A Swedish perspective of business negotiation in a cross-cultural context

- A multiple case study on B2B level regarding business negotiations in China and how cultural differences has an impact

Author: Joakim Aspeteg, Jonas Karlsson
Supervisor: Niklas Åkerman
Examiner: Richard Owusu
Date: 2014-05-26
Subject: Business Administration - International Business
Level: Bachelor thesis
Course code: Spring 14-2FE50E
ABSTRACT

The aim of this study is to explore what cultural differences Swedish business negotiators perceive and how they adapt and/or manage the differences. To achieve this we have established the following main research question: How do cultural differences impact Swedish business negotiators when doing business in China. To be able to answer this main question we created two sub questions: What cultural differences do Swedish business negotiators perceive when doing business in China and How do Swedish business negotiators adjust to the cultural differences in negotiation when doing business in China. To answer these questions a qualitative, abductive method was used combined with a multiple-case study.

Results show that the cultural aspects impacts both negotiation and communication - uncertainty avoidance, psychology and mindset are substantial differences between the two cultures. In order to succeed in cross-cultural negotiations it is vital to be dynamic and adapt to various cultural aspects and dimensions.

Keywords: Negotiation, communication, cultural differences, B2B, adaptation, China
ACKNOWLEDGMENTS

This thesis would not have been possible without the insightful and sharp-eyed comments which we have received from everyone concerned. We would like to thank Niklas Åkerman for being our supervisor and for all the help he has given us during this whole process. We would like to thank Richard Owusu, our examiner, for he has provided us with feedback and insightful comments. We would also like to thank the informants, Daniel Hedebäck, Jonny Jarhall, Stefan Lundström, Hector Voicu and Mikael Råberg for providing us with empirical data in the field of negotiation. Finally we are thankful to all opponents from who we have received apprehensive input and feedback.

Kalmar  May 26th 2014

---------------------  ---------------------
Joakim Aspeteg        Jonas Karlsson
# TABLE OF CONTENTS

1. INTRODUCTION
   1.1 BACKGROUND ......................................................... 1
   1.2 PROBLEM DISCUSSION ............................................... 3
   1.3 RESEARCH QUESTIONS ............................................. 5
   1.4 PURPOSE/AIM ....................................................... 6
   1.5 DELIMITATIONS ..................................................... 6

2. LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK .......... 7
   2.1 CULTURE ........................................................................ 7
   2.1.1 DIMENSIONS AND ASPECTS OF CULTURE .................... 7
   2.1.2 CULTURAL ADAPTATION ......................................... 9
   2.2 NEGOTIATION ............................................................ 10
   2.2.1 A FRAMEWORK FOR INTERNATIONAL BUSINESS NEGOTIATIONS .......... 11
   2.2.2 STRATEGIES, TACTICS, AND NEGOTIATION IN A CROSS-CULTURAL CONTEXT .......... 13
   2.3 COMMUNICATION ...................................................... 15
   2.3.1 CROSS-CULTURAL BUSINESS COMMUNICATION .............. 15
   2.4 GUANXI ...................................................................... 16
   2.5 THEORY SYNTHESIS .................................................. 17

3. METHOD ................................................................. 19
   3.1 RESEARCH APPROACH ............................................... 19
   3.2 RESEARCH METHOD .................................................. 21
   3.3 RESEARCH STRATEGY ................................................ 22
   3.4 COLLECTION OF DATA ............................................... 23
      3.4.1 SECONDARY DATA .............................................. 23
      3.4.2 PRIMARY DATA .................................................. 24
      3.4.3 CHOICE OF CASES ............................................. 24
      3.4.3 OPERATIONALIZATION AND FORMATTING THE INTERVIEW .......... 26
   3.5 ANALYTICAL METHOD ................................................. 28
   3.6 QUALITY OF RESEARCH ............................................. 28
      3.6.1 VALIDITY ........................................................... 29
      3.6.2 RELIABILITY ....................................................... 30
      3.6.3 ETHICS .............................................................. 30

4. RESULTS .............................................................. 31
   4.1 NEGOTIATION .......................................................... 31
      4.1.1 NEGOTIATION PROCESS .................................... 31
      4.1.2 NEGOTIATION TECHNIQUE ................................ 39
   4.2 COMMUNICATION ..................................................... 42
      4.2.1 VERBAL COMMUNICATION ................................ 42
      4.2.2 NON VERBAL COMMUNICATION ........................... 44

5. Analysis ............................................................... 46
   5.1 NEGOTIATION .......................................................... 46
5.1.1 NEGOTIATION PROCESS ........................................ 46
5.1.2 NEGOTIATION TECHNIQUE .................................. 51
5.2 COMMUNICATION .................................................. 53
  5.2.1 VERBAL COMMUNICATION .................................. 54
  5.2.2 NON VERBAL COMMUNICATION ............................. 56

6. CONCLUSIONS ...................................................... 57
  6.1 ANSWER OF THE RESEARCH QUESTION ...................... 57
  6.2 THEORETICAL CONTRIBUTIONS AND MANAGERIAL IMPLICATIONS 61
  6.3 RECOMMENDATION FOR FUTURE RESEARCH .................. 61

LIST OF REFERENCES ................................................ 63

ATTACHMENTS ......................................................... I
  Appendix A INTERVIEW GUIDE .................................... I
1. INTRODUCTION

"In cross-cultural negotiation it is the perception of reality which is more important than the reality itself" (Ghauri & Usunier, 2005, p7).

1.1 BACKGROUND

The cause of globalization is creating a growing dependency between national economies. It makes several different actors such as customers, producers and suppliers involved with one another on an international level. Globalization is created due to the cause of increased flow of goods, services and capital as well as the increasing development of technology and finally labor mobility (Garret, 2000; Margalit, 2012). Globalization has contributed to economies of scale (Hollensen, 2011; Hamilton & Webster, 2009). However, it has also lead to an increase in risks due to the fact that more and more companies have to be active on different markets.

Companies need to adapt towards different languages and cultures - business cultures. Therefore, whilst doing business in an international context, the methods of how to do business will differ a lot compared to your home market (Hollensen, 2011). Cultural differences and business cultures are factors that can make trade more problematic (Hamilton & Webster, 2009). According to Leung (2005) and Ghauri & Usunier (2005) culture has been shown to have an impact on business activities e.g. capital structure and performance of the employees. It is also not likely for us to see that the world will be able to create one common culture in the near future (ibid).

Machida (2012) has researched the implication of globalization and its impact on ethnocentrism, cultural attitudes and cultural homogeneous. Ethnocentric is how individuals view other cultures compared to their domestic. The research was aiming at explaining how culture have been influenced by the globalization and how the view of culture for individual have changed (Machida, 2012; Hollensen, 2011). The study shows that the path that globalization is leading us towards are decreasing the means of ethnocentrism. One of the latent factors that is causing this effect is the increase in more advanced technology and the overwhelming flow of information (Machida, 2012; Hollensen, 2011; Hamilton & Webster, 2009). Moreover the interrelation of economic values and the impact globalization have had on the economic system have also
contributed to less ethnocentric and made individuals beliefs and it also impacts how people interpret other culture's according to Machida (2012) it makes people more positive to other cultures that are more distant.

In today’s world there is hardly any company that are not in any way active or involved in international business (Ghauri & Usunier, 2005). Fisher et al (2011) agrees on this by saying that more and more occasions require cross-cultural negotiation. The following is the definition of negotiation; "Negotiation is a basic human activity and a voluntary process of give and take where both parties modify their offers and expectations in order to come closer to each other. The stakes are usually very high and both parties therefore have to prepare, plan and negotiate more carefully" (Ghauri & Usunier, 2005, p3). It is important to differentiate negotiating and bargaining. Negotiating is the whole process whilst the term bargaining on the other hand is used when one wants to describe the competitive dynamics of the negotiation process (Lewicki, 2006). One often mistakes haggling for negotiation, which is not the case - it is more similar to bargaining compared to negotiation (Goldwhich, 2010). Cross-cultural negotiations have been increasingly recognized and thus it is highly relevant for anyone active on the international arena. Everyday business negotiators faces the dilemma of how to get a yes without causing major harm in the relationship of two parties (Ghauri & Usunier, 2005).

Cross-cultural negotiation is a communication that goes back and forth in the purpose of reaching an agreement (Fisher et al, 2011). Torsein (2010) defines communications as many different factors such as “verbal language, negotiation language, knowledge of English, use of interpreter, written language, non-verbal language and body language” (Torsein, 2010, p28) Ghauri & Usunier (2005) explains cross-cultural negotiation as a dynamic phenomena were both parties cooperate and try to interrelate their vision and aim for the same destination. Negotiation is a process that involves problem solving, understanding and adaptation. In cross-cultural negotiation on the other hand, an important factor are the culture and its various parts as peoples differences in how they interpret the world, language, organizational and countries. This makes cross-cultural negotiation an active approach by conforming and adjusting to lower the distance - in order to reach consensus. This leads to a substance and value that in the end will simultaneously have a positive impact on both parties desires (ibid).
Cross-cultural negotiations is globally increasing which brings more complex and dynamic challenges for the different parties. It is vital to remember that negotiators in a cross-cultural context are people that derives from various business cultures and regions of the world. Cultural adaptation is one's ability to adapt to current cultural circumstances, with the purpose to reduce cultural clashes, not acting inappropriately or to misunderstand each other (Francis, 1991; Hollensen, 2011; Torsein, 2010). Body language, manners, small talk, how to do business, relationship and cross-cultural negotiation are very important factors to be aware of. This is significant in emerging markets since they are not as experienced as developed markets. Therefore it is important for companies to negotiate correctly, otherwise a business opportunity may be lost (Fisher et al, 2011). The aim of negotiators are to create deals which resolves conflict and makes both parties move forward (Lewicki, 2006). Thus a successful negotiator should have the capability of creating great solutions since it is harder to create, than it is to destroy.

1.2 PROBLEM DISCUSSION
In today's world actors on the global market are becoming more and more acquainted with one another when it comes to international trade (Ghauri & Usunier, 2005). However, cross-cultural negotiation still creates a lot of complex situations. Which occurs when people has to manage the complex processes that evolves through international relations in the regard of doing international business. In most business transaction there will be a business negotiation. In addition, in any cross-cultural negotiation actors will encounter parties from different nationalities, different cultural background, and people who does not speak the same native language. Not having the same culture can put pressure on a negotiation which therefore make a deal not being able to happen even though they still want to be doing business with one another. This problem will keep on occurring due to the lack of knowledge and/or lack of experience (ibid). Chang et al (2011) states that there is a major difference between east and west concerning cross-cultural differences. The complex situations will continuously increase due to the fact that several markets will emerge. These markets will be unexplored and thus, cross-cultural negotiations will constantly have a lack of knowledge and the need for how to avoid uncertainties (Ghauri & Usunier, 2005).
Zartman (1993) states that culture does not have an impact when in cross-cultural negotiation. He states that negotiation is still negotiation and it does not matter where they do take place or with whom. "Culture is to negotiation what birds flying into engines are to flying airplanes or, at most, what weather is to aerodynamics - practical impediments that need to be taken into account (and avoided) once the basic process is fully understood and implemented" (Zartman, 1993, p19). It is however stated by Usunier (2005) that it is depicted today by researchers that cultural difference do in fact have an impact on cross-cultural negotiations. Due to the fact that business negotiators have to compete with more actors on the international arena, it is vital to reduce risks by being aware of how to adapt to culture, negotiation and communication. The execution phase of negotiations, is the phase where many mistakes occurs. Therefore it is significant to have a deep knowledge regarding cross-cultural negotiation (Sheth, 1983).

Common problems in cross-cultural negotiation are cultural differences, power distance and being able to distinguish between business- and cultural factors. Body language and communication have created obstacles for cross-cultural negotiators. Language and other personal factors are also important to consider and adapt to in an international context (Torsein, 2010). Thus making these factors vital to understand and able to operationalize when establishing a relationship with another party (Goldwhich, 2010; Lewicki, 2006)

Johansson (2011) states that scholars have illustrated cross-cultural negotiations in a more explicit mode of procedure, the literature have put all its focus on the subjective approach. It is important to take a holistic view of the problem. However, in the end there is a settlement between two parties and therefore the subjective approach essential due to the increasing importance of personal line of action. Swedish business negotiators in general lack knowledge and does not have any strategy for cross-cultural negotiation processes (Lindell, 2008). Therefore it is vital for Swedish business negotiators to increase their knowledge in order to increase the export of their company. The export from Swedish businesses was in 2013 46% of the total GDP with 30,7% on sales of goods and 14,9% on sales of services. Swedish export have increased since 1992 - when it was 28% of total GDP - 21,1% was sales of goods, and 6,8% sales of services (Ekonomifakta.se, 2014). One can therefore conclude that export is very important for companies today and which correlates with negotiation. Valuable
resources for a negotiator is: knowledge, curiosity and patience (Lindell, 2008). Lundén & Rosell (2010) call for more knowledge in the area of negotiation, it is useful both in an international, social and personal context to have the universal basic knowledge. The knowledge is vital in order to understand and analyze one's past or present failures and successes. However, the core is to grasp which procedures that affects one’s abilities to be a linchpin in negotiation e.g.: deep self-knowledge, knowledge about common pitfalls, risks and the ability of handling conflicts in a changing context (ibid).

Researchers such as Nakata (2009) are attempting, and also succeeds, to go beyond Hofstede's cultural dimensions to develop new cultural framework that will help actors in international business to navigate through cultural understanding. Tung & Verbeke (2010) on the other hand criticizes Hofstede and GLOBES cultural dimensions. Chang et al (2011) proclaims that environmental changes in culture and information are decreasing the distance between east and west. It is easy to recognize that researchers are emphasizing cultural differences - none of the researchers touch upon how cross-cultural negotiators are adapting to cultural differences.

