Cross-Cultural Negotiation
A comparative study of business negotiation in Nepal and Finland

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Developments in global communication combined with increasingly high levels of mobility make for a smaller world in which people from different nations and cultural groups, who speak not just their own languages but also second and third languages including perhaps certain linga francas, must find common grounds for business negotiations. This explorative study seeks to contribute to understanding about culture's role in global negotiation by focusing on two culturally distinct nations: Nepal and Finland.

An extensive literature review informs subsequent primary data collection and analyses by focusing on culture, conflict management and cross-cultural negotiation. A lack of extensive comparative studies between Finland and Nepal necessitates a small sample size for this explorative study, thus a qualitative approach was employed to generate primary data. Semi-structured interviews were conducted through face-to-face and Internet-based communication. The results show that, in response to stressors related to internationalization, aspects of and concern for cultural norms and practices in both Finland and Nepal are changing. While conventional or traditional practices related to communication and negotiation are still evident, it is clear that many individuals are beginning to leave their culturally-based comfort zones in order to internationalize their business activities.

Keywords/tags (subjects)
International business, Cross-cultural negotiation, Culture, Negotiation, Conflict management, Nepal, Finland

Miscellaneous
Appendices attached: Semi-structured interview questions (3 pages)
# Contents

1 Introduction ................................................................................................................................. 4  
   1.1 Importance of the study ........................................................................................................ 4  
   1.2 Objective ............................................................................................................................. 4  

2 THEORITICAL BASES .................................................................................................................. 5  
   2.1 Background .......................................................................................................................... 5  
   2.2 Culture ................................................................................................................................ 7  
   2.3 Negotiation .......................................................................................................................... 10  
   2.4 Culture Affecting Negotiation .............................................................................................. 12  
   2.5 Cultural Differences in Negotiation ....................................................................................... 16  
   2.6 Culture in two-party negotiations ......................................................................................... 17  
   2.7 Conflict Management ........................................................................................................... 18  
   2.8 International business .......................................................................................................... 21  
   2.9 Nepal .................................................................................................................................. 22  
   2.10 Finland ............................................................................................................................... 23  
   2.11 Hofstede’s National Dimension of Culture ......................................................................... 25  
   2.12 Seven Dimension of Culture .............................................................................................. 29  
   2.13 The Lewis Model of Culture ................................................................................................ 31  
   2.14 Sales Management ............................................................................................................. 33  
   2.15 Negotiation in Sales .......................................................................................................... 33  
   2.16 Selling in international markets ......................................................................................... 34  

3 Methodology ................................................................................................................................. 35  
   3.1 Summary of Thesis Process ................................................................................................ 35  
   3.2 Methods and Data Collection ............................................................................................... 35  
   3.3 Research questions .............................................................................................................. 38  

4 Interview ................................................................................................................................... 38
4.1 Interviewees ................................................................. 38

5 Results ................................................................................. 40
  5.1 Analysis of Interviews .................................................... 42
  5.2 Conclusion .................................................................... 46

6 Recommendation .................................................................. 47

7 Advise from interviewees ..................................................... 48
  7.1 Reliability and Validity .................................................... 49
  7.2 Limitations of the study .................................................. 50

8 References ............................................................................ 51

9 Appendices ........................................................................... 56
Figures

Figure 1 Trompenaars and Hampden-Turner model of culture ........................................9
Figure 2 The Top Ten Ways That Culture Impact of Culture on Negotiation ..............13
Figure 3 A model of intercultural negotiation ...............................................................17
Figure 4 Etiquette and National Culture in Negotiation .............................................21
Figure 5 Hofstede’s 6 Cultural Dimension .....................................................................26
Figure 6 Hofstede’s 6 Cultural Dimension of Nepal and Finland .............................26
Figure 7 Summary of thesis process .............................................................................35
Figure 8 Research “Onion” .........................................................................................36
Figure 9 List of the respondents from Nepal ...............................................................38
Figure 10 List of the respondents from Finland ..........................................................39
Figure 11 Hofstede National Dimensions .................................................................43
Figure 12 Result from Research ..................................................................................44
1 Introduction

1.1 Importance of the study

Negotiation is an inevitable factor which occurs when there are cross-cultural transactions. Effective negotiation is very challenging with the people of different cultures because the same word might mean different things to other people. One of the important keys to get success in the international business is to understand the role of culture in negotiation. Obviously, it might be a complicated task to perform in international business because as the business expands to a different country, one has to face different culture. And different culture means different language, norms and values, customs, manners, technology, politics, behavior, etc. But improving the understanding and knowledge of cultural diversity can aid in building a strong relation and enhance competitive advantage.

