.</td>
</tr>
<tr>
<td>Low</td>
<td>Willing to place more trust, no problems of face saving.</td>
</tr>
</tbody>
</table>
4.2.9 Risk taking propensity

The negotiation process involves a degree of risk taking because the final outcome is unknown when negotiation starts. People have various perceptions of the risk-taking propensity. Some groups view uncertainty and risk as relatively desirable when others perceive them as absolutely not desirable. Additionally, individuals may be open to new ideas and unexpected suggestions, whereas others prefer remaining within the expected boundaries and accustomed agreements. In other words, risk-taking propensity reflects the tendency to expose ourselves to unnecessary dangers. The relationship that some groups have toward the risk could influence negotiation styles. So we can wonder how people from a certain culture will try to value risk.

Uncertainty avoidance

The deep link with the uncertainty avoidance dimension seems clear because uncertainty avoidance relates the propensity of cultures to avoid risk or not. High uncertainty avoidance is often characterized by a need of structure, and spontaneity is not welcome because it draws upon uncertainty. Only a foreseeable and safety atmosphere is propitious to favourable conditions for negotiating. The Japanese case, a country considered to be a strong uncertainty avoidance culture, is a perfect illustration of that behaviour. Indeed, Japanese people need to control the situation to escape unexpected events. From a Japanese perspective harmony has been longingly established, consequently it is so precious that it may not be destroyed easily.

Additionally, many Latin cultures also reveal low risk taking propensity due to their fatalistic attitude toward the world. They are used to avoid bringing risky situations or facing negative elements to have a successful negotiation. Then
they tend to do business inside their network to reduce the potential risk taking in front of unknown partners. Consequently, the risk curve is reduced.

Therefore some people feel comfortable with risk taking, so they can easily run a risky challenge without anxiety feeling. However some other factors may intervene on that propensity. American people stick to that fact. They run a risk for their own personal interest and will be greet for results obtained.

<table>
<thead>
<tr>
<th>Cultural dimension</th>
<th>Risk taking propensity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Uncertainty avoidance:</strong></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>Characterized by the need of structure and planned decision.</td>
</tr>
<tr>
<td>Low</td>
<td>Spontaneity is expected to take risk even if it is not planned.</td>
</tr>
</tbody>
</table>
4.2.10 View of time

The value of time differs from one group to another. Some people view time as a limited resource to be used wisely, while others view time as plentiful and always available. This perception of time will change the progress of a negotiation from a cultural group to one another. According to different cultures, the view of time also gives us a view on how a culture will use planning and scheduling, effectively or not.

Monochronic versus polychronic

Hall (1976) taught us that monochronic cultures emphasize schedules, segmentation and promptness. Monochronic cultures compartmentalize events and concentrate on one thing at the time. In these cultures, only a limited number of events are permitted within a given period and scheduling provides priority settings. Negotiators are able to predict, to plan for and change forthcoming events and conditions. On the other hand, polychronic cultures stress on involvement of people and completion of transactions rather than adherence to a preset schedule. Time is not limited, it is endless with no beginning or end. Because time is not linear, many things happen at once.

What we can deduce from that is that it makes monochronic people willing to do last minutes concessions in order to meet the schedule. Moreover, by putting a great importance on schedule and arriving on time, they would minimize the importance of the counterpart if this last one arrives late on meeting.

Polychronic people do not have these kinds of scheduled meetings. Time is not limited and therefore negotiations may last longer than previously established. They are more willing to be late on meeting. During the negotiation they may concentrate on something else, maybe stop the negotiation and restart it after this unexpected event is solved.


**Time orientation**

Two orientations are mutually opposing to each other. From a long-term orientation, planning is preferred and the time during negotiation is seen as linear. At the opposite, short-term orientation cultures minimize the future and the negotiation is seen as a segment: there is a beginning and an end; we can see how long the negotiation would last.

This influences largely the negotiation process. The short-term orientation is widely broadcasted in Western cultures, and these negotiators are equated as hasty from a long-term orientation culture point of view. On the other hand, the long-term orientation cultures, mostly present in Asia and Eastern cultures, are equated as hopelessly too long to conclude a deal.

The difference comes from the fact that the time in negotiation has not the same value whether people come from long or short-term orientation cultures. For long-term orientation people, negotiation is a beginning for a relationship, while for short-term orientation people; negotiation has a beginning and ends up when the deal is concluded.

The view of time sets up clear boundaries between cultures and shows the importance for some cultures to the respect of time. Since cultures do not have the same understanding of the concept of time, it is very difficult for people with different view of time perception to negotiate together. Time can be seen as limited or unlimited. Time may also be seen as fundamental or accessory.
<table>
<thead>
<tr>
<th>Cultural dimensions</th>
<th>View of Time</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Monochronic/polychronic:</strong></td>
<td></td>
</tr>
<tr>
<td>Monochronic</td>
<td>Stick to planning. One thing at the time. Last minute concessions to stick to schedules.</td>
</tr>
<tr>
<td>Polychronic</td>
<td>Go over schedules. Many things simultaneously.</td>
</tr>
<tr>
<td><strong>Time orientation:</strong></td>
<td></td>
</tr>
<tr>
<td>Short term</td>
<td>Negotiators are perceived as too hasty to make a deal.</td>
</tr>
<tr>
<td>Long term</td>
<td>Negotiators are perceived as to be too time consuming.</td>
</tr>
</tbody>
</table>
4.2.11 Decision-making system

This variable emphasizes on the manner how a decision is taken during the negotiation. How does a specific culture generate a decision? Does it rely on a group consensus or on an individual self-willingness? Moreover the decision-making system provides us an understanding of who has the power to take the final decision.

**Power distance**

This variable has a fundamental influence on how decisions are made. Actually, the power distance refers to the acceptance of authority differences between people, the difference between those holding power and those affected by power. Therefore, a high power distance culture like the Latin and Arabian cultures, will present an intricate path to take decisions. In high power distance cultures, status, protocol and formality are very important, if not primordial. On the contrary in small power distance culture, one strives for equality and justice. This means that a decision is more willing to be taken by a consensus or a group.

A decision is difficult to be made in a large power distance culture, as this culture always refers to hierarchical power. Someone is always consulted to take the final decision. From this point, we can expect to have faster decision-making process in small power distance cultures.

**Masculinity versus femininity**

The masculine societies also have a different way to take decisions than feminine ones (Hendon, 1996). Masculine societies always advocate competition while feminine societies advocate cooperative behaviour. This is why feminine societies may be related to the sharing of information and the
offering of multiple proposals, that is to say consensus. A masculine society
tends to have a more unilateral way of taking decisions.

