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**How to prepare business
negotiations with Spanish business
partners:**

From Finnish perspective

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<p>The objective of the thesis was to figure out how to prepare the business negotiations with Spanish partners. The aim was to analyze the differences and similarities of negotiation styles of Finns and Spaniards and establish the way to approach for these negotiations.</p> <p>The literature was essential to achieve the desired goal, it was fundamental to provide the theory and the core data to start in the main topic which is business negotiations. Also, the more specific information was the comparison where it was more difficult to be concrete and clear to not fall into stereotypes, but the theory related to Hofstede's theory of cultural dimensions was the key to have a perfect background for cultural differences.</p> <p>The result was the expected, the culture was playing a huge role in the thesis and research, the differences culturally affected the behavior, customs, and many other aspects in daily life of both countries, especially concerning the business environment. Personal approach was one of the biggest differences between Finns and Spaniards, the Finns are comfortable with online methods while Spanish deal better in person, time management was the other remarkable difference where Finns follow it strictly and Spaniards are flexible with their schedule. Along their similarities is the establishment of a strong relationship based on trust and reliability.</p> <p>At the end, the countries were different between them, their processes and working methods are different, they were the opposite in almost everything. But somehow the feeling is that even though Finland and Spain were different, they find the way to understand among themselves and match as perfect business partners where the opposites attract each other.</p>		
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1 INTRODUCTION

When doing business, one of the key steps is business negotiations, an essential part and necessary to use them constantly. This means that corporations depend on negotiation to grow and expand. The agreements reached must always seek to contribute to the optimum functioning of an organization, as well as to strengthen finances and the market.

It is so that, the author of the thesis is half-Spanish and half-Finnish, lived almost his entire life in Spain and now has been living in Finland for some years, it is interesting how the communication, environment and behaviors are different in a daily basis. So, he decided to take into advantage the knowledge of both cultures and use it for the thesis focused on business negotiations.

Firstly, there will be an explanation on what business negotiations are and which are the key steps of them, the Hofstede's theory with the six cultural dimensions, comparing Finland and Spain and evidencing the similarities and differences along the cultural dimensions. Afterwards, the Spanish business negotiation style where will be explained the behavior, traits and characteristics of the Spanish businesspeople when arranging a negotiation, in addition to the Finnish negotiation style and the Spanish one and highlighting some possible differences. Finally, the methodology part, an interview with a person who has been in the position of negotiating with Spanish counterparts and therefore explaining the findings and analysis of this interview and finally the conclusion.

2 PROBLEM SETTING AND CONCEPTUAL FRAME OF REFERENCE

2.1 Purpose and objective of the thesis

The purpose of this thesis is to figure out how to approach when dealing with Spanish counterparts. The steps before, during and ending of the negotiation and all this, from a Finnish point of view since there are two different cultures and behaviors. The objective is to elaborate and analyze the Spanish business negotiations styles and how to act when they are negotiating with them. The focus will be explaining all the traits the Spanish people have in general and somehow compare them with the Finnish ones, and how to adapt to the situation, or possible scenarios during the negotiation. The objective is also to show how different the two countries are from each other even they are in the same continent and how external factors like climate, culture and backgrounds can influence in the communication.

Along the thesis there will be some questions to be solved, such as the key steps in negotiations, the differences, and similarities between Spanish and Finnish negotiation styles and how they affect to the negotiations. And with all this information, lastly there will be recommendations for Finnish companies or individuals when doing business with Spanish companies.

2.2 Conceptual framework

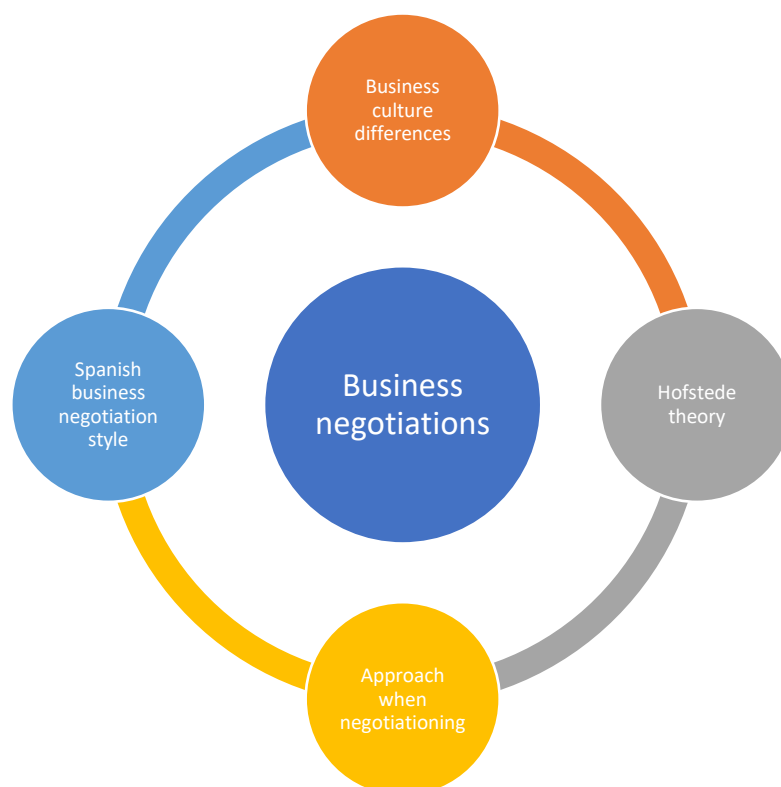


Figure 1. Graphic framework of the core topics in business negotiations with Spanish counterparts. (Author of the thesis, 2022)

The conceptual framework would be like this, the core topic are business negotiations, where we are focusing on some specific points, like business culture differences focusing on between Finland and Spain. The issues to consider when preparing and establishing business negotiations between them. The Hofstede theory, the six cultural dimensions will help to create a visual perspective of the possible differences and similarities on cultures. The approach towards the business negotiations with Spanish counterparts and how to take advantage of their characteristics and use them for better understanding and preparation toward the negotiations that with the help of the interview, will be sort out and clarified how to proceed. The characteristics and procedures of the Spanish businesspeople will be explained as well as Finnish businesspeople style where it will be easier to spot the differences or similarities.

