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Sweden to Canada

Canadian Intercultural negotiation

Bachelor thesis

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Abstract

Globalization is spreading rapidly. New business related promising has been making over the past decades. Globalization makes it easier to travel more often, and get familiar with new culture in the time of business related negotiations.

There are some issues or differences that need to be focused on during business negotiations in foreign countries, some of which are presenting in this academic study to find out attractive ways to do business with a country of different culture and customs. It is vital to understand the other party's cultural difference in order to be able to establish a successful business negotiation.

This academic study is basically loomed through theoretical studies, qualitative interviews and some academic articles. In addition, this academic study scrutinizes the cultural differences and its affects during business negotiation between Swedes and Canadians.

This academic study explains some significant points that should be in our consideration during intercultural negotiations, in order to ensure a successful outcome.

Key words: Negotiations, intercultural, business

Contents

1. Globalization[1]

According to Richard M. Steers, Carlos J. Sanchez-Runde, Luciara Nardon, globalization could mean different things, depending on which country or society the globalization process is taking place. However, these different definitions share common roots. Globalization is defined by these authors as:

"The inexorable integration of markets, capital, nation-states, and technologies in ways that allow individuals, groups, corporations, and countries to reach around the world farther, faster, deeper, and cheaper than ever before."[2]

According to economic historians, globalization has passed through three important phases. Phase one took place between the fourteen-hundreds and early nineteen-hundreds, where the rough globalization of countries began. This phase was more about countries trying to find different and affective ways to improve their relationships with each other. Phase two took place during the twentieth century, when the globalization extended past countries' relationships and to the globalization of companies. Under this phase, many multinational corporations were born and many companies began realizing the opportunities globalization could offer.

The current phase, phase three, started during the early twenty-first century. During this age, globalization got more personal, and it involved individuals. The authors give a good example of how globalization affects individuals in modern times: when young people in India are hired to make computer applications of the traditional Hindu art form.

Richard M. Steers et al. globalization divers[3]

Increased customer demands and access to competing products and services.

In today's business, the demands of customers are often to get more for less. Despite the amount of products, the quality of products or the skills of services, customers will always demand more for less. Opportunists like shopping via internet or television; this access allows increase in the demand of products and services. In most cultures and societies, costumers prefer global brands over local products. For example, people want to have Blackberries,

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1 Steers R. M, Runde C.J.S & Nordon L. 2010, *Management across cultures, challenges and strategies*, p. 3-6

2   Ibid. p. 4

3 Steers R. M, Runde C.J.S & Nordon L. 2010, *Management across cultures, challenges and strategies*, p. 5-6

iPhones or Volvos. They want these products because they are branded, not because they are Canadian, American or Swedish.

Increased technological innovation and application

It is obvious that technological innovation and application have a significant influence on countries becoming globalized. These two factors increase access to global networks, markets, partners and customers. They not only increase the access, but also create new markets. For example, new medicine, new technologies or new genetic applications are given more access due to this expansion.

Increased power and influence of emerging markets and economies

Globalization continues to grow wider rapidly, involving many economic forces that are globalized. This signifies that many economies are demanding greater respect in the market, and greater access to global markets. This action has its disadvantages as well. For example, some economies and societies fall beyond poverty and despair.

Shared R&D (Research and development) and global sourcing

Shared R&D is one of the reasons many companies become global. They want to increase their research and product development. In that way, they receive increased R&D costs across several regional markets. The authors give a good example of the Boeing 787 Dreamliner, where seventy percent of the components used to manufacture these Boeings are from foreign suppliers.

Increased globalization of financial markets

Globalization of companies changes many factors. One of the factors is access to capital markets. It becomes very much globalized and affects the economy and financial markets, which become gradually more dependent on each other.

Evolving government trade policies

Governments have always played a significant role in almost every political and cultural aspect in a country. This role along with the government's involvement within its country, and companies' globalization has had a big impact on becoming globalized. Government's main focus is almost always on the development of the local economy. They also support all kinds of ways to support global growth of local companies.

1.1 Facts about Canada and Sweden

1.1.1 Canada

OFFICIAL NAME	CANADA
Area	9,958,319 sq km
Capital city with the number of inhabitants:	Ottawa 875 000 (estimate 2009)
Population:	33.6 million (2009)
Form of government:	monarchy, federal
Head of state:	Queen Elizabeth II
Head of government:	Prime Minister Stephen Harper
GDP per capita: 3	9 217 USD (2009)

Geography[4]

Canada is the second largest country in the world after Russia. It is 400 miles in length, from the Arctic Ocean to the Canadian and U.S. border. From Newfoundland and Labrador to the west, it is 540 miles wide. The West Coast is dominated by the Coast Mountains and Rocky Mountains, which are located comparable to the north-south direction. The highest mountain in Canada is called Mount Logan.

Mount Logan in the Yukon is Canada's highest mountain. Canada has many lakes and plateau landscapes, very old rocks, and

Time Swedish	- 4.5 to 9 hours
Highest mountain Mount	Logan (6050 m)
Major rivers	Mackenzie River, the St. Lawrence River
Largest lake	Lake Superior
Bordered Country	USA
Capital city with many inhabitants	Ottawa 875 000 (estimate 2009)
Other major cities with the number of inhabitants	Toronto 4.98 million, 3.4 million Montreal, Vancouver 2 million, Calgary 1 1 000 000Edmonton 912 000 (estimate 2009)

these plateaus are known as the Canadian Shield. At the north is Ellesmere Bay with mountains that reach up to 3000 meters. East Canada is surrounded by low mountains. The highlands include eastern Quebec, New Brunswick, Nova Scotia and Newfoundland.

The landscape of southern Quebec and Ontario is considered by the St. Lawrence River lowlands and the Great Lakes. Canada has many large forests; almost half of Canada's

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[4] Karlsson L. Augusti 2009, länder i fick format nr 602, p. 2

surface is covered by forests. Canada has two million lakes from where half of the world's fresh water presides.

Climate

Canada is mostly known for its cool temperate climate with a very long and cold winter. The mildest temperature is in the West Coast. Temperature is normally between 10 to 26 degrees Celsius in the summer time. It rains mostly along the Pacific Coast.

Population and language[5]

A large amount of the population lives in the south of Canada, near the United States. Almost two-thirds of them live in Ontario and Quebec. However, more recently, people have been trying to move to Alberta and British Columbia. Northern Canada is mainly uninhabited. The population in Canada is very mixed. A large amount of citizens in Canada have roots in the UK and France, but there are still many other populations with different roots from all over Europe and Asia.

According to the official policy since 1971, Canada has a multicultural society, where everyone is treated equally and where they will help people preserve their culture and their language. During 1994, the then-Liberal government stressed more emphasis would be placed on education, vocational and language skills and financial resources when considering prospective immigrants. From 1994 to 2008, population grew by one percent every year. Today, almost 250,000 people move to Canada each year.

Population (2009)	33 600 000
Number of inhabitants per square kilometer (2008)	3.3
Proportion of population in cities (2009)	81%
Fertility / birth rate (2008)	1.1%
The mortality / death rates (2008)	0.7%
Natural population growth (2008)	0.4%
Women (2006)	50%
Percentage of men (2005)	49.6%
Life expectancy for women (2007)	83 years
Life expectancy for men (2007)	78.1 years
People Groups	Multicultural population. The largest group has its roots in France or Britain, but many have also come from other European countries

Source: Http://www.landguiden.se

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[5] Karlsson L. Augusti 2009, länder i fick format nr 602, p. 3, 4, 5

Since 1867 when Canada was founded, English and French were the main languages of parliament, but in 1969 they became the official languages of bilingual Canada. Over four million Canadians are French speakers. They live largely in Quebec, where over 90 percent of the population is French speaking. New Brunswick is the only province where both English and French have official standing. In 1977, Quebec agreed to its own language law to strengthen the French verb position against the English, who dominated the economy. In 1993, the Quebec government decided to re-grant English on signs outside, but only if they also had text in French, and if the English texts were 40 percent less than the French. From 1975 to 2000, nearly 250,000 of the English spoken population left the Quebec province. English is the native language for nearly two-thirds of the population. One-fifth speaks both English and French.

Culture[6]

Canada is a multicultural country in North America. Canada tries to create its own identity and separate itself from the United States. Canadian government spends lots of money to promote Canadian literature, film, music and other cultural activities. Canada's film industry and scenes are mainly located in Montreal and Toronto. Canada has some well-known cultural profiles like Leonard Cohen, Neil Young, Bryan Adams, Joni Mitchell, Rufus and Martha Wainwright. Ice hockey is renowned and is the great national sport of Canada.

Religion[7]

In Canada it is freedom of religion. 75% of Canadians are Christians and from every five persons, two of them are Catholics. Over six millions Catholics are living in Quebec.

Religious background is less important than the role of language in Canada. Up until 2001, Canada was two percent Muslims while Jews, Buddhists, Sikhs and Hindus made up about one percent of the population. According to a 2005 study, 22 percent of residents were estimated as non-believers.

Economy [8]

Canada is known as a rich country with its massive natural resources, talented labour and high technological industries. Manufacturing plays a very vital role in national economy, but the service sector is only beginning to develop. Mining, oil and gas production make substantial export earnings. The high quality growth of goods has been huge due to the strong demand for Canadian goods from United States. Canada gets lots of benefits from natural gas, oil and other natural minerals.

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[6] Karlsson L. Augusti 2009, länder i fick format nr 602, p. 10

[7] Karlsson L. Augusti 2009, länder i fick format nr 602, p. 8

[8] Karlsson L. Augusti 2009, länder i fick format nr 602, p. 32

In 2008, the Canadian economy started to be affected by the international financial crisis and the following downturn, mainly because of reduced demand from the United States. The budget for 2009 and 2010 included a stimulus package along with other things: maintenance of roads, railways and ports. These measures were calculated to create 189,000 new jobs in 2009 and 2010. Trade outside of the country plays a very major role for a country's economy.

GDP per capita (2009)	39 217 USD
Total GDP (2007)	1.40643 trillion U.S. dollars
GDP growth (2009)	-2.5%
GDP growth (2008)	0.7%
GDP growth (2007)	2.5%
GDP growth (2006)	3.1%
GDP growth (2005)	2.9%
Main industries	industries (automotive, industrial machinery, chemicals, computers, telecommunications equipment)
Inflation (2009)	0.1%
Inflation (2008)	2.5%
Inflation (2007)	2.2%
Inflation (2006)	2.2%
Inflation (2005)	2.1%
Budget deficit / surplus as a share of GDP (2003)	1%
Treasury (2007)	66.8% of GDP
International Reserves (2004)	$ 34,476,000,000
Foreign direct investment (2004)	$ 6,284,000,000
Foreign direct investment share of GDP (2005)	3.1%

Source: Http://www.landguiden.se

Foreign Trade

Canada has a substantial amount of trade with the United States. Canada and the U.S. agreed to a free trade in 1989, and five years later Mexico joined them as well in an agreement known as NAFTA (North American Free Trade Agreement). In 2008, over 75 % of Canada's exports were to the United States and almost 63 percent of American imports came from there. Mexico has trade relations with Canada, but it is relatively minute.

China is a country with a huge trade relation with Canada. The Canadian banks incurred some losses during the financial crisis, but proved that the country's banking system was one of the most stable in the world. Economic situations differ between different parts of the country.

Exports (2006)	389 538 million dollars
Exports (2005)	359 000 million dollars
Exports (2004)	304 000 million dollars
Imports of goods (2006)	357 652 million dollars
Imports of goods (2005)	332 000 million dollars
Imports of goods (2004)	280 000 million dollars
Trade balance (2006)	$ 31,886,000,000
Trade balance (2005)	$ 27,000,000,000
Current account balance (2006)	20.797 billion U.S. dollars
Goods trade share of GDP (2005)	61%
Main exports	oil, natural gas, electricity, industrial goods
Largest trading partners	the U.S., Mexico

Source: Http://www.landguiden.se

Ontario accounted in 2008 for 38 % of its GDP, followed by Quebec with approximately 20 %. There is a financial equalization between regions which means that the richer provinces are giving money to the poor to generate more equal living conditions all over the country.

[9]Economical good relationship with Europe and United States makes Canada a wonderful gateway to the North American market. Canada's economy is presently incredibly strong and business costs are generally low by North American standards.

Canada has vast natural wealth for instance forests, minerals, oil, gas and so on. Even Canada has lot of natural sources but still the industry sector plays a significant role in Canada's economy and industry growth. In such a big country communication, health program, and education are very essential points in Canada. Two factors put pressure on Canada. First, the situation of Canadian dollar rises for more productivity in industry and the second is the quick growth of population and its effect on environment in the major cities. All together offers good opportunities for Swedish and all other foreign countries.

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[9] http://www.swedishtrade.se/sv/vara-kontor/amerika/kanada/Om-Kanada/

The Trade Council of Canada with its long terms experience assisting Swedish companies to enter the Canadian market. The Trade Council of Canada proposes different services like market analysis and identification of distributors.

1.1.2 Sweden
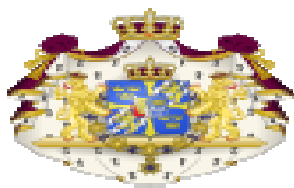
Official name	Kingdom of Sweden
Area	450 295 km ²
Capital city with the number of inhabitants	Stockholm 843 000 (2010)
Population	9.2 million (2009)
Form of government	monarchy, unitary state
Head of state	King Carl XVI Gustaf
Head of government	Prime Minister Fredrik Reinfeldt
GDP per capita	43 146 USD (2009)

Geography[10]   Source: Http://www.landguiden.se

Sweden is located in North part of Europe. It shares borders with Norway and Finland. More than half of the country is covered by forests. Sweden has almost 100,000 lakes. Nearly one fourth of the country is covered by mountains, hills. Sweden's largest lake is called Vänern, and its water comes from the Clear River.

Climate

The climate varies greatly between different parts of the country. In the north, the winter is long, cold and rich of snow, while summer can be pleasantly warm. Large parts of southern Sweden has a milder, more maritime climate, sometimes with winters without much snow. Thanks to the Gulf Stream in the Atlantic, the Swedish climate is much milder than many other places at similar latitudes.

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[10] Daleke P, september 2008, Länder I fickformat 416, p.3

Population and language[11]

The elderly sector of the population in Sweden is very large. This is because of the slow growth rate of population and long life expectancy in Sweden. The population was seven million in 1950, and it increased to nine million in 2004. Sweden accepts a lot of immigrants from countries with conflict. From 1991 to 2000, almost 438,000 refugees got permanent residence permits. The immigration number is still high in Sweden today. In 2010, the number of immigrants was about 99,000. The official language is Swedish.

Population (2009)	9 200 000
Number of inhabitants per square kilometer (2008)	20.4
Proportion of population in cities (2009)	85%
Fertility / birth rate (2008)	1.2%
The mortality / death rates (2008)	1%
Natural population growth (2008)	0.2%
Women (2006)	49.6%
Women (2005)	50.4%
Percentage of men (2005)	49.6%
Life expectancy for women (2007)	82.9 years
Life expectancy for men (2007)	78.6 years
People Groups	Swedes 81%, other 19%
Language	Swedish status as the main language, Sami, Finnish, Torne Valley Finnish, Romani and Yiddish are official minority languages

Source: Http://www.landguiden.se

Religion

Sweden has been a predominately Christian country for more than 1,000 years; although, Sweden ranks as one of most none religious countries in the world. The high number of immigrations to Sweden made Islam the second largest religion in country. Almost 17,000 Jews reside in Sweden.

Economy[12]

The Swedish economy is export-dependent. The main exported goods are wood, hydropower and iron. Sweden has a high taxation system which works well with the government finances and strong competitiveness. Sweden has strived better than most European countries in the global economic crises of 2008 and 2009.