**Individualism versus collectivism**

Since individualistic cultures support independency, negotiators from this
culture tend to take decisions by their own. These people are self-motivated
and self realized, they do not need anybody else to take a decision. Money
(1998) stated that people from individualistic cultures are looking for what is
the best for the individual. The decision may be made in a relative shorter way,
as people from collectivistic cultures stand from a “we” point of view.
Hendon (1996) adds that collectivism implies in-group solidarity that means in
a decision making system, consulting groups. These groups are in that case co-
workers. “Co-workers” does not mean necessarily superior, but can be people
from the same level of hierarchy.
This inability to take clear decisions in collectivistic cultures is sometimes
confusing from an individualistic point of view, and may be seen as a lack of
interest in keeping the decision process alive.

**Time orientation**
The time orientation in decision making system is also crucial because it shows
how a culture is willing to take a decision relatively quickly or in a longer
process (Hendon, 1996).
The long term and short-term time orientations differ in the way negotiators
from these cultures perceive the decision-making system.
For long-term orientation cultures, the willingness to take rapid decisions in
short-term orientation cultures is seen as insincereness and unpreparedness.
People from short-term orientation cultures see the length of decisions making
in the long-term orientation culture as an inability to make the right choice at
the right moment.
**Uncertainty avoidance**

People from strong uncertainty avoidance, as already stated, have a low readiness to compromise (Elahee, Kirby and Nasif, 2002). People from weak uncertainty avoidance are more open with foreigners; consequently they are more ready to compromise.

Moreover this cultural dimension also informs us about the degree of information needed by a culture. Negotiators from weak uncertainty avoidance culture need less information to conclude a deal. That means that people regularly are less involved in the decision making process.

The decision-making system depends steadily on cultural differences. A large power distance culture combined with masculine culture, will always settle longer decisions for the final outcome.

Moreover cultures differ not only for the length of decision-making, but also if they are easily ready to compromise or not. Strong uncertainty avoidance cultures are not willing to compromise easily while feminine cultures are. Individualism versus collectivism differs from the fact that negotiation is taken by the willingness of an individual or a consensus and co-ordination between many co-negotiators.

The perception of the length accorded to the decision-making system differs from one culture to another; it can be seen as insincerity or inability to negotiate.
<table>
<thead>
<tr>
<th>Cultural dimensions</th>
<th>Decision-making system</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Power distance:</strong></td>
<td>Intricate path to make decisions. Hierarchical and longer decisions processes.</td>
</tr>
<tr>
<td>Large</td>
<td>Consensus decision, quicker.</td>
</tr>
<tr>
<td>Small</td>
<td></td>
</tr>
<tr>
<td><strong>Masculinity/femininity:</strong></td>
<td></td>
</tr>
<tr>
<td>Masculinity</td>
<td>Unilateral decisions.</td>
</tr>
<tr>
<td>Femininity</td>
<td>Consensus decisions.</td>
</tr>
<tr>
<td><strong>Individualism/collectivism:</strong></td>
<td></td>
</tr>
<tr>
<td>Individualism</td>
<td>Decision taken by an individual.</td>
</tr>
<tr>
<td>Collectivism</td>
<td>Decision taken by a group.</td>
</tr>
<tr>
<td><strong>Time orientation:</strong></td>
<td>Perceive long-term orientation people as unable to take decisions.</td>
</tr>
<tr>
<td>Short term</td>
<td>Perceiver short-term orientation people as insincere.</td>
</tr>
<tr>
<td>Long term</td>
<td></td>
</tr>
<tr>
<td><strong>Uncertainty avoidance:</strong></td>
<td></td>
</tr>
<tr>
<td>Strong</td>
<td>Need information, decisions taken by a group. Less compromising.</td>
</tr>
<tr>
<td>Weak</td>
<td>Consensus and compromise, decisions do not need lot of information to be taken.</td>
</tr>
</tbody>
</table>
4.2.12 Form of Agreement

This variable will explain how culture will rely on written or oral agreement. In some cultures, written agreement is expected whereas in others verbal agreement or handshake is expected. Hendon (1996) defines an agreement in a negotiation context as an exchange of conditional promises in which each parties declares that it will act in a certain way on condition that the other parties act in accordance with their promises. That is to say the form of agreement is the way a culture will handle the communication when concluding the contract.

High versus low context culture

This variable provides us the most evident differences between people who required a written agreement and those who required an oral agreement. High context cultures are not explicit in communication. While negotiating with someone from a high-context culture, it is expected to understand what is between the lines. These people do not rely on written agreement, in the sense that what is said verbally is more important than every specified detail. For instance, in the Arab world, a person’s word may be more binding than many written agreements and insistence on a contract may be insulting.

In the meanwhile, business people from low context cultures are implicit in their communication styles, whatever is thought should be expressed. We find a confirmation in their way of choosing a form of agreement. Indeed, when concluding a deal they would need to specify every detail. In that sense a contract seems to be inescapable for them.

Time orientation

The dyadic short term versus long-term orientation presents different insights of what the form of agreement for these two cultures means. As already stated,
short term orientation people see the time as a segment. Consequently, in this culture, a contract or a handshaking represents an end to negotiation. The negotiation process thus effectively ends when the contract is signed or when hands are shaked after a culmination of a series of negotiations. In the other side, for long-term orientation people, the contract is never an end to the negotiation process but rather a starting point, which will lead to further relationships.

**Individualism versus collectivism**
Hofstede (1981) argued that for collectivistic cultures, a contract is viewed as flexible and people from collectivistic countries tend to assume that details can be worked out in the future if negotiators agree on general principles. For individualistic cultures, the form of agreements will be more focused on details.
Thus, the main difference between these two dimensions is the profoundness of details. Collectivistic countries and individualistic cultures do not place the same importance and flexibility for details in agreements.

**Uncertainty avoidance**
People, who are risk averse, would avoid the risk of practical problems of missing points of an oral agreement. That way, people from strong uncertainty avoidance tend to have their written agreement as a guarantee for future implementation of the negotiation decisions. Here the necessity for written agreement in strong uncertainty avoidance cultures is seen as a rampart toward the risk of a disengagement of the counterpart.
Negotiators tend to act in two different ways for the final agreement: either there is an oral or written agreement. This would mainly differ from culture to culture.
People belonging to high context cultures have a tendency to set up oral agreement because words are more important than paper. People from strong uncertainty avoidance tend to get a written contract as a security. These people would do everything to avoid risk of failure and uncertainty. People from collectivistic cultures will work on general agreements while people from individualistic cultures tend to work on detailed and specific problems that have to be avoided to set up a good agreement. Contracts from individualistic culture countries are often more exhaustive and longer than in collectivistic countries. Finally the time orientation refers to the meaning of the contract whether it is the end of negotiation or beginning of relationships.

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5 THE SWEDISH PROFILE

We decided to illustrate the exposed theories with a Swedish outlook. The chapter 5 is a presentation of how negotiations are supposed to occur in a Swedish context.