3 BUSINESS NEGOTIATIONS

When doing business, there are several requirements and includes some transactions. Negotiation is part of these transactions with one or more parties with their obligations and roles. Negotiation is defined as a process where two or more parties meet to reach agreement on issues of common interest. While they are difficult in any business setting, so they are especially difficult in a multicultural environment because of cultural differences between parties, parties' different business environment and gender issues affecting in business negotiations. (Cellich & Subbash, 2016, p. 4)

From one culture to another the concept of negotiation may vary. It can be a mechanical exercise of offers and counteroffers that ends up in a deal or it can also be sharing information and developing a relationship to establish a deal. (Cellich & Subbash, 2016, p. 25)

In business negotiations there are some key steps that are fundamental to succeed. The first one, is preparation where there must be established and written down the issues to be addressed, the intentions, limits (like the most favorable option and the least one) and a list of requests. To propose, a proper investigation, exploration and dialogue with the counterpart will be the key to know what the other party want. This is almost half of the negotiation. The dialogue is fundamental in this part to know exactly what the other party is looking for. After that, a proposal will be suggested which is a provisional offer by one of the parties. It sets the pace of the negotiation, here may occur diverse situations depending on the breakout prices of the parties, if this stage reached, closing the gap through communication and moderation is required. Next, the key moment of the negotiation where is primordial to interpret and listen carefully the other party, to detect possible flexibility or weakness. Under every proposal there is a hidden need, concessions serve to get closer to the other party and it is only possible to negotiate agreements if concessions are made. Finally, if all parties are satisfied, the agreement is the final step. (Addvante, 2015)

In this globalizing world, companies operate in multicultural environments. There is no manager that is avoiding his/her cultural assumptions, images, and other behavioral

traits. The view of the world is different even if they speak English, business goals, thoughts and feelings are totally different. All learned behavior and values are involved in culture. People do not change their culture for the sake of business. These cultural differences can influence business in unexpected and significant ways. (Cellich & Subbash, 2016, p. 25-26)

3.1 Cross-cultural negotiations

With globalization, more and more countries are engaged in world trade resulting in an intense contact between importers and exporters from different cultures, and with a demanding environment force to reach commercial negotiations. Communication skills are important in this aspect, especially in multicultural setting. During the negotiations there are two levels of communication, the logical (direct price offer) and the pragmatic (style, syntax), and communication in negotiation is a mix between these two. The pragmatic level must be controlled because if there is no awareness of the potential of these pragmatic messages, there might be miscommunication and end up sending the wrong message. (Cellich & Subbash, 2016, p. 147-148)

Negotiation is essentially linguistic; the propositions are the relationships between agency and action that find expression in language. The exchange of information through language that coordinates and manages meaning represents negotiation, this process involves using language to provoke a similar meaning between speaker and hearer. To create and manage the negotiation context, negotiators use linguistic and perceptual evidence, which is fundamental in cross-cultural negotiations. For example, cultural differences in turn-talking, initiative response, back channeling, topic allocation and conversational sequencing. (Putnam & Roloff, 1992, p 156-159)

Some cross-cultural communication problems are perceptual bias and errors in processing information. The message receiver through their own needs, desires, motivations, and personal experience will create predispositions about the other party, like stereotyping, which is basically assigning attributes to the other party based on their society or group. The Halo effect, a good attribute leads to a positive halo effect, based on the knowledge of one single attribute like greeting in the other's party

language, may cause high expectations and can cause a disappointment. This is used to form fast and good impressions, and complementing with clothing, tone of voice or posture assume great significance. The selective perception where the negotiator tend to choose the information that support their beliefs and discards other information from consideration, and projection using one's own attributes to explain the characteristics of another person, this happens because people have a need to project their own self-concept. Among the errors in processing information, when negotiating there is a share of information, however negotiators may make systematic errors in processing the information. There are a lot of factors that can cause a miscommunication, negotiators overconfidence, the process of reactive devaluation or the law of small numbers (which is with a limited experience drawing conclusions). (Cellich & Subbash, 2016, p. 149-151)

3.2 Communication in negotiations

The core of negotiation is communication and to improve communication in negotiation, there are several techniques that help a lot the process of negotiating, such as listening, asking questions, reversing roles, and ensuring clear understanding. The major weakness of inexperienced negotiators is the lack of ability to listen carefully what the other person is saying, especially in a cultural context. Presenting the case and counter objecting what the other party propose is not the best approach, the perception that talking a lot and having a dominant position during the discussions to achieve the best result is false. They listen more than talk and ask questions to make sure they understood the other party. It is said that about 55 percent is body language in communication, 38 percent voice accounting and 7 percent the message, so there is more to analyze rather only the message. In international business negotiations, is essential to ask good questions. This attribute can be crucial to assess and analyze all the information and help to collect extra information that were not available at the beginning. There are some possibilities of question type, like open-ended questions where the other negotiator answer with all details and specifications required, and the conditional questions which are assumptions, presenting a possible scenario and how to prepare for it. This list of questions should be prepared beforehand and asked to

obtain additional information. Also, reversing roles is fundamental to contemplate other aspects of the negotiation, or understand their position and terms, it is easier to find an acceptable solution for the negotiation. Other important factor is ensuring clear understanding, where the negotiator expresses in his/her own words what they understand at a certain point, here restating, rephrasing, and summarizing is primordial to clarify what has been said. Reframing is also a useful tool to go back to the main issues to cover and keep focused on what matters. (Cellich & Subbash, 2016, p. 151-156)