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[11] Daleke P, September 2008, Länder I fickformat 416, p. 4 -7

[12] Daleke P, September 2008, Länder I fickformat 416. p. 29

GDP per capita (2009)	43 146 USD
Total GDP (2007)	431 605 million U.S. dollars
GDP growth (2009)	-4.8%
GDP growth (2008)	1.2%
GDP growth (2007)	3.6%
GDP growth (2006)	4%
GDP growth (2005)	2.7%
Main industries	service sector, export industry (engineering, telecommunications, paper, steel, pharmaceuticals)
Agriculture's share of GDP (2006)	1%
Industry's share of GDP (2006)	29%
Service sector's share of GDP (2006)	70%
Inflation (2009)	2.2%
Inflation (2008)	3.4%
Inflation (2007)	1.9%
Inflation (2006)	1.6%
Inflation (2005)	1.6%
Budget deficit / surplus as a share of GDP (2003)	0.2%
Treasury (2007)	50.2% of GDP
International Reserves (2004)	$ 24,740,000,000
Currency 1 dollar	100 cents
Foreign direct investment (2004)	$ 588,000,000
Development Cooperation with Sweden (2003)	0 million

Source: Http://www.landguiden.se

In the middle of the 1990s, a better economic plan created a balanced budget. A strong improvement in global economy started in 2004. The government assured to provide tax cuts, but due to the large number of sick leaves, early retirement put strong negative effects on the government's finances. Still, the economic improvement and strength was highest in the last thirty-six years before 2006.

The economy was on a promising path until the international financial crises in 2008. In 2009, the economic growth continued to be negative. The GDP was cut down by approximately five percent. As mentioned before, Sweden passed the international economic crises very well and came out handling the crisis in one of the best ways possible, and again in 2010, the growth of the economy was increasing.

Foreign trade[13]

Sweden is very dependent on its foreign trade. Sweden has most trade relations with European countries, but of course, with the rest of the world as well. Half of the exports come from engineering industries. Telecommunications equipment and electronics comprise of large

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[13] Daleke P, September 2008, Länder I fickformat 416. P. 36

segments of sales to other countries, but Swedish traditional export goods like paper, iron and steel are in top rank. Trade is conducted largely between neighboring countries such as Norway, Denmark, Finland and Germany. In 2009, trade with Asia and American accounted for around 5 to 10 percent of Swedish exports.

Exports (2006)	147 377 million dollars
Exports (2005)	130 200 million dollars
Exports (2004)	123 300 million dollars
Imports of goods (2006)	126 738 million dollars
Imports of goods (2005)	111 200 million dollars
Imports of goods (2004)	100 800 million dollars
Trade balance (2006)	$ 20,639,000,000
Trade balance (2005)	$ 19,000,000,000
Current account balance (2006)	28.413 billion U.S. dollars
Goods trade share of GDP (2005)	67.5%
Main exports	machinery and vehicles, electronics and telecommunications equipment, paper and wood, pharmaceuticals, iron and steel
largest trading partners	Norway, Germany, Britain, Denmark, Finland

Source: Http://www.landguiden.se

1.2 Business relationships between Sweden and Canada[14]

Sweden is a precious partner on the Canada's EU agenda during its presidency of EU in 2009 which is for current negotiations on the Canada EU Comprehensive Economic and Trade Agreement.

There is noteworthy two way trade relationship between Sweden and Canada, for instance the investment levels and science in technology cooperation. Sweden has been the 8th largest FDI source over a decade (1998 to 2007). But as a result of economic crisis in 2008, FDI reduced from Cdn$5 billion to Cdn$2.86 billion, still a considerable sum. Sweden is one of the most important partners in researches and development. Sweden is one of Canada's priority countries for modernism of index and expends 4% of its GPD on R&D.

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[14] http://www.canadainternational.gc.ca/sweden
suede/bilateral_relations_bilaterales/index.aspx?lang=eng&menu_id=9&view=d

There have been meetings between Swedish and Canadian representatives to discuss international trade policies. The recent meeting, held last year to find out new possibilities for more successful trade between countries and figure out some barriers that companies are facing during international trade, through international negotiations and agreements.[15] Canadian Swedish Business Association (CSBA) is a virtual organization that promotes trade, investment and partnership between Canada and Sweden, by bringing together those Canadian and Swedish companies, which are interested in doing business with each other.[16]

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[15] http://www.swedenabroad.com/News8265.aspx?slaveid=130483

[16] http://www.tradecommissioner.gc.ca/sve/services-foreign-companies/local-office.jsp?lang=sve&did=c16308&sitid=411

2. Problem background

2.1 Choice of subject

According to Molnar et al., negotiations in other countries are much more difficult than what it is in domestic market. There are many factors which should be in concern in the time of negotiations because negotiators face unfamiliar cultural environment which make it difficult to implement strategies. The lack of knowledge about other's culture leads to misunderstanding between negotiators from both parties. It is vital to understand and respect other's culture and behaviors at the time of negotiations, in order to create long term business relations with other parties.

This academic study has chosen Canada because it is one of the largest countries in the World which is located in North America but still there are not many researches focusing on Canada. This academic study has chosen Canada to analyze how successful negotiation process can be from a Swedish perspective. This academic study will facilitate future business negotiators to understand cultural differences and negotiation style in Canada.

An independent analysis of cross border marketing problem is only necessary if actual decision problems deviate fundamentally from, or are supplementary to the traditional understanding of marketing. If these conditions do not apply, marketing in the international context is merely a specific application of familiar and generally applicable marketing knowledge.

In general, definition in the international marketing literature is characterized by an emphasis on crossing national borders on the one hand, and run parallel to traditional definition of marketing on the other. There are some similarities between Sweden and Canada which can be an advantage in business relationships, but from other hand, there are large regional differences inside Canada. Canada has close ties to the United States which makes the business world more American than many Swede might think.

Ethical standards and transparency are highly valued in Canada; negotiation is a successful way to understand these factors. Thinking globally brings the importance of the fact that customers, values, attitudes, and believes differ around the world. One of tribulations in globalization is the barriers to trade which are created by cultural differences.

The negotiators and the influence of cultural differences

According to Molnar et al., different parties' behaviors and roles in international negotiation are very vital. In international negotiations, the focus is on three factors: negotiation behavior, style, and skills. Negotiation behavior refers to some unique factors that have effects on a negotiator's pattern of negotiation. Negotiation style shows the style of negotiation in cultural perspective. Negotiation skills talk about those important factors which shape the outcome of negotiations.

Molnar et al. explain when a negotiation takes place internationally, knowledge of negotiation, including behaviors, styles and skills, are very important for both parties with different cultural backgrounds. The authors explain that most companies try to globalize their activities as soon as possible, and all companies with globalization must be ready for global competition.

Further they mean negotiation internationally is not an easy task, mainly when there are obvious cultural differences between two parties. These differences make it hard to understand each other's behavior and attitude. Sometimes, both parties have a good understanding and knowledge of each other, but they might lack the aptitude to handle the problems properly, resulting in critical consequences for the result of the negotiation.

Some basic and serious problems negotiators face, while experiencing dealing from a bicultural business environment to a more multicultural or global environment.[17]

1 Unclearness of which culture we should adapt to

Unclearness of what culture companies´ worker should adapt to, while going globally, brings a lot of difficulties negotiators have to face. Culture differences are very important to be considered. For example a global project team working on R&D project who are limited on time, and the team includes one German, one Chinese, one Mexican, one Canadian and one Swede. Now, every one of these members has a very different point of view working on the project, depending of his/her culture. The main question is, which culture must the team members adapt to?

2 Not having enough time for learning about other cultures.

In today´s global trades business is being done very fast, which gives negotiators less time to learn about different cultures. For example a negotiator returns home after being in India for a while, and he gets to know that he has to go to Canada at once for negotiation. He does not know anything about Canadian culture nor does he know anyone in Canada. What should he do?

3 Decrease of face-to-face meetings, increase of computers/video conferencing meetings

Sometimes negotiators have to negotiate through computers or video conference. A Canadian negotiator will certainly have problems negotiation with a Korean partner. It is apparent they never met and he lacks knowledge about Korean culture. He gets a short notice to do this task, which does not give him enough time to find out information about the Korean partner or the culture. How can he do a successful negotiating?

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17 Steers R. M, Runde C.J.S & Nordon L. 2010, *Management across cultures, challenges and strategies*, p. 16-17

These three factors, which are mentioned, are just few problems a negotiator has to face dealing globally. The fact that today´s global business environments are promptly changing, makes it even more difficult for the international negotiators.

Richard M. Steers et al. name other problems caused by differences of cultures.[18]

The lack of knowledge how different cultures work

There are different cultures in different countries/societies. Every culture could be very unique from others, and the lack of knowledge about these important differences causes failures for the international negotiators. This lack of knowledge brings also problems understanding how these culture differences affect attitudes and behaviors doing negotiation across the globe.

Different cultures, different strategies

Negotiation with people from different cultures, require different strategies. Inexperienced negotiators have difficulties with negotiation cross cultures due to not knowing the "right" strategy to deal with other cultures. If the right and effective strategies are not used cross cultures, the negotiator will not know how to get information or how to act.

Different cultures, different communications skills

Often times, the negotiators do not have the right communications skills. The most important component in operating international relations is communications. The fact that a negotiator would have to work with colleagues, who think and speak a different language, could cause serious problems for the negotiator. In this age, technology helps facing difficulties within every environment. Furthermore, technology makes communication easier to cross culture. A negotiator dealing globally, who does not know new ways of how technologies are adapting today´s communication patterns, will have serious problems.

Different cultures, different views on leadership

Leadership could be confusing for negotiators dealing with different cultures. People have different understanding of what leadership is depending on different cultural views. If a negotiator does not recognize or understand the different meanings of leadership around the globe, he/she will face many problems.

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18 Steers R. M, Runde C.J.S & Nordon L. 2010, *Management across cultures, challenges and strategies*, p. 17-22

2.2 Research question

- How different is the cultural aspects in Canada compared with the Sweden?
- How the culture affects the negotiator's business culture?
- What characteristics the Canadian negotiators have and what negotiating behavior have the Canadians?

2.3 Purpose

Regarding the cultural differences between the Swedish and Canadian culture, there are misunderstandings and lack of knowledge. Therefore this academic study has its main focus on differences in the Canadian and Swedish business culture that may have an impact on international negotiations in Canada.

2.4 Delimitation

The global market and cross cultural study has many sides to study about but considering out limited sources, we have preferred to focus on intercultural business negotiations with Canada. This academic study puts effort on party's behavior during negotiation. This academic study talks about how important can be a sample movement in the time of negotiations. International market is huge but our focus is only on Sweden to Canada.

2.5 Disposition

After the introductory first two chapters, Chapter three is referring to literature study where the numerous recognized theories and models are discussed to offer a basis for further research of this academic study.
Chapter four describes the methodology which is used in this academic study in order to acquire a useful result in this study. The methods used in this academic study contain qualitative study, in from of interviews with several related personality, and quantitative study, in form of academic articles.

Chapter five provides an overall vision of how different respondents explain negotiation between Canada and Sweden. This chapter contains the summery of interviews and some related academic articles which has done in this subject.

Chapter sex is analyzing the literature study with the empirical study which has done in this academic study and describes their relations to each other. This analyze helps this academic study to isolate and identify similarity and differences between the theoretical basic facts and view of respondents on the subject of this academic study.

Chapter seven is the concluding chapter of this academic study where this study links up the research purpose and answers to research questions of this academic study.

3. Theoretical framework

This chapter gathers useful data, literatures and some models which provide the basis of this academic study.

3.1 Definitions of culture[19]

There are several definition for culture, depending on where and what has been done. The concept of culture and negotiation is almost the same and it is not easy to define it in few sentences. Culture is not something that can be inherited, but it is something that is being acquired in life time.

[20]There are different definitions and outlook on the concept of culture in the researching area. Different methods are used to apply these cultural analyses, depending on the scientists discipline and believe. The first method is how to create cultural standard comprises mapping of different phenomena that are measured significant, which has a strong cultural charge. These standards can be developed through a systematic description of how phenomena can dominate a culture. The second method is to identify themes in a universal view or system of performance. The purpose is to get knowledge of how a culture is prepared in particular categories, standards, attitudes and ideologies, which are fundamental for general and international business negotiations.

3.2 Ten ways culture affects negotiations[21]

As earlier mentioned, culture is a critical factor in global marketing. Having a very good knowledge of different cultures is essential for negotiators throughout a negotiation. In addition, having sufficient knowledge about the other side´s culture helps a negotiator to have a successful negotiation and allows them to efficiently comprehend, communicate, and evaluate come up with noble strategies. A negotiator should always try to identify different ways, in which cultural factors affect the international business negotiations. Salacuse presents ten cultural ways that affects negotiations.

1. *Negotiating Goal: Contract or Relationship?*

Every action that has been made in the business world has a goal; each negotiator has a goal for negotiation. Sometimes both parties, in the negotiation table, have a common goal, and sometimes they have different goals. Beside goals, every negotiator has a purpose and what purpose a negotiator has can be affected very much by the negotiator´s culture. Salacuse

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[19] Molnár, J & Nilsson Molnár, M. 2000 Internationella affärshandling – *En affärsprocessansats*, p.49

[20] Ibid. p. 55-56

21 Salacuse, J.W. 2005, Making Global Deals: *What every executive should know about negotiating abroad,* p. 58-70

exemplifies this with two different cultures, American's and Japanese´s. The author states that Americans see a signed contract as a bond, which binds the two sides strongly, which is the main goal for them. On the other hand, Japanese do not see a signed contract as their main goal, even if a signed contract means expression of relationship. For the Japanese the relationship itself is the main goal. For the Japanese, signing a contract could be an opening of a relationship; meanwhile for the Americans signing a contract is closing a deal. This example makes it clear that these opposite goals can surely affect other aspects of the international business negotiation.

2. *Negotiating Attitude: win/Lose or Win/Win?*

Salacuse classifies the negotiation process in two categories. The first one is win/win situation, in which both sides gain, and the other one is win/lose situation, in which one side wins and the other side loses. In addition, he points the importance of knowing attitude and personality of negotiators that are dealing with each other. For instance, if one side has extraordinary bargaining eventualities than the other side, then automatically the weaker side see the negotiation as a win/lose situation. Salacuse quotes an Indian´s saying, which explain almost the whole context of win/lose situation.

"Negotiations between the weak and the strong are like negotiations between lamb and the lion. Invariably, the lamb gets eaten."[22]

According to Salacuse, negotiations with the goal of win/win are not that complex, because both sides see the whole situation as a collaborative and problem solving process. It is in win/lose negotiations, where the complexity of the situation increases, which makes the negotiators to see the whole situation as confrontational process. Salacuse comes up with some ways and strategies to deal with win/lose situations, which are explained below:

First, a negotiator should begin to explain perfectly and clearly the, plan of business transaction that he/she is offering, to the other side. Salacuse means also that a negotiator must always have in his/her mind, that there might be a possibility, that the other side does not have the same degree of business knowledge; there are chances that they might misunderstand or totally do not realizes, what they are dealing with. Therefore, a negotiator should always convey his/her point in a clear way to everyone around the negotiation´s table.

Second, once the negotiator is certainly sure that his/her point is being conveyed clearly to the other side, and then he/she should try to find out what is the other side´s main interest. A good way to find out the other side´s interests is to ask questions, which provide extra information about other side, and leads to a better result and accomplishment. At the same time, a negotiator must formulate his/her questions in a deliberate and smart way that does not make him/her to appear ignorant. A way of receiving information from the other parties for a

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22 Salacuse, J.W. 2005, Making Global Deals: *What every executive should know about negotiating abroad,* p. 59

negotiator is, that he/she is being open to across the table, and simultaneously must try to appear trust worthy, so other side share secret information with him/her.

Third, a negotiator should have enough information about the history of the nation that he/she is negotiation with their representatives. Salacuse gives Mexico´s history as an example, a negotiator must know about the country´s history of domination by the United States, which constantly leads Mexican companies to operate both profits and prestige in their negotiations with the American companies.

And finally, once you have been able to identify the other side´s interests, you have to develop proposals directed at satisfying those interests. Here, creativity and innovation are essential. In one negotiation the U.S contractor and a foreign manufacturing corporation for the construction and sale of an electrical co-generation plant, the foreign negotiators insisted that if the plan did not work up to a specified standard, the U.S corporation would have to dismantle the entire plant and take it all away. The U.S Company was unwilling to make that kind of guarantee.

Fourth, when a negotiator has gone through above three steps and finally is able to identify the other side´s interests, he/she must think creatively before acting, and come up with a proposals that satisfy the other side´s interests, which is very important for making a successful deal.