1.3 RESEARCH QUESTIONS
Main question
To be able to create an understanding of how Swedish business negotiator are affected when it comes to cross-cultural negotiation on the global market. The following main question has been identified:

*How do cultural differences impact Swedish business negotiators when doing business in China*

Sub questions
To be able to understand which cross-cultural differences Swedish business negotiators perceive - the following first sub question has been identified:

*What cultural differences do Swedish business negotiators perceive when doing business in China*

To be able to understand how the Swedish business negotiators adjust to the cultural differences - the following second sub question has been identified:
How do Swedish business negotiators adjust to the cultural differences in negotiation when doing business in China

1.4 PURPOSE/AIM
The aim of this study is to explore what cultural differences Swedish business negotiators perceive and how they adapt and/or manage the differences. The purpose of the paper is to contribute to knowledge in the field of negotiation, communication and cultural differences and to guide managers and practitioners in how they can manage contextual changes and barriers and therefore minimize the uncertainties in these fields. We try to achieve this through a case study by studying Swedish B2B companies acting in China.

1.5 DELIMITATIONS
The study will focus on B2B cross-cultural negotiations.
2. LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

2.1 CULTURE
Culture is defined as a group of people who share the same processes in their way of how to think, regarding feelings, and how to react. They share the same meanings and identities as well as socially constructed environments and finally commonly experienced history, language and religion (Hofstede, 2010). PROJECT Globe defines culture as a group of people who share the same motives, values, beliefs, identities and who interprets the meanings of significant events in the same way which later on are transmitted across the generations (House et al, 2004).

2.1.1 DIMENSIONS AND ASPECTS OF CULTURE
Whilst doing international business one has to have cross-cultural knowledge (Ghauri & Usunier, 2005). Cross-cultural negotiation is very much based around social and human relations and not only around hard business facts. Therefore when contracts and agreements are being negotiated it is vital to include psychological factors (ibid). Hofstede (1983, 2010) states that besides psychological factors nationality is important for at least three different reasons; Political - formal law and government (Hofstede, 1983, 2010.) Ghauri & Usunier (2005) defines political as environmental which has a background factor when it comes to negotiation. Sociology - has to do with "who am I", every person has an identity of the place they are coming from. Psychology - Our thinking is very much adapted based on the conditions of what national culture we grew up in. The author continues by saying that culture way of thinking is very difficult to change due to the fact that they are rooted in one’s culture but not in other cultures. A national culture consists of four different criteria which Hofstede (1983; 2010) refers to as "dimensions". They are largely independent on each other and therefore occurs in almost every combination. They consist of Individualism VS Collectivism, Large or small power distance, Strong or weak Uncertainty avoidance and Masculinity VS femininity and are covered in a later part of this theory.

The global leadership and organizational behavior effectiveness project (GLOBE Project) has however stated that Hofstede's' dimensions are not sufficient enough. The purpose of the GLOBE Project is to complement Hofstede (House et al. 1999, 2004).
Grove (2005) explains the findings from the GLOBE studies as follows: “GLOBE is the cross-cultural research effort that exceeds all others (including Geert Hofstede’s landmark 1980 study) in scope, depth, duration, and sophistication” (ibid, Being global is not just about where you do business section, para. 1). The globe studies have focused its research around 61 different countries, the focus on these countries have been different factors - whereas the researchers of this paper are going to focus on the cross-cultural differences and behavioral factors that can have an impact on cross-cultural negotiations.

With the basis of Hofstede's four factors House et al (1999, 2004) has complemented them by instead having nine different attributes of culture; Uncertainty avoidance, Power Distance, Collectivism I, Collectivism II, Gender Egalitarianism, Assertiveness, Future orientation, Performance orientation and finally Humane orientation. These attributes were chosen based on existing literature review as well as cross-culture theory (ibid). However, collectivism I and future orientation are not applicable for this study since they are mainly focused around integrating into groups inside their own organization and therefore does not interfere during a negotiation process where the counterparties is not a part of that group and purpose.

Individualism VS Collectivism is based on the relations between someone and one’s fellow human beings. In an country where the self interest is high i.e. where individuals look after themselves first and not the group, is categorized as an individualistic country. On the other hand where the interest is mostly based on the group, it is a collectivistic country (Hofstede, 1983, 2010). House et al (1999, 2004) instead uses collectivism II. Collectivism II concerns the degree of how loyal or proud the individuals of an organization are towards their workplace.

Hofstede's (1983, 2010) definition of power distance is the degree of centralization of authority and therefore the degree of an autocratic leader, whether there is a large or a small power distance. It is based on how inequality is seen on in different countries and can therefore have an effect on negotiations. The GLOBE project (House et al, 1999, 2004) defines power distance as on whether or not power can and should be unequally shared between employees. Another force that changes the power distance scale is the subjective emotions. The reason for this is how one is reacting in certain occasions or
not to react at all which can be depicted as positive or rude for the other parties. In cross-cultural negotiations power distance and emotions are dynamic factors that changes when different cultures meet (Ghauri & Usunier, 2005).

Uncertainty avoidance has to do with how open a society is on taking risks in an everyday situation. Some societies will take every day as it comes since they do not feel threatened about other people's opinions, they have a natural tendency secureness. The societies with strong uncertainty avoidance would rather want to beat the future and therefore are not taking any risks (Hofstede, 1983, 2010). House et al (1999, 2004) says that uncertainty avoidance has a lot do with relying on social norms to reduce risks in the future. Ghauri & Usunier (2005) explains that mindsets in cross-cultural business negotiation is how you think and how present relevant data. Perhaps parties want financial data on paper as well as oral or written agreements. Which is in line with uncertainty avoidance. Uncertainties are excluded when financial data are presented on paper rather than via speech.

Masculinity VS femininity explains the difference of sex roles. Societies depict individuals based on the what gender they are and therefore they can be seen to have different roles (Hofstede, 1983, 2010). House et al (1999, 2004) explains gender egalitarianism as a factor that organizations are operationalizing to minimize the gender differences. Assertiveness explains the degree of how individuals in a company socialize and the degree of: assertiveness, confrontational or aggressiveness (House et al, 1999, 2004). Performance orientation explains if individuals are rewarded when they improve their performance. Humane Orientation is based upon how humans are being rewarded for being altruistic (ibid).

2.1.2 CULTURAL ADAPATION

“The process of cross-cultural adaptation tries to produce equivalency between source and target based on content” (Beaton et al, 2000, p3186). When developing continuous relationships in business markets, parties adapts to one another (Hailén, Johanson & Seyed-Mohamed, 1991). Whether it is about adapting to certain needs that one party in the relationship has or to adapt to each others cultures depends on contextual factors. It works as a central feature of building and maintaining a business relationship and is therefore an essential building block for future businesses (ibid).
Moreover Ghauri and Usunier (2005) states three factors of cultural adaptation that are essential in international business negotiation: Time - having knowledge about the cultural meaning of time when going abroad for negotiations. Emphasis on Personal Relations - in various cultural environments the relationship to the counterpart are more important than what he represents and likewise the case can be the opposite in other cultural contexts. Presentations - it is vital to be aware of differences in how to be representable and how to behave (ibid).

2.2 NEGOTIATION

"Negotiation is a basic human activity and a voluntary process of give and take where both parties modify their offers and expectations in order to come closer to each other. The stakes are usually very high and both parties therefore have to prepare, plan and negotiate more carefully" (Ghauri & Usunier, 2005, p3).

Lewickis’ (2006) explains negotiation as a game which consists of four factors; the first one is that both parties cares about the results, and therefore each individual has their own goal, which can be either tangible or intangible. The second one concerns emotions which has to be controlled, it is essential to not overreact. The third one is that “our rational and emotional goals lead us to work with the other party to pursue specific outcomes in the negotiation. The outcome is the result of the way that the parties resolve conflicts in their broader goals; it is what they agree to do as a result of their discussions (ibid, p5.)”. The fourth one is about relationship, depending on what type of relationship that is established, such as business partner, boss or customer, one will negotiate differently for the cause of maintaining the relationship.

A pragmatic definition of negotiation is expressed by Hollensen as the following (2011, p659): “Negotiations are necessary to reach an agreement on the total exchange transaction, comprising such issues as the product to be delivered, the price to be paid, the payment schedule and the service agreement”. The cross-cultural negotiation is the process of learning how to interact with stereotypes from different contexts, to interact with people from different cultures as well as the counterparts factors such as: personal norms and attributes (ibid).
2.2.1 A FRAMEWORK FOR INTERNATIONAL BUSINESS NEGOTIATIONS
The heart of the model is the negotiation process. It also consists of two parts that will impact the negotiation process, these two parts are: background factors and the atmosphere. The difference with the internationalization model is that it includes cultural and strategic factors while the "national" negotiation model includes: atmosphere, background and process factors In the international model strategic and cultural factors are included (Ghauri & Usunier, 2005).

Figure 1 (Ghauri & Usunier, 2005)

Pre-negotiation
The two parties are learning about each other - it is like writing a letter of intent. The parties are evaluating if there is any potential in continuing to the face-to-face stage. Important factors that have to be researched during this stage are countries similarities and differences to gain information about what strategy that can be most valuable to use. To collect information is essential in this stage (Ghauri & Usunier, 2005). They continue by explaining that being able to identify the contents of the deal is important. There is several factors that can have a decisive effect if the process will continue or not, for example: political, cultural, competitors and the ability of constructing/visualizing scenarios that includes a positive and a negative outcome and to understand the counterparts situation. Having a plan B is significant, and understanding the counterpart is best done by by asking questions and gaining advantage by gathering relevant information (ibid).
Face-to-face negotiation
The process is now proceeding further and the parties are evaluating each others offers. One can say that it is a battle of forms - they use a standard form and try to gain mutual understanding. Another way of dealing with f-t-f negotiation is to negotiate and formulate an agreement together with the counterpart. It is significant to be aware of the cultural and business traditions and to create a broad and reliable network. Building strong ties are more relevant than having knowledge about the economic or technological factors (Ghauri & Usunier, 2005). Attitude and personalities are significant to consider when in a f-t-f negotiation. By having an optimistic attitude and personality it increased chance for a successful negotiation (Goldwhich, 2010).

Post negotiation
If the parts are working in a continuum at this stage they can move on, otherwise it is critical to stop untill they have reached consensus. Before signing the contract one should rephrase what has been written in the contract to be absolutely sure that there is mutual understanding (Ghauri & Usunier, 2005).

Background factors
The two background factors that can have an impact on cross-cultural negotiations are: Objectives - In the end process of a negotiation are the goals achieved which satisfies both parties or is there any conflicts that needs to be solved before moving on. This is something that Fisher et al (2011) touches upon in his bargaining over position and will be covered in depth in that section. Third parties - Other actors than the negotiators for example: consultant, agents and sub-contractors (Ghauri & Usunier, 2005).

Atmosphere
A negotiator may see the reality in another way compared to what his counterparty does. Therefore it is important to understand which factors that have the biggest impact and are influencing the atmosphere (ibid).

Conflict/cooperation - during a cross-cultural negotiation conflicts arises. The cause can be e.g. that the parties have interpreted the reality differently and that their goals does not match. There are usually a mutual understanding in the beginning, however,
conflicts can be seen in a later stage and it is therefore relevant for negotiators to find a balance between conflict and cooperation (ibid).

Power / Dependence - Depending on context and ability to gain information it is common that a power difference will arise. The dependence is when one party relies on the other, it is to prefer if the power balance is equal. If the case would have been that one of the parties would have had all the power, one would be able to control the negotiation process completely (ibid).

Expectations - Consists of two different terms: short term and long term. Short term - explains that it might be the only transaction that the two parties will have with each other and therefore they stand their grounds and do not compromise. Long term on the other hand can alter the negotiation by making it favorable for one party from the beginning but with the goal of an equal result over time (ibid).

2.2.2 STRATEGIES, TACTICS, AND NEGOTIATION IN A CROSS-CULTURAL CONTEXT
The importance of using the correct strategy and tactics can be a decisive factor in cross-cultural negotiation. By not choosing the right strategy, a negotiation may crumble and evaporate into nothing (Saner, 2004). Any strategy are suitable as long as they manage to achieve the goal. The best one is of course the one that manages to accomplish it the quickest and with the least effort whilst not harming the relationship. Each strategy is applicable in different environment and should not be considered in isolation. Factors that influence the choice: cultural, previous personal experiences, the other part or the context (ibid).

There are five different ways of negotiation: soft, hard, the principled, avoidance and accommodating (Fisher et al, 2011; Saner, 2004; Ghauri & Usunier, 2005; Goldwhich 2010; Lewicki, 2006). To have a soft attitude means that both parties have the ability to agree even though both their actual plans do not match each others to one hundred percent. The negotiators compare their offerings against each other to reach consensus. One might not get everything you want nor will the other party, compromising and meeting each other halfway is a fully-qualified method (Fisher et al, 2011; Saner, 2004).
The hard approach is when one has an aggressive tone and a strict line of action. The negotiators that are using this approach usually have a strong will and a goal that one will follow no matter what obstacles or barriers that he or she faces along the way (Ghauri & Usunier, 2005; Saner 2004; Fisher et al, 2011). The con is that many important factors is overlooked, disregarded and important information coming from the other part is probably ignored. The path is narrow when using this approach and it is not flexible (Saner, 2004).

The third way is mentioned as the principled negotiation (Fisher et al, 2011). It is a mix of both soft and hard and has. The negotiator using this approach aim for consensus. If interests are conflicting one should seek results that is fair for everyone involved. The method is to be hard on merits whilst being soft towards the counterparty. Therefore one will be able to obtain the goal and at the same time being protective against parties who would like to take advantage one’s soft side (ibid). The approach includes personal factors that is considered relevant since the ability to understand the other person's intentions is a good and applicable approach to reach consensus. The negotiators will have the possibility of getting to know each other and building strong ties and trusting the counterpart makes prospects of further business increase (Saner, 2004).

Avoidance is a no-win solution to a negotiation. The purpose is to use it when one feels like the negotiation is not going anywhere and the solution does not seem possible. Therefore, rather than to harm the relationship, one tries to put the negotiation on ice by postponing it and wait for a more suitable situation to present itself. It leads to a delicate situation where one has to act with care so that the other party does not feel like the negotiation is being stalled (ibid).

Accommodation is based around being cooperative. One party does not focus on his own goals and aims but rather wishes to satisfy the other parties need. The purpose is to create a solid and friendly ground for a new relationships or to put a quick end to an infected one. It should not be seen as a weakness strategy since it all depends on what objective the party has with the negotiation (ibid).