3.3 Nonverbal communication

The behavior beyond words is named nonverbal communication. Body language, facial expressions, physical appearance, space, time and touch are involved in the nonverbal communication and in the cross-cultural negotiations, these factors are essential for understanding and knowing what these messages are saying. The body language is variable within cultures, and where they are negotiating, such as eye-contact, which may be intrusive for some cultures and primordial for others. The vocalics, raising their voice or remain quiet, a wise negotiator should try to behave normally and not take advantage of their vocalics. Nevertheless, the best advice is to be yourself, then touching and use of space may be intrusive for some cultures, for example, a hug is like cutting their personal space, the host is normally determining these standards so that the guest adapts to the host's cultural traits. The attitude towards the time, for some cultures, time is a boundless source, relaxed about schedules and deadlines, there is always a tomorrow, but in negotiations, becomes relevant and there are people that liked to discuss each item one at a time and others prefer to gain time and go to the topic. There should be mutual respect and understanding from both parties to make it work. In the physical appearance, is not necessary adaptation because negotiator should expect people to dress according to their culture and it is respected. Lastly, the artifacts, status is present in some cultures, and if there is artifact that can cause tense situation, the guest should ignore it and make comments when they are familiar. (Cellich & Subbash, 2016, p. 156-160)

Business negotiations are the key to achieve every goal or target a company has and the more business negotiations you have, the more experience you acquire with many kinds of people, personalities, backgrounds, or culture. Cultural barriers are produced by the differences between different cultures of the sender and receiver. They occur in all areas of communication, such as the interpersonal. Cultural barriers can be, problems with language, or preconceived stereotypes about an ethnicity or nationality. Communication barriers difficulties good communication and slow down or make it impossible to reach an agreement or advance in a project. It might generate discomfort, frustration in the participants. The cultural barriers are in almost every aspect of life, especially when meeting a foreign person, with different behavior, thoughts, and style.

4 HOFSTEDE'S CULTURAL THEORY

4.1 Who is Hofstede?

Gerard Hendrik Hofstede was born in the Netherlands in October 1928. After the II World War, he started working as an engineer but suddenly with the years when he was promoted to personnel manager, he started to be curious by the human in the system, so he decided to do a PhD in organizational behavior. His new ideas were therefore written in many books, highlighting the dimensions of culture in 1890. Which has also undergone major extensions since it was published, having six dimensions instead of 4 as originally. The rest is history. (Hofstede, n.d.)

4.2 Context

Firstly, it is impossible to put in context the topic of the thesis without the Hofstede's cultural theory. In our world there is a lot of encounters between nations, groups, and people that act, think, and feel differently. In case of any threat or a worldwide recession it is needed cooperation from opinion leaders from many countries, because

at the same time these groups, people, and nations, are not exempt of cooperation for a solution. (Hofstede et al., 2010, p. 15)

One of the reasons why many solutions do not work at all or cannot be applied is as simple as the different manner of thinking among the partners. They are completely ignored, the economic, technological, medical, or biological aspects are merely considered as technical issues. The variety of thinking and difference between people's minds can serve as a basis for mutual understanding. Because every person has within their self-patterns of emotions, feelings, potential acting. Most of it, the person acquires all this in the early stages of life, in early childhood, due to the facility of absorption to learning and assimilating. Other factor that also affects when a person is developing is the social environment, with whom the person is establishing relationship, the family affects the most but the youth groups, or workplace may influence the way of action of all the patterns. (Hofstede et al., 2010, p. 16)

4.3 Cultural dimensions

In Hofstede's theory, there are 6 different measure dimensions where are evaluated the cultural behavior of a society or cultural group. These cultural dimensions are the following ones:

4.3.1 Power distance

The first one is power distance which refers to how high is the acceptance of the members with lowest power of a culture, the differences in power and equality, in a society it can be low or high distance to power. Factors that affect to this dimension are for example: education, social level, and occupation. A higher education makes a country automatically at least middle class. Every country divides their social classes differently but at the same time they are visible the existence of these social classes. Classes differentiate in their access and opportunities for benefiting from the advantages of society, among those advantages is the education. (Hofstede et al., 2010, p. 58-59)

In small power distance countries, subordinates have a limited dependence on their superiors and tend to consult with them. The emotional distance is relatively small. As soon as children can act, they are treated equal as other people. There is more freedom where the child is let to take control of own affairs, being allowed to contradict parents. Meanwhile, in large power distance countries, is the way around, a massive dependence on bosses, subordinates unlikely will approach and contradict their superiors. In addition, in this larger power distance countries parents are expecting their children to be obedient toward them, encouraging respect toward older people which is considered as a basic virtue. (Hofstede et al., 2010, p. 58-63)

