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“Interactions between Cultural Intelligence and Business Negotiations: Adaptations to the Chinese Negotiation style.”

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Abstract

This purpose of this study is to see the correlation between the Business Negotiation Process and the Cultural Intelligence. In the study, I have focused on the Chinese environment, to be able to extrapolate the different behaviors and culture background. This again enabled me to see how foreign business negotiators could adapt towards the Chinese.

The problem statement is illustrated by theoretical views on culture and negotiation.

The collection of data is based on a quantitative method, by conducting qualitative interviews with Chinese negotiators. This enabled me to see how the negotiations are affected by the culture.

The study revealed that culture intelligence and business negotiation process is affected by each other. Furthermore, the study gave some important information as to how the Chinese negotiation culture works. This, together with the theories on both culture and negotiation, enabled me to compile an informational summary of how foreign negotiators could adapt during encounters with the Chinese environment.

Acknowledgments

It's been a long journey, and it appears that I finally graduated. I don't think I even could have imagined this six years ago. Yes, it wasn't a typo. It has been six years, not five.

Let me add to this that I haven't been lazy. The reasons for my "late" graduation is because I have been taking to many classes. Yes, this wasn't a typo either.

However, in these six joyful (and sometimes stressful) years, I have managed to befriend so many amazing people. I wouldn't have done anything different. Well, you know, that is what one is supposed to say anyways. And hey, actually, let's just call it a 50/50 on the stress/joy.

I wish to express my *sincere* gratitude to the people that have been around during my years of study. It's been a blast!

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Trond Viggo Godvik

1 Background

After spending time in China on many occasions, I have come across many interesting people. When traveling there on business I read up on what to do, and what to expect. I would not call me an experienced businessperson, and certainly, no expert on China, but none of the people fit the depiction from the books and guides I have read.

Of course, some of the situations were similar, but the way they are handled is different from what one would expect from reading up on business in China.

In this study, I want to go deep into the subject of Business Negotiations in China, by interviewing experienced Chinese negotiators. The idea is to get a better understanding on how to adapt in the negotiation settings in China, and at the same time see the correlations between the Cultural Intelligence and The Business Negotiation Process.

1.1 Introduction

As the world is becoming smaller, globalization plays a big role for many companies. This means that some form of contact with other countries and negotiations for products, services and other agreements are almost unavoidable.

Negotiations with companies from other countries is not always easy, seeing as the companies have different backgrounds, both cultural and information. Spoken language and different time zones can also cause some complications during negotiations. Key factors can decide if a company successfully can engage in negotiations in china (Martin & Larsen).

However, the language barrier can be passed by hiring a translator and time zones are easily overcome by traveling to the different companies' home country.

The remaining problem is the cultural differences between the companies. The cultural differences between two companies can be hard to relate to, without being in the companies culture over a length of time. In this way, intercultural negotiation can fail because the negotiators involved do not have the knowledge of the culture in which they are maneuvering.

Western businesses in negotiation with china are facing many challenges. It is evident that the cultural roots play an important part of the Chinese business negotiation style (K. Sebenius & Qian, 2008).

There are many books and guides that have been made to help the negotiators when it comes to the different cultures and countries. The book “Negotiating International Business” by Lothar Katz is one example (Kratz & Lothar, 2011). These books in general give a notion on the cultures and the different techniques needed to succeed.

However, as Wenzlaff has so gently put it (Karsten & Wenzlaff, 2008):

“to step into another culture needs knowledge about that culture, but even more it needs ability to think and feel from that cultural perspective”

Knowing the differences are not enough, if you cannot use them in the correct way. Not to say that there are rights and wrongs, but people from different cultures will have different backgrounds, and therefore different perceptions. It is these perceptions that results in different behaviors (N. Rimal & Real, 2003).

There have been many cultural measurements and studies across different culture. But these studies will also only give a general understanding and cannot be applied to every single person. So, for this reason it is important to evaluate and understand each individual situation when negotiation (Ghemawat & Reiche, 2011).

The behavior that is displayed by the parties during a negotiation will as discussed depend on many factors. We also have the corporate culture and professional culture that needs to be applied to fully understand how complex a behavior can be. Furthermore, this will only give a basis for understanding, since the negotiators background, such as education and personality, also will make an impact. All of this will in total determine the negotiators style and approach (Imai & Gelfand, 2010).

As Imai and Gelfand have purposed in their research, and further confirmed by Earley and Ang (2003) cultural intelligence is one of the best predictors when it comes to making a successful intercultural negotiation. We can therefore say cultural intelligence have a role in affecting the negotiators behavior and approach, since it is a result of education and experiences.

To understand the effects by culture intelligence as to how the negotiators negotiate, I will interview candidates from all over China. China is chosen because of the vast differences between Asia and the west.

In general, Asians are a high context culture, which implies that they have hidden agendas in the social interactions that can make for some interesting findings. Someone that have never experienced Asian culture and negotiations have no way of see and understand the actions taken, and this can lead to some confusions (Akgunes & Culpepper, 2012). In general, Asians have a focus on holistic relationship and have people adjusting to the changing environment, while westerners are more control oriented. Because of this, there is a high risk for that there will be some misunderstandings when conducting negotiations.

As I have contacts in the area of interest in China, it is easy for me to get in touch with the right people and have the opportunity to make my research. I have a basic understanding of Chinese, but I will rely on a local friend that have the necessary educational language background to avoid any misunderstandings. Since I therefore have the opportunity to communicate in the local language, I will be able to get the information I need.

The interest in china have been ever increasing since the country opened up to the rest of the world. In addition, the businesses have had a focus on the low-cost production that has been available for different products. The country has grown in lightning speed the last decades, and now the citizens have a higher welfare and buying power. For this reason, I think the focus for foreign companies will change more towards selling to the citizens of china, and not only producing there.

China have many ports and many producers. Most notably is the trading hub Hong Kong SAR, where many goods flow to and from China. Shanghai has established itself as an economic capital, and there are many other cities and regions that specializes on different areas.

China has made many special economic exclusive zones to enable investors and companies to invest and grow. For example, Shenzhen that has grown from a fishing village in 1979 to a bolstering megacity of over 10 million people (Shenzhen-Goverment).

Even though there still are some obstacles for companies that wants to go into the Chinese market, the country is on its way to becoming more transparent when it comes to politics. In addition, the rising middle class makes for an interesting opportunity for many companies.

1.2 Problem statement

From the start of this assignment, I have spent a lot of time trying to find theories and literature that could prove valuable in the thesis. The problem statement has been evolving during the research and I found that the best way to make use of my interest and background would be to make an analysis of a specific environment. Having been on an internship in China last summer, I have experienced the problems presented in the introduction part first hand, and therefore my problem statement ended up as follows:

“How does Business Negotiation Process and Cultural intelligence affect each other? And how can foreign negotiators adapt to the Chinese way of doing business?”

I want with this problem statement, to make an analysis of the negotiation styles and cultural theories and see how the Chinese businesses when they are negotiating with their Western counterparts. With this I hope to show how the culture can affect negotiation process and styles. Also, I want to explore how the Chinese adapt towards their western negotiation counterpart, and how foreigners can adapt to the Chinese negotiations environment.

1.3 Research Questions

To get the answers to the problem statement, I need to formulate some research questions that can be helpful. These questions will be critical in getting the correct answers, seeing as good questions give good answers.

My questions ended up as follows:

“Do the Business Negotiation Process and Cultural intelligence affect each other?”

“How can Foreign negotiators adjust to manage the Chinese negotiation environment?”

The purpose of this study is to look at certain cultural intelligence theories and negotiation theories and examine how they affect each other. The study is also aimed at finding ways the foreign negotiators can adapt to the Chinese negotiation environment. will reaffirm the notion that many researchers have put forth, namely, that understanding of culture in each environment is key to make successful negotiations. Furthermore, I will get an insight into how the Chinese have adapted regarding negotiations.

1.1 Limitations

The qualitative interviews done in this research is limited to a few individuals in China that are working as negotiators for individual companies.

2 Literature review

To give a solid background for the significance of the research that I want to do, it's important to review existing studies and literature. The literature that I have gathered is derived from the research questions, so that I can get a solid answer to my problem statement. I will take four main theories that I will introduce and discuss.

The theories are Negotiation theory, cultural theory, cultural intelligence, and xx. The focus of my study is based on the Chinese side of negotiations; therefore, I will in addition introduce some literature on the Chinese culture. This is to get better information about the behavior of the subjects and environment that I will study.

I will first introduce the literature on negotiation theory. Here I will give the definition on negotiations so the reader can understand what negotiation really is. Next, I will discuss and explain each of the theories.

Second, I have the cultural theories. Here I will take two main theories that are Hall's dimensions and Hofstede's cultural dimensions. There are other theories that are applicable to this subject, but I choose Hofstede's (2005) and Hall's (1990) since they are often used by other researchers on the subject; regarding negotiations and culture.

Cultural intelligence is next up, where I try to explain the behavior of negotiators. This part involves seeing them acting according to the culture, likewise the abnormal towards it, and the reasons why. I will quickly present the different theories on both Cultural Intelligence (CQ) and Cultural Intelligence (CI) (Plum, 2008).

Dr. Lieh-Ching Chang also explains that there are many subcultures that influence the Chinese negotiation styles (Chang, 2006). For this reason, I will also present some literature that is specific towards the Chinese culture.

2.1 Theories on Negotiation

Although there is no universal definition of negotiation, it can be described as communication with the goal of achieving a compromise or a settlement on matters. This can be done in a face-to-face setting, or indirectly with a third party (Bangert & Prizada, 1992). As negotiation is a primarily interpersonal, there are many subtle and barely noticeable body language traits that the counterpart might have (Zhou & Zhang). Nonverbal communication can be a key element to understand the counterpart even if the cultural and emotional intelligence level of the participant is low.

The process of negotiation has two or more persons or parties. There needs to be something that the parties involved need to reach an agreement or settlement on. This can have a background of desires, need or conflict. The negotiators go into the negotiation process with the idea that they have something to gain from the outcome. Even though all want to gain something from the negotiations, it is expected to be room for some gain and some loss.

This means in practice that they may abolish their initial goal, and settle for something less. The main outcome of negotiation is to reach an agreement. This means that each party wants to reach an agreement and viable terms, even without a guiding main solution.

A successful negotiation is when the parties start to manage tangibles and resolution of the intangibles. “Intangibles factors are the underlying psychological motivations that may directly or indirectly influence the parties during a negotiation” (Singh, 2008, p. 133).

Tangibles can be price and quantity, while intangibles are emotions and the values a person have; both equally important to this paper regarding Chinese culture.

There are many approaches to negotiation. However, William I. Zartman, has made a summary of the different ones in regard to this subject, and concluded that there are five main approaches. These are; behavioral approach, strategic approach, structural approach, processual approach and integrative approach (Zartman, 2009).

The first one, behavioral approach, have its basis on that the result of a given negotiation is dependent on the negotiator himself. The meaning behind, is that the most important parts that affects the result, is the characteristics and personality of the negotiator (Alfredson & Cungu, 2008).

The second one, strategic approach, is the idea that the negotiators choice will be based on the calculations of the end-result. One can say that it is a calculated approach with emphasis on the rational choice (Zartman, 2002).

As for the third one, structural approach, it is based on power and position. More specific, the power and position of the negotiators. In this structural approach, power remains a key factor in what the outcome of the negotiations will be. This since power directly would affect the counterpart negatively if it has lower power. As a result, the negotiator with the least power would be the losing part.

Fourth approach, the processual approach, has its focus on the process itself. With this, it is meant that the result is based on the gives and takes of the negotiators. This means that the negotiations will have an important focus on the loss and compensations that derive from it.

The last approach, the integrative approach, is that a win-win result is to be expected from the process. The negotiators are in this setting liking for the similarities rather than the differences in interest for the final solution. Alfredson and Ching (2008) places the first four in the distributive field of view, seen in Figure 1. To explain, this means that there exists a win-loss or a zero-sum game within negotiations.

Approach	Basic features	Assumptions	Limitations
Structural	Focus on means, positions and power	Win-Lose	<ul style="list-style-type: none"> • Lock into positions might lead to lost opportunity for mutually beneficial agreement. • Over-emphasis on power
Strategic (e.g., Game Theory)	Focus on ends, rationality, positions	Win-Lose, existence of optimal solutions and rationality of players	<ul style="list-style-type: none"> • Excludes use of power, players undifferentiated (apart from differences in the quality of options open to each)
Behavioral (e.g., diplomatic treatises, personality types)	Focus on personality traits	Win-Lose, role of perceptions and expectations	<ul style="list-style-type: none"> • Emphasis on positions
Concession Exchange (Processual)	Focus on concession making behavior, positions	Win-Lose, moves as learned (reactive) responses	<ul style="list-style-type: none"> • Emphasis on positions • Lack of predictiveness
Integrative (e.g., phase theories, process models, principled negotiations)	Focus on problem solving, creating value, communicating, win-win solutions.	Win-Win potential	<ul style="list-style-type: none"> • Parties should still recognize and be prepared for encounters with non-integrative bargainers • Time consuming

Figure 1- Negotiation approaches (Alfredson & Cungu, 2008, p. 17)

The integrative approach differs from the others as it has a win-win point of view, since the approach is a collaborative gain, and not focused on who would win.

2.1.1 The phases of negotiation

Negotiations consists of three main phases. The different phases are equally important, and defines the variety of elements needed to be taken into consideration.



The first stage is when contact between the parties is established. In this stage, there is usually some small negotiations and cautious offers from both parties. Here the parties start to understand the needs and wants of the opponent, and looks at the potential benefits of undergoing further negotiations with the counterpart. The idea behind the pre-negotiation stage is to gather as much information on the counterpart as possible, as to gain an advantage and understanding of the goals they might have. Negotiations is a problem-solving endeavor, and therefore the problem is needed to be defined by both parties to find a common ground as to base the negotiations on. On the information basis that is gathered during the pre-negotiation, the strategy for the face to face negotiation start to emerge. Stances are taken on different interests for the negotiation, as well as possible compromises for the upcoming face to face negotiations. The Pre-negotiation stage can be seen as the commitment part of a negotiation. In international business settings, pre-negotiations often entail enhancing formal relationships and developing trust, often by visiting the counterparts home country for informal talks. For political issues, pre-negotiation often involves “Track 2 diplomacy”, and consists of non-governmental, informal and unofficial contact between “non-state actors” such as private citizens and groups of individuals (Chigas, 2003).