Salacuse gives a good example in which the importance of good proposals is proved. The example is about a negotiation between an American contractor and a foreign manufacturing corporation for the construction and sale of an electrical co-generation plant. The foreign negotiators demand was, if the plant did not work up to a qualified standard, then the American company has to tear down the entire plant and take it all away. The American company did not want to have such a deal and did make such a guarantee. As the foreign negotiators changing their mind, the American negotiators realized that the real interest of the foreign companies is in having a trustworthy supply of electricity. Knowing this, the Americans came up with a proposal which was, if the plant was and could not be fixed, they would take over and run it. The better understanding of the foreign negotiators resulted to an agreement on a deal.

3. *Personal: informal or formal?*

Usually, at the negotiation table negotiators use one of the two, formal or informal, form of conversations, sometimes they start with the formal conversation and go over to informal one. A negotiato,r who uses a formal style insists on addressing the other team by their titles. He/she avoids ask/share personal information, such as questions regarding on the private or family life of the members of both, his and other side. Unlike formal style, the negotiators with informal style almost always try to start the negotiating by asking the other side´s first-name, and quickly try to make a personal and friendly relationship with the other side.

It is important for a negotiator to know about the culture during a business negotiation, and based on that he/she decides whether to use a formal or an informal style. Salacuse asserts that formalities differ from culture to culture, words and way of saying things could mean differently depending on which culture the negotiation is taken place. Salacuse gives a good

example of an American or an Australian, when they call someone by their first name that is a sign of friendship, which could be considered as a good thing. However, that is not the case in every culture, such as Japanese, Egyptian or French, the use of the first name is far away from sign of friendship, in these cultures it is an act of disrespect and therefore a bad thing. Salacuse emphasizes the importance of having full respect of appropriate formalities in foreign cultures. He also mention about the general rule of international negotiations, a negotiator should begin with a formal style and gradually move to an informal style.

4. Communication: Direct or Indirect?

Different cultures use different methods for communication. In some cultures they use simple and direct methods of communication, such as in Germany, where the answers given are clear and definitive to the questions and suggestions. In some other cultures there are indirect and complex methods of communication, such as figurative forms of speech, facial expressions, gestures and other types of body language can be used. To get reaction to proposals submitted in cultures that depend on the indirect communication the negotiators need to interpret a series of signs, gestures and seemingly unlimited comment. It may not be a definite commitment or rejection at the first meeting.

Salacuse mentions a case in which an American manufacturing had difficulty paying their Japanese suppliers, which had demanded payment for a long time. The American company was allied with a Canadian partner for some companies in Canada. One day, the Japanese called a meeting with the Canadian. At the meeting with the Canadian asked the Japanese if Canadian could call his American partner and invite the owner of the American company to the meeting. After the phone call the owner of the American company arrived to the meeting to discuss his financial problems with the Japanese. With this way of arranging a meeting can be seen that the Japanese were unwilling to call a direct meeting with the American company.

5. Sensitivity to Time: High or low?

According Salacuse, Time is an important factor in negotiation processes and it has different values in different cultures. For Americans, it is important with fast transactions, therefore, they try to reduce the formality of meetings and make decisions quickly. This can cause problems for the Americans if they would negotiate with the Japanese, because for Japanese, it is important to take long time for negotiation and getting to know the other party. Americans try to shorten the negotiation process could be understood as a try to hiding something, which can lead to distrust towards them from Japanese side. The Germans put great emphasis on punctuality, unlike Mexicans who are constantly late. It is perhaps wrong to maintain that different cultures value time in different ways. Rather, it evaluates the amount of time devoted to the goal they pursue. When making plans for a business negotiation process it is important to have in consideration that time is used differently in different cultures. According to Salacuse, a negotiator must consider sensitivity of time during a business negotiation.

6. *Emotionalism: High or low?*

In the case of emotionalism at the negotiate process, there are two factors to be considered always, stereotype and individual personality. According to stereotype, for example the Japanese are reserved and hide their emotions in negotiations, while Latins show their emotions. It also depends on the personality a negotiator have, for example, there is of course hot-blooded Japanese and passive and quiet Latins. It is important to note that in every culture there are rules governing the appropriateness of displaying emotions at the negotiating table which they believe should be followed at the negotiating process.

7. *Form of Agreement: general or specific?*

In the business world, there are two forms of agreements, the general and specific. The general agreement consists of general principles rather than detailed rules. The specific agreement however is very detailed. Some believes that there are cultural factors that affect the business parties' choice of agreements, and others claims that it is context that determines the business parties' choice of agreements. According to the first allegation, Americans usually choose the specific agreement. It is important for them that the agreement is detailed and in the conditions, it is clear whether it will handle any new situation that may arise. The Chinese, however, choose the general agreement, because for them it is important to trust is an important factor among business related parties. According to Chinese business culture if an unforeseen event occurs, it must be dealt with and resolved by reviewing the business parties' relationship rather than looking at the agreement.

According to the second argument it is the business parties' unequal negotiation power that is decisive for the choice of agreement. Here it is argued that the stronger party would prefer the specific agreement for not to allow for future adverse circumstances that may arise, while the weaker party is always looking towards the general agreement, which is expected to show up and allow for future adverse event. In a deal between China and the USA, if you look under the context, China would be the weaker party, who seek a general agreement in order to protect themselves against the future. However, according to the cultural factors the USA tend to usually choose the specific agreement, which can be considered to lack confidence in the opposing party. In other cultures such as Russia, also prefers the specific agreement and make sure to follow the written words without exception, but tend not to add weight to a possible oral agreement.

8. *Building an agreement: bottom up or top down?*

The order to build agreement is due to cultural factors. For example, for French people, it is important to agree on a good basis for general principles that can be further built on the negotiation process. Americans prefer to get an agreement in detail such as price, productivity and delivery time. Basically a business deal for the Americans is all about compromises and trade-offs.

9. *Team organization: one leader or group Consensus?*

Consensus types of organizations are those that build on consensus and often consist of large groups. Japan and China belong to the category when it comes to business negotiations. These bargaining groups tend to take more time to negotiate an agreement. Management teams consisting of a few people are usually prepared for quick decisions. Such groups are generally seen in American organizations.

A crisis is characterized by one of the group, that has the authority and leading with quick decisions. It is important to know and take into account cultural differences in a business negotiation. For example, in a commercial negotiation between the USA and China, it is not unusual for Americans to follow the strategy of a leader, and come with three people at the negotiating table, while Chines shows up with ten men. This shows that culture is an important factor in negotiations of affairs and for knowing how the other party is organized.

10. *Risk-taking: high or low?*

Level of risk-taking depends on factors such as culture and the negotiator's personality. Americans appear to be risk-taker and open to new methods. While the Japanese who require large amounts of information have a negative attitude to risk taking. In a business negotiation where the party is hostile to risk taking, it is important to focus on rules and mechanisms that reduce the obvious risks.

3.3 Culture and various types of business relationships[23]

Hofstede differentiates cultures to culture one and culture two. Culture one refers to a superficial dimension customs and culture two has more specific meaning and impact on more basic human processes such as passions. Since cultures vary from each other, so it affects the people in different ways. Cultural differences and lack of knowledge about each other's behaviour leads to problems in relationships.

Robinsno explained that successful worldwide businessman has the capability to both differentiate and understand the common formation that shapes all cultures, in spite of differences in values. The cultures in the modern world are getting closer to each other is questioned by Hofstede. He argues that the evidence of the similarities mostly taken from the superficial dimension of cultural practices is confused with the deeper basic dimension of cultural principles. Understanding and knowing similarities and differences of culture create good conditions and facilitate adaptation to a foreign culture as the handling of the problems that may arise in connection with different business relationships, negotiations and implementations of business.

International businesses negotiations refer to relationship between the parties, which represents companies based on different cultures and countries and are negotiating with each

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[23] Molnár, J & Nilsson Molnár, M. 2000 Internationella affärshandling – *En affärsprocessansats*, p. 55

other on a possible agreement. Relationships at international realisation of business can endure of relationships between staff and subordinates with different cultural backgrounds such as work for international companies' subsidiaries. International realisation of business is often about relationships between the subordinates and the international companies operating in different countries.

3.4 Hofstede Geert´s five cultural dimensions *Power distance*[24]

Reality is experienced very differently in different countries. Geert Hofstede, a very well-known Dutch scholar, claims that there is a perceived reality and a desired reality; and the association between these two types of reality is very strong in some countries. One of the factors, that effects how the reality is experienced and how it is desired, is the relationship between the employers and employees, which has a great impact on decision making process. In countries, where the employers are considered not to be autocratic or paternalistic, and having a good relationship with their employees, which make it possible for employees to prefer a consulting way of making decisions.

Farther, Geert Hofstede says that in countries, where the relationship between employers and employees is the opposite, which make employees to often afraid to express their opinion, that do not coincide with the employer's views and the autocratic or paternalistic way is preferred by employers. In such countries the employees often prefer employers, who have an autocratic or paternalistic way for decision making and also prefer to vote for making decisions, which means that the employers are not making decisions by themselves at all. This way of making decisions are not that usual since a majority of votes are very difficult to handle in most organizations, and it is not accepted by the most employers.

From the reasoning two paragraphs above power distance can be defined, as the extent to which the less powerful members of institutions and organizations in a country expect and accept the fact that the power is unequally distributed, according to Geert Hofstede. Description of the power distance could be based on numerous factors, but mainly the less influential member's value system is the main factor, which describes the power distance. There are many ways of measuring and describing the distribution of the power. According to Hofstede, distribution of the power usually is being described by behavior of the more influential members.

Individualism – Collectivism[25]

Geert Hofstede means that the importance of individuals and the groups differs from society to society. In most societies around the world the group's interests have more value than the

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[24] Hofstede, G. & Hofstede, G.J. 2005, *Organisationer och kulturer,* p. 58-60

[25] Hofstede, G. & Hofstede, G.J. 2005, *Organisationer och kulturer,* p. 88

individual's. Hofstede calls these kinds of societies as collectivist societies. In a collectivist society a person belongs to many different groups through his/her lifetime. One of the important groups is the family in which he/she is born in. This group, which is the first group a person belongs to, is the most important group in collectivist societies. The structure of the family, in such societies, could differ a lot from family to family. In collectivist societies, a child grows up among number of people who live near each other. In this society we can see others as family members besides our parents and children. For example, our grandparents, aunts, uncles, and even servants can be seen as the family members in such societies. Hofstede names this kind of group often as We-group, in which the child is learned to see him as a part of the We-group. What kind of identity the child gets depends a lot on the We-group he/she belongs to. Loyalty is the most important factor for the members of this group, breaking loyalty is one of the worst things a person this group.

Geert Hofstede also means that there are other societies in the world which are the opposite of the collectivist societies. Societies where the individual's interest comes before the group´s and this kind of societies are called individualism. In such societies a child is born in a family which contains of two parents and possibly other children. The relatives do not seem as the family members and they often live far away from each other and do not have much contact with each other. A child growing up in such society/family learns how to be independent. He/she learns to find his/her own identity. Children in such societies are expected to move out and leave the parents' home as soon as possible. In such societies, a healthy person is expected to not be dependent on anyone, nor practically or psychologically.

Knowing the kind of society a negotiator is dealing with is a must know factor. A negotiator must know if the society he/she is dealing with e.g. is a collectivist society or an individualism society. He/she must have full knowledge of both type of societies. Hofstede gives a good example of two different societies, the Swedes and Saudis. Both sides have a different view of the importance of the personal relationships in doing businesses. According Hofstede, Swedes believe that the business is done with a company, while the Saudis believe the business is done with a person. Saudis must know and trust in order to do business with the other party. The best for Saudis would be if they do business with someone who is known and trusted by both sides. Hofstede means that behind lots of differences among different cultures there are two important factors which play a very significant role, the group's and the individual's role.

Masculinity - Femininity[26]

The aim of this dimension is to search out how the division of roles is being divided between the two genders, men and women. People have different ways of deciding what is feminine and what is masculine. No matter in what kind of society traditional or modern people living in, still the way of being feminine or masculine differs from country to county. Geert Hofstede claims that there are different methods to search out wither a country/society is a

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[26] Hofstede, G. & Hofstede, G.J. 2005, *Organisationer och kulturer,* p.130-135

feminine or masculine, but the most obvious way is to look at the distribution of men and women within different professions. Hofstede exemplifies this by mentioning some countries and different roles of men and women in different professions. For example, in Russia the largest numbers of doctors are women and so are the dentists in Belgium. Most of the business owners in some parts of West Africa are women and on the other hand men cover the largest typists in Pakistan. Nursing could be very feminine occupation in some countries while in Netherlands the most nurses are men. A female being a director of a company in Japan is very unusual, while it is very common in Philippines and Thailand.

According to Geert Hofstede´s study, which is based on 78 countries and regions, Slovakia is the most masculine country, where wealth is highly valued. And the most feminine country is Sweden to be ranked, where quality of life is valued the most. Canada ends up at the thirtieth place, which means that Canada could contain both, the feminine and masculine, properties.

Uncertainty – avoidance[27]

According to Geert Hofstede, doubt is a factor that always exists in every environment and organization. One of the reasons for existence of uncertainty is the fact that the future is uncertain. People are not totally sure of what is going to happen the next day, but that's a fact everyone has to face, and deal with. There are many reasons that create uncertainty in a society, being uncertain about future is one of them, but the main element that creates ambiguity in people is feeling of uncertainty based on individual experience. Hofstede adds that feelings of uncertainty are not only personal, but they can be partially shared with other people at the same society.

Every country/society has developed different ways and methods in order to deal with uncertainty. Geert Hofstede provides three main factors such as technology, law, and religion as examples for avoiding this uncertainty. Hofstede means that, technology is very important "tool" which helps people with the uncertainties that caused by nature; laws and rules prevent the uncertainties caused by other people´s behavior; and religion "helps" people to accept the uncertainties.

Long-term or short-term orientation[28]

Geert Hofstede states that there are two kind of relationships oriented in every national culture, apparently long-term and short-term oriented national cultures. He defines that the long-term mainly focuses to promote the virtues of focusing on future rewards, in particular perseverance and thrift. And the short-term orientation promotes the virtues that have to deal with the past and the present, with respect for traditions and fulfilling social obligations.

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[27] Hofstede, G. & Hofstede, G.J. 2005, *Organisationer och kulturer,* p. 180

[28] Hofstede, G. & Hofstede, G.J. 2005, *Organisationer och kulturer,* p. 226-227

3.5 Negotiation and the Negotiator[29]

According to Molnár et al., there are a variety of factors, which influence the definition of negotiation; for instance, field trials depend on which feature of negotiation has been studied and what the outcome was for the researcher. Molnár et al. explain that negotiation is a process, where two different individuals or two groups of people prepare themselves for potential future agreements. There are two factors which should be focused on at the time of negotiating. The authors describe the first factor as common interests between the parties and the occurrence of conflict issues; however, with common interests, there is nothing to negotiate with, because there are no conflicting issues. The second factor, according to Molnár et al., is a process of decision-making, which includes planning, displays, analysis and both sides of negotiations by sellers and buyers. The purpose is to reach an agreement through compromise. This agreement is exemplified in business transactions, where both parties should be satisfied and gain something.

Furthermore, the authors argue that there must be an ethical approach for buyers and sellers at the time of negotiation, meaning that they reduce unnecessary costs. Negotiation is also a kind of influential process, in which success is, depends on preparations regarding the goal and strategy. Molnár et al. believe that negotiation works as a tool for development of relations between both entities.

Molnár et al. explain some concepts that are very useful at the time of analyzing and describing the partners' behavior within negotiations process. These concepts are explained through negotiating behavior, style, skill, and strategy.

Negotiation's behavior is not explained very clearly in negotiation's literature. Behavior in negotiation is discussed very shortly or sometimes together with negotiation's style. That is why it is often difficult to differentiate these two from each other.