4.3.2 Individualism

Individualism cultural dimension defines the level which human being adapt to a society and the feeling of belonging to the group. For example, in a society where there is a high IDV, the people tend to look after their self and the closest people around them. On the other hand, there are also collectivist groups, whose groups are wider and family unity is more extensive. An immense majority of people in the world prefer to live in societies where the interest of the group overlaps over the individual. The family is the first group every person has but it varies depending on the country. (Hofstede et al., 2010, p. 80-82)

In a collectivist society, the “we” is installed by nature, when children grow up, they learn to think as “we”, the family is not just parents, but also other members of the family. The protection in hard times and the major source of the identity of a person is the through the family. The individualist societies are those where the children learn with the “I” concept, the education is oriented to make them stand by themselves. The social group is selected by personal preferences, and they do not classify the “I” ’s into groups but into individual characteristics. (Hofstede et al., 2010, p. 80-83)

4.3.3 Masculinity/Femininity

This indicator defines the tendency of a culture to a pattern conduct with more masculinity or femininity. Masculine societies are more competitive and assertive and more focused on the results, when the feminine societies they are not looking for who is the best, they look more for the well-being of the society, a high quality of life for all. (Hofstede et al., 2010, p. 119)

This is the most controversial cultural dimension because it can be sometimes confused with the individualism and collectivism dimension, power distance or uncertainty avoidance. In a masculine society what matters are earnings, challenges or recognition are important, in family fathers deal with facts and women with feelings, a standard pattern where that man earns and women cares, girls cry, and boys fight back. (Hofstede et al., 2010, p. 122-135)

When feminine societies are totally different are more equalitarian in more aspects, boys and girls are allowed to cry but not fight back, same reason for them to play and compete, earnings and caring's comes from parents, quality of life and relationships are important, and men and women should be modest. The feminine society strives to change society, men included. (Hofstede et al., 2010, p. 122-135)

4.3.4 Uncertainty avoidance

The uncertainty avoidance measures the acceptance of the society to uncertainty and ambiguity facing the truth, which shows how do they feel and act in unknown situations. Some countries try to avoid the problems and some other countries face the situation as it is. (Hofstede et al., 2010, p. 161)

The expressive cultures tend to be anxious cultures. In these cultures, people talk with their hands and raising their voices is acceptable to show emotions. Doing the opposite, meets the social approval, aggression and emotions shall not be exposed. In the early stages of life, children learn between clean or dirty and safe or dangerous. In strong uncertainty avoidance countries, there are tight absolutes between dirty and dangerous. Other issues considered dirty and dangerous can be ideas, good ideas and taboos are created in their core thoughts. In weaker uncertainty avoidance cultures, there is also dirt and danger classifications but there are more flexible with the benefit of doubt, new situations are encouraged to handle, and the world picture is benevolent. To sum up, what is different is dangerous for strong uncertainty avoidance cultures and what is different is curious for weaker ones. (Hofstede et al., 2010, p. 165-170)

4.3.5 Long-term orientation

The long-term orientation points to societies with a propensity for savings and perseverance, members in society have different ranks, and the elders must be respected. In the short-term societies are concerned with social obligations and characterized by greater diplomacy or tact when dealing with. (Hofstede et al., 2010, p. 200)

Long-term thinking countries are enemies of religious, political, and economical fundamentalism, they put in hands of God or the market when it is necessary to escape their share of responsibility for the future, they are based in the past. Short-term countries are more likely to stuck with ideas and traditions, were serving to others is valued, their leisure time is important and tend to be a meritocracy society. (Hofstede et al., 2010, p. 213-234)

4.3.6 Indulgence vs restraint

This dimension tends to explain the vision of life that a culture has, maybe optimistic and positive or pessimistic and negative. Assesses self-concept and the tendency to enjoy life or to hold back in the impulses. (Hofstede et al., 2010, p. 236)

It is correlated to happiness, a perception of life control, freedom to do what desires and the importance of leisure as a personal value. Associating positively this dimension is having friends, a big social circle, if associated negatively empowers thrift as a valuable trait in children. In this aspect, indulgence relates to a tendency of having fun and enjoying life, while restraint is regulated by social norms and must act accord them. One (indulgent) can act as one pleases, doing fun activities with friends or alone and spending money. The other (restraint) leisure time, spending or having fun are somewhat wrong for them. (Hofstede et al., 2010, p. 235-237)

4.4 Differences and similarities

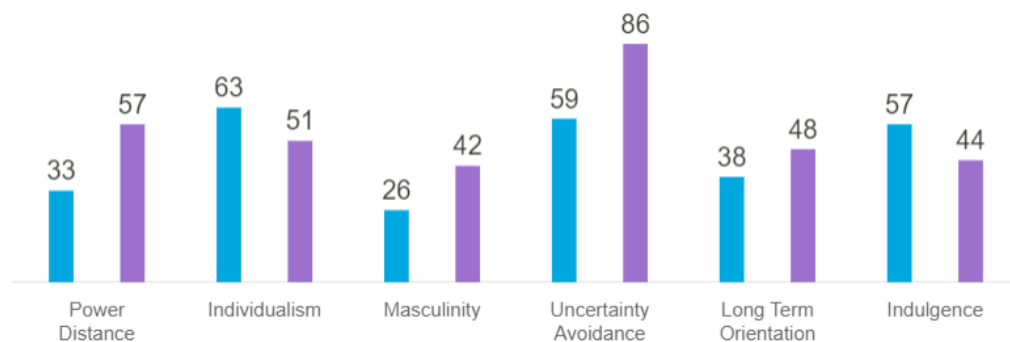


Figure 2. Country comparison between Spain (Purple) and Finland (Blue). (Hofstede-Insights, n.d.)