Second stage, the main negotiation (face to face), is when the different parties have the understanding that they can find a solution to the problem they both have. The parties can have different views and understandings towards the problem that needs to be solved. Because of this, it is important to have an open mind and several alternatives to the possible outcome.

For the beginning of the negotiations in this setting, negotiations often prefer to start the negotiations by discussing and agreeing to principles of the relationship, and therefore advancing the negotiations slow and steadily (Ghauri e. a., 2003).

Experience has shown that the party that initiates and arranges the agenda has the control of the negotiation process, since they often reveal the strength they have, and at the same time the weakness of the other party.

The third and final phase of negotiations is the Post-negotiation. In this phase, the terms and conditions has been agreed upon, and the contract is drafted and ready to be signed. How the contract itself is drafted, in terms of language and interpretation, is seen as negotiation process in itself. When a contract between two parties from different countries and different language is drafted, it often consists of both languages. In this case, the contract itself often refer to one of the languages to trump the other when it comes to interpretation of what has been agreed upon. Problems might arrive later when the implementation of the contracts is to commence, if the contract don't have enough details; thus, leading to different interpretations of the content. If there is some feedback on the contract in the final stage, this can lead to stepping back to the face to face stage in the negotiations. Ghauri et.al. (2003). It is therefore important that the parties involved have a common understanding of what they have agreed upon, before the draft and signing process is initiated.

2.1.2 The Business Negotiation Process

Fang (1999) presents the dimensions of the business negotiation process that I will use as structure for conducting the analysis of the interviews in this study. The reasoning behind using this theory, is that it presents a more holistic approach when analyzing the qualitative interviews. The different dimensions where developed by Dadfar (1990), and are presented by Fang as follows: Technical Behavior, Commercial Behavior and Social Behavior.

The technical behavior referring to the way that the standards and technical specifications are developed during the Business Negotiation Process.

The Commercial behavior consists of the different economic aspects to the negotiations, such as price, delivery and so forth. It also has an emphasis on how the different attitudes are towards discussing the economic obligations during negotiations.

The Social behavior is how trust and confidence is established. It also refers to how the communication works between the partners, and the different social aspects of the negotiation works. This model therefore shows how the personal attributes of the negotiator affects the business negotiation process.

2.1.3 International negotiations

The research that has been done on international negotiations has been focused on the relations that is between different states as seen in diplomatic negotiations. The need arises for a tool to handle disputes and conflicts between states, without unnecessary actions that

could cost loss of life. As McCall and Warrington has put forth, resolving a conflict and changing behavior becomes complex when different parts has different cultural background. The cultural part has an impact on behavior and understanding, but the personal traits, attitudes, values and so forth will also play its role. The chance for a misunderstanding of messages and intent between the parties in an international negotiation setting is not that difficult to imagine. So, for international negotiations to succeed, the need for different skillsets for each negotiation setting is important.

The domestic and international negotiations could perhaps be in the way the surroundings, cultural environment and behavior of the negotiator play a role when negotiating outside the home state. The cultural impact will demand a change in perspectives from all the parties involved. This change in perspective changes the tactics and negotiation strategy (Kapoor, 1975).

2.1.4 International business negotiations.

Negotiations within an international business context has been studied by Kapoor (1975). On his study, he observed the importance of the environment for a successful negotiation. The study was conducted by observing and interviewing two sides of negotiation delegations. The results of the study culminated with the development of a model that defines the structure of international negotiations.

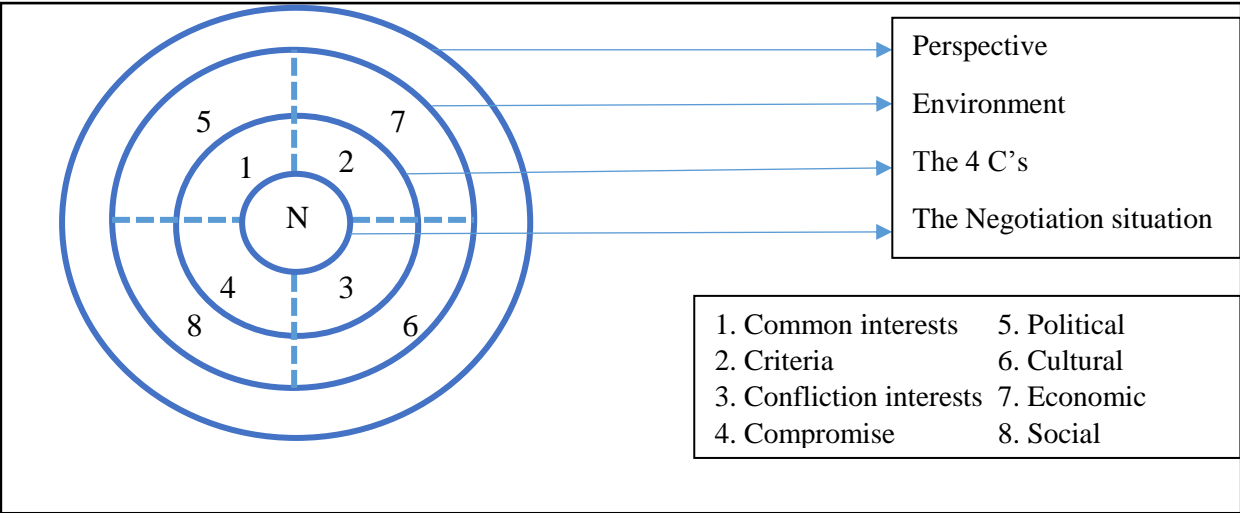


Figure 1 – The model by Kapoor (1975)

As seen on the figure, the inner circle is representing the negotiation situation. This is then again surrounded by the four C's: Common interests, Criteria, Confliction interests and Compromise.

Common interest is the shared interest of both parties, while the confliction interests are the opposing interests of the parties. The Compromise consists of the part where the different parties will need to undergo compromises during the negotiation. The last part, criteria, revolves around the different criteria's that the parties has set and need to consider emerging successfully from the negotiation situation.

The environment, as represented in the circle, is the social, cultural, political and economic systems. These key points are reliant on the negotiators understanding of the knowledge of the different environmental systems that are represented in the selected environment and society. Because of this, the domestic negotiations will differ from the international negotiations seeing as the perspectives will have an impact on how the negotiators choose to approach the negotiations.

For a negotiator to be successful in international negotiations according to this model, the negotiator will need to tackle different problems. These problems can be of social, economic and technical, and needs to be done in a competent and analytical approach.

Furthermore, when there are negotiators that derive from different cultural backgrounds, one can largely say that they don't know each other. This will create a situation where negotiations can be more demanding than if they were from the same culture. Ghauri developed a model that represents the cultural differences when doing negotiations in a international setting.

The model represents the negotiation process, but have new connections that show influence and connections to the standardized idea of negotiation from background processes and atmosphere related to the negotiation (Ghauri & Usunier, 2003).

As seen in this model, the background factors, give direct influence on the strategic factors that exists during the negotiation. The atmosphere influences the process itself. The atmosphere that exists during the negotiation represents the relationship that is created during the negotiation. This atmosphere will influence how each negotiator perceives and there by interacts with the other part.

The background factors are related to where the negotiators come from and what they have as background. In example, if they have different political or social background, the negotiations can be affected. The process of international business negotiations

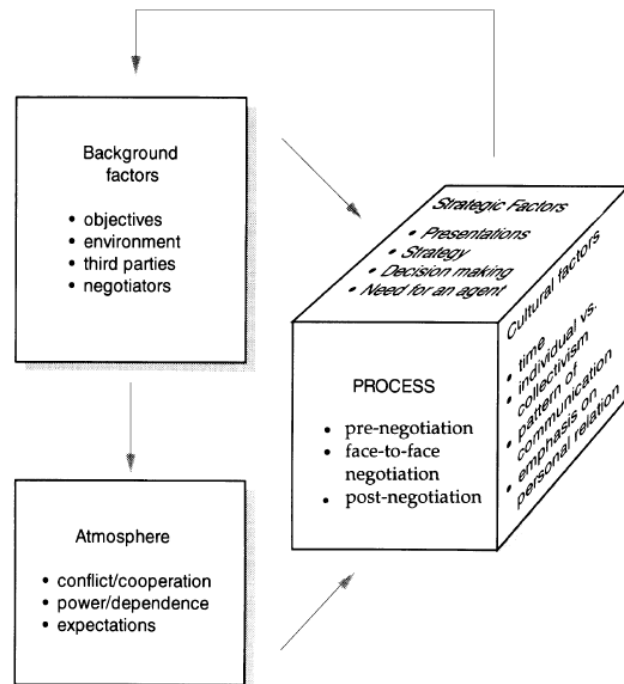


Figure 2 - The Process of international business negotiations (Ghauri & Usunier, 2003)

2.2 Cultural theory

In our day and age, the world becomes more and more globalized. This means that people interact more and more across borders and overcome the old boundaries that limited them. For this reason, it is a guarantee that people will see differences between cultures. From a business perspective, different cultures can certainly influence how business is conducted, since business often is done across borders and not only local.

When they trade outside the local environment, it is not only the language that could become an issue, but the different culture and values of each counterpart. Therefore, for a negotiator, having the knowledge of the differences in culture can be key for making a successful negotiation.

2.2.1 Hofstede's six cultural dimensions

Hofstede's six cultural dimensions provide the basic understanding of a nation's culture and its difference from others when comparing two countries (2005).

Hofstede conducted a cultural research within 74 different countries with IBM. With the results from this research, he purposed four different cultural dimensions that are as follows:

Power distance, Uncertainty avoidance, Individualism vs. collectivism, masculinity vs. femininity. Later he added long-term orientation vs. short-term orientation after another study was conducted, and finally, in 2010 there was added another element called indulgence vs. restraint, based on the research by Michael Minkov (Minkov, 2007).

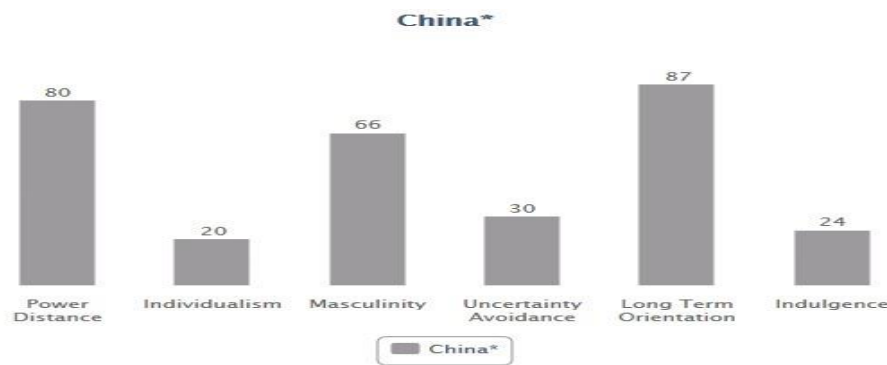


Figure 3- Figure 2 - China's National dimension scores (The Hofstede Center, 2016)

Power Distance (PDI).

A power distance is defined as the longest a person will go to do a command without asking any questions. This is a hierarchy where the person gets orders from the person above that have higher power. This power distance also applies for the higher levels in the hierarchy.

As a result, decision making in cultures where the power distance is high, is most lightly to take place in the upper regimes of an organization. When the power distance is low, the lower chains in an organization is more lightly to make the decisions without needing to confirm with the top leaders.

The Power distance in china have a score at 80. This makes the power distance in china quite high. It is higher than average when you compare the other Asian countries (The Hofstede Center, 2016).

Uncertainty avoidance.

This is a measurement on how far they will go to avoid certain things. As in a measurement to feel safe and not have any unknown elements.

Avoidance is therefore how much the different members of a culture can feel threatened by unknown situations.

When a culture has high uncertainty avoidance, they show stress and anxiety when changes occur. They want to have rules and procedures to abide by, and tend not to take any unnecessary risks. When the culture has a low uncertainty avoidance, they have less stress and anxiety when changes occur, and they only want to have rules when needed.

China have a score of 30 in this category. This is low, and means that they are inclined to take risks and only want roles then needed. As such, they don't tend to avoid changes, and have tendencies to rapidly adapt to changing environments. In other words, ambiguity is not something that is unknown to the Chinese.

Individualism vs. collectivism.

Individualism is where the focus for a person is themselves, whereas collectivism is when the individual feels as part of something larger. Nations with high collectivism have often more nationalistic tendencies in their population (Hofstede & Hofstede, 2005).

For individualism in work related terms, individualism is when a worker only works for the benefits of themselves, whereas collectivism is when the worker works more for the benefit of the company.

For this category, china has a score of 20. The Chinese culture has largely affected the collectivism between the Chinese. The values are mostly based up against the families on the cultural level (Yui-tim, 2001). It is therefore easy for the Chinese to view other people as for groups where they belong, and not for the individual they are.

Masculinity vs. Femininity.

Masculinity gives the notion that the culture in question have the traditional approach towards masculine orientation. Men are in this situation dominant, focused and tough. Women in this kind of culture are expected to be submissive. People get rewards from input, and as the reader probably guessed, conflicts in this society are best solved by fighting where the winner is the one that displays best or hits hardest.

Femininity refers to the cultures where the gender roles are overlapping. With this, it is meant that the roles of each are not set in stone. Therefore, a male can take a woman's traditional "place" and vice versa. They are mostly concerned about quality of life, and the notion of compromise is a core value (The Hofstede Center, 2016). Everyone is treated equal, and not rewarded by performance. In other words, people get what they need, not what they deliver themselves.

Long-term orientation vs Short-term orientation

Hofstede describes this cultural dimension as “*fostering of virtues oriented towards future rewards-in particular, perseverance and thrift*” (Hofstede & Hofstede, 2005, p. 210).

Therefore, in a long-term oriented culture, the goals are set far in the future, while short-term oriented cultures have goals that are in the near future. Savings and long-term investments are key elements in a long-term oriented culture, as results will be shown after time and not immediately.

For short-term Hofstede explains that “*the fostering of virtues related to the past and present-in particular, respect for tradition, preservation of “face,” and fulfilling social obligations*” (Hofstede & Hofstede, 2005, p. 210).

China have a score of 87 in this category. So, in other words, it is a culture that is very pragmatic, where they adapt with ease to the changing situations. Therefore, for the Chinese in general, saving, investment and perseverance is key elements.