5.1 A Swedish perspective

5.1.1 Introduction

Before we start this chapter, we would like to insist on the fact that the model of the typical Swedish negotiator, stemming from theories, is just a model. Fortunately all Swedish people are different from each other, and the Swedish culture, which influences negotiations in a Swedish context, is not the only influent. Swedish negotiators are first of all, individuals and de facto influenced by their own background, their way to handle life’s events and their way to feel the environment. Besides the influence of the individual factors, there is certainly an organizational influence from their own company. Finally we would like to point out that this model represents the average Swedish negotiator. Maybe somebody can negotiate with a Swede who has nothing to do with what is described in the proposed model. There is the problem of the exception and we are aware of that.

5.1.2 The particularity of the Swedish culture

In this part, we will make a short description of how we see the Swedish culture as foreign students.
Sweden is a European country. Moreover it is, since 1995, belonging to the European Union. Sweden has a typical culture always associated to Nordic countries or Scandinavian countries. Even if it has been for a long time far from the main cultural stream occurring in Europe, Sweden has made up its lost time. Stockholm has, in 1998, been awarded Cultural Capital of Europe.

We are all designed by our education in the sense that it will shape our mind and then give us a defined pattern of reflecting. This is true for Sweden. The Swedish education policy strives for equalizing children, make them aware of the social justice, and train them to seek always for consensus. This can be reported to their highly feminine index.

The Swedish culture can be defined through its aspiration to nature, simplicity and harmony. This can even be observed through the best Swedish creators as Ingmar Bergman, August Strindberg or even Astrid Lindgren.

Sweden is often equated with its neighbours, which can be ascribed to the common history that Sweden shares with Norway and Denmark. However, Sweden has its specific culture. Swedes have their own national culture, which shapes them all along their life. We will now see what the components of this particular culture are, according to our deductions coming from Hofstede and Hall cultural dimensions.

5.1.3 The Swedish culture from a theoretical outlook

We are doing our studies in Sweden; as a result developing a Swedish perspective was morally obligatory for us. However, we will see that according to Hofstede (1981) and Hall (1976), this choice was very relevant (Appendix 1). Sweden gathers some fundamental characteristics, which accentuate the specificity of the country.
First of all, the power distance in Sweden is very low and even one of the lowest country according to Hofstede. The power distance rate is 31, which means a very weak power distance. Sweden is thus ranked the sixth country of 50 for the level of power distance.

Then the individualism orientation in Sweden is very high. According to Hofstede, the level of individualism in Sweden is 71 that place the country at number 44 of 50.

The most interesting variable would be the level of femininity. Sweden scores 5 on Hofstede’s scale. This means that Sweden is a very feminine country, indeed Sweden is the most feminine country of the 50 studied by Hofstede.

The uncertainty avoidance has also a great importance. Sweden has a level of uncertainty avoidance of 29, which is considered, by Hofstede, to be very weak. Sweden is ranked number 4 on his scale.

Finally, Hall classified Sweden as monochronic and low-context culture.

Sweden is then a very interesting culture to study because according to Hofstede’s dimensions it is either ranked in the first or in the last position. This is not a mild culture, because it is never ranked in the middle but on the extreme sides.

5.2 Profile of negotiators shaped by Swedish culture

5.2.1 Basic concept

Swedes perceive negotiation process as a collaboration phase. Initially they are not looking for confrontation but more collaboration (Deresky, 1997). So they are used to adopt a problem solving approach with co-operation omnipresence. Additionally their high level of individualism according to the Hofstede’s survey (1981) leads Swedish negotiators to have a competitive tendency in the
search of gains. This does not mean that they are not collaborative, but this
means that during the negotiation process when the topic is directly linked to
financial issues, Swedish negotiators have a tendency to be more competitive
than collaborative. This difference of behaviour is tangible during the
negotiation. Indeed they really focus on the outcomes level. This point is
crucial to the success of the negotiation concept because they are collaboration
oriented but at the same time, the future outcome has to be good enough to
permit a co-operation with the other part.

5.2.2 Criteria for selecting negotiators

Sweden is a feminine country and this can broadly be seen in the Swedish
culture but also in the negotiation. A Swedish businessman would not regard
gender when choosing somebody to negotiate. As a result, the fact that they
belong to a high feminine country, which advocates equality would make them
send indistinctly male or female. One can also feel this impression of equality
in their small power distance culture. The Swedish negotiator is selected
regardless of his status, his experience or his age, but the skills and ability to
negotiate would be the determining characteristic.

Moreover, Swedish people would send small negotiation teams according to
their high individualism. We can point out that these negotiation teams will
remain the same during the negotiations. Swedes are not willing to change
them at the first hurdle.

5.2.3 Issues stressed

Swedish negotiators are deal-focus oriented. They are defined as
straightforward because they get straight down to business (Deresky, 1997).
There is definitively a higher emphasis on the deal when Swedish negotiate,
due to their belonging to low-context culture. This does not mean that there no
relationships at all in the way they conduct business. Of course there are
relationships, but not as important as the deal. Actually, it is true that as
Swedes are deal focus oriented they are used, even at the first meeting, to get
down to business only after few minutes of small talk (Gesteland, 1999). Then
they are really open to deal with foreigners because of their linguistic facilities
(most Scandinavian people are fluent English speakers).
However when looking to how Swedish conduct their relationships during the
negotiation we can add they are feminine oriented that transmits their tendency
to place a great emphasis on the counterpart’s comfort and satisfaction. They
do not hunt only for their sole satisfaction. That element has also been
developed in the basic concept description.

5.2.4 Protocol

Due to their belonging to low-context culture, Swedish people do not place a
great importance on protocol. They are rather defined by the use of
informality. So they stick to the protocol with difficulty. Their peculiarity to
be direct and straightforward is not so compatible with a conservative protocol.
However Swedes show a sincere respect to counterpart and are extremely
polite (Deresky, 1997). So their attitude related to protocol does not have to be
interpreted as a lack of respect.

5.2.5 Communication

Basically Swedes tend to be restrained in their style of para verbal and non-
verbal communication compared to Latin cultures. They are described as
having a monotone ton of voice, which could be misinterpreted by other
cultures which are more expressive. Then they are very quiet and thoughtful.
This behaviour seems to be really typical of Swedish people. That permits them to listen a lot instead of talking with spontaneity (Gesteland, 1999). Swedish people are quite good at holding emotions and feelings. The paraverbal style is determined as respecting an arm’s length distance from their partners. So, they are quite distant to negotiate. Proximity is not advised to make them comfortable. Consequently they do not apply any touching gestures, a handshake is enough. Swedes are also used to moderate their eye contact. They do not gaze counterpart as others could do.

Regarding the verbal communication style, we can notice the omnipresence of informality in their way of communication.

5.2.6 Nature of persuasive arguments

The nature of persuasive arguments usually used by Swedes is qualified to be a rational style. They have actually great preference for rational statements, as it is closer for them to the undisputable truth.