The scores are quite different. While Finland scores a low level (33), Spain scores a (57) which is a high score, the power distance is totally opposite between them. Finland

like to be independent, not comfortable with control, and communication with superiors is direct and participative, while Spain has a structural hierarchy where subordinates prefer a benevolent autocrat. (Hofstede-Insights, n.d.).

In individualism, Finland is shown as an individualist society, where they tend to take care of themselves and the closest members of the family, while Spain is a collectivist society, a big exception (with Portugal) in Europe, the word teamwork is totally something natural and there is no need of motivation from Management to work on it. (Hofstede-Insights, n.d.).

Spain in Masculinity/Femininity is a country that is looking for harmony where there is no polarization or excessive competitiveness, they look after the weakest or needy people that generate a natural sympathy. Meanwhile, Finland is a feminine country, where every conflict is resolved by negotiation and compromise. The focus of Finns is the well-being and status is not shown to others. (Hofstede-Insights, n.d.).

The uncertainty avoidance is where Finnish and Spaniards are more opposite. Finland scores 59, so that there is an emotional need for rules, people need to be busy and work hard and security is an important element in individual motivation. Spain is considered the second noisiest country in the world. They like to have rules for everything but at the same time avoid the rules that makes life more complex. Changes and undefined situations are not very welcomed. (Hofstede-Insights, n.d.).

Concerning the long-term orientation, Spain scores a 48, meaning that Spaniards like to live the moment. They are seeking for the quick results with no delays. To focus the long-term, they need clear structures and well-defined rules. Finland is quite similar, they respect traditions, and a relatively small propensity to save for future. (Hofstede-Insights, n.d.).

In indulgence/Restraint, Finland scores 57, that means that generally exhibit a willingness to obey their impulses and desires to enjoy life and have fun. They are not keeping nothing inside that they would have desired to do. In contrast, Spain with a punctuation of 44, try to control the impulses and desires, they are more pessimist and are somehow restrained by social norms. (Hofstede-Insights, n.d.).

Concerning business, Finnish businesspeople like to have certain freedom to work on, while Spanish businesspeople tend to have a standard which would be like the benchmark and start working from that, the power distance is different, in Finland would be hard to identify who is the boss, when in Spain it would be way easier to spot. Because of this, one of the key differences is cultivating and developing personal relationships, as there is stronger hierarchy in Spain, they are always seeking for this while Finns may be more equal and similar status for all, because the status is not shown. Finnish people are very independent, and they do their part mostly alone, while in Spain, they seek to help each other if they can, to get the job done. Nevertheless, the cooperation and teamwork are good between them, but if there is a well cultivated relationship there is a great work environment and efficiency, because it would create like a “family” and Spanish people are very comfortable in these situations, but there is one issues that Spaniards cannot handle easily, and it is silence, they feel anxious and do not tolerate it the same way as Finns, who respect silence and do not feel silence as a horrible situation, Finns kind of enjoy and like moments of silence. In the teamwork, Finns would be encouraged to do a good work and not comparing to others, meanwhile in Spain, there would be a little bit of competitiveness in everything they propose. However, Spanish people would have their space and timetables, taking it easy, not taking too many risks, Finns are braver when facing uncertain situations and handle them better so that they can adapt to a new situation. Being direct and honest as Finns can be like a betray for Spanish people that may be offended depending on the context. the Finns as authentic people that go directly to the point, when Spanish people would take more caution when doing something they would like to do, here comes the figure of the superior, Finns have more freedom while Spaniards normally have a leader.

5 BUSINESS NEGOTIATIONS STYLES

5.1 Spanish business negotiations style

In general, life in Spain is energetic and with no rush, this is reflected in the Spanish business culture. The family is the central unit in Spain and the relationship and integrity are also valued in the business world. After all, Spain is very diverse and has been influenced by many nationalities and the cultural values and etiquette cannot be expected throughout the whole country. (The Adecco Group, 2021)

Within the business culture in Spain, people's concept of punctuality and time is not the same as in other Western Europe country. Meetings, for example, often start late and ends late, and deadlines frequently stretches. As for business negotiations, the process can be long due to the need and hope to build a personal relationship and trust with their partners before starting negotiations. Usually, they get to know business contacts through lunches and social gatherings. The high management usually makes the final decision on proposals. It is common to expect that company to put the details into a formal contract after a verbal agreement has been reached. (The Adecco Group, 2021)

Having business negotiations with a Spanish counterpart may be chaotic for the rest of Europeans. To do business, the focus is to understand that it is not as the perception everybody have about negotiations, straight to the point solving X issue, there are more informal meetings. For some may be a waste of time, start talking about personal or family issues but for a Spaniard it is a way to build and create a warm atmosphere and trust. Interruptions and speaking turns are not always respected, but it is normal because it can even mean that the other person is interested in the topic that is being discussed. (Balcells, n.d.)

The following cultural norms have to do with non-verbal communication, which is a characteristic in the Spanish territory due to the relaxed and friendly character that characterizes the nation. The first is the eye-contact, strong and constant, much more

than in other countries, and this is not why to take it as threatening. Next is the closeness that is normal, that is why touching, whether on the arm, back, elbow or shoulder. It is a constant during conversations, if these elements do not exist, the possibility that the relationship is not so good is possible. And the personal space is reduced, people stand close to each other no matter if it is a large group or just two people conversating. (Balcells, n.d.). Regarding one of the most important pillars etiquettes is greetings. The most common is to shake hands, although depending on the level of relationship, a hug can be also common.