Indulgence vs. restraint

This element is the controlling of the desires and impulses that a person might have. If a society have high score in this category, they control their desires and impulses better. With this I mean that, they don't have tendencies to indulge in leisure's and give in to the desires they might have. If they have a low score on this element, they tend to be more cynical and indulge in leisure's.

China have a score of 24 here. This means that they indulge in leisure's, and do not feel that they are restrained by society when doing this.

To summarize, China have a high-power distance, and they accept that some people are in another hierarchy than them. People with high social rating are not uncommon in here. They have a masculine society, and they do not shy away from confrontations. Regarding negotiations, it means that they will hesitate to show if they are dissatisfied. They have a collective orientation on society, and this means that they have low uncertainty avoidance, that makes for a “hands on” approach to changing situations. They have a long-term orientation, with long-term goals. This also means that they will hesitate to make deals that make them loose reputation or face. Lastly, the Chinese do not shy away from indulgence. They feel little restraints from doing what they want.

2.2.2 The cultural context of Edward T Hall

Hofstede was not alone to propose cultural dimensions. Edward T Hall proposed that culture is communication, with four different dimensions (Hall & Hall, 1990). These dimensions are *Speed of messages, level of context, space and time.*

Speed of messages

The speed of the messages, represent the rate of communication in a culture. By I mean the rate of code/decode within the communication process. In example, TV commercials are fast rate of communication, while newspaper text ads are slow. The speed of communication will depend on the culture, and if the speed is slow, the relationship between two persons will take time to build and establish. However, in a culture with rapid communication the relationship will not take as long. To further explain why this is an element, in a fast society, they fast communication cultures don't have the same importance on relationship, since they can be easily established. This again leads to superficial relationships.

High-context vs. Low context

The definition given in Hall and Hall (1990) is the amount of information that surrounds an event. In example, in a high context culture, all the information a sender sits on and wants to transmit, aren't encoded into the message. The message itself is implicit and indirect, with underlying meanings.

In a low context culture, all the information is encoded by the sender to the receiver, with no or little underlying meanings. High context cultures therefore tend to have many elements of a communication that needs to be understood to get the whole message. This can be facial expressions, tone of voice and environment, among others.

When these two culture types meet, there are much miscommunications because each of them understands decodes the messages sent differently.

Monochronic vs. Polychronic

Monochronic means to do one thing at a time. Western cultures have the view of that time is tangible, and can be spent and lost. Therefore, they are more Monochronic than the others that are called Polychronic. People from a Polychronic culture tend to do many things at one time, and Hall mentions Polychronic as where time is viewed as follows:

“time means being involved with many things at once” (Hall & Hall, 1990).

High territoriality vs Low territoriality

Territoriality is the idea that every person has a territory. This can be both visible and invisible. Personal space is one of these territories. So, if a culture has high territoriality, it means that people have large personal spaces, and tend to keep distance from others. Whereas low territoriality cultures, like India in example, people tend to be closer together.

Culture and negotiation

For my basis on intercultural negotiation, there cannot be only one theory that apply to any given situation, as understood from the previous theories. The culture will differ largely from country to country, but also from personal experiences and local environment, among others.

The cultural differences as mentioned will have an impact on the process of negotiation and the strategy each negotiator will tend to use (Ghauri & Usunier, 2003).

In this context, the two main problems for the intercultural negotiations is communication and interpretations of the messages, as we can interpret from halls different dimensions and expectations from each.

Communication involves both verbal and none verbal elements that are important to understand to get the whole message.

Then there is the message itself. The message can have different backgrounds for being sent, and the basic assumptions from the receiver can influence how it is understood (Ghauri & Usunier, 2003).

The purposed relationship between the different cultural dimensions for the different strategies used in negotiations is provided by Usunier to be as follows (2003):

Distributive Strategy	Group-orientation Power Distance Individualism Strong past orientations
Integrative Strategy	Problem solving approach (commonly found in Feminine culture) Future orientation

Figure 3 - Cultural dimension and Negotiation strategy - the relationship (Ghauri & Usunier, 2003)

A negotiator need cultural knowledge of the counterpart to be successful in negotiations, as presented by Salacuse (2005). Furthermore, he purposed ten negotiation traits that are affected by the culture, as seen below

Goal of Negotiation

Different cultures can have different goals for the negotiation. One part might want a relationship that is lasting, but the other might only want a small contact with the other. Most westerners tend to focus on the deal instead of making a relationship. In the Chinese setting, the Chinese often look for the relationship within the negotiation before making any deals.

Attitudes during negotiation

What initial goal the negotiator have in mind when starting a negotiation is if wants a win-win or a win-lose situation from it. A win-win setting makes for further contacts and benefits between the two parts, while the win-lose will make the negotiator try to get the better deal from it. Problem solving and common ground are essential parts of the win-win setting, while distributive strategy is used when going for a win-lose type setting.

Styles towards negotiation

When we mention style towards negotiation, we mean what type of setting the negotiation takes place. If it is formal, the negotiator will avoid certain subjects, while in informal settings; the negotiator can use first names and discuss a variety of topics. Opposites exists from eastern to western culture. Western negotiations settings often discuss many topics, but in Asian culture, some topics are to be avoided, like politics to name one.

Communication style

Style of communication is varied throughout the globe. Some communications are implicit and underlying, while some are direct and to the point. Indirect methods involve gestures and tone of voice, while direct methods tend to give all the information verbal.

Time sensitivity

Arabian cultures have the saying “*Insha Allah*” when it comes to many things. In the setting of negotiations, it means that “god be willing” and “if god wants”. So, this means that they don’t have any time specific frame for negotiations, since time is what it is. All in due time.

Americans have the saying that “time is money”, so the faster the better, while Germans tends to be very punctual. On this ground, one can see how negotiations can be affected, by the different conceptions on the concept of time, between the participants in a negotiation.

Emotionalism

If a person shows emotions will depend on the culture, as so many other things also do. Asians, especially Chinese have the tendency to hide the emotions, no matter what they might feel. This can be connected to the fear of losing face.

Agreement form

The agreement form entails what details are set in the contract. The Chinese have a more general approach to the contract contents, since the negotiations are based on relationship, and therefore also the contract. Western cultures tend to put every detail in writing. In contrast, if there is a problem with the contract in the Chinese context, the relationship is in first order.

Agreement building

This term is based on the approach of the agreement. With this, I mean if it is inductive or deductive, and therefore a bottom-up or top-down type building of agreement. When it's top-down, the negotiator tends to start on the minimum agreement, and during the negotiation process the deal can widen. The opposite of the bottom-up, there its starts maximum, to then move on down to a more agreeable proposal. This is essential in China; where Guanxi is ever present (Graham & Lam, 2003).

Team organization

When conducting negotiations, negotiators need to know how the decisions are made within the counterpart. Some cultures have many decision makers for a negotiation, while others might only have a few. Some have a sole person responsible for making decisions, while others have a more collective approach to how the decisions are made.

Risk taking

The risk level that each culture has, will differ from country to country. For this reason, some negotiators in a high-risk culture, need less information on something than others do before striking an agreement. If it were a low risk culture, the negotiator would expect to have much information before agreeing to terms of a contract.

So, summarized, the culture influences the negotiation on many levels. It influences the situational aspect, but also how the different negotiators act during the process (Ghauri & Usunier, 2003). Per definition, this means that the culture is a kind of programming of behavior towards decision-making (Hofstede & Hofstede, 2005).

2.3 Cultural intelligence

The ramifications of Wenzlaff's (2008) idea that one need not only know, but also understand the counterparts thinking when it comes to cultural implications, is a good introduction to cultural intelligence. Hofstede has also acknowledged the error in the research done by him and the research, since it only applied to IBM, and therefore could differ from other findings and settings; and is called ecological fallacy (Hofstede & Hofstede, 2005).

Cultural intelligence is the idea that one acts accordingly to the setting based on the knowledge.

This is coined Cultural intelligence (CQ), and is an ability to adapt the behavior and perception toward the counterpart depending on the cultural setting behind (Imai & Gelfand, 2010).

Earley and Ang (2003) have concluded Cultural intelligence (CQ) consists of the cognitive, motivational and Behavioral aspects. Emotional intelligence refers to the understanding of emotions that coordinates all our physiological responses, cognitions, and relates to the conscious awareness; and is usually connected to behavioral responses to changes in relationships between persons (Mayer, Caruso, & Salovey, 2000).

The cultural intelligence is more about the person's capabilities towards the new cultures, environments, and adaptations it makes; rather than what the social and emotional intelligences does.

Furthermore, another model for Cultural intelligence (CI) was purposed by Plum using a qualitative approach. The idea was that the four-factor model was too simple, comparing to the reality. To handle the complexity of reality, her new model consisted of three dimensions; intercultural engagement, intercultural communication and cultural understanding.

2.3.1 The Four-factor model of the Cultural Intelligence (CQ)

The elements in the Cultural Intelligence (CQ) are converted into a Four-factor model of cultural intelligence, and are listed below as follows:

Cognitive CQ

The cognitive CQ is how the person sees and understands the different situations that is encountered. The knowledge that the person gets from understanding the situations will help towards construction the guidelines for the way of thinking. This in turn gives the ability to see the differences, and similarities, between the cultures. In addition, it will give the person a understanding of the general self-awareness of self-behavior that is culture based, and at the same time understanding the other culture on the same areas. When a person has a good cognitive ability, he/she can get a good understanding for many other aspects of the culture in question.

Metacognitive CQ

This ability involves how good the person can process the information that is received/understood, and at the same time comprehend how this can be used in different settings. One can by this say that planning, monitoring and evaluating plays important roles in this ability, and therefore is applied for both the culture and setting, but also for the person themselves (Earley & Ang, 2003).

Behavioral CQ

This ability demonstrates the individual's capacity to use verbal and nonverbal actions according to the setting he/she is in, based on the information they have gained. This is an important part as to the context based communication theories.

Motivational CQ

As revealed in the name, this is the person's motivation for learning about the different situations in the different cultures. It is in other words how disposed they are towards learning. If a person is self-enhancing, then it is motivated and willing to learn, but if it is self-centered, it will not be as disposed to learning.

2.3.2 *The Three-factor model of the Cultural Intelligence (CI)*

We can see in Figure 4, that the different modules are applied and studied together in a holistic manner. This means in turn that they are dependent on each other to function. It is useful to separate the dimensions, only when the study of individuals or groups is needed. The reasoning behind this, is that it will be easier to analyze each aspect.

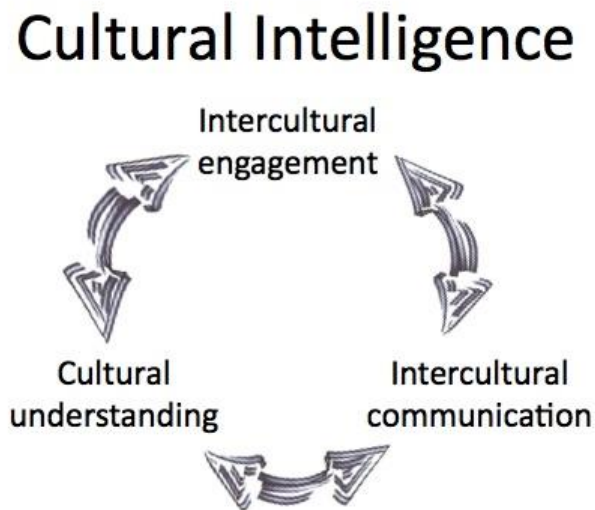


Figure 4- By Plum (2016)

Intercultural engagement is the first dimension. This dimension entails what forces that drives the situation. It reflects that people are different in the motivational forces when it comes to cultural intelligence, and therefore it reflects the different thinking and abilities to how emotions and self-presentation is done in the interactions done in the cross-cultural setting.

Intercultural communication is the second dimension. This dimension is about how good the knowledge and understanding of communication. She states that " It is the ability to swap from your cultural autopilot and instead use manual control where you are listening, asking questions, summarizing and in other ways trying to improve the communication so differences can be bridged and used in the situation." (Plum, 2016).

Cultural understanding is the last part for this model. This dimension is based on knowledge and the cognitive. It's the ability to understand the culture. This entails understanding one's own culture, but also other cultures. Therefore, it's about gaining knowledge on these cultures.

Together, the CI model is the measuring the intelligence by looking at the conscious and unconscious dimensions of the respondent or subject.

2.3.3 Main differences between CI and CQ

Cultural intelligence (CI) views the cultural intelligence as a whole process, as referred to in Table 1. It looks at the different unconscious aspects using an exploratory style that shows the different variables that are affecting the interactions when doing cross cultural interactions. It does not only consist of looking at state levels, but can also be used to measure different cultures within one state.

Cultural intelligence (CQ) is describing the cultural intelligence within a fixed set of references, and is therefore limited, as seen in Table 1 - Adapted from Plum Table 1, it has its basis on that one specific culture is fixed to one nation, and therefore also reflects the sub cultures in that specific nation.

Table 1 - Adapted from Plum (2008, pp. 50-51)

	Four model CQ	Three-model CI
<i>Understanding of culture</i>	Descriptive concept (culture as an essence)	The complex concept (culture as a process)
<i>Purpose of using the intelligence</i>	That person may cope well in a new culture	To act appropriately in cultural encounters and contribute to better understanding
<i>Goals</i>	Overcoming barriers between cultures	To generate a shared bridgebuilding culture between several cultures (with focus on both differences and similarities between several cultures)
<i>Focus</i>	Predominantly national cultures	All kinds of cultural identities
<i>Source of the intelligence</i>	Individuals	Individuals, groups or organizations
<i>Theoretical view of human nature/psychology</i>	Peoples views and reactions can be predicted	Peoples views and reactions must be experienced and explored in the situation
<i>The culturally intelligence person in a cultural encounter</i>	A skilled actor who imitates the person from the other culture	Is himself, but can turn off the autopilot and act on information
<i>Development and use of cultural intelligence</i>	CQ can be measured by a test	CI is assessed at the same time it is being developed

For my interviews, I will use Cultural Intelligence (CI) implemented by Plum (2008), since this theory goes more in depth when measuring the cultural intelligence in a holistic manner.

2.4 Some issues with China

There are many subcultures in china. This can therefore make the cultural dimensions problematic to adapt to each situation. Therefore, I will elaborate on some of the issues that apply to the Chinese way of thinking, and can affect the negotiations.

Guanxi

Guanxi is a term that is used to describe a relationship that have benefits. As to say that your personal or business connections can give you an “edge” or some other type of benefits.