The authors personal experience of living in Finland assumes that every country has own standard of interacting and living. The style that is experienced in one country might be completely different in other. The authors have experienced that the way of doing business is also completely diverse. They feel that there is no bargaining system about the price a lot in Finland unlike in Nepal. Based on the words of people in Finland business meetings can be done in café and bars but in Nepal, people have an official meeting in the office premises.

Therefore, having knowledge about negotiation and its importance in the cross-cultural business would ease to work both parties together with harmony, co-operation and full understanding which plays an important role to work effectively and efficiently with a win-win situation.

1.2 Objective

The primary objective of this research is to develop the understanding of cross cultural negotiation process. For this, authors have explored through different theories of culture, negotiation and international business. This study would
help to identify how different dimension of culture influence the negotiation, decision-making process and final outcome. The authors aim to find out the in-depth knowledge of the fact about how Cross Culture is impacting in business across the international borders. There are a lot of issues arise from different misunderstanding and misconceptions led by different cross-cultural factors. These factors might be bigger one like, Language problem and smallest like what meal to choose while having dinner with negotiating party. Thus, in this study the writer has focused in the terms that would be beneficial for each party who would be negotiating different companies from Finland and Nepal.

2 THEORITICAL BASES

In this chapter, we are going to explain different relevant theories and find out the cross-cultural factors that affect in the business negotiation. In addition, Finnish economy and Nepalese economy are studied and this will provide the basic information about how business are affected by intercultural communication in these countries.

2.1 Background

The evolution of new and advanced technologies has made ease for the people to travel more frequently and farther. This has created a favorable environment to launch the new business or expand the existed business outside the home country. But, when the domestic business enters into the international market, the entrepreneurs have to cope with many new and unfamiliar challenges. Among them, cross culture is one of the crucial challenges which is faced by every international firm and has an impact on the entire business.

International business is the business transaction which is done across the home country. While conducting this kind of business, parties from the different cultural background are engaged. The diversity in the culture has an impact on the process of negotiation between parties of different countries. Thus, negotiation is one of the important aspects to run the organization
smoothly and also to sustain in the international market. Also, the understanding of cultural differences and how they endeavor to negotiate across the culture is a very necessary aspect of succeeding in international business.

Every country has its culture and customs and it increases the complexity when the different culture of the different country is involved and this makes the international negotiation a complicated process (Roy J. Lewicki, 2007). But having knowledge about the cross-cultural negotiation, one can understand “How can we survive in this global playing field, what can we do to run our businesses more effectively.” (Zieba, n.d.)

Watkin (Michael Watkins, 2008) summarizes:

“Too many people mistake negotiation for the grab of tactical tricks and ploys, bluffs and psych-outs.” “Effective negotiation is actually a subtle and complicated process of reconciling disparate factors and stay tuned to shifting agendas”

When negotiating internationally, each party should interact in the new environment, unfamiliar people with a different way of thinking and behavior. Thus, more cultural differences lead to more difficulty in communication and creates more misunderstanding (Hendon, 1996). But, if the negotiator is aware of the potential issues of negotiation; its effects and consequences, then it might result to have a good communication (Ribbink & M.Grimm, 2014). It might also help to lead long term relationship without any misunderstanding (ibid) because “It is not right or wrong, good or bad, it is just different” (Hehl, 2013).
Our thesis emphasizes about the negotiation styles in two countries: Nepal and Finland. It is the fact that negotiating within the same culture is not easy due to the individual differences in thinking and behaving. Negotiating with the people from different country and culture is a way more difficult task because there might be a drastic difference in the way they perceive. The world is inter-connecting through globalization and advancements. Thus, we need to understand the cultural, its role in the international business and how solutions could be identified.

The findings from this research would provide the business negotiators in Nepal and Finland about how to be prepared beforehand involving in negotiating practice and how to cope with possible conflicts.