For Spaniards, negotiation is based on friendship and trust since informal topics are usually used. One characteristic of Spanish people is the display of emotions and passion and how imaginative and creative can be, which vary even inside Spain due to the cultural diversity, climates, and different communities. (Romero, 2010)

5.2 Finnish business negotiation style

Finland as a Nordic country they have strong traditions and business etiquette and communication. (Business culture, n.d.). Finns have a strong sense of national identity. The root of this fact lies in its history, great sporting victories and honorable war deeds, and on the other, in the vanguard position achieved by the country in the field of high technology. (Alho, 2010)

Finnish businesspeople are frank and will go directly to the topic to cover without delay. They observe punctuality rigidly and will disapprove any delay, if so, must be reported as soon as possible and with an apologize for the inconvenience. They respect firmly their timetable and follow it no matter what happens. (World Trade Press, 2010)

Interrupting while a Finn is speaking is not tolerated, so it is worth, even if the negotiator knows what the counterpart is going to say, waiting until the other is done speaking. Finns will appreciate that because that shows them that you have been listening and considering the response. For this reason, the negotiations are usually slow paced but full of details because they take their time to discuss them properly.

Questions are not frequent from Finns, they expect the counterpart to give all details and characteristics, and it is quite impolite to ask after a presentation for example.

In their culture, they appreciate the long silences and avid listening. They are hospitable and likely to help if required and rarely talk to a stranger. Touching and hugging is seen as impolite, just the way around as Spain, eye-contact is respectful they value their personal space because it is a society that is very conservative and expect a high level of privacy. (Planet Depos, n.d.)

In Finland, business is business, a basic formal business style, small talk and other socializing events are avoided, if possible, in fact, if there is the possibility to do it through online without face-to-face. The way Finns address people generally is using the first name and in an informal manner and they do not care about small talk. Finns do not need long-term relationship to complete a business transaction. The presentations must be clear and concrete because if there is a lot of questions, for Finns that means it is not complete. Business meetings should be arranged two weeks before, due to the need of the Finnish people to be busy. Time and punctuality are essential and must be respected, every inconvenient should be reported, totally different as in Spain where time is relative for them. For Finns, the words and acts define the person, they favor honesty and do not take seriously if business differences are reached. (Planet Depos, n.d.)

Business meetings in Finland are normally arranged in offices and rarely in restaurants or public places. Nevertheless, during or at the end, is common to go for lunch. Even though, Finns are quite distant at the beginning but later if the relationship is good, a bond of friendship and trust can happen. (Business Culture, 2019). But the most shocking fact may be the sauna, which is a place where relationship can be forged and cultivated more effectively so, if a Finn invites the counterpart to a sauna, it is a good sign.

6 METHODOLOGY

The first methodological choice is whether follow a quantitative, qualitative, or mixed methods research design. These research methods are a tool that allows to collect information for the project. (Saunders et al., 2019, p. 174)

The research design can be exploratory, which can also be named as formulative because it works there is no earlier or further studies to refer to the topic. Is basically formulating a problem and for more precise development or investigation of the hypotheses. A descriptive design is focused on describing characteristics of a particular individual, or group, the frequency or association of an event with two variables. They need two types of research studies to elaborate a descriptive design, two variables. Lastly, the hypothesis-testing study, the causal relationships between variables are tested by the researcher based on the hypothesis. These are experimental designs; it is required that procedures will not reduce bias and increase reliability. (Kothari, 2004, p. 35-36)

The qualitative method allows to obtain non-quantifiable quality data or the opinion of participants to reach the conclusion. Is a type of method that works with non-numerical data and seek to interpret the meaning through the study, understand social life. The use of combined interviews, focus groups, and observations to collect data makes sense on consumer behavior conducted research.

This type of research studies participant's meanings and relationships between them, analytical procedures and a variety of data collection techniques are used. (Saunders et al., 2019, p. 179).

Numbers are no more relevant, images and words are the way to form a meaning, where sometimes can be unclear, must be solve with the participants. Methods are unstructured or semi-structured. Mono method qualitative study is when a single data collector is used, and multi method qualitative study when more than one qualitative data collector is used. (Saunders et al., 2019, p. 179)

The quantitative method uses questions to collect quantifiable data or statistical analysis to draw conclusions. Is one that uses quantitative methods to extrapolate the results of a sample to a population. It analyzes a large volume of data, these variable makes sense when they are related to others through correlations, regressions, or hypothesis tests.

Quantitative research is usually associated with a deductive approach, where data are collected and analyzed to test theory. (Saunders et al, 2019, p. 176). Quantitative research examines relationships between variables, measured numerically and analyzed using a range of statistical and graphic techniques. (Saunders et al., 2019, p. 178)

There is one study method called mono method quantitative study, that mainly a questionnaire is used as a data collection technique and corresponding quantitative analytical procedure. There is also multi-method which uses the same research method but do not mix them. (Saunders et al., 2019, p. 178)

The approach that is going to be used in this thesis is the qualitative method, due to the ability to collect more data. For the research and collection of data, an interview through a questionnaire of open questions is a great way to gather all that information. It consists of a set of questions or prompts for collecting information. It can be qualitative or quantitative, in this case is going to be qualitative. (QuestionPro, n.d.)

To gather deeper details in the answers, using open questions is the best option because there are more detailed and descriptive information. The empirical data to the thesis will be provided through an interview with some questions. The questions will be sent by email to the contact person, Jari Niinisalo, former HR representative of Econia, and when the answers are ready prepare the findings and conclusion. He has been in contact with Spanish business partners in the past, so it is a good way to provide the empirical data for the thesis.