It is also commonly used to describe networking, where the “guanxi” can give some opportunities that one normally would not have access to. “guanxi” needs to be maintained to survive, and it needs to appear to be voluntarily. In business setting, the “guanxi” is closely affiliated with corruption in the western context.

In china however, it is a normal practice, and do not necessarily even go into the idea of corruption. This type of guanxi can get past obstacles that normally would stand in the way of doing business, especially in a short certain timeframe (Yang, 2011).

It does not need to be based on cash, and is often just a part of negotiations, as if it seems you are given a better price for something, when the reality is that the Chinese businessperson had set the price higher so it would seem he gave some guanxi. However, over time, “guanxi” can deteriorate, so it needs constant maintenance. Also, the line between “good guanxi” and bribe can be very slim, so foreigners must tread carefully.

Communication

Communication can be verbal, and non-verbal. In the Chinese context, there are many things that needs to be considered in relation to this (Akgunes & Culpepper, 2012). As the Chinese tend to focus on the relationship and therefore might not discuss or explain every aspect of information, the counterpart needs to know exactly what the Chinese are implying when saying something.

Verbal communication

The Chinese people typically have a relatively loud way of negotiating amongst each other. They are not afraid of showing what they think about certain things. However, in some settings they conduct a middle way. This is usually the case when it comes to negotiating with

foreigners. They will however not encode all the information they want to deliver, and are reliant on certain underlying factors to deliver the message.

Nonverbal communication

As explained before, the nonverbal communication is the information given by the body language and how they display themselves. Chinese are sending messages without the verbal communication with the use of body language. Nevertheless, depending on the situation and setting, the negotiator will change in appearance when the relationship has developed between the two parts.

Losing face

The “losing of the face” is widely used in china. The “face” has been defined as the mixture of an individual’s self-respect and confidence (Dong & Lee, 2007). The meaning is that the public appearance of oneself, how one is perceived, and how one thinks of oneself, is reflected by the face. When one lose face, one of these are negatively affected.

The practice of not losing face is equally important towards strangers and family. As such, they will go to great lengths to preserve or gaining face during negotiations.

Therefore, it can sometimes be difficult to understand some decisions that are made, even though they might seem small. It could be as simple as the Manager needing to open the door himself when arriving the meeting. Not having an assistant to open this door would make him lose face, even though the western counterpart does not even notice it.

Likewise, they Chinese try to protect the face of the company, friends, family and business partners. If you for example say something that would make you lose face, they would pretend not to understand, or translating it into something more suitable.

3 Methodology

In this chapter I will explain the methodical approaches that are common when conducting research.

3.1 The research design and strategy

Saunders (2012) states that no research strategy is superior or inferior to any other type of strategy, and thereby it is important to have a clear research strategy. The strategy needs to be able to answer the research question and thereby meet the objective of the researcher. A research strategy can be divided into seven different categories; action research, archival research, case study, ethnography, experiment and survey. Also, Saunders explains that each category can be used for explanatory, exploratory and descriptive studies. Furthermore, some of these strategies can belong to either a deductive or inductive approach. Saunders has therefore assumed that the different choice of the strategy is xxx guided by the objective and questions of the researcher, towards the existing knowledge, time and resources available.

Saunders (2012, p. 159) states the following for the research design; “will be the general plan of how you will go about answering your research question. It will contain clear objectives derived from your research question(s), specify the sources from which you intend to collect data, how you propose to collect and analyse these, discuss ethical issues and the constraints you will inevitably encounter.” The purpose of an exploratory study, is to establish the casual relationship between the different variables. On these studies, there is an emphasis on studying a problem or a situation, and thereby can reason the relationships for the variables in question.

For this thesis, the chosen exploratory study. The exploratory study can give insight and understanding to a problem and so It can clarify the and give explanations to a problem.

3.2 Data Collection

Data collection is referred as collection of primary and secondary data material. A data collection is needed for a researcher to be able to answer a research question and thereby achieve the objectives that he has set out to do.

Primary data is collected by the researcher by firsthand experience. Secondary data can be collected in many ways, in example by looking at stock data or looking in the library (Ghauri & Usunier, 2003, p. 90). Collecting secondary data saves the researcher much time, but it is

important to keep in mind that the data available, might not have been collected for the same purpose as the one conducted by the researcher.

3.3 Operationalization

In this study, I present the concept Business Negotiation Process and the Cultural Intelligence. The idea is to show how both models affect each other on each independent level. The respondents in the study have different backgrounds, both educational and industry, and therefore have separate experiences from negotiation. During the interviews, I will ask questions that link up to each individual part of the different concepts, thereby being able to see how they interact with each other. The idea is to also use this information to find ways that negotiators from the west, specifically Norway, can adapt to the Chinese way of negotiating. The interviews will be conducted in such a way that the respondent doesn't know what the interview is about, so that they have no chance of preparing beforehand. I will also conduct follow-up interviews where this is necessary, to clarify the responses I get.

3.3.1 Framework for the qualitative interviews

To cover the cultural intelligence and the business negotiation process as best as possible, the in the framework are divided into the following categories; Demography, Negotiation process, Intercultural engagement, Intercultural communication, Intercultural understanding.

During the interview, the interviewer will have the possibility to ask questions that aren't listed in the interview guideline. This gives the interview the possibility to gain better access and understanding to/of the respondent and their reasoning. After the interviews, we will analyze the responses we received. In addition, we will analyze the experience that we had from the session. Even though the questions are segmented into different categories, it is important to understand that responses to the categories can be obtained on different areas.

3.3.2 Demography of the respondents

This section is intended to measure demography and the sub dimensions within. It will also create a basis to see if there are any differences between the demographics when comparing to the theories on Cultural Intelligence and the Business Negotiation Process.

To achieve this, I have asked the respondents the following questions:

A1 – The gender of the respondent?

The significance of this question for the interview guideline, is to discover if gender is influencing the business negotiation process.

A2 – What age are you?

The significance of this question for the interview guideline, is to discover if the age of the respondent influences the business negotiation process.

A3 – What education do you have?

The significance of this question for the interview guideline, is to discover if the level of education the respondent has influences the business negotiation process.

A4 – What position do you have in the company?

The significance of this question for the interview guideline, is to discover if the position of the respondent has an impact on the business negotiation process.

A5 – How many employees does the company have?

The significance of this question for the interview guideline, is to discover if the number of employees in the respondent's company influences the negotiation process.

A6 – What nationalities have you been doing negotiation with?

The significance of this question for the interview guideline, is to discover if the respondents experience with other nationalities influences the business negotiation process.

A7 – What countries have you done business in?

The significance of this question for the interview guideline, is to discover if the respondents experiences abroad influences the business negotiation process.

3.3.3 The negotiation process

To gain knowledge on the business negotiation process that the respondent has, I created the following questions.

B1 – How would you describe the different steps in the business negotiation process?

The significance of this question for the interview guideline, is to see if the respondent has an understanding that the Business Negotiation Process contains different parts.

B2 – What experiences do you have with negotiation in different cultures?

The significance of this question for the interview guideline is to see what (if any) experiences the respondent have with other cultures when it comes to negotiating.

B3 – What preparations do you do before the main negotiation?

The significance of this question for the interview guideline is to see if and how the respondent prepares for a negotiation.

B4 – Is there any differences when negotiating with Norwegians compared to Chinese?

The significance of this question for the interview guideline is to see the if there are any specific differences between negotiation in the local environment versus the Norwegian setting. This will also show how the respondent sees his own environment.

B5 – Is there any positive or negative sides when negotiating with Norwegians?

The significance of this question for the interview guideline is to see how the respondent is motivated to conduct negotiations with Norwegians. Likewise, it explores if and how the respondent is demotivated when doing negotiations with Norwegians.

3.3.4 Intercultural engagement

The questions regarding the intercultural engagement are asked to find (if any) correlating effects to our theories.

C1 – What drives you to motivate with other cultures?

The significance of this question for the interview guideline is to see that the motivations that the respondent has. The main idea is to get motivations for cross-cultural negotiations.

C2a – Does the business negotiation process interest you?

The significance of this question for the interview guideline is to see if the respondent has any personal motivation to conduct negotiations. This will again affect how the respondent conducts the cross-cultural negotiations.

C2b– If yes, can you describe what interests you?

The significance of this question for the interview guideline is to see if the respondent has any personal motivation to conduct negotiations. The question is aimed to explore deeper into the interest of the respondent.

C2c – Do you think your interests affect business negotiation process?

The significance of this question for the interview guideline is to see if the respondent see any connection between his own interests and the business negotiation process.

C3 – What part does the physical environment mean for you in the main negotiation process?

The significance of this question for the interview guideline is to see how the respondent relates to the environment and how it affects the main negotiation process, from the respondents view.

C4 – What emotions do you allow to occur in the negotiation process?

(In example: Loosing face, taboos, showing power)

The significance of this question for the interview guideline is to measure the effect of the emotional aspect in the negotiations.

C5 – Do you consider emotions to have a part of the negotiation process?

The significance of this question for the interview guideline is to see if the respondent attaches the emotions to be a part of the negotiation process.

C6 – What is the negative sides to showing the emotions during the negotiation process?

The significance of this question for the interview guideline is to see the respondents view on the effect of negative emotions on the business negotiation process.

C7 – What can distract you during the face to face negotiation?

The significance of this question for the interview guideline is to see if there are any notable distractions that the respondent feels is affecting the business negotiation process.

3.3.5 Communication

For the Intercultural communication, within Cultural Intelligence, the following questions were asked:

D1 – In what way do you communicate with the opposite party in the negotiation?

The significance of this question for the interview guideline is to measure the way that the two parts communicate, both conscious and unconscious actions.

D2 – What does the counterpart do first that you observe when you start the main negotiations?

The significance of this question for the interview guideline is to measure attitudes, and the way that the two parts communicate, both conscious and unconscious actions.

D3 – What topic do you start with first in the face to face negotiations?

The significance of this question for the interview guideline is to measure attitudes, and the way that the two parts communicate, both conscious and unconscious actions.

D4 – Has embarrassing situations occurred in main negotiations?

The significance of this question for the interview guideline is to measure attitudes, and the way that the two parts communicate, both conscious and unconscious actions.

D5 – Do you know any reasons for why these situations occur?

The significance of this question for the interview guideline is to measure attitudes, and the way that the two parts communicate, both conscious and unconscious actions.

D6 – In what way do you think the communication affect the negotiation process?

The significance of this question for the interview guideline is to measure attitudes, and the way that the two parts communicate, both conscious and unconscious actions.

3.3.6 Intercultural understanding

For the Intercultural Understanding, within Cultural Intelligence, the following questions were asked:

E1 – How do you think differences in culture affect the negotiation process?

The significance of this question for the interview guideline is to measure the respondent's knowledge of cultural affects towards the negotiation process.

E2a – Does some cultural behavior cause conflict during the face to face negotiation?

The significance of this question for the interview guideline is to measure the knowledge of misunderstandings in an intercultural negotiation setting.

E2b – If yes, how did you manage the conflict?

The significance of this question for the interview guideline is to measure the knowledge of misunderstandings in an intercultural negotiation setting and how it is handled.

E2c – If no, what factors are important to avoid this kind of conflict?

The significance of this question for the interview guideline is to measure the knowledge of misunderstandings in an intercultural negotiation setting and how it is handled.

E3 – What is your description of a cultural misunderstanding?

The significance of this question for the interview guideline is to measure the knowledge of cultural misunderstandings in general.

E4 – Is there any indications that shows when there is a misunderstanding during the face to face negotiation?

The significance of this question for the interview guideline is to measure the knowledge of cultural misunderstandings in general during communications and how these can be detected.

E5 – What differentiates the Chinese and Norwegian culture?

The significance of this question for the interview guideline is to measure if there are any difference in knowledge of cultures in an intercultural negotiation.

E6 – In what way do your cultural understanding of the counterpart affect the negotiation process?

The significance of this question for the interview guideline is to measure the knowledge of cultural understanding in an intercultural negotiation.

3.4 Introduction to Validity, Reliability and Generalization

The technical standpoint one views the three terms validity, reliability and generalization, have different meanings, depending on the philosophical view points; Positivism, constructivism. As shown in Table 2 below, the criteria's for judging the quality of research differ between them.

Table 2- Four perspectives on validity reliability and generalizability (Easterby-Smith, 2015, p. 103)

Viewpoint	Strong positivism	Positivist	Constructionist	Strong constructionist
<i>Validity</i>	Have the design excluded all rival hypotheses?	Does the design make it possible to eliminate plausible alternate explanations?	Have sufficient number of perspectives been included?	Does the study clearly gain access to the experiences of those in the research setting?
<i>Reliability</i>	Do the measures correspond closely to reality?	Do the measures used provide a good approximation to the underlying concepts of interest?	Will similar observations be reached by other observations?	Is there transparency about data collection and interpretation?
<i>Generalizability</i>	Does the study confirm or contradict existing findings in the same field?	Are the patterns observed in the sample data consistent with findings from other studies?	Is the sample sufficiently diverse to allow interferences to other contexts?	Do the concepts and constructs derived from this study have any relevance to other settings?

Positivism can be understood as a philosophical stance that emphasizes that knowledge should be gained through observable and measurable facts. The main key characteristic of positivism is objectivity, and according to positivism, there is only a single reality.

Constructivism states that reality is socially constructed. Constructivism relies on social constructs, and borders more on subjectivity as individuals create their perception. Likewise, constructivism states that there is no single reality.

3.5 Validity

Validity is, according to Easterby-Smith, “The extent to which measures and research findings provide accurate representation of the things they are supposed to be describing (Easterby-Smith, p. 89). Furthermore, Nahid Golafshani (2003) remarks that the validity is of great importance to the qualitative study. The individuality of the respondents in the interviews, can assist in increasing both the reliability and validity of the study.

3.6 Reliability

The meaning of reliability is the extent to which the later researcher that follows the same procedure as the first researcher can arrive at the same conclusions and findings. Pervez Ghauri explain that reliability is “the stability of the measure” (Ghauri & Grønhaug, 2010, p. 79). Therefore, the observations can be identified to problems concerning the use of in depth interviews. For qualitative, the reliability is perhaps not as equally important as it would be for a quantitative study. However, as Nahid Golafshani concludes that “both reliability, validity and the triangulation needs to be redefined in order to reflect the multiple ways of establishing truth (Golafshani, 2003). The reasoning behind this, is that there are multiple perceptions about a single reality, and can lead to different interpretations in the realism paradigm.