Concerning their listening capability, as they are femininity oriented, they are good listeners. That means that they really pay attention to what the other side is saying. Then we know that Swedes are individualistic oriented, consequently the nature of persuasive arguments will be affected. For instance statements will be related to the negotiator’s individuality and arguments will bind to his judgement.

5.2.7 Role of the Individual

The role of the individual in the Swedish negotiations is particularly interesting. The Swedish negotiator is characterised by high individualism. The role of the individual in an individualistic country often sounds with personal interests. That is to say that while negotiating, the Swedish negotiator would
always like to take an advantage of the negotiation for his personal aspiration. This can be strengthened by the low level of uncertainty avoidance. This cultural dimension warns us for the risk of opportunism that can arise in the Swedish culture due to their weak uncertainty avoidance level. Moreover, this is not because an individual will get a higher hierarchical position in the organization that his status will increase. The same role can exist in two different hierarchical levels, indeed due to their low power distance level; Swedes are very close to their bosses.

5.2.8 Basis of trust

Swedes consider trust as a basic element in the negotiation process; as a result trust would be of particular signification. They have a particular willingness to place a lot of trust on people. Due to the low power distance level in Sweden, they do not settle to the hierarchy levels an overwhelming role. Loosing face is not considered as being shameful, rather people express empathy. As a reverberation, trust in Sweden is considered to be a widely spread phenomenon. Additionally they are known for the heavy-going temper (7, 1999). Even if they consider trust as a logical component of the negotiation, they will stress on every single detail because of their perfectionist capability. That element represents the perfectionism willingness and not a lack of trust.

5.2.9 Risk taking propensity

Swedish negotiators do not reveal any fear concerning risk taking but they rather feel at ease with the incertitude. High-risk propensity followed by failure in the running challenge is not that dramatic for Swedes. None can be right all the time, failure is not perceived as a major fault in Swedish culture, one can
learn from his mistakes. As a consequence of the shared responsibility, there is no need to look for the guilty. So they would rather try to find out a solution. Their facility to handle risky situations gives them the opportunity to react quickly whenever a problem arises. So they have a beneficial advantage toward people who fears risk.

5.2.10 View of time

The Swedish business culture is categorized as a rigid-time culture as opposed to the fluid time cultures in the Mediterranean region. That means that they are highly concerned with time respect. For instance, punctuality is required for any appointments and deadlines as well as schedules are firm (Gesteland, 1999). Meetings are rarely interrupted and present an extreme respect to the individual time of talk (Gesteland, 1999). That attitude is typical of monochronic context cultures. They plan one thing at a time to be sure that they will respect the time constrain to hand up what they are working on. They are disposed to search for productivity.

5.2.11 Decision making system

First we should keep in mind that Swedish folk is characterized by being a highly individualistic country. So negotiators are supposed to take individual decision without referring every time to their supervisor. The group is not included on every step of the process, which is strengthening by their belonging to low power distance cultures.

Their low power distance index favours fast decision taking, indeed, Swedish people do not need to refer always to superiors when taking a decision.

The femininity tendency of Swedish people leads them to find out consensus between parts instead of confrontation; this means that the decision may be
longer to take than in masculine cultures. This is not contradicting the fact that it does not take a lot of time in to access people to take a decision. Swedish superiors are easy to access, and then in the decision-making system, one can feel this rapidity. However, the research for consensus will make them be longer in the negotiating part of the negotiation process.

Then we drew a parallel with the femininity orientation and the low power distance criteria. In both of them, Swedes are not willing to expose themselves to unnecessary confrontation but they would prefer to reach consensus and make compromise.

### 5.2.12 Form of agreement

For low context cultures the requirement of written agreement is an unavoidable step. Swedes consequently use written contract as definitive conclusion and refer to it whenever subsequent disagreements arise. They stress on each detail and take them for granted. Once written agreement has been signed you cannot come back to it and expect any changes so far. Even if Swedes are supposed to be flexible in order to avoid conflict they will stay on their position once written agreement has been signed.
6 EMPIRICAL PART

In that chapter we first present the three studied firms and then follow with the empirical data gathered through the interviews. However we only did a brief presentation of the firms because in our study we consider as a cornerstone the person interviewed for his experience in the intercultural negotiation whereas the firm’s activity is not of crucial importance.

6.1 Companies overview

6.1.1 Polyamp

Polyamp was founded in 1966 by Sir Östlund and today his son, Eric Östlund, leads the business of the family. So, Polyamp has a Swedish background located in Ätvidaberg. The company’s core technology since the beginning of 70’s is switch mode power conversion, in other words they design, produce and market converters. Their main markets are demanding customer in railway, process control, power utilities, forklifts, electrical vehicles, naval, military; fixed, land mobile and naval applications. Polyamp has a 5.17 millions euros turnover in 2002 and employs 43 persons.

Since the beginning Polyamp has an exporting activity in a multicultural environment. So they are used to do business under a cross-cultural context. Nowadays, they are especially used to do business with the United-States, European countries as the Netherlands, United Kingdom, Germany, Spain or France, and also with Singapore.
Our contact in Polyamp was Eric Östlund, the CEO representative of the firm. He works in his father’s company since the beginning and has a great experience in the negotiation because the main part of the time he joins the negotiation table. So he plays an active role in negotiation.

6.1.2 AvestaPolarit ABE AB

AvestaPolarit ABE AB is the leading manufacturer of stainless steel fittings. Their products are in demand worldwide and the customers are mainly industries. The story behind AvestaPolarit ABE AB goes back to the early 1900's, when the brothers Oskar and Leonard Ekberg began manufacturing milk carriers, paraffin oil cans and others. During the 1960's, production of stainless steel tube parts has begun, production that was continually further developed and which, up to the present, has made AvestaPolarit ABE AB a leading company within the industry. AvestaPolarit ABE AB is located at Örnsköldsvikb and represented in some 30 countries. The head office is in Sweden and, together with its subsidiary companies in Europe and North America, the company has around 700 employees. Their turnover in 2002 is 100 millions euros.

We connected Thomas Hellman who is the export manager at AvestaPolarit. He is highly experienced in the intercultural negotiation thanks to his long years of work in that field. He is used to negotiate with foreign counterparts merely as European countries and North America.
6.1.3 Anza AB

Anza’s paintbrushes, rollers and painting tools have, over the years, acquired a firmly rooted popularity. Professional painters and amateurs alike appreciate their products for their quality and thoughtful design.

Within this field, ANZA is the biggest company in Sweden, an industry leader in Scandinavia and one of the largest companies in Europe. ANZA was founded in 1946 as a family business in provincial Bankeryd by three brothers, Bernt, Åke and Evans Damberg. They first wanted to prove themselves that they were an invincible trio. Bernt was the driving force and visionary, Åke the energetic business type, and their little brother Evans made sure the product got sold. That reflects a brilliant combination.