Negotiators uses one of these five different ways with a positional bargaining way of thinking as well, which arguing over position. None of the parties will move position.
until they have reached their goals. Therefore it may endanger a perfectly healthy relationship over time. This positioning can also be applicable towards the soft/hard way of negotiating (Fisher et al, 2011).

Overall when it comes to negotiation Fisher et al (2011) states that it consists of four factors and how they can be managed; People: by separating the problem from the actor it will be a smoother negotiation. We are human beings and not emotionless things. Interest: One should not focus on position but rather the interest and therefore be ready to compromise. Options: Invent several options that has fair gains for both parties before the final decision is made. By not doing so will narrow ones eyesight. Criteria: The result should be based on objective standards. Terms should be fair to reach a satisfying result (Fisher et al ,2011; Ghauri & Usunier, 2005).

2.3 COMMUNICATION
Torsein (2010) defines communications as factors such as verbal language, negotiation language, knowledge of English, use of interpreter, written language, non-verbal language and body language. Raiffa (2007, p81) explains the process of business communication as follows: “You can reciprocally and directly communicate with each other - about what you want, what you have, what you will do if you don't agree, or anything else. This communication might be honest, or it might not. Casrnir (1999, p94) perspective of communication is “I think of communication as that which happens, symbolically, between human beings as they do things together—in concert if you will“.

2.3.1 CROSS-CULTURAL BUSINESS COMMUNICATION
Intercultural communication has become one of the 'hottest' labels of our times, more individuals are aware that 'soft skills' are of substitutes for technical know-how, and that without that knowledge they have little chance of succeeding in the global village (Gibson, 2002). The author explains that if there is a big difference between two different cultures, the communication may be very different as well. Factors that may differ are such as differences between languages, even though people speak the same language the meaning of spoken words are not the same; non verbal language such as body language is interpreted differently between the regions in the world; single words as well. Therefore it is crucial to interpret language and nonverbal language in the same way in order for the parties to reach consensus.
**Verbal communication**
There are three different factors when it comes to verbal communications: Language - how we behave and interpret the social context is depending on latent factors (Gibson, 2002). Therefore it is important to have in mind when going abroad that words can have different meanings. People who doesn't speak in their mother tongue may interpret words differently compared to the counterparty (Ghauri & Usunier, 2005). Paralanguage - the speed when one is talking as well as the tone of voice when delivering a message. Turn-taking - in some cultures it is important to wait for one party to express their opinion interrupting. One should therefore know if it is ok to interrupt someone as well as if one should have a tiny break before presenting one’s own opinion (Gibson, 2002).

**Nonverbal communication**
There are four factors regarding nonverbal communication: Body language - in some cultures, having an upright posture means that you are serious and interested. The same as dress-code. One should not show any body part that is considered inappropriate (ibid). Factors like body language and implicit expressions can also have different meaning depending on culture or contexts (Ghauri & Usunier, 2005; Gibson, 2002). Touch - a universal way of greeting each other shaking hands is the most common approach. However, in some cultures a kiss on the cheek or a hug is seen as the correct way. Eye contact - in some cultures when staring someone deep in the eyes it means that you are being interested and honest whilst in other cultures it is disrespectful. Space - body space between one another - being in one's comfort zone may cause harm and awkwardness in the relationship (ibid).

**2.4 GUANXI**
Guanxi refers to networks of informal relationships and exchange of favours that dominates business activities throughout China and East Asia (Lovett, Simmons & Kali, 1999, p231). In some cultural environments the emphasis on relationship to the counterpart are more important than what one represents and can deliver after the negotiations are done, which of course goes both ways. It can however be the opposite in some other cultures (Ghauri & Usunier, 2005). In China it is especially vital to be aware of personal ties when doing business since it is highly rooted as one of the most well known Asian values building blocks (So & Walker, 2006). The Chinese very often divide people into categories which makes them decide how they should treat them.
Therefore Guanxi is important in a Chinese society since it will make one be able to change the category of how to be treated (Farth et al, 1998). A prosperous relationship with a Chinese corporation starts with a good relationship to its management, many countries outside Asia tend to differentiate the business and 'normal' culture, however in China the line does not exist. Business relations and personal relations are equal in the east. In the west it is common to change behaviour when stepping out of the office (So & Walker, 2006).

The difference between western relationships and guanxi is that the "business relationships in western economies oil the wheels of business; they are not a method of economic organization or a substitute for commercial law. In Chinese society guanxi serves all these purposes" (ibid, p3). The authors continues by proclaiming that the relationships in the west are foremost based on a business culture. The relationship can either be personal or solely pragmatic. Guanxi on the other hand is only based on loyalty in the regard of any relationship. The essence of the term guanxi is: ‘If you do something for me I'll give you something in return’. Therefore it is often linked together with corruption regarding gift-giving, which is something Millington et al (2005) and Xin & Pearce (1996) agrees upon. It usually plays a big part of business relationships between parties and thus essential to know for anyone doing business in China (So & Walker, 2006).

“As much as it is a valuable resource, Guanxi can also be a major liability” (Gu, Hung & Tse. 2008, p26). The authors continues by saying that scholars have for a long time made a warning about the negative side regarding Guanxi, e.g. overreliance, one feeling obliged to do something which will affect the firm’s decision for future business, the domino effect that may happen when a network is failing and collective biases. Even though Guanxi can provide major benefits it can also cause lethal damage in the long run by someone not being able to reciprocate the favors that they ‘owe’ (ibid).

2.5 THEORY SYNTHESIS
When being in a cross-cultural business negotiation one has to have in mind how negotiation and communication should be adapted to based on cultural differences and/or similarities. In this example Sweden and China is exemplified by increased impact of culture. When growing up in different cultures two parties mindsets as well as
way of thinking, psychology, sociology, individualistic or collectivistic society or large power distance is a barrier for negotiators. The model illustrates three factors that has been identified; Culture, Negotiation and Communication. They work simultaneously and are interrelated with one another. One therefore needs to be aware of the fundamental cultural differences. How negotiation technique differentiate is based on culture. In addition, communication will impact how one communicates verbally and/or non-verbally is based upon cultural roots. Which therefore makes communication impact the negotiation process. However, none of these three factors should be seen in isolation since they impact each other.

Model 2 – *Conceptual Framework (Own model based on literature review)*
3. METHOD

We started our research with concluding that in today's globalized world a barrier that is essential to consider is that negotiators are moving from a static to a dynamic approach. Countries are more interrelated and we want to know how they adapt contextually to these changes. The problem started out of a general interest and an interest to learn more about negotiation and culture. The process we went through can be explained by the words of Merriam, (2009, p59): "you move from a general interest, curiosity, or doubt about a situation to a specific statement of the research problem".

3.1 RESEARCH APPROACH

There are three approaches that can be used for doing scientific research; inductive, deductive and abductive approach (Bryman & Bell, 2005). The inductive approach is used when there is a lack of theory to use regarding the research topic and therefore one’s goal is to create or discover new theory (ibid; Patel & Davidsson, 2011). Due to the fact that it already exists a lot of theories in the field of negotiation and culture it is not optimal for the authors to use the inductive approach - they will rather refine the existing theory and thus discover it.

Ryen (2004) states that the deductive approach is when the premises act as linchpin and the researchers make their own conclusions that derive from their premises. Bryman & Bell, (2005) explains the deductive approach as when one is basing the empirical data on theories and thereafter excludes whether or not the theory is still viable or not. The deductive reasoning is applicable in this condition: “Deductive approaches are concerned with developing propositions from current theory and make them testable in the real world” (Gadde & Dubios, 2002, p559). Meyer & Lunnay (2013) argues that by using the deductive reasoning it will limit the researchers from developing or refine theory. When conducting theory driven research in the deductive reasoning one has to compare the empirical data all the way back to the initial theoretical framework. Thus, the data that has not been a part of the initial framework will therefore be excluded (ibid). During this study the deductive approach could have been used but was excluded since the aim of this paper is to refine or discover existing theory, which correlates to our purpose of contributing to knowledge and not deciding if theory is still viable. If
using the deductive approach Meyer & Lunnay (2013) states that the possibility of discovering or refining existing theory would be hindered.

The abductive approach is when the other two research approaches are combined by going back and forth between new empirical findings and theory to refresh the existing theory (Bryman & Bell, 2005). Meyer & Lunnay (2013) argues that by using an abductive approach, complementary tools will allow the researchers to do a more comprehensive analysis of the theoretical driven data. The abductive approach is especially good to use during qualitative research since the research have to be very active and engaged in the analysis - due to the fact that one jumps between theory and empirical data. Thus it advances already existing, or missing, theory construction (Denzin & Lincoln, 2011). By using the deductive approach it enables the study to base the research on existing theory. By working with both deductive and inductive reasoning it enables the study to refine existing theory or discover new theory (ibid). In addition, to be able to answer the research question “How do cultural differences impact Swedish business negotiators when doing business in China” and to get the most out of the analysis one needs to be precise and engaged in the analysis and thus making the abductive approach the most relevant method.

Dubois & Gadde (2002) claim that when having an abductive approach and to fully understand the study it is necessary to combine inductive and deductive otherwise it will result in a one dimensional and static process. Empirical data and theory are not two independent entities, but these should be used simultaneously and combined - where one does not exclude the other to reach the fairest results. When empirical data contradicts the theory a need arises to alter the assumed variables, it may be to alter the theoretical framework or research question, this is called matching (ibid).

Dubois & Gadde (2002) argue that if the research project consists of different variables, which are mutual beneficial in an environment that is difficult to grasp and therefore fully understand - without examining a specific case deeper than another. In other words excluding what is superfluous to make a complex environment understandable. When opposites prevails - comparing several different variables, it is appropriate to increase the number of case studies.
“The reason the framework should evolve during the study is because empirical observations inspire changes of the view of theory and vice versa “ (ibid, p558).

Model 3 (Dubois & Gadde, 2002)

3.2 RESEARCH METHOD
There are two different research methods when conducting scientific research, qualitative- and quantitative research method (Patel & Davidsson, 2011). Quantitative research has the purpose of determining the frequency of- and statistical analysis of certain data (Merriam, 2009). However, one can use statistics and numbers in a qualitative research as well however it is most often used in quantitative research (Denzin & Lincoln, 2011). Qualitative research on the other hand is about determining how people are interpreting various situations and experiences (ibid; Merriam, 2009).

The differences between the two methods are what kind of data one retrieves (Yin, 2012). In qualitative research the contextual data is caught in a large scale, and in quantitative research numeric data is caught. By looking back at our research question “How do cultural differences impact Swedish business negotiators in a cross-cultural context focusing on China“ the research question will not serve the purpose of producing quantitative data but rather contextual data and therefore using a qualitative approach is most appropriate. In addition, as can be seen on the purpose “contribute to knowledge in the field of negotiation, communication and cultural differences” - it can be conclude the study will, as Merriam (2009) say; determine how people, the Swedish business negotiators, are interpreting certain situations and experiences (adapt or manage distance). The aim is to present how the informants interpret contextual changes
and cultural distance perceived. How they communicate, adapt to and manage change. Therefore the qualitative method is most relevant for the cause of this study.

Qualitative research are grasping two different tensions at once. “On the one hand, it is drawn to a broad, interpretive, post experimental, postmodern, feminist, and critical sensibility. On the other hand it is drawn to more narrowly defined positivist, post positivist, humanistic and naturalistic conception of human experiences and its analysis” (Denzel & Lincoln, 2011, p6). These two tensions does not have to be separated but can rather be united so that the result between postmodern and naturalistic or critical and humanistic perspectives can be depicted (ibid). One conducts a qualitative study when theory in the relevant field of research is lacking or missing overall and can therefore not answer the research question (Merriam, 2009). Which is something the researchers have concluded by using the abductive approach. In addition, when acknowledging cultural differences, it can be stated that a broad interpretive approach is relevant in order to acknowledge how actors interpret other individuals and contextual changes. It can be done by using the tools that the qualitative framework contains.

3.3 RESEARCH STRATEGY
When using qualitative research approach there are several different strategies to choose from when collecting data such as through case studies, observations or document analysis (Patel & Davidsson, 2011; Merriam, 2009). Case studies is recommended to use since it helps to understand complex social phenomena (Yin, 2014). Case study on the other hand is according to Merriam (2009, p40) "An in-depth description and analysis of a bounded system” and the purpose of doing a case study is to get a deeper understanding of subjects by analyzing cases. Thus using case studies as a research strategy will assist in providing the answer to the research question “How do cultural differences impact Swedish business negotiators when doing business in China” The reasoning is because it is based on understanding a complex social phenomena as well as an in-depth description and analysis of a bounded system.

A case is a bounded entity, which means that it can either be an organization, a person, an event or a behavioral condition (Yin, 2011). To manage a case study one needs to do
a variation of tasks; designing the case study, collecting the case study data and thereafter analyzing the data collected. Finally to present and report the result of the data which have been analyzed.

When doing case studies one can choose from four different case study designs; single case design, multiple-case design with either a single-unit of analysis, also known as the holistic way, or multiple units of analysis, i.e the embedded way. The holistic approach should be used: “when one want to know for example how and why an organization implemented certain staff promotion policies” Yin (2012, p7). Whilst the embedded approach is when data is collected from a group of people in a specific company. Yin (2012, p133) recommends that “if you can do a two-case study (multiple case study), your chances of producing credible results will be better than using a single-case design”. Multiple case study is when the research area is examined through different aspects, an example can be; to do several interviews with five people in the same industry. When the data has been collected, researchers will summarize the data based on the overall empirical findings.

This study has been operationalized by using the multiple case design and a holistic approach. The credibility of the research will increase compared to if a single case design is used (Yin, 2012). Two additional reasons on the reasoning behind this method was because it increases both external validity and generalizability (Merriam, 2009, p50). By using a multiple case study it enables us to interpret various contexts and dimensions and will increase the generalizability.