3.7 Generalization

According to Saunders (Saunders, Lewis, & Thornhill, p. 103), the implications of Table 2 is that people will use different criteria to assess and judge the quality of the research done. This will lead to different views on validity, reliability and generalizability.

The aim of the qualitative studies is not to generalize the findings. However, the transferability is important. The transferability is how the study can/will make other researchers in the same situation to believe that their situations are comparable to the one that is described in the study (Golafshani, 2003). The sample size is important for enabling results of a study to be generalized (Easterby-Smith). But when conducting a qualitative study like this, the reliability of the questions relevance is even more important. In this way, Qualitative and Quantitative often differ in sample size, but not generalization, when limited to the specific area of interest.

As for the reliability of this study, it is limited to the experience that the respondents have. The respondents are all from different industry and area in china, and as such there cannot be made any generalization towards either place or industry.

4 Analysis

In this chapter, I analyze the answers given by the respondents separately. To get a holistic result, I later proceed to analyze them collectively.

4.1 Company 1

The respondent is a co-founder and CEO of a company in the Guangdong province that produces parts for the electronics industry. He is 43 years old and his educational background is in Business management. He has experience with negotiation with German, American, Spanish and Norwegian and other Asian countries. The company has around 820 employees in China.

4.1.1 Cultural intelligence

Intercultural Engagement

Intercultural engagement is the first part in Cultural intelligence. As seen in from interview the respondent stresses the importance of creating and maintain a good relationship on a personal and professional level: “Our business has many foreign customers, and for our business to prosper, we need to be able to create good relationships.” Likewise, the first statement is also supported by a second statement: “The motivation is to keep them happy, and to do this, I try to create a good environments and positive relationship.” The statement further shows that the respondent shows good knowledge about creating a beneficial environment for both parts, as this is relevant to the background settings of the business negotiation process, an equal important to avoid a negation war on positions (Fisher & Ury, 2014, p. 39).

Another statement form he respondent is as follows: “It’s important to understand the motivation they have.” From this statement, we can see that the respondent has a good understanding of the different roles that is needed for a good negotiator and consultant to be able to detect the different attributes and motivations of the counterpart. This benefits of this is to be able to conduct problem solving in a better way (Bush, et al., 1997, p. 98).

Intercultural communication

Intercultural communication is the second part of Culture Intelligence (CI). The respondent states: “The language they use can be tricky also sometimes. We always try to hire an English translator.” This shows that the respondent knows that language between different cultures can lead to misunderstandings, and that they try to prepare as best as possible to diminish such potential problems. According to Brigit Zinzus (Zinzus, 2004, p. 76), it is usual to hire translators, but it is important that the translator must also be able to mediate between the two cultures. The respondent also states that “In many ways, body language play a good part in how we communicate when we don’t understand each other.” This shows that the respondent sees the importance of non-verbal communication during a negotiation, and therefore is able to see the different signs that the counterpart might show if he misunderstands or feels that there is something uncomfortable with the communication. Furthermore, this indicates that the respondent often uses the non-verbal communication to show his understanding of the negotiations. This is supported by another statement:

“Making sure the communication goes smooth is important” The statement shows that the respondent appreciates the communication going as smooth as possible, and therefore also explains why he uses the non-verbal communication to an extended degree.

In another statement, the respondent shows that he is willing to let the other part take lead in a negotiation: “If they want to take charge of the negotiation, that’s fine, because it is relatable.” From this we can interpret that he has knowledge about the importance of including the counterpart to the negotiations to achieve a good flow of communication and ensure that the counterpart will have a positive outcome from the negotiations (Fisher & Ury, 2014, p. 54).

Another statement that was made that supports the importance of non-verbal communication is as follows: “Using hands and facial expressions can be just as good to explain something.” The usage of non-verbal communication is something that is extremely useful to support the verbal communication. However, the non-verbal communication can also be a potential pitfall if it is not used in the correct way. Some cultures might respond negative to exaggerated non-verbal communication, and others might not share the same concept of gestures. Furthermore, there are also unconscious gestures that needs to be considered (Krauss, Chen, & Chawla), and if the negotiator is not aware of these gestures that he is making, the counterpart in a negotiation can take advantage of these signals.

Intercultural understanding

The intercultural understanding is the third and final part in Cultural Intelligence (CI). This part is based on the negotiators self-awareness when it comes to the interaction process and, what products they can deliver, and what level of mastery the negotiator has. The same goes for understanding the counterpart in the negotiation setting. The negotiator needs to know the abilities of the counterpart to aid in a successful business negotiation process. The respondent states: “I need to know my limits so I know if I need to get some extra help.” This shows that the negotiator understands the importance of knowing what limits he has when it comes to the negotiations process. Furthermore, he states: “We need to be prepared before the negotiations.” This again also supports that he has knowledge that they need to have a clear understanding of what they can bring to the negotiations and the need of information about the counterpart. The importance of comprehending the counterpart’s needs is presented by the next statement: “The negotiation process takes time, and this is important, so we really understand each other’s needs.” Here he shows that time is a relevant factor to getting to a common understanding of the goals of both parties during a negotiation. This statement also shows that he has a good understating to the different stages that the negotiating process consists of, and that they are interconnected during the when it comes to cultural intelligence in general.

He also states: “When we have negotiated many times, we learn more about the counterpart. This makes things easier in the future.” This further supports his knowledge on the benefits of understanding the counterpart, both in communication and interactions.

4.1.2 Business Negotiation Process

Technical Behavior

Technical Behavior is the first part of the business negotiation process. The respondent says that: “Sometimes, the customer wants only the cheapest solutions, even if we recommend better choices.” He explains that the company can deliver good quality products, but often they are told to tone down the quality to be able to deliver on lower prices. He also expresses that the customer doesn’t really understands the reasoning that they have behind making better quality products. The next statements support their reasoning for delivering better quality products: “This can result in a poorly made product and reflects on our company quite bad.” As we can gather from this, the respondent is worried that the low quality on products will reflect badly towards any potential future customers. This is relatable towards the concept of face and therefore also integrity.

He states that: “It’s important to know the details of what we can deliver.” From this we can see that it is important for the respondent to have a good knowledge of both technical and physical aspects of the products they can deliver. From this we can also take the conclusion that the negotiator would be well prepared before negotiations. We can from this see that technical aspects, preparations and communications are two factors that are important for the technical behavior during the business negotiation process.

Commercial behavior

Commercial behavior is the third and final stage in the Business Negotiation Process. The respondent states: “We try to make good deals, but we also understand that there are others that can deliver the same as we do. So, we want the other part to understand that they are making a good deal also, so negotiations on the price is important.” In this statement, we see that the respondent’s attitudes towards the economic obligations are good. He shows that it is important that both parts understand the benefits of the deal that is being negotiated. Price seems to be a major factor for the negotiator during the business negotiation process. This is supported by his next statement: “We discuss different aspects of products, but price is always a go to point when negotiating.” When it comes to the communication and how to convey the information, he states: “We try to simplify things so it’s easier for them to understand”

Social behavior

The social behavior is the third and last part of the business negotiation process. The respondent states: “They can sometimes say things that are straight forward without thinking. Things that are quite inconsiderate. I think this reflects bad conduct, and shows a negative behavior.” Here we can see that the respondent has experienced cultural aspect that reflects bad in his own cultural environment. His response shows that he doesn’t like when communication from the counterpart is somewhat negative. This shows not only that the respondent reacts negative to some other cultural environments, but also that he has experienced negotiating with someone that adapts poorly to his cultural environment. It affects the communication between partners, since it affects the process in a negative way. This is also confirmed by the following statement: “In the business setting, showing that negative attitude is not accepted. What I mean to say, is that we don’t want a relationship with anyone like that.”

The respondent states: “We might be angry and disappointed during negotiation, but we don’t show it. Never.” This reflects that he has considered that reaching negative to certain things can be a taboo in other cultures, and tries to adapt thereafter. This can be because of experience with other cultures that don’t accept this behavior, or it can be because his own business culture doesn’t accept it.

4.2 Company 2

The respondent is an agent for a fabric/clothes manufacturer in the Shaoxing province. He is 37 years and his educational background is in Business. His experience in negotiation is largely with European countries and India. He has also done negotiations with some south American countries. The company has around 270 employees in China, with a subsidiary in India with some 20 employees.

4.2.1 Cultural intelligence

Intercultural engagement

Intercultural engagement is the first part in Cultural Intelligence (CI). There respondent have different views on the motives and engagement, and the first statement is as follows:

“Problems are our friend. It’s not that we like problems, but solving them, is a way to create a good relationship with our partners.” In this statement, he stresses that even though he don’t like problems, he sees them as a motivational effect to generate good relationships between partners. This shows that the respondent keeps an emphasis both parties potential outcomes of a negotiation. When issues result in problem solving, the concern of partners goes from contending and yielding towards problem solving (Lewicki, Barry, & Saunders, 2007, p. 21).

The respondent states that “We try to create goodwill, and is vital for a stable and prosperous long lasting partnership.” Goodwill, in the setting as we see here, is often related to Guanxi. This is an important element in the Chinese business culture. The idea behind it, is to create indebtedness, and that in turn creates a basis for a long-lasting partnership. In Western cultures however, this is often seen as corruption (Burton & Stewart, 2008), but the culture basis is different in China and allows for this type of behavior. There is a limit to the Guanxi effect, and it can lead to corruption, instead of its intended usage. Therefore, it is important for the business partner to understand that the Guanxi is not based on expensive gift giving, but rather the meaning behind them. The word Guanxi translates as

relationships or networks. Therefore, it is possible to build a strong connection without bribes and gift giving. The important part is to realize that the connection is personal, and relates to how good the business partners know each other. By creating strong connections, the trust between the partners grow, and this again allows for better business.

The respondent states that: “I develop myself when creating good relationships, and that is important for creating future relationships.” Through this statement, we see that knowledge gained through intercultural engagement lead do the ability to create better relationships, not only with the counterpart in current negotiations, but also future negotiation partners. By this, the indication that knowledge gained will affects business negotiation process, is positive.

Intercultural communication

Intercultural communication is the second part of Cultural intelligence. The beginning of a relationship always starts with a first contact. This contact often consists of formal communications, and when the physical distances between the parts in a negotiation is big, the preferred way of communication is often email and phone. According to the respondent, the written correspondence and verbal communication over long distances can lead to misunderstandings, as he states: “When we do communication by email and phone, there is room for misunderstandings.” The respondent explains that because of this, it is better to communicate in a face to face setting, so they can understand more clearly if there is any problems. Because of the language barrier that exists when the cultures are that different, small or big misunderstandings is bound to happen. This will consequently influence both the potential outcomes of the negotiations, and the three behaviors that occur during the business negotiation process. While miscommunication is one thing that can be of consideration when establishing contact, another thing is engagement. Engagement in a negotiation is seen as a way to establish and show trust to the other partner. Because of different time zones, efficiency of the negotiation process also comes into play. Delayed responses and time consuming correspondence can be avoided by conducting negotiations face to face. As the respondent states: “It is better to communicate directly with the counterpart face to face. This way, we can immediately see when there is something wrong.”.

Furthermore, the respondent states that: “If there are misunderstandings with the verbal communication, the body language never lies.” By this statement, we see that the respondent clearly values the non-verbal and informal communication. When a business relationship

evolves, the possibility for misunderstanding decreases, since each of the parts begins to recognize the conscious and unconscious signals. Building the relationship between the partners are essential, especially when looking at the culture aspect we have discussed on Guanxi in the Literature review.

Intercultural understanding

Intercultural understanding is the third part of the Cultural Intelligence (CI). This part is based on how good the negotiators understand his own position when it comes to knowledge and details surrounding the product and interaction process itself. This also applies to understanding the counterpart in the negotiations. The respondent states: “I try to see if the buyer understands what we are talking about, and I often repeat things to make sure of this. “ The statement proves that he realizes the importance of the other part to understand what they can offer. It also reflects that he knows the importance of knowing what abilities they have and what they have to offer.

From the following statement, we see that the self-awareness towards the interaction process is evident: “Even if we are disappointed, we don’t show it. This can reflect badly and affect in negative unintended ways.” However, this could also mean that the respondent don’t emphasize that the understanding goes both ways, so that the counterpart understands his disappointment. There might be reasons for this, such as informational and emotional advantages (Ghauri e. a., 2003).

The respondent states: “It seems that sometimes they don’t care about the integrity, so long as they make an agreement. But we always try to let them keep it. Because we relate to this.” The idea of losing-face, is something that is widely known in China. It is important for the negotiator to keep his face/integrity during a negotiation. With his statement, he shows knowledge of his own culture, and tries to apply this towards the counterpart’s culture. Depending on the counterpart’s level of intercultural understanding, this can have both positive and neutral effects. If the counterpart is not aware of this cultural idea, they will probably not be affected, but if they know about it, it is likely that they will appreciate this type of gesture.

4.2.2 Business Negotiation Process

Technical Behavior

Technical behavior is the first part in the business negotiation process. One of the statements made by the respondent is as follows: “It happens that the buyer doesn’t even know all the technical parts and so the basis changes during negotiation, and that makes it difficult. “

When looking at this statement, we see that it is important to have good information about the product, both technical information, and information about quality. When conducting negotiations with foreign cultures, one of the advantages is that the technical aspects never change. By this, I mean that the standard measurements will always be the same, just in different languages. When it comes to quality and other specifications, like how the product is being produced, language can become a problem.

The respondent states that: “What the product we are making for them is used for, is sometimes hard for them to explain. This can result in bad products.” The background for this statement was a previous example that they produced a product for a client after specifications given, but the product they delivered didn’t meet the buyers intended use. This resulted in some problematic situations for the company, and he feared that this incident would reflect badly towards other potential customers.

Commercial behavior

Commercial behavior is the second stage in the Business Negotiation Process. The respondent state that: “It’s important to know who makes the decisions, and know who decide if they can buy.” In this statement, we can see that there is a good understanding of the business culture and the culture of the counterpart. The main indication of this statement is a suggestion that some individuals have more authority in a negotiation situation, something that is not uncommon, both in Asia and Western cultures.

He states further that: “We try to accommodate so we have equal terms.” That statement can be related to the understanding that both parties must see the negotiation as a way to gain something, for the negotiation to take place. This can be related to strategy and game theory and more importantly, the notion that the benefits in a relational outcome and future prospects is sometimes weighted more heavily than the substantive outcomes (McMillan, 1992, p. 25) (Lewicki, Barry, & Saunders, 2007, p. 79).