According to Graham & Herberge Jr. et al., negotiating style is a combination of negotiators' attitudes, expectations and behaviors. Negotiation style differs depending on how these three combinations look like; some specific models separate and choose a particular negotiating style. They describe that negotiation literature argues different angles on negotiation's style. There are two main groups; the first group are researchers, who focus on negotiation approaches, such as different strategies and tactics that negotiators choose and apply, while negotiating. Additionally, they explain the second group which includes researchers, who relate the negotiation style to cultural features. The second group believe that various factors, which are usual for a specific cultural environment, characterize the negotiation style. Graham & Herberge Jr. et al. believe that the negotiating style refers to a picture of the defendant in the form of its self-created characteristic, which does not comprise the personal relationship. It means that the negotiation style of one cultural group can be studied and characterized from a number of aspects, which are attributable to features of the negotiators and the cultural

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[29] Molnár, J & Nilsson Molnár, M. 2000 Internationella affärshandling – *En affärsprocessansats*, p. 1-3

environment. Molnár et al. consider that the negotiating behaviour can be seen as a broader concept than negotiating style.

Negotiating skills are a negotiator's ability to meet their business needs in the best possible way, according to Holt. As stated by Molnar et al., negotiating skills are abstract and they are difficult to explain. Molnar et al. believe that negotiation skills have great influence for the outcome of negotiation. They mention that negotiation can be learned and trained through studying, by way of attending courses and practical felt works, which are very useful to learn and obtain experience.

Molnár et al. explain that negotiation strategy is about thinking strategically, and this kind of thinking is based on knowledge about the other side's culture, which include their behavior, style and strategy.

3.6 National vs. international business negotiations[30]

According to Hall and Reed Hall, people who live in the same area and have the same culture will have common information systems. They will also have the same methods for receiving, collecting and holding information, but these methods vary from one culture to another. People in new cultures need new access points. Understanding new culture is the key to an effective international and intercultural communication.

In keeping with Molnár et al., there are many researches and studies on international negotiations and cultural differences. For instance: Kapoor in 1975, Graham & Herberge Jr. in 1983, McCall & Warrington in 1984, Cavusgi & Ghauri in 1990, Gharui & Usunier eds. in 1996, and Usunier in 1993, 1996, and 2000. However, there are not many studies that explain from a Swedish point of view.
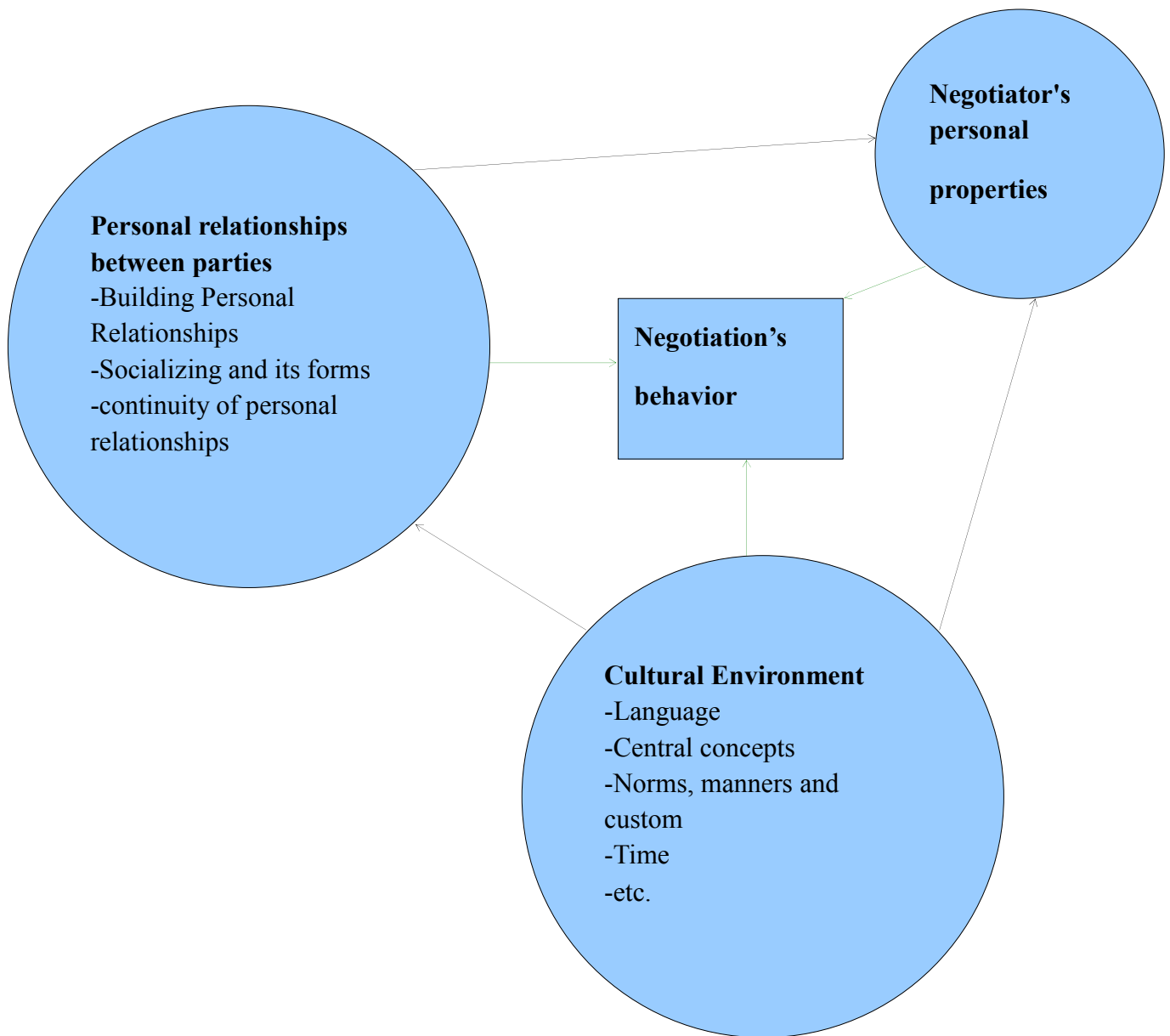
Planning a business process is very important in every field. According to Molnar et al. planning for exports divides in three phases: marketing, negotiation, and implementation.
In addition, they explain that marketing phases explain the selection and analysis of overseas markets. Marketing is developing the primary marketing mix and evaluation of the quotation. Negotiation describes commercial and traditional technical. Negotiation phase can be viewed from the seller point of view. The authors claim that implementation offers for completion of activities, which has already been discussed in negotiations phase, and both side approach on an agreement. According the authors, Swedish companies have successful businesses from foreign countries, but they still need to be ready to avoid failures. One of the causes of failure in foreign market is the lack of knowledge on international and national negotiates. Further they explain another cause could be lack of knowledge of the negotiating style in a particular cultural environment; culture and cultural differences are always a barrier. If both sides are well aware of their cultural differences, then their implementation will be successful with benefits. It is always useful to learn from others who have alreadysegments in a foreign market. This knowledge can help to avoid failure and offers experience on international business negotiations (Ibid).

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[30] Molnár, J & Nilsson Molnár, M. 2000 Internationella affärshandling – *En affärsprocessansats*, p. 8-18

3.7 Factors that affect the negotiation's behavior doing international negotiations[31]

Negotiator's personal properties

Personal relationships between parties
-Building Personal Relationships
-Socializing and its forms
-continuity of personal relationships

Negotiation's behavior

Cultural Environment
-Language
-Central concepts
-Norms, manners and custom
-Time
-etc.

Source: Molnár, J & Nilsson Molnár, M. 2000 Internationella affärshandling – *En affärsprocessansats*, p. 40

The green arrows illustrate the elements that influence negotiation behavior

The black arrows show the dependence between the elements

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[31] Molnár, J & Nilsson Molnár, M. 2000 Internationella affärshandling – *En affärsprocessansats*, p. 40-45

Negotiator's personal character

Molnar et al. state that a negotiator's personal character is always revealed more or less in their behavior during the negotiation process, and it is obvious that these kinds of personal merits are considered to be directed to the negotiators of the same culture group. An example for this connotation is a common cultural environment, where the education has taken place. The authors believe the personal qualities of Spanish, Italian and Portuguese citizens from Latin descent separate them from the qualities typical of Swedish, Danish and Norwegians from German origin. Additionally, the authors explain that some qualities of the negotiators can be translated differently; one view is to be flexible in negotiation with foreign partners. The authors signify that flexible behaviours make negotiation easy for unexpected and surprising events. Not being flexible can make the negotiation process harder and can have negative effects on both the negotiators and their partners. Molnar et al. articulate that being sharp can make the process easier for the both sides and help to develop personal relationships with partners, but not being quick and intelligent can make the process difficult and also a party loses important information and the trust of their partners. Furthermore, Molnar et al. explain that having the ability to gain trust and faith are very important qualities especially in the beginning of a business relationship. If one party is not able to gain the trust and faith of the partners of the other entity, it is likely that there will be no business deal or negotiations at all.

Personal relations between the parties

According Molnar et al., an important condition for the construction and development of personal relationships in the conservation of value of both sides are their personal qualities. They mean different cultural facts affect the establishment of personal relationships between the two parts; for example, if the parties have facts about each other it is possible that the mental distance between them decreases. Further the authors signify that creating a personal relationship requires patience and assets in terms of time and money.

Cultural environment

The factors in the cultural environment that are especially relevant in the negotiation and manipulative negotiation behaviour are language, key concepts, standards usage and time, explains Molnar et al.

They believe that some other factors in a culture environment, which have limited influence to impact behaviour at the negotiating table, are policies, laws, technology and material culture. Further they explain the importance of language in the form of negotiating language, spoken and written language, body language, and others are definitely the main income of communication in negotiations.

The authors point out that relationships central to some ideas in culture environments affects the parties' negotiations behaviour. Central ideas exist in all cultures but they are translated

and valued differently from culture to culture. They say it is also important to know essential ideas and values a culture has, besides the importance of dressing well at the negotiations table. Further they explain if the parties do not have the same understanding of punctuality, deadlines and tempo at the negotiation agenda, it can affect the development of personal relationships and the negotiation in a negative way, which in turn can stop the negotiation process.

Behavioral Model usability

Molnar et al. mention that developed behavioural models and knowledge about complement negotiation behaviour can be used to an advantage. They can catch the attention of Swedish businessmen in both planning and preparation in realization of business negotiation.

Moreover, they explain the behavioural model, which is also relevant to different types of negotiators. The cultural groups negotiating behaviour remains unaffected, no matter what industry or product types are in question. Furthermore they state that development and the significance of personal relationships is almost the same depending on the industry and product. The significance of personal relationships is superior over some industries in the marketing of some products more than others. The authors believe that the significance of personal relationships divides, too, from different cultures. In some cultures, the personal relationship between the parties is more important than others. The authors also clarify the cultural environment impact on negotiators behaviour is different from one culture to another. Some factors like language, central ideas and the cultural environment are reflected by the negotiators' local standards and customs as well as timing; however, there is no reason to believe that their importance would vary with consideration on the negotiators' industry and line of business or product.

3.8 The nature of negotiations[32]

According to Molnar et al., negotiations are an usual component of life. Everyone needs to collaborate with each other in different ways, and in this collaboration they must achieve an agreement in different matters. For example, it can aid the development of business internationally and raise the number of negotiators globally. Negotiators can have different views depending on the situation, outlook, and the parties involved in negotiations.

"Two elements must normally be present for a negotiation to take place; there must be both common interests in issues of conflict. Without common interests there is nothing to negotiate for, without conflicting issues nothing to negotiate about."[33]

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[32] Molnár. J. & Nilsson Molnár. M. 1999 *International Marketing Negotiations And Business Deals*, page 63-67

[33] Ibid. p. 63

Molnar et al. clarify that negotiation is a process of trade, aspiring to convince what both parties need. Negotiations reached through human activities lead to an interaction between individuals. The authors mean there must be at least two sides or parties in a business negotiation, and the plan should show how to reach an agreement. Each party is supposed to struggle toward achieving their planned business needs and goals. Besides the communication and cooperation are two significant factors for the victorious outcome of a negotiation.

Negotiations in different situations

Molnar et al. claim that parties from every individual group, national group, company and even country have to negotiate to reach their essential needs. To get this, it is important for all parties to try to communicate with each other and try to meet each other's requirement, which might be reached through conflict or mutually agreeing in a trade process.

Private or family negotiation, which is also called negotiations in a social environment, consists of a discussion between family members, friends, relatives and colleagues concerning daily problems.

A negotiation which takes place between two political parties of society and has an effect on society as a whole in different perspectives is called political negotiations.

Diplomatic negotiations comprise of international levels among presidents, head of states, two or more countries, global companies and organizations and so on. These negotiations are mostly about significant international problems that include cultural, political and environmental issues.

The authors indicate that every company has an internal and external negotiation process to discuss about its delivery times, prices, packages, terms and places of deliveries.

The international dimension of business negotiations

Molnar et al. state that the globalization of business is growing rapidly but there is a problem when it comes to differences between different cultures that are negotiating with each other. They mean that it very important for negotiators to be well prepared before an international trade negotiation initiates. They also mention that negotiators should have knowledge about foreign culture. Negotiators should not only be well prepared in culture differences but also have knowledge about political and social environments.

3.9 Some Negotiation Models[34]

There are a number of good researchers who contribute to the understanding of negotiation globally. Sawyer & Guetzkow, Ghauri, Kapoor, McCall & Warrington and Usunier have developed some useful negotiations models.

3.9.1 Sawyer & Guetzkow's Social psychological negotiation model

Molnar et al. mention goals as the first factor in this model that stimulates parties to enter and continue the process of the negotiation itself. The negotiation process includes communication and some actions leading to a specific outcome for each party. Negotiation is carried out with some background factors of cultural traditions, relations among parties and some particular situational conditions. Molnar et al. expresses that these five aspects (goals, process, outcome, background factors and conditions) and their interaction with one another through a graphic negation model. These five items are the main variables of this model, which contains some sub-variables as well when it comes to international negotiation.
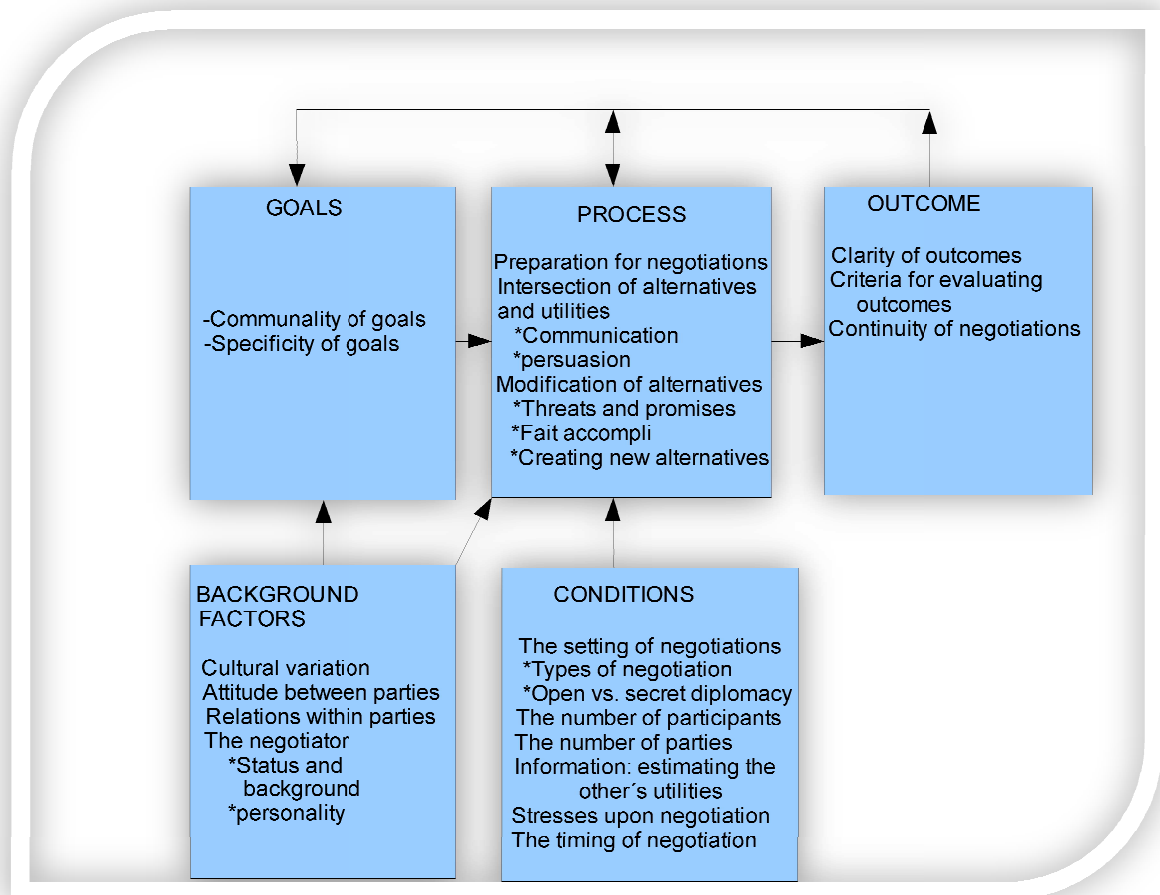
Source: Molnár. J. & Nilsson Molnár. M. 1999 *International Marketing Negotiations And Business Deals*, p. 68

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[34] Molnár. J. & Nilsson Molnár. M. 1999 *International Marketing Negotiations And Business Deals*, p. 67-75

3.9.2 Ghauri's Model for package deal negotiation

Molnar et al. describe Ghauri's model as a developed version of Sawyer & Guetzkow's social psychological negotiation model. The authors point out that Ghauri has changed some variables of the Sawyer & Guetzkow model, which could differentiate package deals and environmental differences. Ghauri, in the same time, changed some variables from the interaction model like atmosphere. In Ghauri's studies, outcomes, feedback from process and background factors are not in consideration. Ghauri puts his focus on three main variables: process, atmosphere and background factors. Molnar et al. define process as containing some sub-variables including time, issues and contacts. It is vital to know how much time is left, which problems are discussed in diverse gathering, and which contacts are made.