3.4 COLLECTION OF DATA

3.4.1 SECONDARY DATA
Secondary data can be collected by reviewing different sources such as books, scientific articles, peer reviewed articles and databases. It will help to validate the primary data by using the triangulation approach to determine the quality of research.
3.4.2 PRIMARY DATA
When acquiring primary data through a case study it is possible to collect data by using six different methods; direct observation, interviews, archival records, document analysis, participant-observation and physical artifacts. In qualitative research it is recommended to collect primary data through interviews. Interviews is one of the fundamentals when gathering data (Yin, 2012). The reason that interviews is the primary data gathering method is according to Merriam (2009) that “interviewing is necessary when we cannot observe behavior, feelings, or how people interpret the world around them”. Moreover Yin (2012) argues that the primary goal for interviews is to get personal - subjective information about contexts, environments or interconnections.

Based on these justifications personal interviews were conducted. Whereas the primary data was gathered through a series of interviews with people who are active and experienced in the regard of business negotiations with Chinese counterparties. Positive variables with interviews are that they can be used for complex questions, the informants can follow up the answers, it is more personal and it enabled us to acknowledge non-verbal factors. When doing phone interviews it enables the informants to follow up his questions - negative implications are that complex questions are hard to manage when speaking over the phone (Eriksson Wiedersheim-Paul, 2006). By doing interviews it will give us a rich and more in depth data regarding our research topic than the other methods (Yin, 2012).

3.4.3 CHOICE OF CASES
As long as there are two parties in a negotiation and they derive from different cultures and/or business cultures, cultural differences will exist. Thus the problem is not specifically between two countries or cultures such as Sweden VS China but rather Sweden VS Everyone. A focus could have been on how “Swedish business negotiations perceived cultural differences - overall” - thus focusing on several counterparties. However, we state that we would not have been able to get a deep study if we only would have interviewed one person with the experience from each counterparty. Another focus could have been comparing two counterparties with each other, let’s say Sweden VS India/China, then again the depth of the study would have been questionable. Therefore to increase the quality we rather chose to focus on just one counterparty. The fact that China currently is, and will in the future be, a giant in
business trade contributed to our reasoning. The influence derived from mainly the gap that has been recognized in the problem discussion as well as the cultural distance, political differences, general interest and that it is not easy to experience on your own. Thomas (2011) state that sampling is not a sample, it's a choice and a selection and has the purpose to be “a portion that shows the quality of the whole” (ibid, p62). It is vital to be aware of that each case has the possibility to be used as a unit of analysis that will enable one to produce the correct data. To have the correct criterias for ones case are therefore pivotal (Yin, 2012).

The interviewees (representatives) that were chosen for the case studies had to have experience of cross-cultural negotiations in China. We have neglected several companies since they had not the informations with the correct criteria, thus we claim that it is not the companies that we are interviewing but rather an individual. Therefore it is not important for us to know how long the company have been active on the Chinese market as long as they still are or has been during the last two years. The interviewees can still have vast amount of experience that may have been retrieved from a former employment. Finally it was important that the informants had been responsible for at least ten cross-cultural negotiations. The following candidates matched the criterias perfectly;

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Responsible for negotiations</th>
<th>Date of interview</th>
<th>Place of interview</th>
<th>duration of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jarhall, Johnny</td>
<td>Sales &amp; Marketing Director at Yaskawa</td>
<td>10</td>
<td>28/4-2014 - 08:00</td>
<td>Yaskawa Nordic HQ Kalmar</td>
<td>1h</td>
</tr>
<tr>
<td></td>
<td>Nordic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voica, Hector</td>
<td>Area Sales Manager at Norden Machinery</td>
<td>20</td>
<td>29/4-2014 – 10:15</td>
<td>Norden Machinery HQ Kalmar</td>
<td>59 minutes</td>
</tr>
<tr>
<td>Råberg, Michael</td>
<td>Sales &amp; Export Manager at Swede-Wheel,</td>
<td>30-40</td>
<td>29/4-2014 – 15:30</td>
<td>Phone Interview</td>
<td>42 minutes</td>
</tr>
<tr>
<td></td>
<td>informal President at Spectrum</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hedebäck, Daniel</td>
<td>Investment Manager at Forbus</td>
<td>10</td>
<td>30/4-2014 – 10:00</td>
<td>Linnaeus University</td>
<td>46 minutes</td>
</tr>
<tr>
<td></td>
<td>Campus Kalmar</td>
<td></td>
<td></td>
<td>Campus Kalmar</td>
<td></td>
</tr>
<tr>
<td>Lundström, Stefan</td>
<td>President at Trelleborg Sealing Solutions</td>
<td>20</td>
<td>5/5-2014 – 13:00</td>
<td>Trelleborg office</td>
<td>50 minutes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Kalmar</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4 - Own figure
3.4.3 OPERATIONALIZATION AND FORMATTING THE INTERVIEW
Qualitative interviews are generally seen as a relevant approach to get the interviewees talk freely and open minded. The order of questions can either be standardized i.e. the questions is asked in a certain order. Or the order of questions can have a relatively low standard and questions can be asked randomly, as long as the interview can maintain a good flow (Patel & Davidsson, 2011). Further on, it is possible to use two essential interview techniques. The first one is called the funneling questioning which is when one starts by asking open questions and gradually move into deeper narrow questions and subjects. The purpose is to get the interviewee to feel comfortable and interested. The second technique is the reversed funnel questioning. This technique is about asking narrow and deep questions to gradually go to broader (open questions). The purpose is to catch the person's attitude by getting the interviewee to think about the topic before answering the question (ibid). We chose to use the funneling questions with the purpose of making the interviewee feel comfortable. If we would have made them feel stressed e.g. if we would have used deep questions initially with the reversed funnel questioning, then we claim that we would not have received deep answers.

There are several approaches of conducting an interview, either by doing it in an unstructured-, in a semi structured- or a highly structured/standardized way (Merriam 2009). Unstructured interviews have the following attributes: "Open ended questions, flexible and exploratory, more like a conversation, used when researcher does not know enough about the phenomenon to ask relevant questions (ibid, p89). An unstructured interviewing way was not chosen since we knew enough about the phenomenon. In addition, if an unstructured interviews would have been conducted, the possibility to receive in-depth answers to our research question would decrease since the flow in the conversation would have been lost by switching between topics.

Highly structured have the following attributes: "Word of questions is predetermined, order of questions is predetermined, interview is oral form of a written survey, in qualitative studies, usually used to obtain demographic data" (ibid, p89). A highly structured approach was not used since the aim was to acquire an open in-depth conversation which can increase the empirical data. It would be better for the interviewee to feel open, free and be able to add additional details of his preference regarding the current topic - which does not correlate with the highly structured approach.
Semi structured interviews means that the researcher has various topics that they would like to cover (Patel & Davidsson, 2011). The interviewee has the freedom to answer them openly and in depth. By sending the questions beforehand it gives the interviewee the possibility of getting to know the questions and giving a deep answer. By not sending the questions beforehand one has the possibilities to touch upon many topics that the interviewee might not would have answered if s/he would receive the questions beforehand (ibid). As mentioned earlier, our aim is to have an open conversation on significant topics with the purpose to catch how they are interpreting and experiencing different contexts. The questionnaire was not sent to the interviewees before the interview since the questions was not considered complex and thus not needed for the interviewee to freshen up his answers. According to Ryen (2004) the approach when forming an interview guide should be to have a good balance between formal and informal structure, if the interview is too formal it can be seen as a mechanical process.

Our interview guide evolved through already existing theory, with the help from both the primary and secondary questions as well as the existing theory in order to create an interview guide that would help to answer our research question. The process started by forming four different categories based on our theoretical framework—culture, negotiation, communication and guanxi. Thereafter questions were created regarding each category separately. This was managed by using building blocks through concepts from the theoretical framework such as cultural dimensions (Hofstede, 1983, 2010; House et al, 1999, 2004), cultural adaptation (Ghauri & Usunier, 2005), negotiation techniques (Fisher et al, 2011; Saner, 2004; Lewicki, 2006; Goldwhich, 2010), verbal and nonverbal communication (Gibson, 2002), and finally relationship and business culture (So & Walker, 2006). The reasoning behind this was so we knew that the questions would cover all necessary parts. In order to get a deeper conversation regarding the questions, as well as time efficiency, it was pivotal to integrate questions with one another. A few basic questions were created and used initially to get to know the interviewee. In addition, translating the questions based on the theories from an academic language to a context based business language was done to verify that the interviewee would be able to answer the questions.

We used the questions in the interview guide as a structure and not the categories. During the interviews we had to simultaneously jump between the three main areas.
Everyone started by talking about the asked question and then touched upon another subject (which was included in our interview guide). During the process the informants were not interrupted, the answers that were gathered when not not disrupting would reflect the context and increase the quality of their answers and maximize flow. We did not perceive the interviews as mechanical.

### 3.5 ANALYTICAL METHOD
Analyzing data that has been collected through specifically case studies can be very challenging. The researchers have a colossal amount of data and thus need to use relevant analytical methods (Merriam, 2009).

To analyze the interviews Kvale & Brinkmann (2009) claims that one should code and categorize the data collected, also known as the ‘meaning coding technique’, to analyze how often certain categories or codes are mentioned. The purpose is the “development of categories that capture the fullness of the experiences and actions studied” (ibid, p202). The method was used by coding and categorizing the answers into four theoretical categories.

To further analyzing the cases Yin (2009) recommends the Cross-Case Synthesis - that applies specifically when analyzing multiple cases. When using this technique one should treat each individual case as a study in isolation. One should use this technique by displaying the data in e.g. a word table of each individual case and then comparing them to one another. Thereafter one can conclude “whether different groups of cases appear to share some similarity and deserve to be considered instances of the same “type” of general case” (ibid, p160). After using the meaning coding technique we found it necessary to display the data and compare individual cases with one another to conclude if they share any similarities.

### 3.6 QUALITY OF RESEARCH
Merriam (2009) states that if a research is going to have any effect, whether it is for the practice reasons or theoretical reasons, one need to present results that can be seen as accurate for the readers. Validity and reliability are two factors that have to be approached with careful attentions when researchers are collecting data, analyzing the
data and finally interpreting the findings for a result. When doing qualitative research the readers should be presented with enough details and data with the purpose of showing that the authors conclusion can be seen as precise.

3.6.1 VALIDITY

Validity is a surveying instrument that has the purpose of figuring out if the researchers are researching what they intended (Eriksson Wiedersheim-Paul, 2006). Internal validity and external validity is two separate poles. The Inner concerns causality. Merriam (2009, p213) states that the meaning is "how the researching finding match reality". According to Yin (2014) internal validity is used to explain why certain phenomena happens - causality. External validity is to confirm if the case study can be generalized and there is no difference between what kind of method is used, the concern is if the research is generalizable (ibid). Merriam (2009) states that external validity concerns finding the right people to interview. In addition, to confirm the validity of the study one can use the method of triangulation.

Triangulation combines two methodological approaches (data collection and analysis) - the triangular process enables the researcher to better understand the informants, more complex details and to interpret the research problem (Maggs-Rapport, 2000).

“Triangulation should be seen as a three dimensional model. In order to obtain a better understanding of the data (its shape, size, etc.), it should be considered as a multidimensional concept rather than as an aggregation of data which added together will produce a clearer and more complete picture”(ibid, p222).

Triangulation was used in order to strive after increased validity. In addition, since cross-cultural contextual negotiations are a subject that is hard to grasp however, with the help of triangulation it became more manageable. According to Patton (2002, p556) triangulation consists of four methods: Methods triangulation: are the collected data which has been gathered by different method correlating? In this study several methods has been used. Triangulation of sources: is the data correlating and has been collected with the same method? Various interviews that has been collected through the same method has been compared. Analyst triangulation: When two different researchers have analyzed the results. Both researchers analyzed the results individually and compared these to analyze if they had different opinions and therefore discussing them to reach consensus. Theory/perspective triangulation: is when there are several perspectives and
theories that has been used to interpret the data. Several different theories and perspectives has been used and been combined in this paper.

3.6.2 RELIABILITY
Reliability means that one can get the same answer over and over again. If someone else would have asked the same questions would he have gotten the same answer? (Eriksson Wiedersheim-Paul, 2006). Reliability is concerned about if the research can be done in a later phase with the same findings (Yin, 2014). We are not going to be able to control our premises regarding reliability since the interviews answers are based on contextual (subjective) experiences and thus the way they see their experience can change. We state that depending on new experience can contribute to a different outlook of a particular contextual event. It is also a fact that depending on mood, feelings and other environmental changes their outlook can change. It is explained beautifully by Yin (2014) who exemplifies by comparing the term with the job of accountants and bookkeepers - if someone else would do their job or check up, it is essential that the results are the same. Therefore it is vital that the research is dependable and accurate throughout the whole process. We proclaim that the research matches both criterias as dependable and accurate, however, we neglect that latter researcher would get the same results for the same reason as mentioned above.

3.6.3 ETHICS
The ethical dilemmas is common when conducting interviews and being in contact with other organizations or people. All different interview methods can be problematic since the interviewee may want to keep his privacy - especially the in depth interviews are important to consider (Merriam, 2009). “Analyzing data may present other ethical problems. Since the researcher is the primary instrument for data collection, data have been filtered through his or her particular theoretical position and biases” (ibid, p232-233). We have specifically been asked by a few of our interviewees to make some of their answers regarding corruption and political system anonymous since they do not wish that their opinions will reach the mass media - this request has been respected.
4. RESULTS

4.1 NEGOTIATION

4.1.1 NEGOTIATION PROCESS

Pre negotiation

The business culture affects the personalities of the Chinese when doing business. Hedeböck explains that the Chinese are not as straight forward as we are in Sweden. He first thought this was a cliché however, he soon realized that it was the reality. If there were any kind of problems the Chinese tend to be elusive about the problem to not lose face - “which one could not adapt to and therefore it was time consuming”. Råberg’s view of the business culture is that it is more hierarchical and when many people are presence during a negotiation it is very clear that only one person is able to make the final decisions - thus you speak to him. Voicu states that it is common for the Chinese to not be direct with what they are trying to say as well as what they mean - since they don’t want to get into any uncomfortable position. Although, he doesn’t mind them doing that “I enjoy the feeling that it is like a game when negotiating” and thus adapting by keeping that in mind.

