

International Business Negotiations — Cultural Distance and Adaptation

Swedish Businessmen Negotiating with
Norwegian and Spanish Counterparts

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Abstract

This study focuses on the role of cultural differences in international business negotiations and negotiation behavior, and adaptation as a means of dealing with them. The purpose of the study is to describe Swedish negotiators' experiences of negotiating with Norwegian and Spanish counterparts; to describe Swedish negotiators' experiences in dealing with cultural differences and similarities in negotiation behaviour – if and how they adapt to cultural differences and similarities in negotiation behavior; to describe the role of cultural distance in international business negotiations and cultural adaptation; and to develop other researchers' concepts and models of international business negotiations.

A research model was developed based on a model of four critical areas where cultural differences tend to come to light in international business negotiations: communication, personal relations, decision-making, and formalities and norms. The element of cultural distance was included in the choice of cultures since both Norway and Spain were assumed relatively similar to Sweden culturally. However, Spain was assumed culturally more distant from Sweden than Norway.

Empirical data was collected through qualitative, in-depth interviews with Swedish businessmen. The respondents were selected by judgement, snowball and convenience sampling. Fifteen respondents were interviewed for each culture (Norway and Spain).

The analysis of the empirical data shows that cultural differences tend to increase with cultural distance. Adaptation is used to deal with such cultural differences. In addition, negotiators make adaptations to their individual counterparts and to the deal. The seller-negotiators may adapt their role to accommodate the buyer-negotiator. Negotiators may also adapt to accommodate sentiments of inferiority/superiority by their counterparts.

Cultural differences, requiring adaptation by negotiators, appear in the critical area of communication. Since personal relations between individuals are central to all international business deals, cultural differences play a limited role. Instead, trust is the factor that is most decisive in establishing and developing personal relations.

Key words: International business negotiations, Cultural distance, Cultural adaptation, Personal relations, Trust, Cultural convergence.