Today 210 people work in the ANZA Group and the annual turnover is 28 millions euros. Anza has a great experience in doing business with European countries and also the Baltic States.

We interviewed Fredrik Johansson who is the export manager of the firm. He provided us some essential information with another perspective on intercultural negotiation due to his youthful experience in the field.

To conclude with the short outlook of the companies studied, one can observe that all of them have developed from a family business. Through the time they became bigger and bigger and today they have an activity all around the world. The interviewees’ perception of negotiation (Appendix 3-Reference of the interviewees¹) is detailed in the following part.

¹ The interviewees allowed us to quote and mention them in our work.
6.2 Empirical data

This subpart is an account of the data collected throughout the interviews. Answers are based on Weiss’ twelve variables, which have been presented earlier.

Before starting the interview, few questions were introduced to have an overview on the background of each respondent. Two of them are highly experienced in the intercultural negotiation field due to their past and long carrier; the third one is quite a new comer on that area because of his young age.

6.2.1 Basic concept

All of them perceive the negotiation as a collaborative task necessitating the entirely satisfaction of the parts involved in the process. The consensus is the main concept used. However sometimes competitive approach may happen but it is only related to the gain of the amount. However one of the respondents admitted Sweden is a small country and then negotiator has to adapt to the local culture. But still, negotiation tends to be collaborative and not competitive.

The perception of negotiation does not often occur, most of the time it seems to be kept it in a collaborative way.

6.2.2 Criteria for selecting negotiators

Usually the negotiation world is a “men’s world” but more and more women are becoming present in that field. That current situation is related to how women are considered in certain countries, but this is evolving with the time. Diverse criteria can be used to select a negotiator. The chemistry between
people really interested in their job (highly involved) and the experienced ones is pretty good. Then a negotiator has also to know how going further in a negotiation and to convince the counterpart of his statements. Negotiator can also be someone who is creativity-oriented and skilled in the field. Honesty can also be required. Usually people sitting around the negotiation table are exclusively negotiators but sometimes, depended on the needs and skills required other persons as an engineer may intervene.

6.2.3 Issues stressed

Respondents said they are used to go down direct to the business but it does not mean that they do not pay attention to the relationship. They know which kind of business they want to lead so they adapt their strategy upon these goals. Long-term business implies close relationship but also special price for faithful clients and self-confidence. The main tendency revealed in the three answers was to be more deal oriented and in the same time having a great respect for the counterpart. Then the respondents are not used to exchanging gift to help the relationship building.

6.2.4 Protocol

The interviewees described their habits for each of the subparts composing the protocol process. If they have to offer a gift it will be something typically Swedish as hand made article, salmon. Greetings are usually done with hands shake and a short introduction and do not stress on the politeness marks as in Germany or in France with the use of Herr/Frau and the vouvoiement. But then they say adopting their behaviour on the context. For instance in Japan, 30 years ago you could talk to anyone in the
counterpart firm if you did not talk first with the general manager. But now that is not so strict anymore because time is flying and people are changing. For exchanging business cards, respondents consider to do it in a regular way and especially to have references of person you met. Then it could be done in a friendly way.

The dress code requires is conservative according to the respondents. In other words suit and tie are expected.

Respondents said their way to address people was at the beginning distant but then it goes fast to become closer and they address people by their first names especially in United-States or England. Except in Germany and in France where it takes longer to reach that point.

Bribery is not a common tendency in Sweden.

6.2.5 Communication

The first contact is direct and includes a presentation of the entire group and even personal presentation before starting the negotiation combined with hands shakes.

Communication has to create a comfortable atmosphere for leading business. When the respondents are used to do business with partners, they are going straight to the point with a small introduction before opening the debate. One of the interviewee described himself as open and lie is not a common practice in Sweden.

During a conversation Swedish negotiators agree they stay quite serious to listen to what is said. Not excessive gesture.
6.2.6 Nature of persuasive arguments

Respondents use rational arguments to convince their counterpart and expect them to do the same. They perceive better the discourse when it is done in that way. Rational arguments have to be connected to the techniques used.

6.2.7 Role of the Individual

This variable is differently defined by the respondents. One said that he uses a collectivistic approach so individual aspects do not have any place in that kind. Then the two other ones added they can, although this characteristic, be perceived as individualistic oriented in the way they behave and take position during the negotiation.

Most of the time, they take decision by their own person according to the majority.

6.2.8 Basis of trust

Interviewees stress on the importance of trust to do business “we cannot trust everyone due to their financial problems for instance. It could be so great if the chemistry between business and trust could be universal”. All answers express the need of trust in business relationship and added “Generally speaking if there is no trust, you cannot lead any beneficial business”.

Two of the respondents described themselves as naive at the first step of the contact but then needs to check what has been said to be sure about different elements as financial conditions and other. They stress on the honesty of their partners because measuring trust is not an easy task.
6.2.9 Risk taking propensity

Answers differed. One of the respondents said the worst risk is the incapability of the client to pay you because you cannot be entirely sure of his financial conditions.

Another one explained the decision taking was the risk in a negotiation. How to know the decision taken was the good one.

And the last one told the main risk is to promise too much. When we are committed in a project and we promise to do in a certain way, we have to respect it. So we expect that your counterpart will do the same to be respectful. But then all of them agreed they do not feel uncomfortable toward the risk taking related to the content of the contract.

6.2.10 View of time

“Swedes are rigid time oriented” declared one of the interviewees. They stick to the time but their behaviour depends of circumstances. They take in account that cultures are different and do not expect anyone to behave in their way. So in this point they say to be flexible. But some countries as Italy and Greece are more flexible with the time.

All of the respondents said they could afford flexibility when they can propose some. Additionally when they are committed in a project they respect the counterpart and expect punctuality.

Then according to the respondents negotiation time can take a day or a half a day, but not longer.
6.2.11 Decision making system

Usually the decision is taken during the negotiation, or on the same day. Conditions are discussed and accepted around the negotiation table. Then sometimes it can take longer as 4 days when others persons are implied in the decision taking and have to give their agreement before signing up a contract. One of the respondents mentioned that he needs sometimes to ask for advices to his colleagues before taking a decision for having a view on a particular situation.

6.2.12 Form of agreement

In one of the firm they consider a contract is concluded when they receive the first order but a written agreement will always follow. The two others confirmed the essential need of written agreement, one of them said “I prefer negotiating three hours more than leaving without any paper!”.

A written agreement is an official contract to refer. Sometimes it takes so long time because a contract could be composed of several pages with a lot of clauses.
7 ANALYSIS

In this part, we will analyse the companies interviewed according to the twelve variables that we used throughout the work.

7.1 Basic concept

Collaboration is usually the behaviour adopted by Swedish negotiators as pointed out in the previous chapter. This can be observed also in the interviews we made. Östlund, for instance, said that the most important characteristic for a negotiator is creativity, i.e. to find solutions during the negotiation.