Jarhall states that many employees in China are afraid to take decision without getting an approval from a person higher in the hierarchy - “which is nothing you can do about, it is however time consuming”. He continues by saying that another aspect of the Chinese business culture is that they want to picture themselves as being problem solvers. The consequence of such a perception is that a deal may seem closed when in fact it is not - thus one has to be critical (ibid). Lundström states that the business culture of the Chinese business negotiators are that they say they understand which might not always be the case, which creates a paradox, since the culture are different and both parties communicate differently. Lundström continues by saying that the reason behind this is because they do not want to bother the customer asking for more information and therefore lose their face - one therefore have to be critical and take extra notice of their body language. “They are still not scared about the truth reaching the surface - which it always does”. An implication is that in critical situations when the parties do not interpret each other correctly unnecessary misunderstanding occurs - and the situation has to be dealt with accordingly (ibid). One of our informants states that that the business culture is coloured by capitalism, “you would expect a little more
socialism, even though they are communists they are also aggressive regarding the development of their country thus taking more risks”.

Hedebäck states that initially it is important for the Chinese to get to know the counterpart and when there is a relationship, the business process can proceed. Thus the personal relationships and trust are important in China. However, loyalty is only presence to the point where making a profit is a possibility - “we are not friends, this is just business - which of course can be the case of Swedes as well” (Hedebäck). Jarhall states that relationship and loyalty is always important with customers, but in China one cannot feel or know if you have a relationship, he states that they are very hard to read and feel.

Råberg states that it is significant to manage the relationship continuously since there is such a large geographical distance between the countries. “When it comes to business the importance of loyalty are decreasing though - the focus for both parties is to maximize the results”. Råberg continues by saying that to construct a healthy relationship it is vital to avoid cultural clashes, to have an open mind and go easy initially. By doing so it opens new doors for future businesses and make the relationship less complex (ibid). A pragmatic example of this is explained by Voicu: “After convincing the technicians of a company I got to speak with the president. He asked me when I could deliver the machine (which means that he wants to buy). He wanted it by week 48, I could have lied and told him that I can do that. But instead I told him that I can deliver by week 48 but the installation will not be able to occur until after new years - which he agreed upon. 1 year later, he ordered another machine without even meeting with us”.

Lundström on the other hand says that he has not figured out if it is important with loyalty and relationships in China. One can get a great deal today and within two years they can break it. He adds that to accomplish a healthy relationship one has to have a soft approach, be friendly and behave correctly.

Råberg characterises the Chinese as very polite but a bit avoidant, tricky and therefore hard to trust - “which makes it hard to fathom the situation and to adapt to”. Jarhall experience is that the Chinese are elusive which makes it difficult to know what they
actually mean and what they are giving an answer to - which depends on the cultural differences. Voicu states that the Chinese does not have a common personality however, he have recognized that they want to get the most and best out of a negotiation, as every other negotiator.

Jarhall states that it is vital when doing business in China to respect the elders - and they respect him. One also have to know how to behave in various different occasion whether they are formal or informal. “There are many persons that fail to do this and instead act as the would have done in Europe - which makes them lose the customer”. He also believes that the Chinese are adapting towards us when we are in China.

The Chinese do not show as much feelings as Swedes according to Råberg. He adds that it is a radical difference by having an aggressive attitude and being distinct. Lundström states that in Sweden it is possible to be straight forward as a supplier and say without detours when processes are getting to complex. “I think that a Chinese is waiting to long to present relevant facts and it will additionally be in critical situations when there is lack of time - however, they always manage to solve the situation!”(ibid). Voicu agrees with Lundström by saying that the Chinese rather take a detour than being straight forward - and one has to accomodate. Hedebäck say that it is a norm in China to get to know each other before doing business. “One has to adapt to the Chinese culture and psychological way of thinking in certain ways, like for example these get to know each other occasions, and in other ways not - like corruption” (ibid).

Jarhall states that the pre-negotiation starts with a request from the customer that wants to upgrade their existing system or establish a new production. When they have sent the details Yaskawa goes through the technical specifications which includes layouts and functions. Thereafter one goes to the country of the customer and experience how the reality is like “which is never the same as one has imagined” (ibid).

The most recent pre-negotiation Voicu was involved in was with a customer who wanted to increase their production. The customer sent a user requirement specification request to Norden who replied with an offer. However, the Chinese customer had appointed a new Senior Purchaser so Voicu had to fill her in over the phone on what they had already agreed upon. “She of course wanted more but I said that that will not
be possible” - thus communication played a role. In the end they reached an agreement and she sent a letter of intent (LOI). The same goes for Råberg who also negotiated over the phone and therefore the negotiation had the characteristics of a discussion regarding all the details rather than a negotiation and thus made it an emphasis to be critical and not take quick decisions - which he used to do when he was less experienced.

Lundström states that the pre-negotiation and face-to-face negotiation are about going through documents and specification regarding the affair e.g. how many details that will be included in price. Another major factor is that the Chinese act differently in a negotiation when he as the President of Trelleborg is presence - they will negotiate about more details and bargain about the price. He adapts to this by not going there in person. The communication is instead done through Trelleborg's local sales manager (ibid). Hedebäck states that in the end it is all about making profit, one has to be wary about not getting tricked in a negotiation - whether it is in China or in Sweden. The last negotiation he tried to get as much of a profit as possible which is not a common negotiation mindset for him since he considers himself as quite a nice and friendly person and that reflects on his negotiation technique.

Face-to-Face negotiation
Jarhall states that in the face-to-face negotiation you discuss the commercial part details i.e. jurisdiction and terms of delivery. At this stage it is not unusual that the customer wants to change the specifications. Thereafter the jurisdiction has to be proceeded once again and the documents need to be translated into English since “they like to add details that has not been spoken of” (ibid). Voicu says that the Chinese can many times be tough on their demands but he does not see that as a problem. When he is in a face-to-face negotiating in China he always bring a local sales person with him who is responsible for the client with the purpose of being as prepared as possible.

According to Råberg emotions and mindset are important - therefore it is vital to not have an aggressive approach or mindset since they will lose face, which is something Lundström agrees upon. Hedebeck explains that it is important to not get angry whilst being in a face-to-face negotiation. Voicu proclaims that it is vital to be happy, smile and leave a funny comment once in a while to lighten the mood. “Although there are
those people that come to negotiation with a strict stone face and want it their way, which is not a problem and you have to adapt accordingly” (ibid).

Jarhall on the other hand says that feelings are not shown at all by either party until the deal is done or has perished. After the meeting, if it has been successful, you often show happy emotions. It has happened that Yaskawa has slammed their books and said that they are going to leave since the negotiation is going nowhere. However, since the Chinese highly values machines produced in Europe they will not let them leave but rather want to try (again) and reach an agreement. However, it does not have to end in a deal every time (ibid).

Post negotiation
The informations states that one will be in the same situation whether it is called a face-to-face or post-negotiation and thus the adaptation needed to be done are the same. In general, post negotiations mainly includes: terms of delivery and frequency. Lundström states that it begins with a framework, the car industry is known for its continuity - each two or three years one need to sit down and negotiate about price and details. “So there will be a lot of post negotiation”. Jarhall states that the post negotiation phase consists of discussing the price, delivery times, technical specs and shipping terms. Voicu also states that terms of delivery and installation is very often covered in the post negotiation. “However, there is no common way of how the process works - each occasion is different and you have to adapt accordingly”.

Background and atmosphere
Hedebäck had his back covered from a big customer for quite some time when he was negotiating with a contractor that acted like an assembler between the two of them “since our customer wanted us and we knew it - they could not touch us without losing the other client themselves”. Jarhall states that their customers needed to get the production going since they had customers waiting that needed their products and therefore had an influence on the deal making them more eager to buy our products, which one can use as an advantage. Råberg on the other hand state that the Chinese has been using agents for negotiation but it is not as common anymore - they work on bonuses which can have a positive influence on settlement.
Conflict/cooperation -

Jarhall states that when the negotiation process have reached a tipping point the focus is usually on what have caused the problem - and keep your cool not making them lose face. However when it is not in your hand, things become problematic. He mentions one time that the group of people he was negotiating with had a price limit and were not able to match his demand on a small cost for the education on how to operate the robot. “They did not have the mandate, nor is it in their culture to go back to the head office and ask for more money”. After a long discussion Yaskawa and a European representative for the Chinese office came to the conclusion that Yaskawa and the Chinese would pay 50% each of the cost. When they told the Chinese that this was their decision they were not completely satisfied, only after the European representative had signed the paper and taking responsibility for the decision - they were fine and acted like there never had been a problem. “You can never know how strong the ties to your counterpart are” (Jarhall).

Råberg states that an issue is that both parties have various cultural dimensions and different ways on how to approach problems - a Swedish conflict is not the same as a Chinese conflict. Lundström states that “It is hard for me as a CEO to negotiate in China, when they are aware of my position they try hard to get a discount - therefore I use my sales person in China instead”. Before he was the president of Trelleborg Lundström says that he was a part of a deal where he was assigned to buy a product for a discount and when he went there the process was not in progress. The agenda consisted of topics that the parties thought was dealt with. The problem could have been solved by having a Chinese person linked to Trelleborg, however this time Trelleborg were using an interpreter which was freelancing and important information was not translated.

One of our informants state that the political and governmental system is indeed something they have to take into consideration since they ship their equipments to China. “There is always a deadline and if equipments gets stuck in the custom - which have happened - it will cost us a lot of time and money to take care of” - thus it is important to know the legislation. Another informant states that the political and governmental system is not something that is affecting them since they have a local office there and the Chinese employees ought to know how the system works. One of
our informants states that you had to keep track on the political system since it was a lot of corruption going on. Another one states that the political system creates problems which one can adapt to by following the rules ‘as good as possible’, one has to have in mind that there is still much corruption in the country, even in the higher hierarchies. One of our informants states that the Chinese government holds such a control and it feels like it is beneficial due to the fact that the country is evolving with such haste as well with an endurance to do so - which one can take advantage of. “However, There are ethical rules around this, which can be discussed endlessly”.

Hedebäck states that everything can be bought for money. He also states that Guanxi steers big parts of the culture “it is not a question on whether Guanxi exists or not, it is clear that it exists and that it runs everything and has made corruption possible” - he recommends that one should not fall for it though. Råberg says that gifts and favours are definitely appreciated. If the Chinese person is not the only one who controls the enterprise s/he does not often impose on these matters. On a personal level though it is very common - “one should decide by himself how you should approach it”. Lundström states that the corruption in the sector were Trelleborg is active in is not imminent. The majority of Trelleborgs customers are global companies that derive from Europe or the U.S. which as well as Trelleborg has rigid rules as code of conducts.

Råberg says that the Chinese always act courteous and are striving for long-term relationships. Jarhall proclaims that the Chinese want to establish a long-term relation to Yaskawa’s technicians and that the project team in Sweden stays in contact with the customer for the first six months after the deal. The Chinese part of Yaskawa handles the support and services as local supporters. Hedebäck states the Chinese wants a long term relationship - to the point of when they can make a profit - which is nothing you can do about. Voicu agrees and proclaims that when the customers are happy, there is a win-win situation. Thus it is important to follow up the deal which Norden does by offering service packages. Lundström states that many of the contracts that they sign are for an indefinite time however after a few years it is time to start negotiate about changed terms and details.

Jarhall claims that the time aspects on a set date for contracts for example, are the same in China and Sweden. Being in time is important and they do not care on how long the
meeting will go on, even if you scheduled it for a certain time. “However, during a meeting - if a certain Chinese person is not responsible for the current discussion topic - he might as well take a nap” (ibid).

Voicu states that in China they are not as good at keeping track of the time as Swedes, although, one should be on time for meetings. “The international companies often have an international culture and thus they are very straight forward - meetings go on until the negotiation is done”. Hedebäck states that the accuracy and punctuality has gradually disappeared - “one could always blame on him being late due to the traffic e.g.”. Råberg states that punctuality is followed strictly by most Chinese corporations and they also act loyal to what time frame they have regarding contracts. Lundström (2014) states that “We use our time better in the west, we spend most time in the beginning (planning etc.) and less in the end, it is the opposite for the Chinese”.

Råberg proclaims that there is no difference for the Chinese to work individually or in a group. “When you meet a group representing a company, the roles are quite clear. Therefore you have to have your attention on the correct person. The same goes on the individual level, they know what to do and are loyal to their clients”. Jarhall states that they rather prefer to work in groups than individually, which is hard to adapt to.

According to Voicu Chinese that are not comfortable in speaking English and have not been spending time in the west, working or getting an education, often prefers to work in a group. One that is accustomed to the westerners are often more independent and works by themselves. He continues by saying that you can adapt your way of thinking to a Chinese mindset or a more western mindset depending on the context.

Hedebäck states that it is an individualistic society even though it is supposed to be a collectivistic. “The Chinese are not as efficient whilst working in a group since they need instructions on what to do - which is not efficient and at the same time not make them lose face”. He continues by saying that they are individualists, thanks to the the one-child policy it has made them think less about the group and more about themselves. Chang et al (2011) agress that China is not as a collectivistic country as it used to be - they state that China is going from a collectivistic society to an individualistic.
4.1.2 NEGOTIATION TECHNIQUE
Lundström proclaims that when going into a negotiation process one should be well prepared and have a good knowledge about the other parties' strengths and weaknesses. He claims that the Swedish way of building a good climate is to be cautious and the Chinese are straightforward, however one should be careful so that the Chinese counterpart do not lose face.

Jarhalls best advice for a successful negotiation is to be prepared, read literature, simulate different scenarios and have local cultural knowledge, i.e. how to present your business card, how to greet people and who to greet first. Voicu agrees and adds that before a negotiation relevant facts are for example: who will attend, their position and who has the mandate. “One should picture scenarios and counter arguments to not lose face”. If one do not have any of the information one simply have to rely on ones own abilities and adapt to the environment. He states that it is usually easy to find the needed information and picture the whole face-to-face negotiation process.

Jarhall states “the Chinese are not as independent as we are in Sweden - instead they need a "back-up" in form of their CEO to take the final decisions” - therefore written contracts are preferable to avoid making mistakes. Voicu proclaims that the Chinese have the mandate to make decision since they know that they cannot negotiation with anyone higher in the hierarchy than the representatives from Kalmar - thus it is necessary for both parties to be able to make decisions and have all the information ready. Hedebäck agrees with Voicu, and adds that they are risk averse. “Although it is preferable to use written agreements - if the situation requires that the parties meet in court you will have a severe disadvantage with an oral agreement” (ibid).