2.2 Culture

Culture is very difficult to explain as each has their perspective of understanding towards it. Culture might be “that which distinguishes one group of people from another” (Hofstede G., 2001) for someone and it might be the way in which group of people solves the problem and reconcile dilemmas (Trompenaars & Hampden-Turner, 1997) for others. According to Holden (Holden, 2002), the management literature contains full of stories and cases of cultural differences between; firms and markets; multicultural project teams merged firms, etc. which can damage the reputation or even ruin the planned strategy. He specifies that the consequences of the cultural differences can be derived from various cases such as: in industry sectors and
management ways, organizational values & beliefs, business objectives, experience, expectations, quality of inter-lingual communication (ibid.)

Hofstede (Hofstede, Pedersen, & Hofstede, 2002) explained that culture forms through many ways. It can never be all things to everyone because what one might feel good the other might feel worse for the same thing. Culture is a complex phenomenon but it is not chaotic. Hofstede (Hofstede G., 2001), stated that every culture has its uniqueness and cannot be compared with other. He clarifies the specific and general aspect of the culture. He writes that there is something to be compared by using the example of two fruits. Some argued that apples & oranges can’t be compared while some said that both are fruits and can be compared by price, weight, color, etc.

Nigel J Holden (Holden, 2002) indicated that there are no any international firms and managers that haven’t experienced any misjudgments and misperception while dealing with the customers, suppliers or stakeholders. But, “Culture makes people understand each other better. And if they understand each other better in their soul, it is easier to overcome the economic and political barriers. But first, they have to understand that their neighbor is, in the end, just like them, with the same problems, the same questions” (Coelho, 2010).

Moreover, Cultural differences can be favorable for the company only if handled intelligently. (Holden, 2002) Holden has distinguished three primary uses of the term ‘culture in management literature.

- Culture referring to ethical grouping
- Culture referring to corporate values
- Culture referring to mental attributes as in Hofstede’s formulation

Culture is the morals, knowledge, belief, art, laws and customs shared by all members of the respective social group which shapes the behavior and formats the world in different conception. As Kroeber and Kluckhohn say that:

*Culture consists of patterns, explicit and implicit, of and for behavior acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiment in artifacts; the essential core of culture consists of*
traditional (i.e., historically derived and selected ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other, as conditioning elements of future action. (Kroeber & Kluckhohn, 1952)

“Shared motives, values, beliefs, identities, and interpretation or meanings of significant events that result from common experiences of members or collectives that are transmitted across generations” (House, Hanges, Javidan, Dorfman, & Gupta, 2004)

A model of culture

The figure represents the level of the culture according to Trompenaars and Hampden-Turner.

Figure 1 Trompenaars and Hampden-Turner model of culture
Source: (Trompenaars & Hampden-Turner, 1997)

A culture’s explicit layer are the things which can be observed clearly like the buildings, food, houses, monuments, temples, arts symbolizing deeper level of
the culture and actually from which the opinions are started. When the Japanese managers bow when they greet, the explicit layer is the act of bending and prejudice might be “why do you bow?”

The cultural norm senses what is right and what is wrong whereas the values, on the other hand, determines what is good and bad. When the values follow the norms, the culture is relatively stable. Japanese might answer they bow as a greeting: that is value and other might say they bow because all another Japanese bow which is the norm of the society.

The core assumptions tell that people cultural behavior is affected by nature. They have a different set of values differs according to the region. They have developed their characteristics by the influence of the surrounding. The logical assumptions, problem-solving processes, organizational or functional culture, the importance of survival are the factors, and this is determined by the impact of the culture of nature.

2.3 Negotiation

The word “Negotiation” is originated from the Roman word “Negotiator” which means to carry business and is derived from Latin root words “neg” and “otium” which means “not” and “ease or leisure” respectively. (Hendon, Hendon, & Herbig, 1996). The term “Negotiation” is defined by Cambridge Business English Dictionary (Cambridge Business English Dictionary, 2011) as a “formal discussion between people who are trying to reach an agreement”.