“The important criterion for a negotiator is to be able to go further in negotiations, somebody who can find solutions for both the counterpart and our company”.

This underscores the importance of consensus and collaboration. The important criterion is solution finding for both parties satisfaction, which is related to collaboration.

This was confirmed by Fredrik Johansson who told us that Sweden was famous for its collaborative approach. Indeed when he is negotiating with a foreign negotiator, this last one already knows that it is easy to obtain a compromise with Swedish people. Moreover the Swedish negotiator profile is often sought in Diplomacy as mediator, Johansson said.

The idea that Swedish people negotiate with a collaborative method is taken up by Thomas Hellman. He declared that the low radiation of Swedish culture was a handicap; negotiators have to adapt their behaviour to the local culture.
Swedish negotiators do not impose their negotiation style but would prefer to adapt to the local customs.

One more time, it underscores the Swedish trait of developing a collaborative approach. All our respondents agreed on the fact that to lead a negotiation, the “regular way to do business is collaboration”. This collaboration is tangible in the whole process of negotiation, Swedish negotiators tend to adapt to local culture and they would tend to compromise to try to satisfy the counterpart. However, this does not mean that Swedish people would always negotiate and lose their negotiation by offering too many compromises. Their propensity to be individualistic would make them competitive concerning the final price. Östlund noted “At the end, the most important is always euros” which reveals their tendency to be competitive regarding financial aspects.

7.2 Criteria for selecting negotiators

This variable is of importance regarding Swedish negotiators. The feeling of equality promoted in the Swedish culture can be discerned. Indeed, negotiators are selected regardless of their gender, race, religion and age. Even if one of our interviewees (Johansson) recognised that negotiations were a men’s world they all send people regardless of their gender. Eric Östlund said:

“We send negotiators according to their skills. There is no difference between male or female”.

Thomas Hellman notified that nepotism is not so common but skills and honesty will be more determining to be recruited.
Finally, our respondents all reported that they are not willing to change the negotiating team during the negotiation but the negotiating team will be composed of several individuals with different competences. Reorganising the negotiating team, as Östlund stated, is only an option when everything seems to be frozen.

7.3 Issue stressed

The issue stressed during negotiations in Sweden is the deal. This orientation does not exclude any relationships contingency. Östlund stated whenever they build relationship with their counterpart, these relationships would have contract as final purpose. This is also pointed out by Hellman; relationships that are built in AvestaPolarit are usually to obtain further confidence of the counterpart and better price. When they are already familiar with their counterpart “(they) go straight to the point”.
Moreover, this inclination for deal orientation is illustrated by Östlund who said that all decisions are taken usually in one day. In this case, there is no place for relationships building.

7.4 Protocol

Our respondents all agreed that protocol is not primordial; they respect it more because of the requirement of other business people’s culture. Östlund gave as an example that Swedish negotiators have the tendency to call people rapidly by their first name, especially with British people and Americans.
This weak importance of protocol can be noticed in the way they handle gift giving. Johansson told us that gift giving is not so popular is Scandinavia because it is not their habits. Östlund noted that whenever he offers a gift, it is
not a valuable one. Hellman told us that nowadays gift exchange is not a determining issue in the negotiation.

Swedish negotiators tend to present themselves quickly to get in the heart of the negotiation. Östlund reported that they usually present themselves, then follow a short discussion and presentation and they try to go directly in the matter of the subject. This would be even faster if they already met this people before.

Hellman told us that handshaking was the regular way to greet someone. This enables negotiators to enter immediately into the heart of the matter. This respect of the regular way can also be observed in the formal dress code or the way people exchange business cards (quick and formal). Johansson summarized the general feeling:

“We have to respect specificities of countries as in Germany or France. But this is so conservative. It is really easier and friendlier to be direct with everyone and still be polite”.

Swedish negotiators respect the protocol because they have to. But they would prefer to reach this friendly atmosphere that can exist in Sweden.
7.5 Communication

The communication for Swedish negotiators has to be very direct as in the greetings phase; people shake hands and go down to the business. Johansson insisted that Swedish people expect a direct approach with a small introduction. Hellman told us that when talking, they tend to create a comfortable atmosphere for their counterpart. The feminine Swedish culture arises also in the communication style. Besides this direct way of communicating, the Swedish communicative style is defined by a great importance devoted to listening. As Östlund said, they are used to listen attentively from the beginning to the end, and they try to be as concise as possible when answering. Moreover, Östlund reported that when a Swedish negotiator says “yes”, it really means “yes” whereas it can be difficult to understand the value of a “yes” in some countries.

7.6 Nature of persuasive arguments

The way Swedish negotiators strive to convince other people is highly linked with their communicative style: direct and explicit. All our interviewees utilized technical and rational arguments. They tend to demonstrate the superiority of their products by appealing to its technicality. Hellman reported that their arguments are supported by the reliability and credibility of their products. When Swedish people negotiate, their argumentation will firmly rely on explaining, showing, demonstrating what the product is about. Everything is expressed in words, and here we can feel the influence of the low-context culture.
The nature of persuasive arguments was also expressed through the way they send their negotiation teams, Hellman and Östlund reported that they were composed of people with different skills (technical, commercial). Each of the participant has his own role and knowledge to be spread during the negotiation. They will use the competent negotiator for the required information. It discloses the rationality of their argumentation.

### 7.7 Role of the individual

The role of the individual in Sweden is very important especially in negotiations. Indeed, the role is not totally confined. Östlund told us that usually his inferior manager is leading the negotiations instead of him.

> “I am the CEO but this is my sales engineer who takes the final decision, even if we consult each other”.

Hellman added that the individual is representative of the group but has the full power to take decisions. Moreover, Johansson has the same reasoning; he declared that as export manager, he is the one who leads negotiations from the beginning to its end.

### 7.8 Basis of trust

All our contacts emphasize on the importance of trust to begin negotiation. Östlund added that it is especially true in Sweden because they reveal, when starting negotiations, a lot of naivety and they trust what is said. Somebody trustful is somebody who knows what he is talking about, somebody who advances arguments that can be verified.
As noted earlier, Swedish negotiators have a tendency to take time to listen to what has to be said. During that time, they do make an evaluation of the information given checking for contradictory or obscured points. So, trust is a fundamental point to lead business as Johansson reported. Once there is doubt concerning the payment, Östlund and Hellman reported that they will not conclude the deal. Moreover as Johansson noted, whenever trust is gone for Swedish people it is not that easy to get it back.

### 7.9 Risk taking propensity

The Swedish negotiator is willing to easily take risks as illustrated by the answers of our contacts. Östlund thinks that risk is part in the daily life of negotiation since all the decisions are made at the executive level. But Swedish negotiators have a tendency to renounce to risk whenever it is dealing with money issues as Hellman stated.