The emotional part of the aspects when it comes to business negotiations can often come in to play. The respondent states: “Don’t show negative emotions if they don’t understand. Sometimes it just takes time to comprehend.” He elaborates, that during the negotiation on delivery and reasoning behind pricing, the counterpart often uses some time to understand. His attitude towards discussing the obligations that are being negotiated, can be seen as empathic. So, we can conclude that he wishes to give the counterpart time to understand, since he has been in the same situation. The emotional attributes of the respondent is also strong here, as he understands that negative emotions can have a negative effect on the outcome of the business negotiation process. We can further deduce that this is connected to the cultural intelligence, since it shows cultural understanding towards non-verbal communication.

Social behavior

Social Behavior is the last part of the Business Negotiation Process. The respondent states: “Sometimes I deal with people that are only after making a contract as fastest possible. I think this is a rather bad way of doing business, since it doesn’t give any chance to develop a strong relationship. “ Here we see that the respondent strongly wants to create a good relationship with the counterpart. We can conclude that the negotiator wants to have longer negotiations because he wants to establish a long-lasting relationship, something that makes his personal attributes strong when it comes to social interaction. This is further supported by the following statement: “When we make contact, and do business, we generally want to make something long lasting.” He further states that: “It’s more that we want to be of equal benefits, and not only use each other.”

4.3 Company 3

The respondent is a sales representative for a plastics producer in the Tianjin province. He is 38 years old and have an educational background from engineering. His experience in negotiation is mainly with European countries. The company has around 520 employees in China.

4.3.1 Cultural intelligence

Intercultural engagement

The Intercultural engagement is the first part in Cultural Intelligence (CI). The following statement from the respondent supports that a good relationship on a professional and

personal level is important: “We conduct business different sometimes, because deals are not only made during the main negotiations, but also when we are doing social activities.” This is also supported by the second statement: “During a customer’s stay we take them out for dinner and drinking, and thereby creating an atmosphere where they can discuss more freely.” The motivation for the respondent to create a good atmosphere and doing business negotiations is largely supported by his wish to create good relationship. His idea towards combining business with other social arrangements is not uncommon in China, and the statements prove that he is motivated by this. Doing business in other social settings can also be beneficial for coming up with ideas for the negotiation, since it will lessen the stress of both parties, thus leading to more informal conversations. This will again lead to better personal connections and ease problem solving (Fisher & Ury, p. 90).

Intercultural communication

Intercultural communication is the second part in Cultural Intelligence (CI). This part is about how the respondent communicates and see the relevance of communication techniques in an intercultural negotiation setting. The respondent states: “We often do the calculations during meeting, so the buyer can see that we are actively trying to find solutions.”

Communication between partners that have different language and culture can be difficult. The respondent shows with this statement that he shows the calculations to make the counterpart understand that they are trying to find solutions. This shows that he understands that there can be room for misunderstandings, and communicating with signaling like this is a good way to show the counterpart that they are taking an active part in the negotiations. Further he states: “Discussions about price and product ideas is a really good way to create a common ground for understanding.” This statement is relatable to the fact that price is common ground, and thereby there are little room for misunderstandings. He explains that when communicating with clients, the price is the one point that they never have any problems during negotiations.

He also states: “It’s important to get along with the one you are negotiating with.” This shows that he appreciates that there is a positive atmosphere when doing negotiations. Having a good personal and professional relationship to the counterpart seems to be vital when during the business negotiation process.

Intercultural understanding

Intercultural understanding is the third and final part to Cultural intelligence. The respondent states: “They sometimes speak quite freely, and they have different values than we do.” From this we can see that the respondent understands the relevance of difference culture background and that he adapts towards it. The second statement support that he relates his own culture back to the counterparts: “However, they tend to appreciate the politeness, that we show.” He explains that even though they are speaking freely, he doesn’t comment on the behavior, and rather shows politeness in return.

He states that: “Negotiations are never the same.” He explains that the different nationalities have different ways of doing business, and that even though he negotiates with different groups from the same country, it is never the same background. This shows that he is aware if the differences in sub-cultures in a culture, and therefore try to adapt towards it as best as possible. His knowledge about the subject is also supported by his statement that:

“To know the culture of the counterpart is important, because then you can understand them better.” This leads to the conclusion that even though he doesn’t adapt to certain cultural aspects in a negotiation (i.e. speaking freely), he tries to understand the culture as best as possible, in an effort create a good basis for the business negotiation process.

4.3.2 Business Negotiation Process

Technical Behavior

The technical behavior is the first part in the business negotiation process. The respondent states: “We have many solutions to products. And what we cannot make ourselves, we can get someone else to make.” This shows that the negotiator prepares in advance with many solutions to problems that can occur during the business negotiation process. He also states that: “For to us to adapt during negotiations, we need to have full knowledge over what we can do.” This statement also supports that preparations are a vital element when conducting negotiations. He elaborates that the technical aspects of the products they can deliver is not always what they buyer wants. Therefore, they have alternate contracts with various contractors to be able to adapt if there is anything different they want.

From the statements, we see that they are aware of the importance of preparation before the negotiations begin.

Commercial behavior

The commercial behavior is the second part of the Business Negotiation Process.

The respondent states that: “Making deal on the numbers is the easy part. The buyer also wants to make deals on how we make the product, and not the product itself.” He explains that they have the technical issues for producing products can change depending on the buyer. Even though they have specific solutions to produce a certain product, the buyer wants to have it made in a specific way. This is sometimes an issue, since they don’t always have the same understanding towards the product. He also explains that they try to accommodate as best as possible with a interpreter, but the change in how the products are produces is not always logical to him. Furthermore, he states: “It’s quite hard to understand why, but they almost always want the cheapest solution.” He elaborates that even though they can make good quality on products, they often are asked to make shortcuts to make the product less expensive. From this we can gather that some of the counterparts he has met has been very specific and detailed.

While referring to an incident with the production of a product, he states: “They tend to overcomplicate things.” and this is further supported by the statement that:

“When we start negotiations, they are usually very specific and detailed.” The conclusion from these statements are that it is important to be specific and detailed in the beginning of a negotiation, so that the counterpart knows what you need. When things are discussed further, it is important that it is important to create

Social behavior

The Social behavior is the last part of the Business Negotiation Process. The respondent states: «We try to make them feel welcome. Westerners in general are much different from us, so we try to accommodate them, and try to include them as much as possible.”

From this we can draw conclusions towards that the respondent is aware of the social behavior of the negotiators will have an effect on the outcome of negotiations. By including the counterpart and making them feel welcome, he establishes trust and confidence. He explains the reasoning behind the inclusion of the counterpart with by this statement:

“It shows that we are interested in making business, and do what we can to accommodate. I think the Europeans really like this.” This shows that the respondent has a good grasp on the effect the social behavior in a business setting, and that it impacts the negotiation process. He also states: “To create a good and lasting relationship, curtesy is important.” This statement concludes that the attributes of the respondent are

heavily based on the ability to include the counterpart to create a good personal and professional relationship.

The next statement shows that the respondent has had some bad experiences during negotiations: “We know that we are different from Europeans, but making us losing integrity is not a good way to do business.” He explains that the counterpart not always appreciates to be included in the social settings, and that when he insists, they still turn him down. Furthermore, he states: “It’s important to show mutual respect, and be professional” This statement is somewhat contradictory, since he don’t accept that the counterpart turns his invitation down. This can be caused by miscommunications and therefore cannot be seen as something conclusive. However, this shows that the attributes that induces him to lose face, might also be the ones that makes it important for him to show mutual respect. These attributes can affect the business negotiation process.

4.4 Company 4

The respondent is a partner and agent with an electrics manufacturer in the Shenzhen province. He is 35 years old and his educational background is from engineering. He has experience with negotiating with Americans, German, Italian and the Scandinavian countries. The company has around 1100 employees in China.

4.4.1 Cultural intelligence

Intercultural engagement

Cultural engagement is the first part if the Cultural Intelligence(CI). The respondent states that: “I’m motivated by the fact that I can develop better skills by negotiation with other cultures.” This statement supports that he is driven to engage in intercultural negotiations, as to acquire a better skillset for the future. Furthermore, he states: “The better I’m able to understand what they need and want; the better I can deliver something of good value.” He is driven by the prospect of contributing to a smoother business negotiation process. This is also supported by the statement: “I always try to show understanding to the problems they have, and try to relate to them.” From this we can see that the relies on a good understanding of the counterpart.

Intercultural communication

Intercultural communication is the second part to Cultural Intelligence (CI). The respondent states: “It’s difficult to understand every technical aspect of something when we don’t know exactly what the product is for. “ By this statement, we see that the respondent

acknowledges the importance of good communication to lessen potential problems. He explains that there sometimes have been problems with production detected after a agreement is made, because the counterparts hadn't explained what the product was for. This caused extra expenses and time consuming changes to the product. He also states that; "The best way to communicate is face to face, because this way, we really know what they want." We can see that the ability to have discussions around the product and negotiate face to face is preferable to the respondent, possibly because of previous misunderstandings.

Intercultural understanding

The intercultural understanding is the last part of Cultural Intelligence (CI). Here we try to analyse the self-awareness of the negotiator, with base on the product, process and general knowledge about interaction during the business negotiation process. This is supposed to reflect both the self-awareness and awareness of the counterpart. The respondent states:

"We try to get information about them before we negotiate, because everyone is different." From this we see that the respondent is aware of the importance of knowing the counterpart. It is supported by the next statement: "People have different background, and that is important to understand." He explains that he has experienced many different cultures from the same country, and that he needs to know if the current negotiation counterpart differs from his previous experiences. The next statement also confirms this, but it also involves that he has a good understanding of the business negotiation process as it advances: "After some negotiations with a partner, we can more easily understand what they want." He shows the importance of interactions over time, and this relates directly to understanding the other cultures and thereby relating to it, seeing as the knowledge on what they want grows over time.

4.4.2 Business Negotiation Process

Technical Behavior

Technical behavior is the first part in the Business Negotiation Process. The respondent states: "It's important to have Knowledge on what we can deliver, and on what prices, before the negotiations. In this way, we have more control over the cost on our part." Preparation and planning seems to be the key element in this statement. He elaborates that they always have some backup plans so they will be able to accommodate different demands from the buyer (i.e. contractors). He supports this with another statement that: "It makes the

process time efficient for both parts.” He elaborates, that the more prepared they are in advance, the better and faster the communication works in the business negotiation process.

These statements together confirm that the communication goes smoother the more prepared the negotiator is in advance. Alternate solutions can be made, if the negotiator is well prepared.

Commercial behavior

The Commercial Behavior is the second part of the Business Negotiation Process. The respondent states:

“Negotiating with Westerners can be strange. We need to know who makes the decisions, but sometimes they decide together.”

By this, the respondent shows that he needs to know who makes the decisions, so that he can adapt better when discussing and negotiating. He also states:

“Like with any partners, we want a long-lasting relationship, so we try to adapt on the go. Adapting takes time, because we don’t always understand what they want, and sometimes they don’t even know that themselves.”

He explains that he is referring to the terms of the contracts being negotiated. It’s not always that the customer has a clear idea as to how everything should be, and therefore it makes it difficult to get the right terms in the agreements. He states:

“When they are complicated, we adapt but and try to simplify things. That makes it’s easier to negotiate.”

This is seen as how the respondent tries to communicate clearly to the customer, even though the situations can be complex. This shows that he has an attitude towards problem solving when discussing the agreements.

Social behavior

The Social Behavior is the third and last part of the Business Negotiation Process. The

respondent states: “When discussing with buyers, they often don’t understand that we need to adapt to deliver on a product.”

He also says that: “Language and culture can make some misunderstandings, like when we try to make a joke. But I think this is mostly because of language.” In these two statements, we see that the respondent thinks that the business negotiation process can be negatively affected by language problems. He also

informs that: “Mutual respect is important in the negotiation environment.” Here we see that the respondent has considered the possible outcomes from the possible misunderstandings, and is aware of the communication problems. In these statements, we see

that communication is somewhat of a problem during the business negotiation process. In this way, we can conclude that communication affects the situation.

4.5 Compiled analysis of the interviews

4.5.1 Demography

From my analysis of the interviews, it appears that the age of the respondent didn't have any specific impact on the business negotiation with foreign companies. Furthermore, there was no apparent relation between the education and influence on the business negotiation Process. I assume that educational background has no effect on the business negotiation process. However, the reasons behind this can be that all the respondents had solid experience with negotiations. The respondents are from different areas in China, and therefore we cannot draw any conclusions as to differences between these areas. They all where form different industries, and there was no apparent difference on how they conducted business. I have not been able to determine any difference in gender, seeing as all the respondents where male.

4.5.2 Cultural intelligence

The first part of Cultural Intelligence(CI) is the Intercultural Engagement. When we look at the four interviews, we see that creating good and stabile relationships is a common factor. The respondents develop their skills by negotiation with other cultures. They want to have a good atmosphere to make the relationships prosper and thereby create good professional and personal contacts. The respondents show that they try to create a better understanding of the counterparts, in order to deliver solid values to the company and negotiation. After reviewing the audible interviews, I have found that the Cultural Engagement from all respondents, is connected to all the parts in the Business Negotiation Process.

The second part of Cultural Intelligence(CI) is the Intercultural Communication. From the interviews, I have found that the influence from Intercultural Communication is on all aspects of the Business Negotiation Process for all respondents. Further, the respondents often rely on the non-verbal communication to express understanding, or convey information. From this we can conclude that the non-verbal communication is used for supporting the information given and received, thereby constructing a special environment that makes it easier for all parts to understand each other. The reason behind this is that they experience miscommunications when only using the verbal forms of communication. Likewise, the written correspondence also seems to give some room for misunderstandings. Therefore, they prefer to convey information and conduct negotiations face to face.

The third part of Cultural Intelligence(CI) is the Intercultural Understanding. In the audible interviews, I have found that the influence affect all aspects of the business negotiation

process. I see that all the respondents have some understanding towards the importance of knowing the counterparts cultural background. The exception is the respondent from company two (C2). This leads me to exclude this respondent in the interaction to the social behavior aspect in the Business Negotiation Process. Apart from this company, we see that all the other companies correspond to all the aspects from the Intercultural understanding.