For the accuracy of classified data and assessment of the equality, validity and reliability are very important. Validity relates to whether the classification process measures this percentage without using systematic bias, meanwhile reliability is a

measure of the extent to which information gained from the classification process via different data resources, produces consistent results. (Elias, 1997, p.8)

There will be some amount of error, in any set of data collected. It can be caused by many different factors but where it primarily will be affected is because of sampling method, either way random error is unpredictable error that may appear affect in all research. To avoid this, a larger and more representative sample because the bigger analysis, the better outcome for the research and more precise. To measure how reproducible the survey instrument data is, it is used the reliability. (Litwin, 1995, p. 5-7)

Validity is also important in research, how well it measures what it sets out to measure. Reliability methods are necessary but when examining the psychometric properties of a survey instrument, they are not sufficient. Validity is an important measure of a survey instrument's accuracy. It must be documented when applying established survey instruments to new populations or when evaluating new survey instruments. (Litwin, 1995, p. 35-37)

The thesis seeks to answer how to prepare business negotiation with Spanish partners. Since the interview will be with a person who has been dealing with this topic, the validity is high as well as reliability. The empirical data is obtained directly from a reliable and valid source.

7 MAIN FINDINGS AND ANALYSIS

The findings of the research were collected from the interview with Jari Niinisalo, former HR representative of Econia Oy, who has been in close contact with Spanish business partners in Spain.

The first four questions as shown in the appendix, are about his experiences in negotiations with Spanish counterparts. (Niinisalo, 2022). He worked with Spanish business partners over a period of about two years, where he described the methods, he used to prepare the negotiations and was to find out as much as possible about the company and learning Spanish language and culture. The approach towards the business negotiations is quite different, while in Finland is possible to achieve via emails and phone calls, in Spain more personal approach is necessary, essential to build trust with Spanish business partners. At the initial creation of relationship, he was in contact weekly and later monthly, this is the reason why a relationship must be cultivated, to enhance trust and reliability. Spanish negotiators are not very interested in power point presentations for example, it is better to use concrete samples or brochures to keep the attention on the key topic. The next three questions were focused on similarities and differences between Finns and Spaniards when negotiating. (Niinisalo, 2022). Finns usually try to find an agreement quite fast, after facts are presented meanwhile Spanish take longer time to reach the formal agreement but it is not depending primordially on facts, depends on personal understanding and reliability, also Spaniards like to talk more about other issues not necessarily related to business when Finns go straight to the point. Mutual respect is important in both countries and when something is agreed, it will hold, but timescale will be understood differently, because punctuality is not Spaniard's strength. Concerning the benefits or challenges in business negotiations through these differences and similarities are such as time scale for events to happen is lot longer in Spain, when doing business negotiation with Spanish partners, the counterpart must be prepared to talk and listen a long time, the concept of "mañana" is not literally tomorrow, it is more like an expression for later or not now but it helps to get started with Finns because they are considered as reliable partners. Then, there was a question focused on recommendations for Finnish companies/individuals when doing business negotiations with Spanish companies, and it is to adjust to Spanish culture, what to wear, what to say, accept the slow progress of negotiations and if it is the case of a family company, respect the policy of the company, it may be 100 years old company and still owned by the same family. (Niinisalo, 2022). Finally, concerning cross-cultural communication and verbal and non-verbal communication questions, the one that can be highlighted is silence, where if there are Spanish businesspeople that have not done business before with Finns, it may be a surprise and maybe a sign of

weakness, interrupting takes place often. But normally it is just a sign of interest and does not show anything negative, as it may be in Finland, it is better to “start the silence” with a verbal phrase. The key to prepare for cross-cultural negotiations is knowing the basics and adapt oneself to Spanish culture, how to behave, how to greet, what are the topics to avoid but according to him, between Finns and Spaniards is not really challenging to get along. (Niinisalo, 2022)

In general, the theory and practice are not far away, the way to approach each other are different as expected, the contact is essential for Spaniards, especially in the beginning when building the relationship. In this aspect, the language barrier is clear but nowadays it should not present any problem, the English is extended and used all over the world and particularly business environment. The non-verbal communication is essential because Spanish people in general are very expressive and passionate and show their emotions but in contrast Finns are more conservative and tend to keep calm and stay cool, this must be considered by Finns to expect diverse reactions in every comment, suggestion, or proposal. Eye-contact and closeness is usual in Spain and for Finnish people may be an invasion of personal space, but it should not be taken as threatening but as a friendly gesture. A characteristic that both share is the situation handling, a friendly approach of Spaniards keeps the negotiation under control, but Finns are very good in these situations, they handle extremely politely different kind of situations and redirect the negotiation to the issues that really matter. Spaniards style while negotiating is informal, the topics at the beginning can be other than the real business, like family, sports, or politics, and for Finns may be difficult to handle because they are more direct in everything and like to have all the details at once if it is possible. Finns do not waste time, if possible, while Spanish businesspeople like to take their time during negotiating and prefer to keep it simple (informal) and relaxed. Time management is totally different, Finns follow strictly the schedule and respect it while Spaniards are flexible in terms of time, here there would be some struggles, like establishing the time of meeting or duration of it, for Finns if they expect to start on time and finalize on time. An agreement can be reached as soon as facts are presented for Finns, but Spaniards really need the personal understanding and reliability before agreement, therefore trust is a primordial element for Spanish businesspeople. From Finnish negotiation style, they must adjust for Spanish business counterparts in terms of language and timetables to have a common understanding and the biggest struggles

for Finns would the small talk and talking or listening for a long time, the interruptions may be hard to handle for Finns but should always think that it is not necessarily a negative thing, it can indicate that the counterpart is really interested in what it is being said. Timetables must be fixed from the beginning to not lead to misunderstandings, the speaking time may be difficult to accept and understand for Finns as well as the questions after a presentation where Finns expect to be given all details at once. Non-verbal communication issues like eye-contact or emotions and slow-paced progression of negotiations are also factors to consider by Finns. But, overall, if there is understanding between both parties, Finns are known for being reliable and Spanish for being efficient, so it is a good business combination.