The second variable is atmosphere; during the process of negotiation, a relationship develops between parties and is the most important part in the process. Depending on how parties understand each other's behaviour, atmosphere can include sub-variables such as conflict and cooperation, distance, power and dependence and expectations.

There are always some conflicts and cooperation issues in negotiation processes. There must be something to negotiate for or negotiate about.

The lack of ability for both parties to understand each other provides distance. Parties, who are not doing business for the first time, have closer distance than those who are doing business for the first time, depending on their differences of environments.

Having a good relationship in the time of negotiation is very important for both parties. Controlling this relationship shows the power of both parties.

At the end of every negotiation process, every party has its expectations and goals they desire to reach. Expectations can divide into two parts, namely short term and long term. A short term expectation is about a present deal, but the long term expectation involves talks about possibilities for future dealings.

The third variable is background factors, which are supposed to influence the negotiation and its atmosphere. Background factors include some sub-variables that affect the process like objectives, environment, market position, third parties, negotiators, and outcome.

It is very normal for two parties in the negotiation process to have some conflicts, common and balancing objectives.
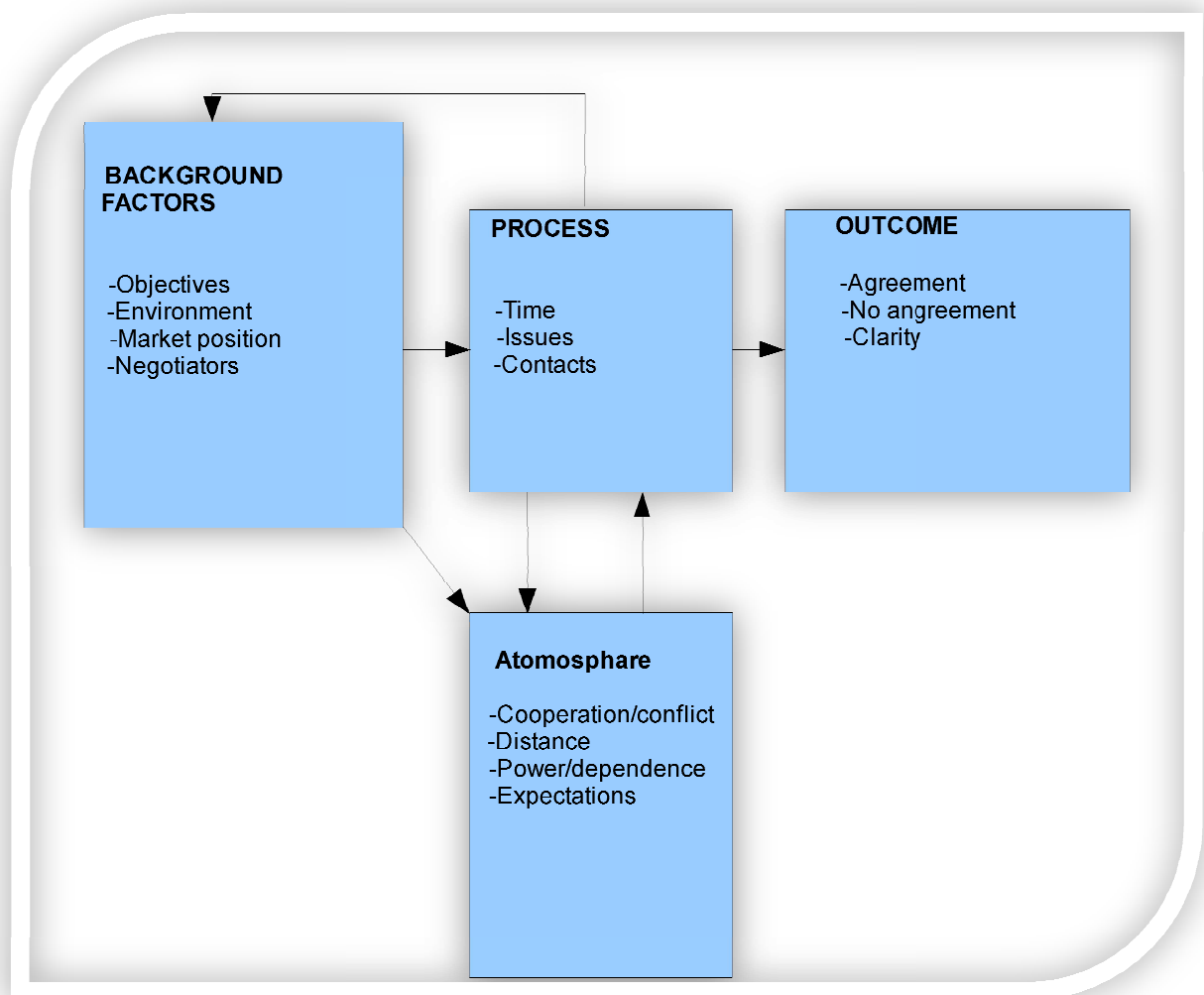
The environment refers to the political, social and cultural surroundings of the parties. Environment has some extern effects on parties, particularly those with political, social, and cultural backgrounds.

Positioning in market plays a significant role in the negotiation process. The number of buyers or sellers determines the amount of options available to each party.

Besides buyers and sellers, there is a third party as well in the time of negotiation, namely subcontractors, consultants, agents and some officials or government officers. Third parties can play a significant role during the negotiation.

What kind of skills, experience and personalities a negotiator has significantly affects the negotiation process. In order to achieve a successful negotiation, a negotiator must have the right resources.

Outcome is about the results a negotiator gets after the negotiation process. The final result could be both positive and negative. The partners can agree or disagree, or maybe agree at some parts and disagree at some other parts.

BACKGROUND FACTORS

-Objectives
-Environment
-Market position
-Negotiators

PROCESS

-Time
-Issues
-Contacts

OUTCOME

-Agreement
-No angreement
-Clarity

Atomosphare

-Cooperation/conflict
-Distance
-Power/dependence
-Expectations

Source: Molnár. J. & Nilsson Molnár. M. 1999 *International Marketing Negotiations And Business Deals*, p. 69

3.9.3 Kapoor's Model of the Context of Negotiation

Molnar et al. define Kapoor's models as the nature, quality and character of international business negotiations. Kapoor's model clarifies that there are major and unique differences between domestic business and international business, meaning that international business is affected by different environmental situations. This demands very careful and suitable strategies in the time of negotiations. According to Molnar et al., Kapoor's model describes that international negotiations require understanding of the social, cultural, accounting, economic and political laws of the country where the negotiation is in progress.
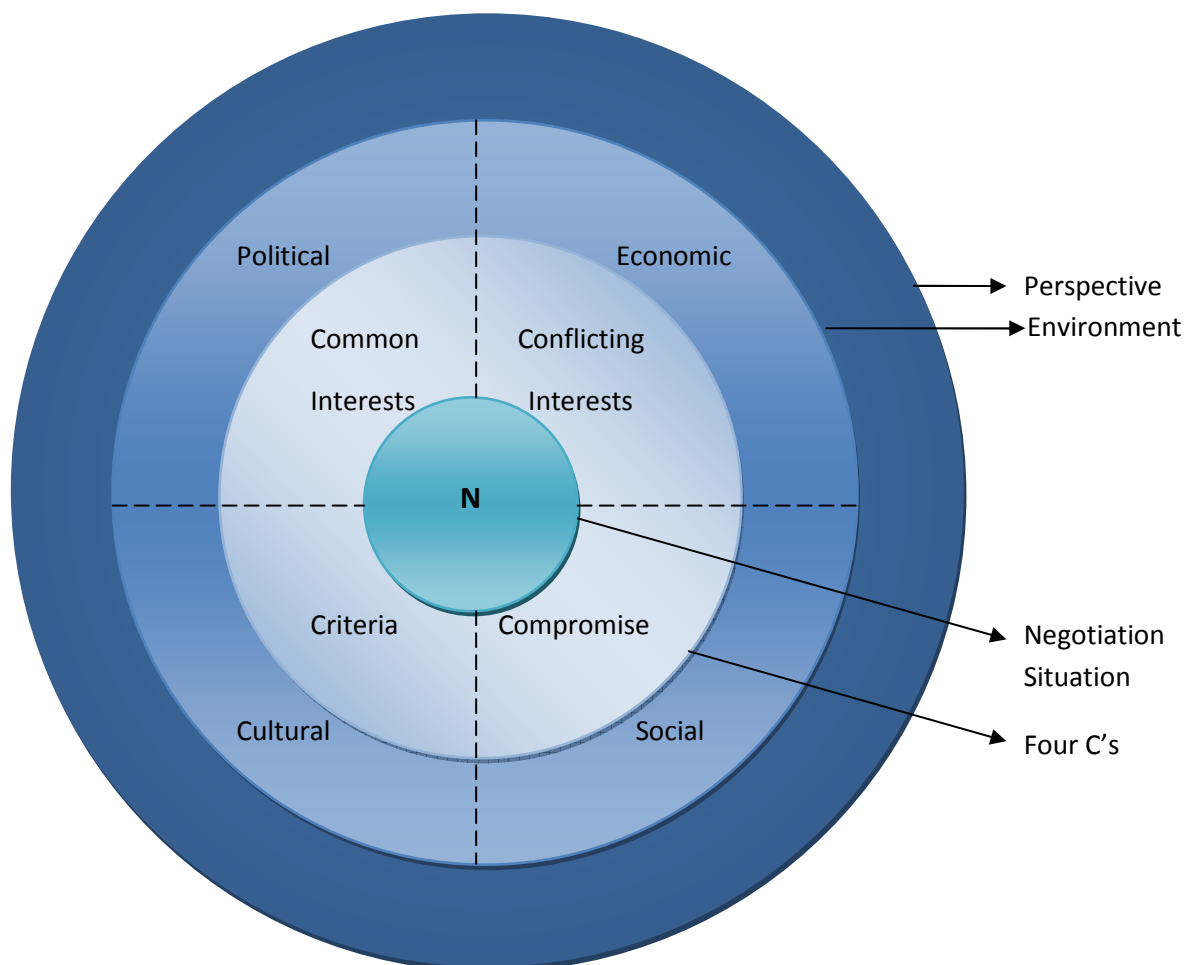
Source: Molnár. J. & Nilsson Molnár. M. 1999 *International Marketing Negotiations And Business Deals*, p. 72

The negotiation situation according Kapoor's model

N (the negotiation situation) is the center of the negotiation, which is represented by the middle circle of the model. Every negotiation's situation is affected by the four C's, the environment and viewpoint.

Molnar et al. describe the four C's of Kapoor's model as common interests, conflicting interests, compromise, and criteria of objects. A common interest is something for which negotiation starts. A conflicting interest is what the negotiation is all about. Compromise includes giving and taking and criteria of objectives is deciding the objective and criteria for its accomplishment.

Molnar et al. point out the viewpoint of Kapoor's model that says negotiation must include a larger context and develop a wider perspective through negotiators. This wide perspective should answer the following question:

"Besides the factors directly related to the ongoing negotiation, what other developments influence the approach to negotiation of the opposite group(s) and of various levels of the organization I represent?"

The perspective needs a very capable negotiator who can understand the framework where he or she is working in.

3.10 The Canadian Negotiator[35]

According to Gesteland, Canada is a multicultural country, which makes it difficult for visitor negotiators to understand everything. Gesteland means that negotiators should be aware of the cultural background of people who do business in Canada. Further, Gesteland says that there are three main backgrounds in Canada: Anglophone, Francophone and New Canadian. New Canadians are mostly from Hong Kong, Eastern Europe and include some other new immigrants from around the world.

He explains that there are some differences between Anglophone and French Canadians. Anglophone Canadians are mostly focused, direct to the point, moderately informal, egalitarian, and reserved. French Canadians are more formal, hierarchical, relationship-focused, moderately polychromic and expressive.

Gesteland explains that Americans believe that the culture of Anglophone Canadians is similar to them, but the author clarifies that there are still some differences between Americans and Anglophone Canadians and that is that Anglophones are less expressive, less assertive and more formal and conservative. Americans are more serious and have their own culture which is not the same for French Canadians. They take a more timely approach to scheduling. Some factors mentioned by Gesteland are fundamental in the time of negotiation with Canadians. These factors include the language of business, making contact, the first meeting, and orientation to time, formality and informality, verbal directness, variable

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[35] Gesteland Richard R. 1999, Cross- Cultural Business Behavior – *Marketing, Negotiating and Managing Across Cultures* p. 268

expressiveness, dress code, forms of address, meeting and greeting, gift giving, wining and dining, making a presentation, and a bargaining range.

Gesteland explains that it is easy for those from English spoken countries to communicate with Anglophone Canadians. Fluency in French is an asset for those doing businesses in Quebec. However, good interpreters are easy to find in major business centers such as Montreal, Toronto and Vancouver.

The author mentions that having contacts is the most important thing in French Canada, and proper introductions are a positive point. From other hand, English Canadians are more open to direct approach. Moreover, the author points out that it is possible to get in contact with any Anglophone via mail, letter, fax or email in English and by introducing oneself, one's product and one's company.

Gesteland believes that while a deal is focused, English Canadians are usually ready to get down to business quickly with a potential new business partner. Francophone Canadians normally prefer lengthier introduction. They want to know more about a prospective supplier or partner before talking specifics.

Gesteland describes that in both of Canada's mainstream business cultures, visitors are expected to be on time for appointments. However, in most other respects, French Canadians are less monochromic than their Anglo neighbors.

According to Gesteland, egalitarianism is a key value for English Canadians, many of whom are uncomfortable in the face of status distinctions and class differences. In this respect, they differ noticeably from their British relatives. The authors point out that Francophone Canadians, in contrast, tend to be somewhat more hierarchically in tune with the values of their mother country. Nevertheless, one's social class and family background are usually less important than in France. The author clarifies that Anglophones usually want to communicate on a first name basis fairly quickly, even with people they have just met. This informality is a sign of friendliness and warmth. Visitors to French Canada will encounter a slightly greater degree of formality.

Gesteland describes that English Canadians from lower backgrounds tend to be more direct than high context Francophone Canadians. The author is trying to explain that through valuing a frank, straightforward exchange of information, Anglophones may be unaware that East and Southeast Asians can be offended by such directness. He further says that French Canadians often speak less directly than Anglophones. Quebecois are more expressive and extroverted than English Canadians, and their expressiveness is exemplified in both preverbal and nonverbal behavior. Gesteland explains that Francophone Canadians have tendencies to interrupt each other frequently, stand closely together, touch each other more often during conversations and use many more gestures and facial expressions than their Anglophone neighbors.