Råberg proclaims that “The vast majority have full mandate”. He sees them as willing to take risks since they are a gambling and risk averse people. Regarding contracts it is OK with oral ones but it depends on whether it is in a larger context or if there are more people involved from both sides - then he feels that a written contract is better. In addition, what Swedes think are detailed, the Chinese many times think it is overdetailed. However, he states that having it overdetailed is better in most situations. Lundström states that they have the mandate to take decisions. “It is not preferable with verbal contract though, even though code of conduct is the norm - if one should have a
**verbal contract it is vital to have a strong tie to the other person**”. Verbal contracts have always ended up as a misunderstanding, therefore he recommends a written contract. Lundström explains that the Chinese are willing to take risk and he believes that it is due to that they are being helped by their regional banks.

Råberg does not have a specific negotiation technique whilst being in China but he has changed from being impulsive to more of a listener. He is also trying to be brief in his communication to not make the issue more complex. If the other party has to undertake a large project, it is advantageous to focus on the person and not the problem (ibid). It is often better to focus on the person instead of the problem since it will be a much bigger possibility to reach an agreement if you have the same values and attitudes. You should aim for reaching a fair deal for both parties (Hedebäck; Lundström).

Jarhall says that the negotiation techniques he is sticking to is to focus on what is written in the papers. The reason for this is if you have promised something else, it can be interpreted differently. “You should however not act static when problems occurs, act dynamic to reach a fair deal”. He continues by saying that it is difficult to focus on the person opposite of you since you cannot be assertive about your relationship. Voicu claims that in a face to face negotiation it is important to focus on both the person and the problem. The customer has the specification that needs to be solved - “therefore I suggest to focus on the person”. He continues by saying that in general neither of the party has to compromise more than the other since when the relationship is established it is very often a straight path forward. During a negotiation both parties want to maximize profit and take charge of their service or products. However, one can not be strict but one rather should see it as giving and taking - to compromise and find paths that lead to an agreement. No Senior Purchaser is like any other and therefore the negotiation technique and strategy has to be changed accordingly (ibid).

According to Lundström to have a soft and accommodating negotiation technique is vital. “Life teaches you what to do in certain situations and this worked for me in this context” If the context changes drastically an aggressive approach can work - “again - it is all about the context”. Voicu claims that a Senior Purchaser has more arguments to use during a negotiation than you as a seller have. “The main argument you as a seller have is “do you want to buy?” and the Senior Purchaser knows that. It is a game which
is decided on how well you state your arguments”. Jarhall explains that you are dependent on each other but in some cases the customer is more dependent on Yaskawa since they need their robot to be able to produce their products. Hedebäck in the other hand says that “In many situations one party will always have more power than the other - and you just have to go with it”. Lundström states that both parties, especially in the car-industry are very dependent on each other.

Voicu states that the companies that Norden do business with in China are good at equality. A lot of the women he has negotiated with holds positions like CEO, Project Leader or Senior Purchaser. “Women have a different style, men are more blunt and grumpy whilst women have more of a feminine touch. Both genders still knows what they want (with the negotiation) - they just deliver the message differently” (ibid).

Lundström states that he has negotiated with both both sexes. He concludes that women are more concrete, critical, honest and straightforward but higher in the hierarchy, women are still a minority.

According to Jarhall it is not common for women to be a part of cross-cultural negotiations. In the special occasions when women have been a part, they have been working as translators. Moreover, Chinese women can without a doubt have the same attitude as men and do the same job. Råberg have negotiated with one woman - though not where she was independent and able to take the mandate outright, but in groups - “It's not an equal society”. Hedebäck agrees with Råberg about it not being an equal society - based on the one children rule and that they want their child to be a son since he is going to be the head of the family in the future. Moreover, this may influence some men that they can be lazy and lean on their gender instead of their capabilities. “The women has to go through a much more difficult path to reach success and thus they can be more hardened and more competent than the men” (ibid).

Råberg states that today you meet the final producers without any middlemen involved and therefore the performance rewards have decreased and is not an influence. Lundström claims that most people earn their bonus in China, however not for the particular negotiation processes but on a bonus related salary.
4.2 COMMUNICATION

Råberg claims that “You take lessons from earlier situations you have been apart of”. It is better to listen more than one speaks. Jarhall proclaims that it is important to know how to be representable whilst being in China since many meetings occur during informal situations as over a dinner. E.g. if the Chinese brings his wife, one have to know how to handle that situation. Voicu states that that it is vital to adapt and mirror their behavioural patterns. “A good method is to mirror the Chinese”. One example of this is when Hedebäck had to go to a restaurant and get drunk since the Chinese believe that when you are drunk - the true you will arise and first then you can start talking business. According to Lundström selling in China involves relationship management, there will be many long dinners and lengthy conversations. There is a difference between the requirements in China compared to Europe: “In China you have to follow the requirements even if the customer requests the impossible - so you can prove your worthiness”.

Lundström says that one should adapt the culture and use a soft attitude. Jarhall states that the Chinese are respectful towards him since he is a part of the older generation as well as to people that have a higher position in the hierarchies - and therefore he has to be so as well. He claims that it is difficult to know if you have a relationship with one another since they are very assertive about their personal life as well as to share common interests. “In Europe or America you can talk about football or ice hockey but in China you do not talk about anything other than business” (ibid).

4.2.1 VERBAL COMMUNICATION

When being present in China Voicu speaks distinct and clear, Råberg speaks basic and logic, to minimize misunderstandings - which is a preference that Hedebäck agrees with. Jarhall argues that it is vital to clarify your points one or two times and to be distinct. Lundström argues that in the future, enterprises should consider sending people that speaks Chinese or hire a Chinese employee, that will make the verbal communication easier and decrease misunderstandings.

Voicu claims that “having a positive and happy attitude as well as dropping funny comment from time to time improves the chances of closing a deal”. There are still parties who comes into the meeting with a stoneface and are only there for the negotiation and nothing else. He continues by saying that one should listen carefully to
what the other party has to say since in China a yes doesn’t mean ‘yes let’s do it’ but it rather means ‘yes I hear you, or yes I understand’. Thus it is very important to discuss all details. “An example that happened to Norden was that we said we have a 12 months standard delivery time and the customers said ‘Yes’. However, after a few weeks I realized that they had given the order to a competitor instead, since they were able to deliver the machine in 11 months. When I asked the Chinese on why they did not bring that up during the negotiation it was because ‘You never asked the question’ (Voicu).

According to Jarhall a generational shift is going on which means that old generation do not have the same language skills as the younger generation. In Yaskawa’s negotiations an interpreter is still needed in 50% of the occasions. Since the other party is using an interpreter, no negotiation is alike - he compares the using of an interpreter as a google translation (it is unclear). Thus it is vital to be extra clear to express and explain what you are trying to say - so the interpreter can deliver the correct message in Chinese. Yaskawa adapts by using and drawing sketches that depicts the message. Råberg explains that there has never been any need for assistance, all counterparts have been able to communicate properly.

Jarhall claims that a common language barrier conflict that often occurs is that the Chinese believes they know more than they do regarding Yaskawa products e.g. they can change variables in the specifications and settings, which makes the system stop working. They do not confess their mistakes either and that is a factor that is hard to adapt to (ibid). Hedebäck agrees with Jarhall that the Chinese are not honest and they try to hide their mistakes to not lose face - which is time consuming. Voicu claims that the Chinese can be very tough regarding the local competitors machines are similar to Nordens, which is not the case. Norden are prepared in these situations and can determine whether or not the customer want their product or a local machine instead. Råberg states that it is important to be distinct and clear because the Chinese do not want to lose face and therefore rather states that they understands. He identifies these moments by analyzing their body language and behavior.

Voicu compares his paralanguage strategy with that of a competent teacher who knows that one cannot speak in the same tone all the time - people would lose interest. Therefore he often uses a higher tone when he wants to pinpoint some extra important
fact. If he notices that the message was not received by the audience he repeat it - either right away or later. As already mentioned before Voicu and the other informants states that: speaking clearly, distinct (and slowly) is vital.

Jarhall explains that it is most likely OK to interrupt each other during a negotiation. However, one should be extra careful to interrupt when an interpreter is involved. He clarifies by saying that: “one could not interrupt the interpreter when s/he is translating from English to Chinese since you do not know what they are saying - it can be at a time they are considering how to proceed with the negotiation”. Hedebäck says that whilst being in a negotiation it is OK and common to interrupt each other, which Voicu agrees upon and an implication is that one cannot finish the points or sentences. Råberg on the other hand says that the possibility to interrupt each other depends on the context and relationship. If you are at the same level there is no problem, if you have a valid reason that is. If you are not on the same level though - the other party might take it personally. Lundström says that you as a supplier do not interrupt the customer. The supplier should listen and be humble as well as come up with suggestions on different matters.

4.2.2 NON VERBAL COMMUNICATION
Jarhall states that in China it is always important to be aware of factors such as eye-contact, dress code, who to greet first, how to greet and proper manner to present and admire each other’s business cards. The way he adapts to this is that he is always prepared, for example: who will he meet and what kind of position the person he has. He says that he can get a picture of who the person is that he will be sitting opposite of and therefore try to mirror him. If he doesn’t know whether or not to wear a tie for a meeting for example, he brings one in his briefcase and quickly puts it on if he sees that the counterparty is wearing one.

According to Voicu touch and eye-contact are factors that a negotiator have to take into consideration when negotiating. However, he also explains that the people he negotiates with are often people from the younger generation and they are used to working with the Europeans. “They have also most often lived or worked in the west and therefore adapted the style and we have adapted to theirs as well”. Some people like to give a handshake, some bow or bucks and some give hugs. Keeping an eye-contact is not a problem at all. Voicu concludes by saying that one method he often uses during negotiation is to mirror his counterparts body language.
According to Hedebäck a handshake is the most common way to greet each other in China. A hug is his own personal way of greeting women since it is the most natural way according to him. However, Chinese business women tend to be surprised since they are not used to getting hugs from strangers or even someone they have known (negotiated with) for a long time. He believes that the way they react to the hug has to do with the violation of the personal comfort zone in China. Which is something Lundström agrees upon. He says that the Chinese does not like body touch or being close to someone, greeting with a handshake is regarded common though. According to Råberg eye contact and body language is vital factors to adapt to - that is if you don’t already have a relationship with the other party.
5. Analysis

Lewickis (2006) claims that negotiation has the purpose of resolving conflicts to reach a goal. Ghauri & Usunier (2005) states that the stakes are high and preparation needs to be made in order to be able to make a deal successful. Cultural differences can therefore have an impact on negotiation and communication as well as on the outcome and therefore requires theoretical and practical knowledge. The analysis has been divided into two distinct categories: Negotiation and Communication, in those categories the cultural dimensions and aspects are embedded since culture simultaneously impact negotiation and communication.

5.1 NEGOTIATION

5.1.1 NEGOTIATION PROCESS

Pre negotiation

During the pre negotiation phase it is when both parties learn about each other (Ghauri & Usunier, 2005) One needs to consider to what extent cultural adaptation should be made to reduce the possibility of acting inappropriately or misunderstand each other (Francic, 1991; Hollensen, 2011; Torsen, 2010). According to the informants (2014) the business culture has an impact. It is important to be aware of that the Chinese do not wish to get into a difficult position and lose face. Therefore they are often not direct with what they say or mean. It tends to be problematic to sometimes solving problems due to the communication aspects. It can therefore be stated that communication which correlates to Gibson (2002) who proclaims that culture and communication are impacting each other simultaneously- how we behave and interpret each other, has a distinct impact in this stage.

Jarhall and Lundström state that a paradox in the Chinese culture is that they believe they are great problem solvers - which can vary. The challenge is to know what to accept and what to dismiss. Relationship is more important than what one can deliver. It is therefore a cultural difference that will need to be taken into consideration. To adapt is to manage the cross-cultural negotiations with a critical mind and not let the Chinese lose face.
Råberg says that there can be many representatives from the counterparty during a pre-negotiation, it is critical to focus your attention on the person that is able to make the decisions. Voicu states that if the pre-negotiating involves a person who does not have the mandate, or are afraid to make decisions, you first have to convince him to be sent to the person with the mandate. It can therefore be analyzed that power distance (Hofstede, 1983, 2010) meaning the degree of centralization or an autocratic leader will need to be taken into consideration. One of course have to adapt by focusing on the right person or in the case of persuading someone e.g. a technician it is rational and suggested to speak a technical language - not the business language.

Personal relationships can decide whether or not a negotiation may be successful (Ghauri & Usunier, 2005). In China it is especially important with relationships (So & Walker, 2006) According to four of our informations personal relationships, loyalty and trust are important factors in order to be able to do business, and continue doing business, in China. It is however difficult to grasp on how strong the relationship is which can influence the uncertainty avoidance (Hofsted, 1983, 2010; House et al, 1999, 2004). Therefore it is difficult to determine if one has a strict business relationship and only in it to make money or to establish a personal relationship. It is still important with relationships which can be linked to Guanxi (So & Walker, 2006). To be able to establish a relationship one needs to avoid cultural clashes, be open minded, gentle, and use a soft, pragmatic approach, compromise, simplify and be dynamic.

Each person has an identity that is affected by their homebase/original culture (Hofstede, 1983, 2010) The informants characterises the Chinese as being very polite but avoidant, tricky and elusive. The Chinese culture have had a big influence on these characteristics. Based on the power distance (Hofstede 1983, 2010; House et al, 1999, 2004) as well as for the respect for one another you are not supposed to offend or question other individuals. Psychology as a national factor therefore influences the way of doing business; the culture the Chinese grew up in have have an impact on their way of thinking. Thus it is definitely something one needs to acknowledge and manage. Which one can adapt to by being aware of it.
Psychology is based on how we use our cognitive processes, where culture has an impact (Hofstede, 1983, 2010). All of our informants states that you need to adapt to the Chinese culture and their mindset. Jarhall states that people fail on doing this and rather go for a western mindset when approaching the Chinese and therefore loses the customer. One needs to show respect towards the elderly whilst being in China as well as realizing that they do not go the straight path about e.g. stating facts but rather takes detours to avoid the risk of losing face. Voicu mentioned that once the Chinese counterpart adapted to him. However it is a simultaneous process, where both parts adapts to each other and compromises as problem arise. Therefore both parties has to accommodate and compromise - for as long as they are aware that parties are trying to adapt with the purpose of a successful negotiation.