“To begin with two elements must normally be present for the negotiation to take place: there must be both common interests and issues of conflict; is there is no common interests there is nothing to negotiate about and without conflicting issues nothing to negotiate about”. (Ikle, 1968)

According to (Fisher & Ury, 1999). we negotiate every day in our life. Negotiation is part of communication and it is the process of getting a mutual decision. This is affected by the background of values and experience of the negotiator.
The style of negotiation varies according to the people nature. There are three types of negotiator: soft, hard and neutral. The soft negotiator tries to skip the conflict and makes an agreement with making consideration for personal benefit. Sometimes when they make concession they also get exploited due to the outcome of the negotiation. The hard negotiator holds a strong position and tries to make the result in their favor. The third party is neutral which means they are both hard and soft. They are ready to take in or give away the benefit to get the fair negotiation result. This method is also known as a method of principled negotiation. This negotiation focuses on the result and assists people to have a win-win situation.

“All social interaction is affected by the physical container in which it occurs”. (Bennett, 1999)

According to (Benoliel, 2011) “negotiation excellence, environment influences who we are and what we do. The physical environment also represents social rules, conventions, nature of interaction”.

Lewicki, Barry, & Saunders describes that people negotiate all the time. It is not the formal process performed by only diplomats, entrepreneurs or advocates in an organized way but it is also the simple communication which is done by everyone and anywhere. Some people negotiate about the major things like launching a new company whereas sometimes people negotiate about minor things like what to eat for the dinner. So, no matter major or minor but people negotiate daily all the time. (Lewicki, Barry, & Saunders, 2007).

There are four key elements of negotiation.

- Managing interdependence
- Engaging mutual adjustment
- Creating/Claiming value
- Managing Conflict
1. Managing Interdependence

People depend upon each other to get the personal benefit is getting interdependence. They need the help of other people to fulfill their objectives. People who are dependent on other may have different motives to work together but they obtain their preferred benefit as a result.

2. Engaging mutual Adjustment

While working in a group the decision of each member can create an impact on other decisions. Thus, they should have mutual understanding to acquire their personal benefit as a result. This is known as a mutual adjustment in negotiation.

3. Creating/Claiming Value

In a process of negotiation, people want to claim more from any result. They either become interdependent or make a mutual adjustment; the main motive is to attain the larger amount of return as a benefit. This kind of negotiation should make a win-win situation or in a broad sense should provide value to each party who are involved in negotiation. This style of negotiation shows that the negotiator must be versatile and understand how to win in a competitive environment by making everyone happy.

4. Managing Conflict

The misperceptions and misunderstanding can lead to conflict in negotiation. The negotiating parties can get conflict even they want the mutual benefit for each other. The types of conflict differ according to the size of parties involve in the process of negotiation. This conflict can be managed by mutual understanding in a group. People should communicate take away their stands, initiate the strategies to get a mutual goal for minimizing the conflict.

2.4 Culture Affecting Negotiation

Culture plays an important role when it comes to doing business with foreign partners. It can make or break the negotiation process and can also lead to
the lose-lose situation. But if behaved correctly it can result in win-win situation for both parties. Salacuse has determined ten most important cultural factors that help to understand and perform ineffective way in a negotiation process. (Salacuse, 2004)

<table>
<thead>
<tr>
<th>Negotiation Factors</th>
<th>Contract ↔ Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td>Win/Lose ↔ Win/Win</td>
</tr>
<tr>
<td>Attitudes</td>
<td>Informal ↔ Formal</td>
</tr>
<tr>
<td>Personal Styles</td>
<td>Direct ↔ Indirect</td>
</tr>
<tr>
<td>Communications</td>
<td>High ↔ Low</td>
</tr>
<tr>
<td>Time Sensitivity</td>
<td>High ↔ Low</td>
</tr>
<tr>
<td>Agreement Form</td>
<td>Specific ↔ General</td>
</tr>
<tr>
<td>Agreement Building</td>
<td>Bottom Up ↔ Top Down</td>
</tr>
<tr>
<td>Team Organization</td>
<td>One Leader ↔ Consensus</td>
</tr>
<tr>
<td>Risk Taking</td>
<td>High ↔ Low</td>
</tr>
</tbody>
</table>

Figure 2 The Top Ten Ways That Culture Impact of Culture on Negotiation
Source: Jeswald W. Salacuse (Salacuse, 2004)

1. Negotiating Goals: contract or relationship

It indicates the purpose of the parties towards the negotiation and in some culture, the purpose of negotiation is to sign the contract first e.g. American culture. On the contrary, some culture believes in establishing a healthy relationship for their sustainable business e.g. Asian culture. Thus, the Asian negotiates often tries to give more time and effort understanding the other negotiating parties which they believe would be a strong foundation for a long-term business relationship (ibid.)
2. Negotiating attitude win-lose/win-win

In win-lose negotiation, parties are not compatible with the common goals. Therefore only one party can achieve profit at the cost of another party. Whereas, in win-win negotiation both parties come up with the common compatible goals and also co-operate each other for the betterment of both of them. Thus, the win-win approach is a collaborative problem-solving process while win-lose is confrontational (ibid).