Gesteland states that English Canadians are more reserved. In the Western and Atlantic provinces, the normal interpersonal distance in a business context is about an arm's length

apart. Furthermore, he says that people tend to stand and sit further apart than Arabs, southern Europeans and Latin Americans. Physical interaction tends to be moderate; that is to say, there is less physical contact than in Latin and Mediterranean cultures but much more than in Eastern and Southeastern Asian cultures. Gestures and facial expression are more restrained than in Quebec and people try to avoid interrupting each other in midsentence.

According Gesteland, western business attire is appropriate. Male visitors should wear a suit or blazer with tie. Women may wear a suit, dress or skirt with blouse.

In English-speaking parts of Canada, it is polite to initially refer to a title such *as Dr., Mr., Mrs., Miss* or *Ms.* However, one should be prepared for their counterpart to suggest switching to a first name basis very soon after meeting. Most Anglos are uncomfortable using honorifics and titles. One should expect more formality in Quebec but still a bit less than in France.

Gesteland mentions that visitors should expect a firm handshake and direct eye contact. Some Canadians believe that a soft handshake reflects weakness and that the lack of direct eye contact signifies shiftiness or dishonesty.

English Canadians shake hands less often than most Europeans. Their handshakes are quite brief compared to those of Latin Americans, but firmer than East and Southeast Asians.

French Canadians shake hands more often than Anglophones; in fact, they shake hands when being introduced, when saying hello and when saying goodbye.

Business gifts are given after a deal has been closed. However, expensive and ostentatious gifts are out of place in Canada, according to Gesteland. He explains that better choices are tasteful logo gifts or an item that the visitor's city, country or region is famous for. He further mentions that Asians should not be surprised if their counterpart unwraps the gift in their presence; that is the North Americans custom. Good hostess gift include flowers, candy, wine and special items from your country.

Gesteland explains that in North American culture, it is considered rude and aggressive to repeatedly insist that a guest eat and drink. He hints that this can be a problem for visitors from the Middle East and other parts of the world, where the custom is to say, "no, thank you", two or three times before accepting the proffered food or drink with a false sense of reluctance. The author also signifies that one should respond in the affirmative if they wish to have something that is offered, but not to assume that they will be asked twice.

Gesteland states that Canadians of both major business cultures like to have a soft sell approach. Canadians don't like to be too aggressive or have pushy sales presentations; Canadians avoid magnified product claims.

The author further explains that many Canadian buyers are turned off by the classic "high-low" tactic. Instead, building a certain safety edge into the opening offer is a smart tactic to cover unexpected developments while avoiding exaggeration.

3.11 Summary of theories

Hall & Hall

Hall & Hall explain that people from the same geographical area tend to have the same behavior, habits and common information systems, but these similarities won't be the same from one culture to another. The authors mean that new cultures need a new way of understanding and in order to achieve that, people need international and intercultural communication.

Ghauri & Usunier

According to Ghauri & Usunier, there are a few cultural elements that affect the international negotiation process. The authors explain that those cultural dimensions should be taken into account, because these cultural elements have a very strong connection with every individual and community.
The authors mean that relations are a very important cultural component while it distinguishes between different cultures in the world.

Hofstedes

Hofstedes argues that culture is a mental process which includes every individual's thoughts, feelings and actions. This process starts from an individual's birth and continues to change among interactions with friends, school, workplace and finally in society as a whole. The author means that human nature is something that all individuals of every culture have in common, but personality is the internal feature of an individual that differs from others.

Salacuse

Salacuse argues that international negotiations have crossed cultural boundaries. Salacuse contributes ten different elements that are considered difficult during the time of negotiation.

Molnárs & Nilsson Molnárs

Molnárs & Nilsson Molnárs explain that the negotiation behavior is affected by the cultural environment and personal decision making. The authors explain that cultural differences become clear at the time of negotiations. Furthermore, Molnárs & Nilsson Molnárs focus on negotiating language, the importance of English, body language, and time factors for the building of relationships.

4. Methodology

This chapter describes what kind of methodology has been used in this study. This chapter also describes how information gathered and implemented in this study.

4.1 Research Approaches[36]

There are many ways and approaches for doing researches, but importance of what area the research is about has an important effect on which approaches are going to be chosen. When it comes to the researches in marketing, there are mainly three eventful research approaches, such as exploratory, conclusive and controlling. Which approach is the most useful for the research depends a lot on what kind of data is wanted, and at what stage of decision-making-process the researcher finds his/her self.

Explorative approach

When a researcher finds him/herself in the beginning of the decision-making-process, it is very suitable to use the explorative approach. This approach helps the researcher to obtain a preliminary understanding of the problem area. The fact that explorative approach seeks to discover new knowledge and finds new insights within previously unknown areas, make this type of research very flexible. Therefore, this type of approach needs a varied ways for collection of data. Both, secondary and primary data could be useful and needed in these kinds of research approaches.

Conclusive approach

When a researcher wants to obtain information, which helps him/her to evaluate and to choose a plan in a marketing situation, then a conclusive approach is recommended. Conclusive approach shows clearly what are the researcher´s goal and the information he/she needs. For this kind of research approach many methods of data collecting could be used, such as experiments, observations and surveys. Mainly there are two types of conclusive approaches, descriptive and causal.

The descriptive

The descriptive approach is mostly used when the researcher wants to know or describe a marketing phenomenon or a situation of the marketing. This approach is also used when the researcher is interested of the information about at what extent the different variables of

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[36] Molnár, J. & Nilsson Molnár, M. 2007 *Internationell marknadsanalys – teorier, modeller och metoder*, p. 110-111

marketing are associated to each other. Different methods of data collecting could be used for this approach, but the main methods often used for this type of approach are secondary data and interviews with respondents.

Casual approach

When a researcher´s main focus is on the knowing the facts that help him/her to understand, which variables cause the problem and influence the output, then a causal approach is suggested. This approach helps the researcher also with understanding functional relationships and the effects that have been adopted. Experiments, respondents and questionnaires are the most usual data collecting methods for this type of research approach.

Controlling approach

When a researcher wants to gather information about the different components of marketing, then this type of approach is being used. The researcher gathers the information by controlling and following up the marketing plans. The main aim of this research approach is to find out the potential opportunities and threats in the market. And the methods for data collecting for this type of approach could be observations, secondary data and interviews with respondents.

Cross - sectional and longitudinal approach

When a conclusive or controlling research approach is chosen then the researcher must decide to choose, either the cross - sectional or longitudinal approach, to perform the conclusive or controlling research approach. The cross – sectional approach is chosen when the researcher wants to range the population of his/her target at specific time. The longitudinal approach is used when the researcher is interested of measuring a particular selection from the population that is his/her target. And this approach is done repeatedly under a specific period.

Choice of research approach

Considering the aim of this academic study the research approach that has been chosen is the conclusive approach, more focusing on the descriptive direction of the conclusive approach. The reason why this type of research approach is considered suitable is that this academic study concerns a marketing situation. Moreover, the fact that this academic study brings up the culture differences between Canadian and Swedish cultures while negotiating internationally, makes the conclusive approach an obvious choice. The other types of research approaches have not been used for this academic study because they have not been considered helpful for this kind of research.

4.2 Data Collecting methods[37]

To do and accomplish any type of research the access of useful data is very important. Data could be gathered by different methods and persons, such as government representatives, consumers and businessmen / businesswomen. To do this task different methods could be used, but the most basic methods that are used are communication and observation.

Communication methods[38]

The communication method involves questioning the respondents of different kinds. The questions could be asked in different ways and forms, depending on interest of the researcher, time issue, money issue and etc. Questions could be asked both, written or verbal, and the most common ways of doing this task are personal interview, telephone and postal interview. However, in today´s global business the use of e-mail interviews and interviews via webcam chat have incredibly increased.

Observation methods[39]

When a researcher wants to study and observe the behavior of objects, events and people, he/she uses the method observation. The aim of using this method is to gain information about the selections made and the errors made under the process of selection. This information helps the researcher with, among other things, process of decision-making. To do the task observation could many different methods be used, but there are five usual methods of doing observations, which are briefly explained below:

Natural vs. Scheduled observations

The different between these two types of observation methods are that, the natural observations take place in a environment that is natural. And the scheduled observations take place in an environment, which is artificial and unnatural.

Hidden vs. Open observations

As it could be guessed from the name of this method of observation, it is about to observe the respondents hidden or openly. With the hidden method the respondents do not know they are being observed. And the open method means the respondents are aware of they are being observed.

Structured vs. Unstructured observation

Structured observations are used when the decision have been made what the problem is. It should also be cleared that there is enough information which allowed the researcher to

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[37] Molnár, J. & Nilsson Molnár, M. 2007 *Internationell marknadsanalys – teorier, modeller och metoder*, p. 118

[38] Ibid. p. 119

[39] Ibid. p. 122-123

observe and measure the wanted behaviors. If, the decision of problem is unclear and the flexibility is needed under observation, then an unstructured observation must be used.

Direct vs. Indirect observation

A researcher doing direct observations means that he/she is observing the behaviors, which are really taking place at the moment of observation. And by an indirect observation means that the researcher making notes and references of behaviors, which are performed previously.

Human vs. Mechanical observations

The types of observations mentioned earlier in this academic study are human observations. A researcher choosing the mechanical method over the human method could depend on many different factors. Reasons for choosing the mechanical method could be very, for example desire for more accuracy, lower cost or the need of specific measurement. There are many technical devices, which are used to do this type of observation, such as cameras for eyes to detect the eye movements.

For and disadvantages of communication methods vs. Observation methods[40]

Methods, communication and observation, have for- and disadvantages. The method communication has very important advantages. But the most main advantages of this method are flexibility, speed and cost. On the other hand, the limited ability and unwillingness of the respondents to answer the questions, could affect negatively the outcome. That is the most usual disadvantage of the communication method.

One of the main advantages of the observations is the fact that the outcome does not get affected by the respondent´s willingness. Unlike the methods of communication, the observation processes are not limited, which is another advantage of this method.

A disadvantage of this method, which many researcher wish to resolve, is the fact that, the mental reactions and certain behavioral patterns could not be observed under observation processes.

A researcher dealing with the international marketing could face many more difficulties doing any type of these methods, communication or observation, for data collecting. Cultural differences and infrastructure are just two factors that make it even more difficult dealing internationally.

Choice of data collecting method

When choosing the communication method it was important to think about the purpose of the study. Having the fact in mind that this academic study is about to examine how the Canadian culture differs from the Swedish when it comes to international business negotiations, and

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[40] Molnár, J. & Nilsson Molnár, M. 2007 *Internationell marknadsanalys – teorier, modeller och metoder*, p. 123

how these culture differences impact the negotiation process, made it easy to choose the communication method. Interviews have been used to communicate in order to fulfill the purpose of this academic study. Different types of interviews have been used, such as personal, e-post and telephone interviews considering the opportunities, time and cost issues. The method observation has been excluded due to simply not being useful for this academic study.

4.2.1 Selection[41]

Researchers often choose the method selection in marketing out of the population that will be studied. This method get to be chosen because to save time and to obtain as accurate data as possible. The selection process that a researcher should choose five steps, which are shortly, mentioned bellow:

- The definition of population and its elements. And the units of selection, extent and duration.
- The identification of the frame selection, from which frame the selection should be selected?
- The determination of selection´s size.
- The selection of a suitable method for the selection.
- The determination of the type of selection.

Two types of methods for selection process, non-probability selection and probability selection.

4.2.2 Non-probability selection

This method is used when there are no other possible methods for selections of a specific number out of population. The researcher chooses to estimate the selections his/herself. There are different types of non-probability selection; some of them are explained bellow.

Comfort Selection
In this type of method the comfort of the researcher is on focus. The selection is done from the researcher´s starting point. The elements of selections are chosen by the researcher´s judgment, or because they were easily accessible.

Assessment Selection
This method is about what the researcher or the expert´s evaluation. The researcher assesses if it is sufficient selection that the outcome of the process contribute with an answer for the research problem.

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[41] Molnár, J. & Nilsson Molnár, M. 2007 *Internationell marknadsanalys – teorier, modeller och metoder*, p. 122-125

Quota selection

In this type of selection, the researcher comes up with the ways to choose a selection, which is similar to the population on the basis of some pre-specified control or evaluation criteria.

Snowball selection

This method´s focus is on the respondents or other experts. The researcher asks the respondents and experts to refer him/her to the other persons, who are competent and experienced at that specific area. This process should be repeated until the "snowball" is large enough to give the expected results

4.2.3 Probability selection

When it comes to probability selection, every known element in the population has a chance to get selected. The process of selection is being done by the help of mechanical decision rules. Mainly, there are five types of probability selection, which are mentioned bellow.

Easy randomly

This type of selection means that the selection takes place randomly from a defined population. The aim of this method basically is to find out the assessment of a particular population parameters.

Stratified selection

This method is about the division of a specific population in different strata. The researcher divides a specific population mutually into exclusive and collective defined sub groups or strata. The researcher does a simple and independent random selection, from each defined stratum.

Cluster selection

This method has some steps, and the researcher goes has to go through the steps to achieve the desired results. First, the researcher divides the population into heterogeneous clusters then; he/she picks out one or some clusters. The last step is that the researcher picks one random selection out of elements from the chosen cluster/clusters.

Systematic selection

With this method the researcher chooses the first element from a defined population randomly. And the rest of elements get to choose systematically after some intervals.

Some international aspects of the selection[42]

The process of selection, of any type, is not easy to go through with, not always and not at very country. The problem is not often the process its self, because the basic criteria related to the different types of selection are always applied universally to both international and domestic. The problem is that some countries do not have institutions for researches or the institutions are not enough developed. Some countries could have other technical problems, such as poor telecommunication systems.

Choice of Selection

The fact that probability selection usually is used for the very wide quantitative studies made it easy to not choose this method for this academic study. On the other hand non-probability selection method seemed more suitable for this academic study. Finding the respondents who could give this academic study good feedback and related information was very difficult. When one was found he/she was questioned about the other useful and helpful respondents. As the non-probability selection has its own different types, those different types of selections have been combined and used for this academic study. For instance, the assessment selection and snowball selection. The assessment selection is been used, among others, in order to evaluate which companies/respondents are related and useful for this academic study. And the snowball selection is been used for example, in form of questioning the respondents for referring to other useful sources.

4.3 Measuring[43]

The first step in measuring is to find out what the problem is and what should be measured. It can be different in level of strength. Sometimes it works to measure with any kind of measure instruments but it does not work all the time. Sometime there are different characters that need a special kind of measurement instrument. The main and essential idea of measurement is that subjective calculate should replace by self-reliant researchers saturation as a regular procedure. The scales will be different depending on which way the questions are asked.

[44]When the instruments are reliable and the provided measurement object is steady, is called reliability. To measure only referred measure is validity. Instruments do not provide any systematic mistakes. Measuring a property means that we distribute the property in question, a number which representing the value of property.

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[42] Molnár, J. & Nilsson Molnár, M. 2007 *Internationell marknadsanalys – teorier, modeller och metoder*, p. 125

[43] Wallén G. 1996 Vetenskapsteori och Forskningsmetodik, p. 65

[44] Holme I.M. & Solvang B. K. 1997 Forskningsmetodik: *Om kvalitativa och kvantitativa metoder*, p.

Reliability and Validity[45]

Some special aspect should be in mind when it comes to reliability and validity. These aspects should be in considered with the technology which is in use. Measurement, parameters, estimates, examinations have to be reliable and valid to make them useful.

Reliability[46]

The safety of measurement is in concern with reliability. For example if one person repeatedly measures while the "true" value of the measurement variable is steady, and get the same result or value all the time, it will be high reliability. On other hand, if the result is not the same after each time, it will be considered as low reliability. [47]Reliability is pointing to usefulness of measuring instrument and the element of measurement.

Validity[48]

Validity intends to see if the method really measures the characteristic which should be measured. [49]The validity is pointing out that researchers are measuring only what they have intends to measure. It is important that as researchers place an exact measure. Validity is point from where an instrument can measure the elements of concept precisely. [50]A valid measure appropriately measures the concept of interest.

Choice of measuring instrument

Questionnaires or interview guide has been used in this academic study as the measuring instrument. The questions have been over and over overviewed, changed and corrected in order to increase the reliability of this academic study. And in order to give this academic study the best validity reliable models, theories, respondents and sources have been used.