The pre-negotiation process is the initial face when the parties are learning about each other to acknowledge if they want to continue by having a face-to-face negotiation (Ghauri & Usunier, 2005). Voicu & Råberg states that the pre-negotiation may be handled over the phone - which makes communication (Gibson, 2002) an important cultural difference to consider. Jarhall on the other hand says that they have to meet up with their customer on sight and one therefore have to be representable and know how to act. Which correlates to presentation and emphasis on relationship (Ghauri & Usunier, 2005) as well as psychology (Hofstede, 1983, 2010) since one need to be aware of and be able to handle perceptions in this current stage to avoid mistakes and misunderstandings.

Face-to-face negotiation is the stage where both parties meet and present their terms (Ghauri & Usunier, 2005). Our informants state that during a f-t-f negotiation they discuss jurisdiction, terms of delivery and translation and it is important to pay attention to all the details that needs to be preceded - be critical, but not out loud - so they do not lose face. Voicu (2014) also states that it is important to mirror the opposite side - which correlates to non verbal communication (Gibson, 2002). To be aware of your emotions (Lewicki, 2006; Hofstede, 1983, 2010) and mindset (Ghauri & Usunier, 2005) is important since this stage is critical and where most mistakes do occur (Sheth, 1983). The informants proclaims that it is vital to match the environment, which can be agreed upon.
In the final phase it is essential that both parties have reached consensus (Ghauri & Usunier, 2005). The informants states that this stage is not different compared to the face-to-face negotiation since you will often find yourself in the same situations and discussing details such as: terms of delivery and frequency. There is no consistency between the informants in which step of the negotiation process these terms are being discussed. Thus the cultural differences and adaptations that needs to be examined and analyzed are the same as in the f-t-f phase. However the essentials in this stage is that both parties are striving for consensus.

If there is a third party involved (consultant, agents, sub contractors and political influences) they will all affect the negotiation (Ghauri & Usunier, 2005). Råberg; Jarhall and Hedebäck have had experience from negotiation when a third party was involved and they could all use it to their advantage since the party they negotiated with were dependent on the third party. No cultural differences or adaptations was mentioned but one can use a more greedy and aggressive negotiation technique, also known as hard (Saner, 2004) to maximize value.

The conflict cooperation could be called the problem solving case, it involves compromises to reach consensus and the search of the root of the problem to find the balance between the conflict and cooperation (Ghauri & Usunier, 2005). Questions that usually occurs in these situation are; who has the mandate? why did this occur and how can we best solve this? Jarhall and Råberg states that when these questions arise it is important to keep calm and analyze the situation since the way of attacking a problem as well as solving it differs a lot between the two cultures. A lot of the times it will also not be in your hands to solve the conflict - like e.g. the Chinese not being willing to ask for more money. Uncertainty avoidance, power distance, collectivism, psychology (Hofstede, 1983, 2010; House et al 1999, 2004) as well as emotions (Ghauri & Usunier, 2005) are therefore cultural dimensions and aspects that has an impact. Uncertainty avoidance is often the root of the problem, power distance as well as collectivism is that no one is stepping up and you can’t due to the hierarchical view of the business culture. Psychology is that one view problem differently compared to what culture someone grew up in and that correlates with mindset since one have to keep cool to not make the Chinese lose face. All the informants agrees upon that is is vital to be dynamic.
The politics and formal law of a country may have a background factor on and during negotiations (Hofstede, 1983, 2010; Ghauri & Usunier, 2005). According to four of our informants when doing business in China both the politics and formal law will affect situations that are created due to the negotiation, such as shipping. One of our informants state that the current political system is an advantage for them since they are eager to develop their country and therefore want to do business with them. Uncertainty avoidance (Hofstede, 1983, 2010; House et al, 1999, 2004) is the most significant cultural dimension that impacts the negotiation, however, it rarely concerns the Chinese but only the Swedes and therefore nothing that is perceived during the negotiation, it still makes it a cultural difference though. Laws, regulations and corruption is problematic and a factor everyone doing cross-cultural business must consider. One therefore needs to be updated on the regulation system and have the ability of handling situations when corruption is the only solution to a problem.

‘If you do something for me I'll give you something in return’ is a phrase that is linked to doing business in China (Millington et al, 2005; Xin & Pearce, 1996; So & Walker, 2006) thus making corruption a fact that one has to adapt to occasionally. Three of our informants (Hedebäck; Råberg; Lundström) state that corruption is imminent in China which correlates with uncertainty avoidance (Hofstede, 1983, 2010; House et al 1999, 2004) in order to minimize the risk for the future. How to adapt to it is an individuals choice.

Expectations - consists of two different terms: short- and long term. Short term - it might be the only deal they make with each other and therefore they stand their grounds and do not compromise. Long term can alter the negotiation by favouring one party in the beginning but over time both parties gain from it (Ghauri & Usunier, 2005). All informants proclaims that the long-term relationships is the most relevant to consider which correlates with uncertainty avoidance to be able to minimize risks for the future. To promote long term relationships one should act the same way as when tries to build a relationship. Hedebäck adds though that it will only be a long term relationship to the point that both parties gain from it.

How we interpret time are very much dependent in our cultural background (Ghauri & Usunier, 2005). The views of the time aspect differ between the informants. All of our
informants states that one should respect the appointed times for when an event or a meeting shall begin and one should be aware that they can last for a long time. However, Swedes are usually more strict regarding following time on when a meeting shall start. Since there is no difference on viewing time in China compared to Sweden - no cultural differences can be perceived or accommodated to.

Individuals VS Collectivism is when one is either focusing on oneself or the group (Hofstede, 1983, 2010). Our informants had different views on how the Chinese behave in cross-cultural negotiations on them being individualistic or collectivistic. There were several factors that were discussed which would contribute to either individualism or collectivism. Voicu states that language and education is believed to be the two contributing factors on whether or not one is individualistic or collectivistic. When you are negotiating and the group is collectivistic you have to have more of a Chinese mindset - which can be linked to Ghauri & Usunier (2005) and focus your attention on the correct person - which in turn correlates to the power distance of Hofstede (1983, 2010) and House et al (1999, 2004). That might take more time and therefore you have to keep emotions and your temperament on a reasonable level. When you notice that the person you are negotiating with are more of an individualistic person it may very well be that a western approach can be used.

5.1.2 NEGOTIATION TECHNIQUE
When approaching a negotiation you should have determined a certain strategy and tactic to use since it will increase your chances of a successful negotiation (Saner, 2004). There is a consensus from our informants that you should be prepared, have knowledge about the counterpart, be able to simulate different outcomes and how to adapt to them as well as having local cultural knowledge which one acquires from literature and experiences. By adapting to all of these it will be easy as well to not make the Chinese lose face - which might happen if you are not prepared. Thus uncertainty avoidance (Hofstede, 1983, 2010; House et al, 1999, 2004) and psychology are important cultural dimension that has an impact on approaching a negotiation.

The informants techniques varies: Lundström has uses a soft approach (Saner, 2004) but if the situation change one has to be able to switch technique to e.g. a harder approach (Ghauri & Usunier, 2005). Jarhall has more of a privileged approach (Fisher et al, 2011) and does not focus on working the person opposite of him since he does not know what
type of relationship they have with one another. Råberg does not have any technique except from listening more than speaking and to focus on working the person (ibid). Voicu’s technique can be linked to the privileged (ibid) with a hard focus on working the person opposite of you, if the situation lets you. Hedebäck states that he focuses on working the person, since if you have the same values and attitudes it will increase the chance of a successful negotiation (ibid). All of the informants states that you should try to reach for a fair deal but sometimes that is not possible. It can therefore be claimed that the technique one should use is not the most important thing to adapt to since the interviewees are successful negotiators and uses more or less different techniques but focusing on the person opposite of you (Fisher et al, 2011). If there is a possibility to do so, it will increase your chances of a successful negotiation. No general cultural dimensions was identified.

A culture can either have a large degree of power distance i.e. centralized or a small degree i.e. decentralized (Hofstede, 1983, 2010; House et al, 1999, 2004). Uncertainty avoidance deals with how willing someone is to take risks (Hofstede, 1983, 2010; House et al, 1999, 2004) Ghauri & Usunier (2005) states that uncertainty avoidance will have an impact on whether or not to use an oral or a written agreements. All of our informants states that the Chinese are willing to take risks. However, it is still vital to have written agreements since if you would have to go to a Chinese court it is a disadvantage when being a foreigner. All informants except Jarhall states that most often the Chinese they negotiate with have the mandate to take decisions. Therefore one need to be prepared in detail and picture different scenarios and how to overcome barriers to minimize uncertainty and the complications of power distance.

In a cross-cultural negotiation one party sometimes has more power or rely on the counterpart. (Ghauri & Usunier, 2005) Our informants (2014) state that occasionally one party has more power than the other e.g. a Senior Purchaser has more arguments to use than a sales manager (Voicu). Lundström adds that dependency is vital to reach consensus. Therefore the power / dependency factors can have a decisive role, however, there is no general or normative approach to adapt to such circumstances.

Masculinity VS femininity explains the different of roles differences in gender has (Ghauri & Usunier, 2005). There are different meanings from our informants whether or
not China is an equal country. It is clear that our informants believes that women are as capable as men. Men are seen as more blunt and grumpy whilst women have more of concrete, female touch. They still aim for the same goal but they deliver the message differently depending on their gender. Being able to work the person during a negotiation depends on what type of personality (Hofstede, 1983, 2010) and mindset (Ghauri & Usunier, 2005) he or she has, and thus something one can adapt to depending on context.

Performance orientation explains on whether or not individuals of a company are rewarded for performing very well (House et al, 1999, 2004). Performance orientation can be linked with Råberg’s answer on companies that uses middlemen as well as Lundström stating that they have a bonus related salary. However, no real evidence of this being a dimension affecting the negotiation process can be identified.

5.2 COMMUNICATION
It is vital to be well representable and act professional in both formal and informal contexts (Ghauri & Usunier, 2005). All five informants have different approaches on how to adapt to presentation skills. They all agree upon that being flexible and able to adapt to the context is significant. It is very important to know how to behave and be representable (Ghauri & Usunier, 2005) during dinner, when to not behave inappropriately according to many other cultures i.e. getting drunk during dinner - which can be linked to psychology on the Chinese culture (Hofstede, 1983, 2010) and emphasis on relationship (Ghauri & Usunier, 2005). To mirror the Chinese is a good technique. This is vital since in this stage the pre-negotiation stage has started and if one cannot adapt to the Chinese he will not be able to move on to the face-to-face negotiation.

House et al (1999, 2004) explains assertiveness as how someone is socializing with the other party. The informants state that the Chinese are vague and elusive but very polite when they socialize. It is however hard to socialize with them according to Jarhall since you do not have any other topic to talk about other than business. It is vital to talk about a topic that both can acknowledge, it can be difficult to find such a topic though since they are seen as assertive. If you make the other party feel uncomfortable it is a big risk.
that the negotiation will be lost. It circulates around making the Chinese feel as comfortable as possible and even then you need to go deep in your perception and analyze as many details as possible.

5.2.1 VERBAL COMMUNICATION
People who does not speak the same language may interpret words differently (Ghauri & Usunier, 2005) Gibson (2002) therefore states that it is vital to keep in mind that words can have different meaning. The informants all agree upon that is is preferable to be clear and distinct and to repeat your message if necessary. A problem seems to be that the Chinese are saying that they understand which many times are paradoxical. At the same time the Chinese probably think the same about the Swedes, all because of the cultural differences. Thus we claim that in order to avoid risks it is essential to talk slowly and use a basic vocabulary. To recognize their level of understanding one should analyze differences and changes in their body language, their tone and facial expression.

Jarhall states that when dealing with an interpreter no negotiation is similar since the translators have different procedures and ways of tackling a problem. To minimize the risks of misunderstanding and uncertainty or not being able to send the correct message through the interpreter, since words can be interpreted differently between the two cultures, it is recommended to simplify by using sketches to rather show the counterparty yourself. Be aware though that one have to constantly address the person with the most influence - if not, s/he will be very offended. Another option to overcome this language barrier is to to have a co-worker that knows how to speak Chinese and are familiar with the cultural similarities and differences, moreover a recommendation is to learn how to speak Chinese yourself.

A vital factor is to listen and ask questions even though you still believe you have everything sorted out. A yes should not constantly be interpreted as a yes. In addition, the Chinese will not be the one taking initiative regarding discussion topics, to not lose a deal you have to do it yourself. Since the meaning of words differentiate across cultures it is paradoxical that one says he understand when the latent cultural factors are impacting - which can be linked to Gibson (2002) who discusses the different meaning of words. To lighten the mood and increase the chances to bring home a negotiation, it is essential for a cross-cultural negotiator to have a positive, clear and in many cases
happy attitude. However, there are of course counterparties that will keep their stoneface during the negotiation - thus a solution can many times be to mirror them.

According to some our informants the Chinese believes that they possess more knowledge about the counterparties products than they actually do. Therefore we realize that to be able to have a logic and reasonable conversation you must be careful to not believe all that is said and be able to draw critical conclusions. Furthermore, a problem is that it's not possible to put pressure on a Chinese as one can with a negotiator from Europe - the possibility that they lose face are too high. Jarhall and Hedebäck states that it is not possible to overcome these barriers. If you know that they do not understand the whole picture even though they think they do, but you cannot pressure them since it will make them lose face, is there a possibility then to overcome this situation? If one stays silent, the negotiation might succeed or they might choose the competitors product. Thus it is better to restrain ones thoughts and hope for a successful outcome instead. It is also important to remember if you do not restrain your own thoughts, the relationship might take serious damage and will hinder future business between both parties.