3. Personal style: Informal or formal

It relates to the way in which negotiator behaves, dresses, speaks, communicates with other people. “Formal negotiates insist on addressing counterparts by their titles, avoid personal anecdotes; Band refrains from asking questions that relate to the private life of the other negotiating team members. Informal negotiators, on the other, may start the discussions on a first name basis, quickly seek to develop a personal, friendly relationship with the other team, and (if male) may take off his jacket and roll up his sleeves when the deal making begins in earnest. E.g. Negotiators from Germany, Japan and China tends to adopt more formal style than the negotiator from America (ibid).

4. Communication: Direct or Indirect

Different culture adopts different kinds of communication style. Some emphasize direct and to the point method (e.g. Germans & Israeli Americans) whereas other might emphasize indirect method (e.g. Japanese). It is easier to receive the prompt, clear & definite response to the questions in direct communication but in indirect communication the reaction might be in gestures, vogue comments (ibid).
5. Sensitivity of time: High/low

American values the time and compares with money. So, they want to make a deal quickly while negotiating. Whereas the people from Asian background try to take time and build a relationship first, then they go for the contract. They believe going fast is not a good sign for mutual trust in making deals (ibid).

6. Emotionalism: General/Specific

“Latin Americans Show their emotions at the negotiating table while Japanese and many other Asians hide their feelings.” Different cultures have different forms of displaying their emotions in the negotiation table also. Salacuse has surveyed Latin American & Spanish top ranks in expressing their emotions clearly, Europeans, Germans and English ranked least and Asians & Japanese ranked even lesser (ibid).

7. Form of Agreement: General/Specific

American prepares contract paper beforehand with all the possible circumstances that may arise in future. When any conflict comes, they go according to the fact written on a piece of paper. While the people from Asian background makes a contract on the basis of basic principles and if any conflict comes in the future then they make settlement by keeping the relationship in first place (ibid).

8. Building an Agreement: Bottom up or Top down

Some people start to have agreement on basic principles then go for specific items. This is top down approach on making a deal. In contrast, some try to seek agreement on a long list of specifics. This is bottom up way of building an agreement. French, the Indians, the Argentineans are more top down and American, Mexicans and Brazilians are more bottom up (ibid).
9. Team Organization: One leader or Group consensus

The people from America choose a supreme leader who is responsible for the major decisions in any negotiating process. While, in Asian culture the major decision is made by group consent. They do not want to express their authority to commit any decision unless the group makes an agreement on a deal (ibid).

10. Risk Taking: High or Low

While comparing the people, Americans are more risk lovers. They want to take the responsibility of any risk that arises from their decision. While, people from another culture like Japanese prefers to divide the burden of risk by working in a group. They need a large amount of information before making any decisions (ibid).

2.5 Cultural Differences in Negotiation

In a globalized world, it has become necessary to understand how cultures affect the negotiation process. How negotiations are to be done and what behaviors are accepted is determined by the cultural background from which the negotiating parties are. (Benoliel, 2011)

There might be vast differences in Asian & American negotiators in the use of ‘false promises’ and ‘inappropriate information gathering’ as bargaining tactics. (Lewicki & Robinson, 1998)

In comparison to western negotiators, Asian negotiators are found to “gain information about an opponent’s position by cultivating his/her friendship through expensive gifts, entertaining, or personal favors” because these are a relationship building culture in Asia. Also, how people respond to fraud and honest behavior in the negotiation is also affected according to cultural background. E.g. East Asians use more punishments than the westerners. (Wang & Leung, 2010)
During the process of negotiation, European-American seems to be more anger expressive rather than the Asians and Asian-Americans. (Hajo, Shirako, & Maddux, 2010)

Thus, in negotiation it is important to understand the cross-cultural differences and appreciate in the way one perceive and respond to the negotiation/bargaining practices.