4.4 Data analyze[51]

Data collection means the different characteristics are recognized and the objects with some quality matters. If properties can classifies than it can helps for measuring. Description means that a variety of data are being collected in a complete and systematic manner

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[45] Ejvegård R. 1996 Vetenskaplig Metod, p. 67

[46] Lekvall P, Wahlbin C. 1993 Information för marknadsföringsbeslut, p. 213

[47] Ejvegård R. 1996 Vetenskaplig Metod, p. 67

[48] Lekvall P, Wahlbin C. 1993 Information för marknadsföringsbeslut, p. 211

[49] Ejvegård R. 1996 Vetenskaplig Metod, p. 69

[50] LoBiondo G.W. & Harber J. 2010 Nursing Research: *Methods and Critical Appraisal for Evidence Based Practice*, p. 288

[51] Wallén G. 1996 Vetenskapsteori och Forskningsmetodik, p. 63

4.4.1 Primary data[52]

In primary data researcher should try to find those who have information and register them. Primary data in marketing is mostly about individuals or group of people. There are two ways to get primary data in market researches. It can be done either by direct observation or by asking question about what is interested for researcher. Primary data is the basis of the observation and enquiry studies.

4.4.2 Secondary data[53]

Secondary data basically figuring out the relevant and useful information for study which make it easier to register them without any problem. The researcher should research carefully to make sure that the data which is collected really useful and can be used in his own intention.

Difference between primary and secondary data[54]

The data which are based and collected from any other context for example existing materials from earlier studies are called secondary data and those which brings together fresh materials by researcher is called primary data. Secondary data is about desk research, case studies, survey research, experimental studies, time series studies, and qualitative studies and the primary is about field or laboratory researches.

4.4.3 Qualitative

The data which does not make sense but can be counted and presents in numerical form is called qualitative study. In qualitative study materials which are meaningless can be collected, analysed and understand. Qualitative studies usually support or work with case studies or survey studies. Before start using qualitative study, it is already semi structured in advance and that is why qualitative methods are suitable for investigative studies. For instance, to gain an introductory understanding of how customer act when they are buying a product or to find the motives of why sellers' end rate wend down and to find a proper way, ideas and options for a launch campaign.

4.4.4 Quantitative

When the collected resources are expressed in numerical or coded form, it is called a quantitative method. Resources are analysing quantitatively. Some examples are large survey

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[52] Lekvall P, Wahlbin C. 1993 Information för marknadsföringsbeslut, p. 180- 181

[53] Lekvall P, Wahlbin C. 1993 Information för marknadsföringsbeslut, p. 180- 181

[54] Ibid p. 14-141

studies, experiments and time series study. Researchers choose an allegorical sample and check the size before collecting data with a wide approach to collect the data. [55]A primary analyse is used, developing a numerical summary which let the researchers to discard or accept the null hypothesis. [56]In quantitative approach the search is already structured in theory and problem part.

Difference between qualitative and quantitative studies[57]

Basically, there are not very much different between qualitative and quantitative studies. The nature of researches between qualitative and quantitative is subjective. Both methods can be used in special tasks of researches.

Choice of Data

Considering the aim of this academic research and to obtain the best possible result the qualitative method has been chosen. Quantitative method is believed not being a correct and useful method for this academic study and that's why this method has been excluded. Further, the primary data used in this academic study has been gathered in form of interviews with various respondents with experiences of international, particularly Swedish and Canadian, negotiations. In order to gain the primary data it was necessary to collect first secondary data first. The secondary data in this academic study comes from valid and reliable sources, such as well-known models, theories and scholarly articles.

4.5 Summery of Methodology

The literature of this academic study has been formed from related basic literatures, scholarly articles and On-line sources, in order to create different outlooks and to find different possible solutions for this academic studying. In addition, using these combined materials make it easier to understand the related subject. We have used variety of recourses such as E-libraries and databases across globe, and combined them together for better and empirical studying and understanding.
Having the purpose of this academic study in mind and in order to achieve the goal of study, a qualitative method has been chosen. This academic study has been used interviews to collect

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[55] LoBiondo G.W. & Harber J. 2010 Nursing Research: *Methods and Critical Appraisal for Evidence Based Practice*, p. 87

[56] Holme I.M. & Solvang B. K. 1997 Forskningsmetodik: *Om kvalitativa och kvantitativa metoder*, p. 158

[57] Lekvall P, Wahlbin C. 1993 Information för marknadsföringsbeslut, p. 152

basic knowledge, which create understanding about cultural differences impact on business related negotiation between Sweden and Canada. It has been done five different interviews and gathered ten different scholarly articles in order to have a wide knowledge about the subject of this academic study.

5 EMPIRICAL FRAMEWORK:

This chapter begins with a brief presentation of all respondents of this study. Further this chapter contains of two sections. The first one is the result of some interviewed questions and the result of nine academic articles. To make it comfortable to read it has been decided to call both, the authors of the articles and the interviewed respondents, as the respondents. The second section is the result of only interviewed questions answered by the respondents.

5.1 Presentation of respondents

Mr. Carl Pilon

Commercial Counsellor and Senior Trade Commissioner in Canadian consulate in Gothenburg
Mr. Pilon as your trade commissioner promote Canadian business abroad. Mr. Pilon serves Canadian companies that have targeted his market for their products, services or technologies.

Mr. Pilon also works with local companies that wish to do business with Canada or find Canadian goods and services.

Anders Rantén

CEO of Canadian Oil Company in Sweden

Mr. Rantén is director of Mobyson Business Solution, Chairman at TeraNet AB.

Mr. Rantén has been the co- owner of the Malmö Aviation Airline, President of the Swiss mining company ITP SA. Mr. Anders Rantén has also been president of the international trading company intergrade Ltd. Mr. Rantén has served as an active owner and investor in several industrial and service companies. Mr. Rantén holds call options in STRICT equivalent to 1,000,000 shares of series B.

Agata Leszkiewicz

Associate Consultant at Swedish Trade Council in Canada

Ms. Leszkiewicz has worked as nuclear admin assistant at Lakeside Process Controls, HR Admin at Signature Vacations. Ms. Leszkiewicz has also worked at Community Relationship Specialist at Rotary Club in partnership with Access Storage. Ms. Leszkiewicz has been developer and platform marketing associate at Microsoft, Student business consultant at Scottish Enterprise, Marketing and laboratory assistant at Win Chemicals and marketing assistant at Cedarlane Labs.

Klas Högberg:

Mr. has worked as an international fruit trader which exported fruit from Chile to Europa and later to rest of the world. Mr. Klas Högberg works at Cellmark for more than 16 years. Cellmark does trade for more than 5 million tons yearly which is equal to 2, 5 billion in turnover.

Kamran Haidari:

Mr. Kamran Haidari is working as consult on Canadian Imperial Bank of Commerce in Toronto. Mr. Kamran Haidari has 11 years of experience on his work, have fluent knowledge in English and even some French.

NAME	COMPANY	TYPE OF INTERVIEW	TIME OF INTERVIEW
Carl Pilon	Canadian consult in Gothenburg	TELEPHONE	100 minutes
Anders Rantén	Canadian oil Company in Sweden	TELEPHONE	75 minutes
Klas Högberg	Cellmark AB	PERSONALY	95 minutes
Kamran Haidari	Canadian Imperial Bank in Toranto	PERSONALY	115 minutes
Agata Leszkiewicz	Swedish Trade Council in Canada	E-MAIL	-

5.2 Section One:

Communication - verbal & nonverbal

The respondents mean that managements' focus on knowledge, learning and improvement is very enormous. It helps to understand the mechanisms of learning and developing new skills. The respondents mean that putting all those knowledge and learning into reality is not an easy or straight forward task. In order to be successful in this task, one should join the principles of social psychology.

Further the respondents point out the importance of knowing and learning the way that negotiators from other cultures carry out the negotiations process. The respondents mean that the two negotiators are unlike from each other in many ways, for example they are different from each other by business and language etiquette, by physical features and by way they observe the world. People from different cultures express their emotion differently, and define business goals very differently.

"In order to succeed in a negotiation, it is very crucial to understand the cultural and business values of the other party. The business environment has the cultural values at its core." (Kamran haidari)

Further the majority of the respondents mean that body movements or gestures, express specific messages, play a very important role during negotiation. A negotiator should be well aware of meanings of these gestures, as they have different meanings in different cultures. For instance, when Americans form a circle with their thumb and index finger they mean OK or everything is right. In some other cultures it could mean something else, like in France it means zero or in Japan it means money and in Brazil it means be a sign of rudeness. Knowing or not knowing of such things could end up with the sale or no sale. However, one of the respondents claims that saying a wrong thing or sending a wrong signal is not a very big deal. He means that in today's world businesses have become very universal; therefore people do not mind such mistakes as long as it is not very serious.

Personal Relationship

Further the respondents point out two main approaches in order to determine relationships in negotiations. One way is when parties decide to reveal some sensitive information about their priorities and preferences, doing this the feeling of cooperation and trust is being created. The other way is when parties can apply influence and establish position to indicate a competitive negotiation. Further the majority of the respondents claim that attitudes and values are very important to consider. Every culture has different values and attitudes when it comes to negotiations.

"Every organization forms their mission statement and core values, which is acting as the center piece of the values and attitudes towards negotiations by the employees of that organization. Honesty, integrity, and meeting the timelines are most critical ones." (Kamran Haidari)

According the respondents cross-cultural communications have great effect on the negotiation process when negotiating with the negotiators from different cultures and countries. Bad cross-cultural communications could make the position of the company in the market weak and prevent the company from achieving its goals. Further the respondents claim that differences of the cultures can impact the company's decisions. Decisions like what market or country to target? What product to be candidate and to which foreign market the adaption of the product should be taken? Besides this the respondents also bring up the importance of the verbal and nonverbal language. They mean that the body language should be in sync with the verbal communication, in order to avoid confusion and/or misunderstanding between the parties

Time factors

Regarding sensitivity of time, the respondents mean that in what extent time is important and appreciated differs from culture to culture. For example Americans and Westerns value time very high and they even say that "time is money". They do things after the deadlines they get and they rather do not want to waste their time at the minimum. On the other hand Russians and Middle East countries regard time as the cheapest of commodities.

"I would say that North American and Canadian take the time precisely. I would say Swedes are even more time sensitive in term of starting things right on time. And that is something a bit different in the Middle East where it is more flexible." (Carl Pilon)

Cultural Impact

Moreover the respondents claim that when negotiations get internationally many culturally-related ideas get involved while discussing. Discussions could easily get blocked due to different paths of logic which the negotiators from different cultures happen to have. Thinking differently with the different logics contributes to great misunderstanding and talking past each other among negotiators.

The respondents also mean that on what negotiators focus most, could differ from culture to culture. For example in some cultures focus is directed more towards the particular details of the agreement, and in some other cultures the focus is more on how the promise can be kept. One of the respondents mean that what kind of personality a negotiator has depends a lot on what kind of culture he/she belongs to, the negotiator even could have multiple personalities.

"The negotiators can have multiple personalities. For instance, some could be expecting quick action and results, and focus on the bottom-line. Some could require rigorous analysis and discussion iterations, and some could be focusing more on building a personal relationship, and valuing the long run for both parties." (Kamran Haidari)

According to some respondents a negotiator should recognize that not every foreign negotiator is like him/her, and understand and accept that a foreign negotiator could a different point of view. The foreign negotiator could be different in many ways, for example when it comes to motivation, beliefs and perceptions. A negotiator should recognize these differences and after that he/she should accept and respect the foreign negotiator's culture. Having these factors in mind a negotiator would/should be able to ready to work and communicate on two different cultural wavelengths.

Further the negotiator should be culturally neutral and do not judge other party's cultural values. The respondents also mean that being different does not mean being better or lesser. In addition the respondents claim that a negotiator should always pay respect to other party's culture even though sometimes some foreign customs may appear senseless or cruel. A negotiator should never forget why he/she is visiting the country, which is doing business and not try to convert the foreign negotiator's thoughts about the cultural factors. What is most necessary is to accept and respect the foreign negotiator's norms as part of their culture.

"One always has to adapt to the cultures of the other party, in order to be successful. It is critical to understand cultural differences, as the same gestures could be viewed very differently between various cultures." (Kamran Haidari)

Moreover, the respondents recommend the negotiators to be sensitive to the foreign negotiator's cultural norms and always try to identify them. When a negotiator identifies and understands the other party he/she will be able to know how to behave in order to have a good impact on them. A good negotiator should always control himself/herself even if it causes him discomfort or emotional stress.

Further the respondents say that it is much easier to enter a similar cultural society than to enter a different culture. Canadian companies have followed same system and started their globalization process by entering the closest country, United States. The respondents mean after getting experiences and understanding other culture a bit more one can start doing businesses with different companies with different cultural background.

"The European and Canadian cultures, especially with French speaking population being part of the core Canadian culture, have many similarities and values. Therefore, it is very easy to get around and understand the culture." (Kamran Haidari)

Further the respondents mean that both countries, Sweden and Canada, are well developed; each country is a player in its regional marketplace. A smaller economy bounded by larger economic entities and population. In Sweden's case it is European Union and in Canada's case it is United States. Furthermore, each country has traditionally had to expand its horizons outside of its home markets in order to continue and forge economic growth which has their connection to each country's culture.

5.3 Section Two:

Communication - verbal & nonverbal

When it comes to what languages are spoken in Canada all of the respondents answered English and French, though English is spoken by the great majority of Canadians and French is spoken mostly in the Province of Quebec. The respondents mean that business in Canada

operating either in English or French and some large companies it might operate both depending on where they are located. However, some of the respondents claim that Canada is a very diverse country, with population with various ethnic backgrounds and cultures. Depending on where you work and operate other languages such as Italian, Spanish, Hindi, Farsi, and Chinese could also be used as an added advantage for the business, in order to increase the prospects for specific group of clients.

Regarding the body language the majority of respondents bring up the importance of eye contact. Eye contact is very important in formal and informal conversations. They mean that eye contact can be perceived as rude or impolite in some Asian cultures, for instance, in Canadian society and business community it is considered a tool to engage in honest communication. Some of the other respondents do a comparison between Canadian and Swedish culture regarding body language and mean that Canadians seem to be a bit more "cocky" than Swedish.

The respondents have mixed feelings and thoughts about the degree of use of the body language in Canadian business culture. Some of them mean body language is not that often used and at the same time some other of them claims it is used often. Further one of them states that body gestures and using hands and facial expressions are more common in Quebec, compared to the rest of Canada. Compared to some European nations, Canadians use some body language but not very constant.

According respondents mostly English is used for business and casual conversations, including business negotiations and all government negotiations are translated in French as well. And when it comes to the interpreter, it is not necessary as English is spoken by both parties.

Further the respondents mention some aspects that are important to know when negotiation with the Canadians, such as nodding which is a sign of agreeing with the other party. In addition, one of the respondents implies that some hand gestures are also okay and further smile and facial expressions are very important.

 "One has to smile, even when the negotiation does not go as expected. With "Smile" and happy facial expressions, Canadian work through any business and formal tasks" (Kamran Haidari)

Regarding "Small Talks" the majority of respondents agree that weather is the number one subject for small talk for Canadians. Interestingly one of the respondents assumes that Canadians like to get personal when the majority of the respondents state that Canadians prefer not to intrude in one's personal life, and they are very careful not to discuss personal matters. Same is applied to delicate topics such as politics, religion, and culture.

However, in general weather and sports, e.g. hockey, baseball, and basketball, could be main topics to facilitate small talk.

Time factors

Regarding significance of punctuality, deadlines and agenda the majority of the respondents classify these factors as very important. On the other hand, one of the respondents expresses himself entirely the opposite of other respondents. He means that Canadians do not take these factors as serious as Swedes. The respondent claims that the Canadians do not have any problem to call you and change a deadline, when only some days to the deadline are remaining, and delay it for a month or two. However, the other respondents define these factors as very strict and similar to the Americans, besides very important to establish credibility.

"For most meetings, attendees come at least 15 minutes prior to start. Punctuality and time management is very important, due to the business lifestyle and business culture in Canada."(Kamran Haidari)

Values and attitudes

On the subject of values and attitudes, most of the respondents share the same idea and thoughts, while one of the respondents has a disagreed point of view. He means that Canadians follow the American patterns. He experiences that there is a gap and difference between the factors like femininity and masculinity, age and authority etc.