Paralanguage and turn-taking touches the topics of: optional speed, tone of voice and possibility to interrupt the one speaking (Gibson, 2002). Voicu is the only one that acknowledges paralanguage - he explains his use of tone voice- and speed strategy beautifully; as a competent teacher who uses different tones, changes speed and make the crowd not lose interest in the lecture by his voice being monotonic. The other informants did not identify this as a factor that they intentionally thought of. Whether or not paralanguage is an important factor is difficulty to say but it can be logically explained that by not having a monotonic voice it is a greater chance of the counterparty not losing interest. No real cultural differences has been identified and thus no adaptation needed.

Regarding interrupting each other the informants have different ways to accomodate. Everyone except Lundström and depending on the relationship - Råberg, explains that it is OK to interrupt. Lundström claims that as a supplier it is essential to listen and understand. It can be interpreted by the Chinese that one is showing respect and therefore portraying you to be very open and eager to satisfy their demands. With the possibility to interrupt each other is presence, it can be stated that there is a chance of
making the counterparty not being able to finish their point. Only because it is OK to interrupt, you ought to be able to state your point after the Chinese have finished their statement instead of in the middle of it.

5.2.2 NON VERBAL COMMUNICATION
Non verbal communication varies across cultures (Gibson, 2002) thus it is vital to consider whether or not it can have an influence during a cross-cultural negotiation. All the informants agrees that non-verbal communication is relevant and should be adapted to except if a relationship with the counterparty is already established (Råberg). By using the technique of mirroring it will definitely increase the chances of a successful negotiation. To greet each other is done by a handshake, bowing or bucking, depending on context and the counterpart (mirror). In addition, to look the Chinese in the eyes are not considered hostile nor challenging and is therefore acceptable. They are very keen about their personal space, however, the young generation have been more affected by the west. It is a dilemma that to challenge the personal space by greeting a woman with a hug, she might be pleased and find it positive thus creating stronger ties, or the complete opposite. Can it be said that it will affect the negotiation by trying to breach the personal space of a woman? The consequences are not as drastically if one should fail and therefore it can be suggested that there is a risk worth taking.
6. CONCLUSIONS

6.1 ANSWER OF THE RESEARCH QUESTION

Trade between countries has been steadily increasing and companies have had to get in contact with more and different cultures. As one can see in the model 5 down below there are three main factors that contributes to a successful business transaction between Sweden and China; first one is culture, second one is communication and third one is negotiation. It has become more important to be able to adapt to different cultures during a negotiation process with the goal of closing a deal. Our study has been based on answering the following main research question: How do cultural differences impact Swedish business negotiators when doing business in China. To be able to answer this main questions we first need to answer the two sub questions. The first one is: What cultural differences do Swedish business negotiators perceive when doing business in China and the second one is: How do Swedish business negotiators adjust to the cultural differences in negotiation when doing business in China.

Our first sub question covers what cultural differences a Swedish business negotiator faces during a negotiation process. The theory states that culture is a shared way of thinking and during a negotiation process it is very much based on social and human relations and not hard business facts. By studying the empirical material, and analyzing it, one can conclude that the cultural differences that Swedes perceive during the negotiation process are; different culture and business culture - how people, behave, socialize and perceive each other (psychology). In the model one can recognize the basic fundamental differences of culture e.g Hofstedes dimensions that has been used in comparison between China and Sweden. There is an emphasis on personal relations and loyalty to be able to do business - this is especially important in the pre negotiation stage when the two parties get to know each other, however, there is a disagreement on the strength of the loyalty throughout the negotiation process as well as upcoming business transactions. Therefore ones mindset is an important factor to consider and adapt to. There is a large power distance in Chinese business culture, which has an impact on communication since you have to focus your attention on the correct person, but a weak uncertainty avoidance for Chinese business negotiators. When it comes to masculinity VS femininity men are still more representative during a negotiation than women. Communication and the meaning of words are interpreted differently between
the two cultures thus making non-verbal communication significant throughout the whole negotiation process.

The reason why the Swedes perceive these cultural differences are because the two parties arrive from different cultures and speak different languages. They grew up with different social and psychological standards, rules and norms and thusly there is a culture clash when the two parties get together. Both parties may feel like it's difficult to know how to act around each other since Swedes are influenced by the western psychology regarding culture and business culture whilst the Chinese is influenced by the eastern psychology. Thus creating complex situations.

Our second sub question covers how do the Swedish business negotiators adjust to the cultural differences that they face during a business negotiation in China. The Swedes are trying to adjust to the cultural differences by adapting to the Chinese mindset, mirroring them, having knowledge about how to behave and be presentable in formal contexts. They speak slowly to articulate better with basic English vocabulary. They are asking many questions and try to assimilate what the counterparty perceives. It all comes down to being flexible, having an analytical mind and the ability to adapt. Many topics in communication touches upon subjective factors however, negotiators face varied challenges every time and one needs to adapt to each situation accordingly.

The fundamentals when it comes to communication is to accommodate and at the same time expressing oneself clearly, distinctly and a basic verbal language. In model 5 one can see how communication changes based on an adjustment to the Chinese mindset. Since we know that the Chinese are avoiding conflicts and it is not good for a Swedish negotiator if a Chinese loses face it is critical to understand what factors are influencing the way of how the Chinese counterpart behaves. In addition, when to show emotion and accommodate, but also how to adapt for each situation and therefore one needs to have self reliance and be dynamic, like showing that you are strong and independent but at the same time open minded. If it is difficult for a Swedish negotiator to make a business proposal in order to achieve the business goal whilst doing business in China, then it may be wise to assimilate yet hold on to your own values. Moreover the process of assimilation has to be considered if the parties are unable to agree on a business deal. At this point it is basically mainly about respect and tactfulness in the hope of
conducting further business. As model 5 illustrates it is important to not lose face in these situations and to maintain a good reputation between one another. Other factors is to let one's imagination visualize situations, who the counterparty is, his characteristics, who to focus on and come up with counter arguments, whilst still being present in the negotiation.

Adapting to relationship and loyalty is something that is very hard to do since the culture clashes are causing barriers. The geographical distance is also a barrier when building the relationship as well as the different mindsets between the two parties which makes it difficult to accommodate. To establish a relationship one needs continuity and understanding of fundamental cultural factors which the cultural distance neglects. To create a relationship in pragmatic terms the fundamentals are to; have a soft approach, be critical, never let the Chinese lose face, be progressive, listen and analyze before answering, focus on the cultural similarities.

Our main question covers what kind of impact the two sub questions have on the Swedish business negotiators when doing business in China. From the answers on our two sub questions we can conclude that the cultural differences has a huge impact during negotiations by making the Swedes think differently and having them gradually adapt to different situations. By using our theoretical synthesis to illustrate the answer it shows how the culture and cultural differences has an overlapping impact on both negotiation and in the next stage communication. There is significant differences in psychology and mindset during negotiations which makes Swedes and Chinese interpret and act different. The impact is that Swedes have to use an eastern mindset, be aware, dynamic, able to take attack the problem from a holistic approach and adapt to various Chinese behavioral factors to make situations manageable.

The cultural difference in communication has an impact during the negotiations by making the Swedes speak slowly and distinct with a basic vocabulary, this would be an example of an assimilation, like gestures, pointing, PowerPoint graphs, colorful, clear and creative pictures, tables, numbers, having eye contact, body language and symbols. Non verbal wise they have to mirror the Chinese and know how to behave during formal contexts, since it is a different context compared to in Sweden. The power distance impacts the Swedes by making them focus their attention on the person with
authority. The main purpose of adjusting to these impacts are to not put the Chinese in an awkward situation and therefore not making them lose face.

The theory implies that when being in a business negotiation culture has an overlapping impact on negotiation as well as the cultural differences in communication during the negotiation process.

Model 5 – Reformulated Conceptual Framework
6.2 THEORETICAL CONTRIBUTIONS AND MANAGERIAL IMPLICATIONS

With this research existing theory has been refined, from a Swedish point of view, of how cultural differences has an impact on a meso level when it comes to being in a business negotiation with the Chinese and how to accommodate. As can be seen on our model result shows that when it comes to the differences in culture Swedes has to adapt their psychological way of thinking as well as their mindset by mostly being dynamic. It is vastly important to not make the Chinese lose face eventhough one might reconize a fault that is about to be made. Mirroring the Chinese is a great way to not make them lose face as well as to make the situation more at ease. There still is a huge power distance and thusly that is something that Swedes needs to adapt to. These are factos that we have not been able to find beforehand but now has been proven by us.

Regarding the managerial implications practitioners will be able to reduce the risks and uncertainties of what cultural differences they may perceive as well as how to act and adjust to them when being in a cross-cultural negotiation process with the Chinese. These risks and uncertainties have we shown in our conclusion and thusly business negotiators needs to be aware of them as well as keep on updating themselves throughout either experience, education or consulting with the goal to on how to act during a negotiation process in China. This study have contributed to knowledge in the field of negotiation, communication and cultural difference.

6.3 RECOMMENDATION FOR FUTURE RESEARCH

To only focus on business negotiators from one specific industry to get the understanding if cultural difference and adaptation has a different context depending on if you are from different industries, will there be a difference in how you perceive cultural differences and how to adapt to them. By doing a qualitative study the results are very much based on context and the value of one certain factor is hard to determine. Therefore, by doing a quantitative study and determining the numeric value of certain cultural difference and needed adaptation may bring a result of which are the most significant.

With the increasing westernization of culture in China and education level of the Chinese youth population, will one have to think about cultural adaptation as much in
the future or will one be able to lean back on a western way of doing business when dealing with the future younger generation of Chinese people.
LIST OF REFERENCES

Primary data:
Hedebäck D, Investment Manager at Forbus, Kalmar, 30/4 2014, Personal interview.

Jarhall J, Sales & Marketing Director at Yaskawa Nordic AB, Kalmar, 28/4 2014, Personal interview.

Lundström S, CEO at Trelleborg, Kalmar, 5/5 2014, Personal interview.

Råberg M, Sales & Export Manager at Swede-Wheel AB, informal CEO at Spectrum, board member (representative) at various companies., 29/4 2014, Phone interview

Voicu H, Area Sales Manager at Norden Machinery, Kalmar, 29/4 2014, Personal interview.

Literature:


Casnrir, F. 1999., 'Foundations for the study of intercultural communication based on a third-culture building model', International Journal Of Intercultural Relations, 23, 1, pp. 91-116, Social Sciences Citation Index, EBSCOhost, viewed 1 May 2014.


Hofstede, G 1983, 'THE CULTURAL RELATIVITY OF ORGANIZATIONAL PRACTICES AND THEORIES', *Journal Of International Business Studies*, 14, 2, pp. 75-89


Torsein, E .2010. International Business Negotiations - Cultural Distance And Adaptation: Swedish Businessmen Negotiating With Norwegian And Spanish Counterparts: Göteborg : BAS, University of Gothenburg, School of Business, Economics and Law


Xin, K. K., & Pearce, J. L. (1996). Guanxi: Connections as substitutes for formal institutional support. Academy of management journal, 39(6), 1641-1658


Yin, R K 2009, Case Study Research: *Design and Methods 4th edition*. SAGE Publication inc


World wide web:

ATTACHMENTS
Appendix A INTERVIEW GUIDE

Background
Name:
Age:
Title:
Years at current position:
Total number of years in the organization:
How come you started working for this company?
How many Chinese business men have you negotiated with?
How would you explain the personalities of a Chinese business negotiator?
What is your opinion of the Chinese business culture?

1. Cultural adaptation
   A) How do you prepare for a cross-cultural negotiation regarding cultural adaptation, negotiation techniques and business communication?

   B) Do you believe it is important to keep your cultural differences or does one party have to adapt more than the other? Or is it best to unite the best of both cultures?

   C) How important is it to gain their loyalty and have a personal relationship with the counterparty?
      1) How do you accomplish this - does gifts play a huge roll?
      2) Would you say that “if you do something for me, I’ll give you something in return” is a common way of thinking when doing business?

   D) How do you experience cultural dimensions with the Chinese? (small comment questions)
      1) Individualism VS Collectivism - How important is it in China, according to you, to work in a group compared to working individually?
      2) Large or small power distance - How much power do the Chinese people you negotiation with have regarding decision making? Also, how willing are they to take risks? Do you need a written contract or is it fine with an oral one?
      3) Masculinity VS femininity - How do you experience that China handles equal rights (e.g. Age, Sex, Contacts) Have you ever negotiation with a Chinese woman? How was it?
      4) Time - How does the time aspect differ? (e.g. punctuality, how quickly you do business, multitasking?)
      5) Performance/human orientation - Do you know if your Chinese counterparty gets rewarded for a good negotiation as well as being fair and friendly? If so, do you believe this is something they deliberately try to accomplish?
2. Negotiation
A) Can you walk us through your last negotiation with the Chinese?
   1) Did this one differ compared to other ones and if so, how?

B) Are there any general stages in the process that can be distinguished (e.g. pre negotiation, face-to-face negotiation, post negotiation)

C) Does personal factors have an influence on cross-cultural negotiation with the Chinese? (such as emotions and mindset)
   1) How do they have an influence?

D) Do you have a favorable negotiation-technique/strategy/tactic for dealing with Chinese business men? (e.g. soft, hard, principled, avoidance, accommodative)
   1) (Why?) Do you use this technique/strategy/tactic because it always brings result or is it just the one that you have to use?
   2) Is it more favorable to use a specific one in a certain occasion?

E) Can you explain to us a common conflict when dealing with the Chinese?
   1) How do you handle them?
   2) Is the Chinese law system and political system an important factor to handle? How do you adapt to them?

F) Is it better to focus on solving the problem (interest) or focus on working the Chinese person opposite (objective) of you to be able to make a deal happen?
   1) Does someone have to compromise or do both parties receive equal deals?
   2) Is it common that some party are depending and leaning against one of the other rather than no power distance at all?
   3) Are the deals usually short term or long term?

3. Communication
A) What kind of barriers and obstacles do you face when it comes to communicating with the Chinese? (such as expressions, speech, language knowledge, listening, observing, analyzing, interpreting)

B) Which verbal communication factors are important to adjust to? (language, paralanguage, turn-taking)

C) Which non-verbal communication factors are important to adjust to? (Body language, touch, eye contact, body-space, behaviour)

D) How well do the counterparties communicate according to you?
   1) What are they good/bad at?