4.5.3 Business Negotiation Process

The first part of the Business Negotiation Process is the Technical Behavior. The most common response from the interviews, was that the technical language often is used, and that the buyers not necessarily always know the exact specifications that they want. The resulting effect is that the technical aspects changes, and this can lead to faulty or bad products. They also stress the importance of being prepared. By this they affirm that the technical aspects and solutions they can provide needs to be gathered before they do negotiations. Also, they have a tendency to make different solutions to accommodate needs of the customers that they themselves cannot deliver. By doing this, they create a problem-solving sphere around the business negotiation process. The respondents also say that counterparts are very specific and not too lenient when it comes to solutions that they have for producing products. When analyzing the interviews, I found that the Cultural Intelligence is affected in all aspects by the Technical behavior from all the companies.

The second part of the Business Negotiation Process is the Commercial Behavior. The respondents emphasize that it is important that both parties understand the potential benefits from the agreements. The economical aspect of price seems to be a common factor when communicating. What is meant by this, is that the price point of an agreement is somewhat of a “go-to” subject to understand the benefits and communicate clearly. Simplifying the conversations seems to be the best way to avoid any misunderstandings. Through analyzing the audible interviews, I see that the commercial behavior influences all the different aspects of Cultural Intelligence.

The third part of the Business Negotiation Process is the Social Behavior. Here we see that the respondents say that the negotiation takes time, and that the relationship gets stronger over time. Likewise, the business negotiation process gets a more relaxed atmosphere when the relationship evolves. Who one should negotiate with is also something that comes to mind for all the respondents. This part evolves around trust and reliability of the counterpart. Common for all the respondents is that they mention that personal contact is of importance to

establishing trust and enhance the relationships. In this way, the communication evolves and also generates good personal and professional contact. After analyzing the audible interviews, I conclude on that the Social behavior interacts with all the aspects of the Cultural Intelligence.

Table 3 - Interactions between The Business Negotiation Process and Cultural Intelligence

		Business Negotiation Process		
		Technical behavior	Commercial behavior	Social Behavior
Cultural Intelligence	Intercultural Engagement	C1,C2,C3,C4	C1,C2,C3,C4	C1,C2,C3,C4
		C1,C2,C3,C4	C1,C2,C3,C4	C1,C2,C3,C4
	Intercultural Communication	C1,C2,C3,C4	C1,C2,C3,C4	C1,C2,C3,C4
		C1,C2,C3,C4	C1,C2,C3,C4	C1,C2,C3,C4
	Intercultural Understanding	C1,C2,C3,C4	C1,C2,C3,C4	C1,C3,C4
		C1,C2,C3,C4	C1,C2,C3,C4	C1,C2,C3,C4

The presentation of the interactions of Cultural Intelligence (CI) and the Business Negotiation process resulted in the table as shown above. With this result, I conclude that interactions between The Business Negotiation Process and Cultural Intelligence happens on all the different dimensions presented by the theories. That is, all sub dimensions of Cultural intelligence, interacts with all the sub cultures of the Business Negotiation Process, and vice versa.

5 Adapting to the Chinese Negotiation

Here I present the suggested adaptations for the Chinese negotiation environment, based on the responses from the interviews and the Theories on Culture and Negotiation.

Although there was no apparent difference in the Chinese adapted to the Norwegian counterparts compared to westerners in general, we still have found some indicators on how one can adapt in negotiations. From the interviews, we have seen that some negotiators adapt better than others. There is however some common ground to the responses that I have from the respondents. Doing negotiations in China should be viewed as a mechanism to build trust between two parties, and thereby ensure that the negotiators are committed to find solutions that benefits both parties in the business negotiation process. The negotiator also need to consider that this idea of negotiation also is based on that a long-term relationship is the goal. In this context, the negotiations itself can take time since it's not about that single agreement, but rather establishes a better ground for multiple agreements in the future. As such, the idea of negotiations differs from the single purpose negotiations in the west.

The negotiators adapting towards the Chinese way of negotiation, must therefore acclimate the negotiation style towards a more personal way of negotiating. Strategic planning for how the negotiations should be conducted is therefore needed. A good way to adapt could be to settle quick on specific contract terms, while leaving room for growing the relationship on less important contract issues.

Knowledge about the Chinese counterpart is also important. With this I mean the interpersonal and organizational levels, motivation and knowledge. Cultural knowledge is also important. One of the reasons for this, is that the Chinese negotiation partners can be selected because language. So, this means that some of the negotiation partners might not actually be making decisions, rather just representing the company because of language proficiency. Another reason to gain knowledge on the Chinese counterpart, is the transparency in the organizational, or rather the lack of transparency. Background checks will therefore aid the negotiator in deciding if there are any good reasons to engage in negotiations. The negotiator also needs to consider the relevant material and immaterial values that the strengths and weaknesses of the Chinese counterpart portrait.

As seen in the theories on cultural intelligence (CI and CQ), gaining knowledge and having the ability to use this knowledge is key to negotiate in other cultures. If, the negotiator doesn't have any relevant knowledge prior to engaging in negotiations, it seems that common social

courtesy applies to the Chinese environment. By this, I mean that the negotiators ability to suppress bad feelings and acting neutral, can have a positive effect in the long run, rather than using his own culture. This is because the Chinese normally will try to adapt to the counterpart.

Also, since the integrity and culture for “losing/gaining face” has strong foothold in China, not losing face oneself and not making the counterpart lose face will have a positive effect on both the negotiation and relationship.

Furthermore, the local environment that the negotiation involves is also important. The Chinese assumes the western counterpart to understand the local context in which the negotiation takes place (i.e. local laws, local industry, stakeholders etc.). By this reasoning, the negotiator gains more credibility with the Chinese counterpart by attaining this knowledge. This information needs to be gathered in the pre-negotiation stage.

When the negotiator gets to know the Chinese counterpart, as well as oneself, the layout for the negotiation strategy can begin to form.

Commitment is represented as a common idea for the ideal business relationship in china. This means that even though a deal was struck on something, the negotiations can continue even longer. This is because signing a deal would mean stepping up the relationship between the partners, and therefore would mean more interaction and negotiation. One of the reasons for this is that the Chinese have a more holistic way of thinking, and therefore often concern with the bigger picture than the small details (Graham & Lam, 2003). This differs from the western views, where the signing of a contract generally means the end of a negotiation.

In short, the negotiator entering Chinese negotiation territory should be able to have a good knowledge of the Chinese culture. He/she needs to be sincere and show respect, while also being able to listen. Stating the objectives and having a clear way of communicating should be some key point from the start, so there are no room for misunderstanding. When reaching out to the potential partner, they need to be prepared to commit on both a professional and personal level. Creating strong relationships prior to engaging in the actual negotiations could be a good adaptation to the Chinese, since this will make the Business Negotiation Process less time consuming.

6 Final conclusions

The purpose of this study was to gain insight to how the Business Negotiation Process and Cultural intelligence affect each other. Also, I wanted to study how the negotiators can adapt to the Chinese way of negotiation.

6.1 Summary

The study that I conducted will enable negotiators to see the cultural impact on the way that the Chinese do business. It will by no means give a new paradigm of understanding on how negotiations are best performed, but it will affirm why understanding cultural differences are important. However, the conclusions and information gained, can be of help to negotiators aiming for a successful negotiation in China. Cultural intelligence plays an important role for making the most of the cultural knowledge and planning, conducting and evaluating the negotiations. Culture can, as suggested by the theories in the Literature review, have a large impact on the success of international businesses. The differences between the Chinese culture, business and negotiation practices compared to the western styles are large. When the companies from the respective cultures conduct negotiations, there are room for some large misunderstandings.

My research questions were as follows:

“Do the Business Negotiation Process and Cultural intelligence affect each other?”

“How can Foreign negotiators adjust to manage the Chinese negotiation environment?”

6.2 Conclusions

With basis on the literature review and theory chapters, we can see that there definitively is culture at play when two parts are conducting negotiations. Furthermore, the Chinese way of conducting business are in many ways different from what western cultures are accustomed to. The results from the interviews show that the two concepts of Cultural Intelligence and Business Negotiation Process interact with each other, as seen in Table 3.

Furthermore, the results from the interviews have given insight into how negotiators can adapt to the Chinese negotiations. The Chinese adaptation on negotiation with the western culture was specifically interesting to analyze. I'm excited to have been able to see on why and how they adapt.

Obviously, monetary gains from trade makes negotiations work, despite the pitfalls of culture. The idea behind research and studies on the subject are to make better international commercial transactions. It is not only the businesses that can profit from this, but also the relationships between countries.

6.3 Self-Criticism

The first flaw in the study, was that the only candidates that I had time to interview was male, and therefore I could not compare gender in this study.

The second flaw in the study was the focus of the guideline. It was mainly on the Cultural Intelligence. I did ask some follow-up questions during the interviews that aren't in the interview guide, to get better coverage on the Business Negotiation Process.

Third flaw in the study was that I was unable to observe some of the candidates, and thereby was unable to compare the different behaviors during the interview.

Fourth and final flaw was time and literature related. I found it difficult to find proper literature that covered the area that I wanted to study. More literature would have given the study a more rounded edge.

Suggestions for further studies

In future research, the researchers could possibly study if culture affects and affects the Business Negotiation Process In a different way within an industry cluster. This can give grounds for further research to see if there are connections between internal economies of scale that are exposed heavily to external forces, and changes in the cultural dimensions. Perhaps there are links between some elements in international trade and the culture change that are yet to be explored. Since china has been exposed quite rapidly the last decades, there is a possibility that there has been changes in the negotiation culture. It could be interesting to see the difference in change the last 30 years or so and see if they can be connected to any specific events or changes. There are also possibilities for conducting qualitative studies on the subject. This could possibly highlight regional differences within a nation.

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Appendices

Appendix I – Interview guide in English Demography

A1 – The gender of the respondent?

A2 – What age are you?

A3 – What education do you have?

A4 – What position do you have in the company?

A5 – How many employees does the company have?

A6 – What nationalities have you been doing negotiation with?

A7 – What countries have you done business in?

The Negotiation Process

B1 – How would you describe the different steps in the business negotiation process?

B2 – What experiences do you have with negotiation in different cultures?

B3 – What preparations do you do before the main negotiation?

B4 – Is there any differences when negotiating with Norwegians compared to Chinese?

B5 – Is there any positive or negative sides when negotiating with Norwegians?

Intercultural engagement

C1 – What drives you to motivate with other cultures?

C2a – Does the business negotiation process interest you?

C2b– If yes, can you describe what interests you?

C2c – Do you think your interests affect business negotiation process?

C3 – What part does the physical environment mean for you in the main negotiation process?

C4 – What emotions do you allow to occur in the negotiation process?

(In example: Loosing face, taboos, showing power)

C5 – Do you consider emotions to have a part of the negotiation process?

C6 – What is the negative sides to showing the emotions during the negotiation process?

C7 – What can distract you during the face to face negotiation?

Communication

D1 – In what way do you communicate with the opposite party in the negotiation?

D2 – What does the counterpart do first that you observe when you start the main negotiations?

D3 – What topic do you start with first in the face to face negotiations?

D4 – Has embarrassing situations occurred in main negotiations?

D5 – Do you know any reasons for why these situations occur?

D6 – In what way do you think the communication affect the negotiation process?

Intercultural understanding

E1 – How do you think differences in culture affect the negotiation process?

E2a – Does some cultural behavior cause conflict during the face to face negotiation?

E2b – If yes, how did you manage the conflict?

E2c – If no, what factors are important to avoid this kind of conflict?

E3 – What is your description of a cultural misunderstanding?

E4 – Is there any indications that shows when there is a misunderstanding during the face to face negotiation?

E5 – What differentiates the Chinese and Norwegian culture?

E6 – In what way do your cultural understanding of the counterpart affect the negotiation process?

Appendix II – Interview guide in Chinese

回答者的人口信息

A1-请问你的性别是？

A2-请问你的年龄？

A3-请问你的受教育程度？

A4-请问你在公司的职位是？

A5-请问该公司有多少员工？

A6-你和哪些国家合作过？

A7-你在哪些国家做过生意？

谈判过程

B1-你怎样描述在商业谈判中的不同步骤？

B2-你对在和不同文化间的谈判有什么样的经验？

B3-在主要谈判前你都会做哪些准备？

B4-和挪威人谈判跟和中国人谈判有什么差别吗？

B5-和挪威人谈判的积极面和消极面？

跨文化交往

C1-什么促使你和其他文化进行交流？

C2a-商业谈判过程吸引你吗？

C2b-如果商业谈判吸引你，你能描述一下什么吸引你吗？

C2c-你认为你的兴趣会影响商业谈判过程吗？

C3-在主要的商务谈判中，你认为那部分物理环境对你来说是有意义的？

C4-在谈判过程中，你会允许什么情绪出现？

（例如：丢脸，忌讳，炫耀能力）

C5-你是否认为情绪是谈判过程中的一部分？

C6-在谈判过程中表现情绪的负面影响？

C7-在面对面的谈判中，什么会转移你的注意力让你分心？

交流

D1-在谈判中你如何与对方进行交流？

D2-当你进行主要谈判时，你观察到对手先做什么？

D3-在面对面交谈中，你会以什么话题开场？

D4-在主要谈判中出现过尴尬的情形吗？

D5-你知道为什么会发生这种情况吗？

D6-你认为交流会以什么方式来影响谈判过程？

文化间理解

E1-你认为文化差异会怎样影响谈判过程？

E2a-在面对面谈判中，一些文化行为会导致冲突吗？

E2b-如果是，你怎样处理这些冲突？

E2c-如果不是，那些因素对于避免这些冲突是重要的？

E3-你对文化误解的描述是什么？

E4-在面对面的谈判中，有什么迹象能表明有误解发生了吗？

E5-什么区别了中挪文化？

E6-你对对手文化的理解以什么方式影响谈判进程？

Appendix III – Excerpts from the interviews in English Company 1

Cultural intelligence

Intercultural engagement

- 1- Our business has many foreign customers, and for our business to prosper, we need to be able to create good relationships.
- 2- The motivation is to keep them happy, and to do this, I try to create a good environments and positive relationship.
- 3- It's important to understand the motivation they have.

Intercultural communication

- 1- The language they use can be tricky also sometimes. We always try to hire an English translator.
- 2- In many ways, body language play a good part in how we communicate when we don't understand each other.
- 3- Making sure the communication goes smooth is important
- 4- If they want to take charge of the negotiation, that's fine, because it is relatable.
- 5- Using hands and facial expressions can be just as good to explain something.