8 SUMMARY AND CONCLUSIONS

As explained in chapter 2 the purpose of the thesis is to find out how to prepare for business negotiations with Spanish counterparts from the Finnish perspective, showing the cultural differences and in general different behaviors. In the thesis is explained how to conduct and the key steps of a business negotiation, the very first steps like preparation and exploration to the final steps such as proposal and the formal agreement. It is explained how to prepare for cross-cultural negotiations and the communication in them, verbal communication like language barrier, behaviors, and non-verbal communication as eye-contact, closeness, and emotions. The Hofstede's theory is essential to support the cultural differences between Finns and Spaniards in the six cultural dimensions, such as power distance where Finns appeared to be more independent and have more freedom and Spaniards were immersed in a structural hierarchy or uncertainty avoidance where Spaniards are not quite familiar with changes and unknown situations while Finns adapt in these situations and know how to move out of their comfort zone better than Spanish people. Spanish and Finnish negotiating styles, their negotiations characteristics, and traits are described such as the approach for the business negotiation, via email (Finland) or personal contact (Spain) supported by the business etiquette of both countries. And finally, the

interview and main findings of the topic in the previous chapter where can be highlighted the language barrier, time management or the silence factor.

In conclusion, Finns and Spaniards get along well, there are similarities and differences but there are more differences that make them distinct between each other. The similarities are the basics of respect and cordiality, which might differ when a Spaniard interrupts a Finn but, in the end, in most of the cases is not a bad thing at all. The small talk not only just in business but in daily life is much frequent in Spain than in Finland, the non-verbal communication as explained in the previous chapter is totally different in terms of closeness and space invasion for example. The concept of time is obviously different, for Spaniards seems that Finns are in a hurry every time while Finns will be wondering why it is taking so long to sort out the whole issue. But nowadays the Spaniards that move on international business markets are more punctual and used to the business negotiations etiquette and standards so that would not be a big deal anymore, but still the time to small talk is always there. The author of the thesis would like to emphasize that normally the Spaniards have a better sense of situation handling concerning cordiality and being friendliness but that does not mean that Finns do not know how to do it also. They are totally two different cultures and behaviors, one is passionate, shows constantly their emotions, and the other more rational, trying to stay cool, but achieve an excellent understanding because they are flexible and open to adapt to new situations and learn from it. Even though they are opposite in certain things, have different backgrounds, history and, most importantly, different culture, they complement each other, having their differences in mind and adapting accordingly to them, there should not be problem for a Finn to establish successful business negotiations with a Spanish business partner as mentioned by Jari Niinisalo, that is not difficult to get mutual understanding.

Concerning the companies or individuals that are willing to do business with Spanish business partners there are several recommendations. Among them the preparation to enter the Spanish market, learn Spanish language and culture, try to improve, and develop better communication skills, also enhance the teamwork which is very effective and common in Spain. Spaniards are very hospitable and attentive so Finns for them will look like people with a cold behavior, so just being friendly is a good choice complement their (Spanish) energy. The timetables will be a little bit different

and challenging to adapt for Finns but with a good communication and adapting to Spaniards, this will not be a problem at the end. It is extremely important for Finns to remember that taking care of the relationship is essential to move forward and being direct with Spanish business partners sometimes may not always be the best option.

FINAL WORDS

The thesis has brought some difficulties when assessing the information because it is easy to fall on stereotypes and prejudices, but it is normal to fall on them if there is not enough information about some topic or culture in this case. In addition, there was not so much information about Finnish business negotiations and behavior during them, so it was a bit difficult to find reliable and quality data to provide to the thesis. Anyway, the outcome that can be extracted from the thesis is that people are different but through dialogue you can achieve whatever is the best for the involved parties, business is fundamental in human development, so that generates employment, reduces poverty, and increases economic opportunities among many other issues. For further studies, the suggestions would be that before starting any study, it is necessary to know about both cultures and try to understand them, not start from zero because this would lead to stereotypes easily and that is not an objective study and would not be fair.

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APPENDIX 1

Interview questions:

How long have you been working with the Spanish business partners?

How did you prepare for business negotiations with the Spanish business partners?

Which are the different marketing methods between Spanish and Finnish companies/individuals? (The approach for business negotiations)

How often have you been in contact with the Spanish business partners?

What are the similarities and differences between Finnish and Spanish negotiation styles?

How do the similarities and differences affect to the negotiations?

What did you find as benefits or challenges in business negotiations with Spanish partners?

What were the experiences with the Spanish negotiators?

What are the recommendations for Finnish companies/individuals when doing business negotiations with Spanish companies?

Additional questions:

Are the Spanish businesspeople very expressive as in daily life?

What about silence, do they respect or interrupt often?

Is it challenging cross-cultural communication between Spanish and Finnish business partners?