> “The main risk sounds for me with the incapability to pay us”.

As Swedish negotiators would like to trust everyone, there is a propensity to take risk by expressing confidence with somebody that has not been previously a partner.

### 7.10 View of time

As we observed in Chapter 5, Swedish people are monochronic and for them time respect is essential. First of all, this can be illustrated by the fact that Swedish people are not willing to change the negotiation team during the process.
Moreover, Hellman reported that when the delivery is not on time, if the counterpart does not warn them for the late delay that would mean lawyers or financial penalties. Time is limited and one has to be respected.

The time is also present for the preparation of the negotiation. Östlund told us that each negotiation is prepared and before it they know approximately what would be the length of it, usually one day.

The time is crucial for Johansson “We are rigid time oriented. Then we stick to the time”. Östlund also insisted in the importance of time “we are always on time because this is a mark of respect”.

### 7.11 Decision making system

The decision-making system for Swedish negotiators is reflected by the importance of the role of the individual. The three interviewees pointed out that there is only one individual who will take the final decision.

Moreover, in Polyamp, it is not the CEO who take the final decision although he participates in the negotiation, but rather his subordinate who has the technical background. It can happen that they ask for advice, but this is more a point of view than a new solution as Johansson pointed out.

### 7.12 Form of agreement

The written agreement is very important. Östlund considers Swedish people to be very naïve; the written contract is something unavoidable in the sense that Swedish people follow information at the single word.

Hellman reported that the official contract is something they can refer to if necessary and thus very important. The importance of written contract can be seen through the numerous clauses that Swedish contracts contain. Östlund
thinks that it is worthwhile to stay three more hours and leave with a written contract instead of leaving with just an oral agreement.
8 CONCLUSION

The conclusion part will answer to our study questions that have been exposed in the introduction of the thesis. Then we will try to add recommendations about what can be done for further studies.

8.1 The tangible influence of Swedish culture on negotiation

By playing an essential role all along the negotiation process (from the basic concept to the form of agreement), national culture, through its cultural dimensions does have a tangible influence on the negotiation process. The illustrating cases developed in the empirical part have proved this statement. Each individual, depending on his native country, has a particular way to bargain and that is directly linked to his own cultural traits. National culture thus shapes our values, and then the way we conduct negotiation will stem from these values.

8.2 On which part of the negotiations process does culture intervene?

We found out that national culture does intervene in several parts of the negotiation process. Since we defined the negotiation process through Weiss’ theory, we learned progressively that the influence of the cultural dimensions might vary from one negotiation variable to another. We cannot say that the way Swedish people conceive negotiation, the criteria they use for selecting negotiators, the issue stressed during the negotiation or
any of the twelve variables, is similar from one culture to another. Of course the national culture shapes the negotiation process in all the components that we identified before. That is a global phenomenon occurring on the whole process that we observed and described in the thesis, especially in the chapter 4.

8.3 How do Swedish people behave in negotiations?

The twelve variables help us to understand how determining the incidence of national culture was because it will largely differ from one culture to another. As noted in the empirical part and illustrated in the analysis part, Swedish negotiators are willing to use a collaborative approach. The predominant criterion to select a negotiator is his skills. The issue stressed would be more deal-oriented. The protocol does not play a crucial role, even if they tend to respect it. They are direct and attentive negotiators. Their argumentation is based on rationality. The individual has a decisive role within the organisation. They do not display trust easily although it is primordial. They are sometimes naïve at the beginning. They have a propensity to easily take risks. Time is limited and therefore scheduled. One individual can make decisions for the organisation. And finally, they prefer written agreements.

8.4 Which traps to avoid when negotiating with Swedish people?

Negotiating with a counterpart with a similar cultural background is not an easy task since individual and organisational factors intervene. But negotiating with a foreign counterpart would be a purpose even more complex to do since cultural factors will in addition intervene.
We learned how Swedish people are used to behave during a negotiation. So now we present the potential traps to avoid when negotiating with Swedish people. This analysis has been realised throughout literature we refer during the entire thesis and the interviews we have leaded.

To explain the main pitfalls to avoid, first we have to have a look in the Swedish education policy. From the youngest age, children learn how to behave in society and try to explain problems whenever they arise. They have to adapt their behaviour by learning to be patient, quiet and to fit well into society: child education will impact on individuals and in our case on negotiators. This is our education that builds our culture by giving us a defined pattern of reflecting.

The Swedish negotiator is well known for his willingness to seek for consensus, co-operation and for the counterpart’s satisfaction. These priorities have a great importance to understand what to consider when searching for the traps to avoid.

Swedes appreciate people who know how to listen. However being talkative is not an obstacle if the content is rich in explanation while talking too much and not listening sufficiently may make Swedes feel unpleasant.

Respecting people when they are talking is also an essential point to stress. It is true that Swedes are not used to interrupt another person. They wait until the other ends talking.

Then we noticed that Swedes are straightforward. To adopt this behaviour they expect from the counterpart not to be distracted otherwise it cannot work.
8.5 How to be successful when negotiating in an intercultural environment?

When extrapolating the advices specific for negotiations in a Swedish context, there are some keys rules that we think negotiator should follow when wanting to be successful in any intercultural environment

- Recognise that a foreign negotiator is different from your own personal perceptions, motivations, beliefs and outlook. This advice is strongly connected to your capability to negotiate with a counterpart with diverse cultural backgrounds than your own, and sincerely believe that everyone is equal and none of the sides has to be oppressed for any cultural particularities.

- Be culturally neutral. Keep in mind that if you are visiting your customers, you have to adapt your personal attitude to the local customs. So it is highly appreciable to accept and respect the local norms as a part of their culture.

- Be sensitive to others’ cultural norms, dos and taboos. This element requires a particular attention to observe what aspects of your behaviour or topics may be discomfort your counterpart. Understanding dos and taboos often rally round you.

Once negotiators have integrated these basic concepts we can go further on the precise advice to negotiate successfully at an intercultural negotiation table. We drew up a pamphlet composed of several general recommendations, which have been proved as essential to lead a successful meeting. They are designed as keys for successful negotiations.

When parties do not have the same mother tongue, visual supports such as printed materials, samples to refer and to facts and figures are appropriate. As
we can often hear “a picture is better than thousand words”. Speakers have to use clear language where idioms, colloquialisms, stereotypes or words with multiple meanings should be avoided.

Then one of the cornerstones is to be an active listener during the negotiation. The idea of dominating a negotiation by talking more than the other side is a fake impression. It is more effective to listen and talk less. Good listeners are thinking, analysing and assessing at the same time. If something is unclear, never hesitate to ask for clarifications. However giving feedback to some statement may clarify the understanding (for instance the restating, rephrasing, and summarising techniques).

The observation of the body language\(^2\) is additionally imperative because it accounts for 55% in the communication whereas words account only for 7% and 38% for the voice according to Cellich and Claude (1997).