2.6 Culture in two-party negotiations

![A model of intercultural negotiation](image)

Figure 3 A model of intercultural negotiation

Source: (Brett, 2007)

Here the figure shows that when the negotiators from different cultures interest and priorities are compatible, the potential outcome is generated. In such negotiation, the interest and priorities are affected by the cultural background. Some parties have direct approach; some believe in planning and building
relationship while doing the negotiation. In some cases, the body which does not have the physical presence in the table also plays an important role in decision making e.g. government.

According to (Brett, 2007), different cultures have different kinds of strategic behavior such as their confrontational style (Direct/Indirect), their motivation and their integrative or distributive strategic approach to negotiation. Thus, these strategic behavior leads to the pattern of interaction in negotiation and impact in the outcome.

The people from two cultural groups have different preference while negotiating. Some might see that is not suitable according to their cultural values. This might affect another group in the negotiating process. It is unwise to label other party accordance with own preferences. When there is a difference there is also an opportunity for a better outcome as integrative potential.

The negotiators use different strategies during the process. These strategies are affected by the style of communicating such as direct, explicit communication. They prefer to respect their cultural values, priorities and give feedback or comment in the negotiation. The people from indirect culture have different norms and try to make multi-issue proposals. When these strategic negotiators are brought up to table clash, the process is less efficient, and results are likely to be sub-optimal.

2.7 Conflict Management

Brett has defined that “Conflict is the perception of opposing interest” (Brett, 2007). He further writes that the most case scenarios for conflict occur when people work independently, need to divide the resources and try to task by their interest. Culture is not only the fact for conflict. It can be anywhere anytime. In some cases, there is a high probability of conflict where is a cultural difference. In cross-cultural business, conflict can also lead to disputes. The conflicting party can terminate the deal or relationship with other. There can be a harsh situation for both parties when the dispute needs to be resolved. Both can reject the claim and interpret the situation in their way.
Brett proposes three standard approaches for resolving the disputes i.e. interest, rights and power. The disputes can be resolved by initiating the integrating the interest, determining the rights and relying on power. It means that people should identify the interest first and set some rules for the rights and make the balanced use of power with the strong and weak parties. Here, in the figure power consist the rights and interest of a part of it. (Brett, 2007)

1. Using Interest to resolve disputes

Interest is the main reason for making the claims and rejecting it. This determines the position and need of the disputing parties. The interest is affected by the cultural influences. People have a different set of rules and beliefs which determine the interest in any situation. When this is not respected or considered by another party, the conflict arises. Thus, the negotiating party should understand the culture of another party and their interest. It is better to understand the values of collective and individualist cultures prior to making the deals.

2. Using rights to resolve disputes

It is hard to resolve the disputes by use of the right standard. Each party tries to justify their claim and rejection. It is the way of implementing the standard fairness strategies to settle the disputes. The both party have to concede their standard of meeting both needs.

3. Using power to resolve disputes

While using power to resolve the dispute BATNA is one of the major elements of it. Both parties in negotiation have status and one of them is viewed as powerful. People do not want to lose, but finding the best alternative by using the power standard is a good way of solving the disputes.
4. BATNA (Best Alternative to a Negotiated Agreement)

BATNA is a form of the alternative solution when conflicting parties cannot reach an agreement. This is a better way of getting a solution which meets the both parties need. It has two steps; first is about protecting and making an agreement with the rejected option. The second step is to reach the agreement that would be more valuable and satisfies each party interest. It opens the path for identifying the bottom line standard of both negotiators. BATNA is not only a better measure but also provides an advantage for being flexible to open and imaginative solutions. While using BATNA there is a chance of getting wiser solutions. For this, there is a need of forecasting the outcome of the alternative solution and its possible impact in a negotiating process. When there is better BATNA, there is more power while having an agreement. (Fisher & Ury, 1999)

There are some important factors that should be considered as a tool for the successful negotiation. The people from some other culture should learn the styles like greetings, expressing themselves, emotions, eye contact, and habits of negotiating party before they go to deal with them. (Sebenius, December 2009)