"At this level, where great amount of money is involved. 100% men in my world. I attend lots of conferences in Vancouver and every time I see only suits, only men. Wives may happen to be there, but they are there only as wives."(Klas Högberg)

However, the rest of the respondents state that there is no gender discretion. Individuals are judged based on their skills, not gender. In Canadian business society both men and woman hold executive and management positions. Further they point out that honesty and integrity is very highly expected from foreing negotiators by Canadians, in addition they claim that there is a mix of young and old executives in the Canadian business society.

"Canada is like Sweden, it has a small economy which means they treat all facts in a good way in order to succeed. Canada has no issue with foreign negotiators. Femininity and masculinity, age and authority are not any issue at all in Canada." (Carl Pilon)

Group or individual's interests

In the matter of group or individual's interests, all of the respondents agree that the focus is more on the individual interests than the group's interests. Individual opinions are valued, and everyone has to work based on their opinions and value factors. However, working in the team is very important in Canadian businesses. Further they say that Canada is in the middle if one put it in an American point of view and European point of view. Americans are more individualistic and Europeans are much group focus.

Cultural Impact

On the question of if Canadian culture is such a traditional or a more changeable one? The greater number of respondents describes the Canadian culture as very changeable, due to culture diversity which exists in Canada. They mean that culture is geared towards being challenging and innovative, in order to excel in various sectors of the economy, business, and personal matters. However, one of the respondents absolutely classifies Canadian culture as a traditional one, and means that Sweden much more risk-taker than Canada.

Furthermore, the respondents mention what kind of greetings and cloths style is being used in negotiations in Canada. Greetings used in negotiations are quite informal, except for doctors and government authorities. Titles are not very much used. People are called by their first name. Hi, hello, and good morning are the common greetings. Regarding cloths style all of them claim that formal style is being used in businesses. In addition, one of them say that it is good to appear in tie and suite at least in the first few meetings with a new client, in the business. However, once working on a long-term project, it is considered okay to have.

When it comes to exchange of gifts the respondents agree that it is not that usual in Canada, and the only thing the exchange at the first appearance is their business cards. However, the common form of gift is to have a business lunch or dinner before or after closing a deal.

"In Canada you just give your business card when you meet someone. The opposite side looks at it and put it in his pocket which is not the same as for instance in Japan, there you have to put it in front of you." (Carl Pilon)

All of the respondents define personal relationship, both with family and in business negotiations, as a very important factor. According the majority of the respondents the relationship with the family and friends is much more important in Canadian culture compared with the Swedish culture. However, Canadians always thrive to have a balanced family and professional life, although the work life is very busy.

"Personal relations, working relations, makes the negotiations go a lot smoother and faster. Although it is always expected to build good work relations based on demonstration of commitment fulfillment, honesty and integrity."(Kamran Hiadari)

Personal relationships

Additionally, the respondents points out the importance of social communication when it comes to business negotiations. One of them claims that social interactions are considered part of the business, but they are not considered to be very critical. Although building good relationship is not always as easy as it seems. One of the respondents means that there are a lot of competitors. Therefore, having a differentiating factor and building trust in a very short while could be at time challenging.

The disadvantage of distance is also being mentioned by some of the respondents. They mean that Canadians are friendlier with the countries which can visit them more often than Swedish. They mean that Canadians like to associate with their partners a lot, like going on hockey matches or going to dinners with their wives. The respondents mean that it is hard for Swedish partners to fulfil such tasks due to lack of time and distance.

Negotiation style

Regarding the negotiation style the majority of the respondents agree that Canadian negotiators have the Win-Win style. They mean that Canadians' attention is that both parties have to earn something. However, one of the respondents describes Canadian negotiators a little cocky compared with the Swedish negotiators, and mean that the Canadian's style is more Win-lose than Win-Win. Anyhow, all the respondents class the Canadian negotiating style as formal. They also mean that the negotiating style could be formal in the beginning, and could lead to some informal negotiations as well.

Knowledgeable and competent

Regarding the question if the Canadian negotiators are knowledgeable and competent? All of the respondents answer yes. Some of them mean that Canadian negotiators are more competent and knowledgeable compared with the Swedish negotiators. One of the respondents claims that Canadian companies send their employees for negotiation training and the required soft skills. Further he means that Canadian negotiators are very strong, but fair. They always want to have long term relationship, and the deals would have to be legal and in accordance to the laws and legislation.

6 Analyze and discussion

Communication - verbal & nonverbal

Connection is the main source of achieving a greater negotiating success, which can be only done if one has a large skill on cross-cultural communications. Cross-cultural communications involves different kinds of communications, such as verbal and nonverbal communication for example, spoken and written language, body language, time given to the negotiations, speeches, facial expressions and gestures. Both Respondents and Molnar et al. agree and claim that if one has a larger cross-cultural communications then it will be able to understand other markets, people, thoughts and actions easily and that's definitely the main income of communication in successful negotiations.

Gestures and body movement can both be positive and negative according to how it is used. According to Respondents a good negotiator must be aware of meanings of gestures in different cultures to be able to understand and negotiate in a right way, as they have different meaning in different parts of the world. However one of the respondents claims that saying a wrong word or using a wrong body language is not very big deal, since business have become so internationally, that these kinds of small mistakes are not minded as far as it is not very serious. On the other side Molnar et al. says that gestures and facial expressions are more put just in Quebec and people try to avoid it and don't interrupt each other in midsentence.

Time Factor

"Time is money" that's what Americans and Europeans say but for Russians and Middle Eastern countries time is the cheapest of articles. Respondents say that in what extent time is important differs culture to culture which even Salacuse agrees with. Salacuse points out that time is used differently in different parts of the world and one has to take consideration to the differences to be able to negotiate and keep his company alive in the international market.

Personal Relationships

A good relationship is gain of trust in order to determine contacts with other companies. Respondents' names two main facts about relationships, one way is of revealing some sensitive information about their priorities and preferences. The other way is when parties can apply influence and establish position to indicate a competitive negotiation. Respondents claim that attitude and values are different in different parts of the world, every country has different values and attitudes of negotiations which should be fully respected. According to Molnar et al. to be able to mention good relationships depends on personal qualities and to create a personal relationship it requires patience and assets in terms of time and money. Hofstede,G means says that international business is based on relations between two parties from different cultures and countries who are negotiating with each other on a possible agreement.

Negotiations Style

A good negotiator should always control themselves even if it causes them discomfort or emotional stress, respondents recommend the negotiators to be sensitive to the foreign negotiators cultural norms and identify them and respect them. Molnar claims its important to note that every culture have rules of displaying emotions which they believe should be followed at the negotiating process and two factors stereotype and individual personality should be kept in mind.

Respondents also points that being different does not mean being better or lesser, negotiators should be natural and do not judge other party's cultural values. Negotiating with different cultures is clean business and a good negotiator should not get involved in the personal emotions, norms or cultural factors. To gain respect is to give respect. According to Molnar et al. different party's behavior in international business is very important. Behavior, style and skills are the three factors which has most focus in international business. These three factors are the main keys in a successful negotiation.

Negotiations Skills

Business management requires tremendous knowledge, and skills, which have a great impact on improvement of their performance and productivity. The respondents determine that applying this knowledge in a real business related situations, cannot be achieved easily. In order to achieve, one should use the principle of social psychology, which reflects each individual's view of reality, which is being constructed by their cognitive, emotional, and social processes. In addition the respondents specify the importance of cultural, impact on proficiency of negotiation in a business related situation. The respondent determinates that cultural and ethical differences has a great impact on an individual's judgment for evaluating a situation and related topics.

Cultural Impact

The respondent specifies the importance of cultural impact, among individuals, which pinpoints the effect of different factors like language, ethics, and their perspectives in regards to the world that greatly affect the negotiation process.

Main while, Gesteland also verifies that getting familiar with cultural background of a country, especially in relationship to establishing a business is very essential factor; because it has a great impact on success of a business for foreign businessmen. According to Gestland, Anglophone, Francophone, and new Canadian are the three main backgrounds in Canada.

Salacuse also pointing to the fact that cultural knowledge has an important role in global marketing field. Molnar et al. mentions that cultural differences have a great influence.

A negotiator visiting Canada should be aware of that English and French is spoken during negotiations, mostly English. Molnar et al. explain the importance of language in the form of negotiating language, spoken and written language, body language, and others are definitely

the main income of communication in negotiations. This is proved by the respondents as well. Most of them point out the importance of the eye contact. Eye contact in Canadian society and business community it is considered a tool to engage in honest communication

Different cultures use different methods for communication. As Salacuse mentions that in some cultures they use simple and direct methods of communication and in some other cultures there are indirect and complex methods of communication. To get reaction to proposals submitted in cultures that depend on the indirect communication the negotiators need to interpret a series of signs, gestures and seemingly unlimited comment. The respondents too point out these aspects as important. Hand gestures, smile and facial expressions are very important in the Canadian business culture.

Gesteland describes that in both of Canada's mainstream business cultures, visitors are expected to be on time for appointments. However, in most other respects, French Canadians are less monochromic than their Anglo neighbors. Time has been described as very important by many authors, for example, Salacuse mean that time is an important factor in negotiation processes and it has different values in different cultures. The respondents identify the significance of punctuality, deadlines and agenda as very important.

Geert Hofstede means that the importance of the individuals and the groups differs from society to society. In most societies around the world the group's interests have more value than the individual's. In the matter of group or individual's interests, all of the respondents agree that the focus is more on the individual interests than the group's interests. Individual opinions are valued, and everyone has to work based on their opinions and value factors

Hofstede claims that Cultural differences and lack of knowledge about each other's behaviour leads to problems in relationships. Molnar et al. point out that relationships central to some ideas in culture environments affects the parties' negotiations behaviour. Personal relationship, both with family and in business negotiations, is a very important factor in Canada. According the majority of the respondents the relationship with the family and friends is much more important in Canadian culture compared with the Swedish culture

Business gifts are given after a deal has been closed. However, expensive and ostentatious gifts are out of place in Canada, according to Gesteland. He explains that better choices are tasteful logo gifts or an item that the visitor's city, country or region is famous for. On the other hand the respondents claim that exchange of gifts is not that usual in Canada, and the only thing the exchange at the first appearance is their business cards. However, the common form of gift is to have a business lunch or dinner before or after closing a deal

Salacuse categorizes the negotiation process in two categories. The first one is win/win, in which both sides gain, and the other one is win/lose, in which one side wins and the other side loses. And when it comes to Canadian negotiators they have the Win-Win style. That Canadians' attention is that both parties have to earn something.

7 Conclusion

A negotiator entering Canada should have a good knowledge about the negotiating process in Canada as the Canadians expect that from the foreign negotiators. As language is a very important factor the negotiator should be very good at English and French entering Canada. Just English would be fine as well because it is spoken by the great majority of Canadians.

The negotiator should know about the body movements and gestures as they play a very important role. Two important factors should be noticed when negotiating with the Canadians, eye contact and smiling. And to start a negotiation in a good way, small talks are appreciated by Canadians, for instance talking about the weather and hockey. And Canadians are very strict when it comes to of punctuality, deadlines and agenda

The level of differences regarding gender and age do not differ a lot from Sweden. However, a negotiator should not be surprised if he/she finds the Canadian business culture a bit more masculine compared with the Swedish business culture.

Canadian negotiators have an informal greetings and a formal style of cloths, which is important to have in mind as a foreign negotiator. If a foreign negotiator want to exchange gifts, then business lunch or dinner would be best. And it is very important to create a good relationship with the Canadian negotiators, as it is much appreciated. And the negotiator should always try to have the Win-Win negotiating style, as the Canadians have this style. However, the negotiator at the same time should be prepared to meet a Win-Lose negotiating.

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- Crossing the border: testing a negotiation model among Canadian exporters, Alma Mintu-Wimsatt Associate Professor of Marketing, Department of Marketing & Management, Texas A&M University ± Commerce, Texas, USA, Roger J. Calantone Professor of Marketing, Michigan State University, East Lansing, Michigan, USA

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9 Appendix

Interview questions :

○ Name _____

○ Company _____

○ Position _____

○ Branch _____

○ Number of years of experience in negotiations with Canadian opponents ____

○ Knowledge of Canadian language? _____

○ Where in Canada did you / You lived or negotiated? __

Communication - verbal & nonverbal

- Which different languages/regional languages have you/your group identified in Canada ?

- What differences have been noticed regarding the verbal and non-verbal language (body language) in Canada comparison with the Swedish culture?

- How often body language is used in Canada in everyday life?

- What language/languages is used when negotiating with Canadian negotiators?

- To what extent the use of interpreter is needed?

- What type, directly or indirectly (gestures, symbolic speech and facial expressions) communication is used for negotiation?

- "Small talk" is considered to be important in negotiations - which are the hot topics of discussion?

- What problems do you have/your group have experienced due to differences in communicating both the verbal and non-verbal?

  Time Factor

- How important is punctuality, deadlines and agenda in Canadian culture?

- What you/your team think about the time sensitivity of the Canadian counterpart at the business negotiations?

- What difficulties have you/your team have experienced regarding the time factor with Canadian negotiators?

Values & attitudes

- What values and attitudes have Canadians when it comes to:
  1. foreign negotiators
  2. femininity and masculinity
  3 age and authority
  4 honesty

- • What values and attitudes have Canadians when it comes to:
  1. foreign negotiators
  2. femininity and masculinity- equality
  3 age and authority- quite respectful for age
  4 honesty

- Where the focus is in the Canadian culture - the group's interests or individual interests?

- Is the Canadian culture masculine (assertive and competitive greedy) or feminine (caring and modest)?

- Is the Canadian culture is such a traditional or a more changeable one

Behavior and practices

- What are the significance symbols, heroes and rituals in the Canadian culture?

- What greetings are used and to which extent titles are used?

- formal or informal cloths style is used in negotiations?

- How often the exchange of gifts and cards happen , and how one should accept a gift or business cards?

Personal relationships

- How important are personal relationships with family and friends in the Canadian culture?

- How important are personal relationships in business negotiations?

- How personal relationships are created and how to maintain them in accordance with Canadian negotiators?

- How important is the social intercourse when it comes to business negotiations (lunch invitations, social events and home visits)?

- What difficulties have you/your team experienced in creating of relationships with Canadian negotiators?

Negotiating Style

- Does the Canadian negotiator have, a win-win style or a win-lose style?

- Perceive you/your team the Canadian negotiating style as formal or informal?

Negotiation skills

- What expertise has the Canadian negotiator, and in what areas is he/she is particularly knowledgeable?

- Is there a lack of expertise in the Canadian side, and has this led to difficulties at the negotiation?

  - How do you define the concepts of culture and negotiation?
  - What aspects include respectively concept, according to your experience?
    ◦ Values & attitudes
    ◦ Manners & service
  - What are the main cultural differences have you noted in your studies between the foreign as well as the Swedish negotiators?
  - How important is the verbal and nonverbal language at international negotiations?
  - In some cultures, it is important to be able to interpret different types of non-verbal signals, which experience do you have regarding this?
  - Have you noticed any differences between the Swedish and international way of communication?
  - How differs the perspective on the time factor in the different cultures you have studied?
  - There has been much emphasis on creating relationship between the negotiating parties, how important is it according to your experience to give priority to the relationship in negotiating the contract? And how does this differ between cultures?
  - How differs the hierarchical organization in the different cultures? And how does this affect the decision-taking at the negotiation?
  - How differs the personal characteristics of negotiators?
  - How differs the behavior and customs of other cultures you have studied? And how does this affect the negotiations behavior?
  - What are the main differences in values and attitudes exist between the Swedish culture and foreign cultures you have studied? (Gender, age, authority)
  - How differs norms and formalities of the cultures you studied? And how does this affect negotiation process? (Clothing, greetings, titles, rewards)
  - How talented do you think that the Swedish negotiators are in comparison with foreign negotiators? (Persuasion, language skills, knowledge & adaptability to foreign cultures).
  - The experience you have, the cultures are more authoritarian in nature and has a higher emotional at the negotiating table? Where would you place a Swedish negotiator?