The preparation phase also plays a great role. Preparing means for example to gather information about the opponents’ culture, or cultural background. Prepare means to arrive at the site of negotiations earlier to meet the local represents, to avoid jet lag, to be used to local customs, counterpart’s country history, culture, beliefs, tradition which will ensure a better understanding of the counterpart and thus a better outcome may ensue.

Finally, using a negotiator that belongs to your counterpart culture will always be an important advantage when conducting negotiations. He may understand the language perfectly and, moreover, will be able to create a deeper contact by instilling trust.

\(^2\) The body langage has already been discussed on the part 4.2.5, p68
8.6 Discussion for further study and research

This study aimed to focus primarily on the impact of culture on the negotiation process with a Swedish perspective. As we noted in the introduction, we did not mention multilateral negotiations, intranational culture, or the influence of structure or the individual on the negotiation process. It could have been interesting to lead a study including these matters. It could have been interesting to know, for instance, whether the influence of culture is the same when the negotiation is multilateral: does a certain kinds of culture change its behaviour when facing several opponents? Studying the impact of the individual on the negotiation may also have been an idea for future research, that is to say, how should one act regarding his background and his skills? The impact of the organisation on negotiation may also have been studied: How will the power of an organisation influence the negotiation?

As seen, many other paths could have been followed regarding the negotiation process. We highlighted a part of it: the influence of culture on the negotiation process.

Moreover, future research may use a different scientific method and approach. On a long-term research, we think that studying by quantitative data, with a questionnaire to a wide numbers of negotiators in a given country may bring another insight on the problem.

Thank you for your devoted reading.
9 LIST OF ILLUSTRATIONS

FIGURE 1-Outline of the thesis
FIGURE 2-Hermeneutic spiral
FIGURE 3-Four stages of negotiation process
FIGURE 4-The layers of culture
FIGURE 5-Shannon and Weaver’s scheme
10 APPENDICES

APPENDIX 1: Major cultural characteristics
APPENDIX 2: Geert Hofstede's Cultural Dimension Scores
APPENDIX 3: Interviews references
APPENDIX 4: Interviews guide
## Appendix 1

### Major cultural characteristics observed in various nations

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<th>Level</th>
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<td>Assertiveness, ambition, achievement-orientation</td>
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<td>Ability to cope with uncertainty, ambiguity, anxiety and stress</td>
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<td>Care for quality of life</td>
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<td>Co-operation, competition</td>
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<td>Respect for people in senior positions</td>
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<td>Fear of the powerful</td>
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<td>Expect equality, acceptance of inequality</td>
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<td>Kindness, generosity, politeness</td>
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<td>Appreciation of favours Acceptance of responsibility</td>
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<td>Nature belongs to our children, we have it on loan</td>
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</table>
Relationship with the society and the state
Law abiding, law breaking
Community orientation, family orientation
Welfare state, social net
Statism, individual responsibility (big government, small government)
National Health Service
Universal education
Private insurance

Expectations from the companies
Active role in the community (schools, hospitals)
Active interest in employees’ private life and well-being
Separation of private and company life
Care for the environment
Contribution to charities
Sponsorship of sporting and cultural events

Political views and activities
Republicanism, monarchism
Participation, indifference, revolution
Attitudes to women’s position in society, human rights, minority rights, animal rights, workers rights, homosexuality…

Economic views and activities
Entrepreneurial spirit, spirit of capitalism, socialism, private enterprise, state capitalism, public ownership of means of production, mixed economy
Appendix 2

Geert Hofstede's Cultural Dimension Scores
The results below are the product of Geert Hofstede's research and are reproduced here to aid students, researchers, and people working in the international community.

Legend

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<td>UAI</td>
<td>Uncertainty Avoidance Index</td>
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<tr>
<td>LTO</td>
<td>Long-Term Orientation</td>
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** Regional estimated values

- 'Arab World' = Egypt, Iraq, Kuwait, Lebanon, Libya, Saudi Arabia, United Arab Emirates
- 'East Africa' = Ethiopia, Kenya, Tanzania, Zambia
- 'West Africa' = Ghana, Nigeria, Sierra Leone

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## Negotiating in an Intercultural Environment

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Appendix 3
Interviewees’ references

**Eric Östlund**
CEO
Polyamp AB
Web: www.polyamp.com

**Thomas Hellman**
Export Manager
AvestaPolarit ABE AB
Web: www.abe.se

**Fredrik Johansson**
Export manager
ANZA AB SE
Web: www.anza.se
Appendix 4
Interviews guide

Before the interviews:
Introduce ourselves, name, and French students studying in a Master of Business Administration in Linköping-Sweden. Home University is INSEEC-Paris.

Background questions:
Name:
Job position:
Nationality:
Firm:
How long have you have been working personally in an intercultural environment?
What about your company?
How long have you been working in that company?
Which countries are you used to work with?
Average price of contract you negotiate?

Questions:
A/ Basic Concept
A1/ How do you define the negotiation process by giving keywords?
A2/ How do you think Swedish people perceive negotiations?
A3/ How do you perceive the other part? (Competitor, collaborator)
A4/ Do you change the type of negotiation according to who you are negotiating with?
B/ Issue stressed
B1/ What do you think is the most important when negotiating (Deal, relationship)?
B2/ Would you offer gift?

C/ Criteria for selecting negotiators
C1/ Who do you send to negotiate?
C2/ Which criterion seems to you to be the most important for a negotiator when negotiating abroad (gender, experience...)?
C3/ Which behaviour do you expect from a negotiator (skills)?
C4/ Do you often change the negotiation team during the negotiation?

D/ Protocol (examples)
D1/ How would you define protocol when negotiating with Swedish people?
Let us know how you are used to behave concerning:
Gift
Greetings (verbal and non verbal)
Exchanging business card
Dress code
Way of addressing people
Bribery and corruption

E/ Communication
E1/ How do you introduce your self (direct/indirect)? How long?
E2/ How do you react?
E3/ Do you think Swedish people listen to their counterpart more than other nationalities?
F/ Nature of persuasive arguments
F1/ What kind of arguments would you make to convince your counterpart (rational/empirical)?
F2/ What do you think is the most efficient?

G/ Role of individual
G1/ How do you define the role of individual in the negotiation process?
G2/ How does he take decision? Does he consult superior?

H/ Basis of trust
H1/ How do you display trust with international negotiators?
H2/ Importance?

I/ Risk taking propensity
I1/ What do you consider as risky in a negotiation?

J/ View of time
J1/ How do you plan the next negotiation?
J2/ Importance to be on time?

K/ Decision making system
K1/ How long to you make to reach a decision?

L/ Form of agreement
L1/ When do you consider a contract to be concluded?

Do you have any advices to give us to lead a successful negotiation with Swedes?
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