Intercultural understanding

- 1- I need to know my limits so I know if I need to get some extra help.
- 2- We need to be prepared before the negotiations.
- 3- The negotiation process takes time, and this is important, so we really understand each other's needs.
- 4- When we have negotiated many times, we learn more about the counterpart. This makes things easier in the future.

Company 2

Cultural intelligence

Intercultural engagement

- 1- Problems are our friend. It's not that we like problems, but solving them, is a way to create a good relationship with our partners.
- 2- We try to create goodwill, and is vital for a stable and prosperous long lasting partnership.
- 3- I develop myself when creating good relationships, and that is important for creating future relationships.

Intercultural communication

- 1- When we do communication by email and phone, there is room for misunderstandings.
- 2- It is better to communicate directly with the counterpart face to face. This way, we can immediately see when there is something wrong.
- 3- If there are misunderstandings with the verbal communication, the body language never lies.

Intercultural understanding

- 1- I try to see if the buyer understands what we are talking about, and I often repeat things to make sure of this.
- 2- Even if we are disappointed, we don't show it. This can reflect badly and affect in negative unintended ways.
- 3- It seems that sometimes they don't care about the integrity, so long as they make an agreement. But we always try to let them keep it. Because we relate to this.

Company 3

Cultural intelligence

Intercultural engagement

- 1- We conduct business different sometimes, because deals are not only made during the main negotiations, but also when we are doing social activities.
- 2- During a customer's stay we take them out for dinner and drinking, and thereby creating an atmosphere where they can discuss more freely.

Intercultural communication

- 1- We often do the calculations during meeting, so the buyer can see that we are actively trying to find solutions.
- 2- Discussions about price and product ideas is a really good way to create a common ground for understanding.
- 3- It's important to get along with the one you are negotiating with.

Intercultural understanding

- 1- They sometimes speak quite freely, and they have different values than we do.
- 2- However, they tend to appreciate the politeness, that we show.
- 3- Negotiations are never the same.
- 4- To know the culture of the counterpart is important, because then you can understand them better.

Company 4

Cultural intelligence

Intercultural engagement

- 1- I'm motivated by the fact that I can develop better skills by negotiation with other cultures.
- 2- The better I'm able to understand what they need and want; the better I can deliver something of good value.
- 3- I always try to show understanding to the problems they have, and try to relate to them.

Intercultural communication

- 1- It's difficult to understand every technical aspect of something when we don't know exactly what the product is for.
- 2- The best way to communicate is face to face, because this way, we really know what they want.

Intercultural understanding

- 1- We try to get information about them before we negotiate, because everyone is different.
- 2- People have different background, and that is important to understand.
- 3- After some negotiations with a partner, we can more easily understand what they want.

Company 1

Negotiation process

Technical Behavior

- 1- Sometimes, the customer wants only the cheapest solutions, even if we recommend better choices.
- 2- This can result in a poorly made product and reflects on our company quite bad.
- 3- It's important to know the details of what we can deliver.

Commercial behavior

- 1- We try to make good deals, but we also understand that there are others that can deliver the same as we do. So, we want the other part to understand that they are making a good deal also, so negotiations on the price is important.
- 2- We discuss different aspects of products, but price is always a go to point when negotiating.
- 3- We try to simplify things so it's easier for them to understand

Social behavior

- 1- They can sometimes say things that are straight forward without thinking. Things that are quite inconsiderate. I think this reflects bad conduct, and shows a negative behavior.
- 2- In the business setting, showing that negative attitude is not accepted. What I mean to say, is that we don't want a relationship with anyone like that.
- 3- We might be angry and disappointed during negotiation, but we don't show it. Never.

Company 2

Negotiation process

Technical Behavior

- 1- It happens that the buyer doesn't even know all the technical parts and so the basis changes during negotiation, and that makes it difficult.
- 2- What the product we are making for them is used for, is sometimes hard for them to explain. This can result in bad products.

Commercial behavior

- 1- It's important to know who makes the decisions, and know who decide if they can buy.
- 2- We try to accommodate so we have equal terms
- 3- Don't show negative emotions if they don't understand. Sometimes it just takes time to comprehend.

Social behavior

- 1- Sometimes I deal with people that are only after making a contract as fast as possible. I think this is a rather bad way of doing business, since it doesn't give any chance to develop a strong relationship.
- 2- When we make contact, and do business, we generally want to make something long lasting.
- 3- Its more that we want to be of equal benefits, and not only use each other.

Company 3

Negotiation process

Technical Behavior

- 1- We have many solutions to products. And what we cannot make ourselves, we can get someone else to make.
- 2- For to us to adapt during negotiations, we need to have full knowledge over what we can do.

Commercial behavior

- 1- Making deal on the numbers is the easy part. The buyer also wants to make deals on how we make the product, and not the product itself.
- 2- It's quite hard to understand why, but they almost always want the cheapest solution.
- 3- They tend to overcomplicate things.
- 4- When we start negotiations, they are usually very specific and detailed.

Social behavior

- 1- We try to make them feel welcome. Westerners in general are much different from us, so we try to accommodate them, and try to include them as much as possible.
- 2- It shows that we are interested in making business, and do what we can to accommodate. I think the Europeans really like this.
- 3- To create a good and lasting relationship, curtesy is important.
- 4- We know that we are different from Europeans, but making us loosing integrity is not a good way to do business.
- 5- It's important to show mutual respect, and be professional

Company 4

Negotiation process

Technical Behavior

- 1- It's important to have Knowledge on what we can deliver, and on what prices, before the negotiations. In this way, we have more control over the cost on our part.
- 2- It makes the process time efficient for both parts.

Commercial behavior

- 1- Negotiating with Westerners can be strange. We need to know who makes the decisions, but sometimes they decide together.
- 2- Like with any partners, we want a long-lasting relationship, so we try to adapt on the go. Adapting takes time, because we don't always understand what they want, and sometimes they don't even know that themselves.
- 3- When they are complicated, we adapt but and try to simplify things. That makes it's easier to negotiate.

Social behavior

- 1- When discussing with buyers, they often don't understand that we need to adapt to deliver on a product.
- 2- Language and culture can make some misunderstandings, like when we try to make joke. But I think this is mostly because of language.
- 3- Mutual respect is important in the negotiation environment.

Appendix IV – Excerpts from the interviews in Chinese Company 1

文化智能（一种能够从容应对国家文化、企业文化和职业文化的能力）

跨文化交际

- 1- 我们的生意有很多外国客户，为了生意更加繁荣昌盛，我们需要与客户创造良好的合作关系。
- 2- 公司的宗旨是让客户满意开心，为了达到这一宗旨，我努力营造良好的环境和积极互动的关系。
- 3- 非常重要的一点是我们要明白客户的需求。

跨文化交流

- 1- 他们的语言有时候也会生涩难懂。我们总是尝试请一名翻译。
- 2- 在许多方面，当我们不理解对方想要表达什么的时候，肢体语言起到一个很好的作用。
- 3- 确保交流过畅顺是非常重要的。
- 4- 如果他们想掌控谈判，先不要着急，没关系，因为这是可以理解的。
- 5- 使用手势和面部表情可以表达很多东西。

跨文化理解

- 5- 我需要知道自身的极限因此才能知道自己是否需要额外的帮助。
- 6- 我们需要在谈判前充分准备。
- 7- 谈判是需要时间的，而且这是非常重要的一点，因为我们才能充分理解互相的需要。
- 8- 当我们已经谈判很多次了，我们就越了解对方。而这令将来的合作更加顺畅。

Company 2

文化智能（一种能够从容应对国家文化、企业文化和职业文化的能力）

跨文化交际

- 4- 问题是我们的朋友，并不是说我们喜欢问题，反而解决问题是一种与合作者创建良好关系的方式。
- 5- 我们力求创造善意，这一点对于稳定和繁荣长久的伙伴关系至关重要。
- 6- 创造良好关系的同时也增值了自身，更重要的是给未来的关系打下基础。

跨文化交流

- 4- 在使用邮件和手机交流过程中，难免会发生误解。
- 5- 最好是与对方面对面直接交流。这样，我们可以马上知道什么地方出了问题。
- 6- 如果在口头交流中出现误解，但肢体语言是不会撒谎的。

跨文化理解

- 4- 我时刻关注买家是否明白我们在谈论什么，并且我经常重复我们讨论的东西，确保对方清楚明白。
- 5- 即使我们没有合作成功，我们不会表现出来。如果表现出来是一种不好的反应，并且会是一种你意想不到的负面影响。
- 6- 有时他们不关心诚信，只要他们达成协议。但是我们总是试图让他们遵守。因为我们彼此有紧密关系。

Company 3

文化智能（一种能够从容应对国家文化、企业文化和职业文化的能力）

跨文化交际

- 3- 我们做生意有不同的方式，因为交易不只是在主谈判中完成的，也在社交中与合作者完成交易。
- 4- 谈生意的时候我们会带客户出去吃饭喝酒，酒足饭饱后可以在饭局中形成一种自由讨论的氛围。

跨文化交流

- 4- 在交易中我们经常计算对方的成本，因此买家可以看出我们是积极寻找解决方案的。
- 5- 关于价格和产品设计的讨论是一种良好的理解方式，从中我们可以找到共同点。
- 6- 与客户打好交道的非常重要的。

跨文化理解

- 5- 他们有时候会自由地说话，而且他们的价值观与我们不同。
- 6- 但是，他们倾向于赞赏我们展示的礼貌。
- 7- 永远不会有相同的谈判。
- 8- 了解对方的文化是非常重要的，因为你可以更好地理解他们。

Company 4

文化智能（一种能够从容应对国家文化、企业文化和职业文化的能力）

跨文化交际

- 4- 我突然意识到通过与其它文化的交流可以提高自身的能力。
- 5- 越清楚了解客户的需求，越能提供高质量的产品给客户。
- 6- 我总是试图对他们所遇到的问题表示理解，并尝试站在他们的角度解决问题。

跨文化交流

- 3- 当我们不确切了解产品功能时，是非常困难去理解这个产品的每一个技术方面。
- 4- 最好的交流方式是面对面，面对面谈判的时候，我们更好理解他们的需求。

跨文化理解

- 4- 在谈判前我们尝试了解对方的信息，因为每个人都是不同的。
- 5- 要去懂得每一个人都有不同的背景是很重要的。
- 6- 与合作伙伴经过一些谈判后，我们可以更容易领会他们想要什么。

Company 1

谈判过程

技术行为

- 1- 有时候尽管我们推荐了更好的选择，顾客也只是想要最便宜的解决方案。
- 2- 这就会导致低质量的产品，并且反映出我们公司很差。
- 3- 知道我们可以交付产品的细节是很重要的

商业行为

- 4- 我们尝试去做好交易，但是我们都明白有其他人也可以提供和我们一样的产品或者服务。所以我们想让对方也觉得他们做得很好，所以议价就显得很重要了。
- 5- 我们讨论产品的不同方面，但是在谈判中价格总是会被谈到的。
- 6- 我们试着去简化事情，所以对方就更加容易去理解。

社会行为

- 4- 他们有时候可能会直接说出一些没有经过思考的事情，这些事情都是考虑不周的，我想这就反映出坏的行为并且是一个负面的举止。
- 5- 在商业环境下，表现出负面的态度是不被接受的。我想说的是，我们不想要跟任何人的关系是那样的。
- 6- 我们可能会在谈判中变得生气和失望，但是我们从不会表现出来。

Company 2

谈判过程

技术行为

- 3- 买方有时候甚至不知道所有的技术层次，所以谈判中的基础会发生变化，这就使得谈判变得困难了。
- 4- 有时候他们很难解释他们用我们的产品来做什么，这就导致了坏的产品口碑。

商业行为

- 1- 知道谁是作出决定的人和知道他们是否想买的决定是很重要的。
- 2- 我们试着去容纳，所以我们有平等的条款。
- 5- 如果他们不理解也不要表现出负面情绪，有时候只是需要时间去理解。

社会行为

- 4- 有时候我和那些只是以最快速度做合同的人打交道，我认为这是相当不好的一种商业行为，因为这样并没有任何发展稳固关系的机会。
- 5- 当我们取得联系并且做生意时，我们通常是想要一些持久的东西。
- 6- 我们更想要的是同等的利益，而不只是彼此利用。

Company 3

谈判过程

技术行为

- 3- 我们对于产品有很多的解决方案，如果我们自己不能做到，我们可以委托给其他人去做。
- 4- 为了在谈判过程中及时作出调整，我们需要全面掌握我们可以做到什么。

商业行为

- 1- 决定交易产品的数量是很容易的一部分。买方总是想知道我们怎么制造的产品，而不是产品本身。很难理解这是为什么，但是他们总是想要最便宜的解决方案。
- 2- 他们倾向于把问题过度复杂化。
- 3- 当我们开始谈判的时候，他们通常会和具体和细节化。

社会行为

- 6- 我们试图去让他们感觉他们是受欢迎的，西方人总体上与我们有很大的不同，所以我们试着去适应他们，并且尽可能的去包括他们。
- 7- 我们对做生意很有兴趣，并且做我们所能做的去适应，我想欧洲人是真的很喜欢这样。
- 8- 为了创造一个好的长期的关系，礼貌是很重要的。
- 9- 我们知道我们和欧洲人是不一样的，但是失去诚信并不是一种做生意的好方法。
- 10- 表现相互尊敬和表现的专业是很重要的

Company 4

谈判过程

技术行为

- 3- 在谈判前，知道我们可以交付什么，以什么价格交付是很重要的。这样的话我们就可以更好地控制我方的成本。
- 4- 这样也使得双方的交易时间更加有效。

商业行为

- 4- 和西方人谈判可能会很奇怪，我们需要知道谁是做决定的人，但是有时候他们一起决定。
- 5- 和任何合作方一样，我们也想要一个长期地合作关系，所以我们试着去时时调整。调整需要时间，因为我们并不总是能知道他们需要什么，有时候他们甚至不知道他们自己要的是什么。
- 6- 当问题很复杂的时候，我们调整并且试着去简化问题。这就使得谈判更加容易。

社会行为

- 4- 当和买方讨论的时候，他们经常不理解我们需要调整来交付一种产品。
- 5- 语言和文化可能导致一些误解，就像当我们试着去开玩笑的时候。但是我认为这个大多数是因为语言。
- 6- 相互尊重在谈判中是很重要的。