Do`s and Don't`s
<table>
<thead>
<tr>
<th>Do’s and Dont’s</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Greetings</strong></td>
<td>How do people greet one another? What role do business cards play?</td>
</tr>
<tr>
<td><strong>Degree of Formality</strong></td>
<td>Will my counterparts expect me to dress and interact in a formal or informal way?</td>
</tr>
<tr>
<td><strong>Gift-giving</strong></td>
<td>Do business people exchange gifts? What gifts are appropriate? Any taboos?</td>
</tr>
<tr>
<td><strong>Touching</strong></td>
<td>Which parts of the body are public? Are handshakes, hugs, or kisses expected? Awkward? (how many? Which cheek(s)?)</td>
</tr>
<tr>
<td><strong>Eye Contact</strong></td>
<td>Is direct eye contact polite?</td>
</tr>
<tr>
<td><strong>Deportment</strong></td>
<td>How should I hold myself? (Stiffly? Casually?)</td>
</tr>
<tr>
<td><strong>Emotions</strong></td>
<td>Is it rude, embarrassing, or normal to display emotions?</td>
</tr>
<tr>
<td><strong>Silence</strong></td>
<td>Is silence awkward? Expected? Insulting? Respectful?</td>
</tr>
<tr>
<td><strong>Eating</strong></td>
<td>What are proper manners for eating?</td>
</tr>
<tr>
<td><strong>Body Language</strong></td>
<td>Are certain gestures or forms of body language rude?</td>
</tr>
<tr>
<td><strong>Punctuality</strong></td>
<td>Should I be punctual and expect my counterpart to be as well?</td>
</tr>
</tbody>
</table>

Figure 4 Etiquette and National Culture in Negotiation

Source: James K. Sebenius (Sebenius, 2009)

2.8 International business

The commercial activity which is operated outside of the domestic territory is known as International business. It involves the sales, import-export, and transaction of various kinds of subjects which have its monetary value in long run. Language, Culture and international law and regulations impact the international business activities. The domestic business tries to expand their sales and operation in larger volume and this leads to the internationalization of the
firms. There is an importance of the economic environment for the success of international business. The economic environment helps the business to identify the size of the market, knowledge of possible risks, forecast the growth and to mobilize the resources to get optimum results. Communication systems and cultural behavior may have to take into consideration while doing international trading. (Bennett, 1999)

2.9 Nepal

The Long conventional form of the country name is the Federal Democratic Republic of Nepal and short form in Nepal. The government type is Federal democratic republic. Nepal is situated in the southern Asia and in the time zone of UTC +5.75. It has 14 zones and 75 districts as part of its administrative divisions. Nepal celebrates its Republic day on 29th of may. It is practicing English common law and Hindu legal concepts as the form of legal system. Nepal is a landlocked country situated between the two giant states China and India. Its total area is about 147,181 sq km. It is the land of world highest peak of the world known as Mount everest and this has the height of 8,850 metres. The eight of the world ten highest peaks are situated in Nepal on the border with China and India. Nepal is the land of more than 125 caste/ethnic groups speaking more than 123 local languages. The main official spoken language is Nepali. They are much religion practiced in Nepal where Hinduism has highest as 81.3% of total population. The country population is about 30,986,975 as in the report on July 2014. The population growth rate is about 1.82%. Kathmandu is the capital and biggest city with 1.015 million population as from the report on 2011. The total literacy rate is total population is about 57.4% where male has 71.1% and female about 46.7%. (World Fact Book : Nepal, 2014)
Economy of Nepal

Agriculture is the main source of livelihood accounting over 70% of the population engaging in it and one-third of total country GDP. It depends highly on remittances, and this is about 22-25% of GDP. Processing of agricultural products like grain, sugarcane, jute and tobacco are the main industrial activity in Nepal. Besides these tourism, carpets, textiles, cement and brick production are some other major business in Nepal. Being potential in hydropower about to produce 42,000 MW Capacity the political instability and unfavorable business environment have created problem to attract foreign investment. Being a landlocked nation, it has been facing the problems of power shortages, undeveloped infrastructure, and civil strife which is pushing the economic reform backward. The total GDP growth rate is about 3.6% and per capita income is about $1,500. The unemployment rate is very high as 46% and almost 25.2% of the population is staying below the poverty line. It main exporting products are clothing, pulses, carpets, textiles, juice, pashmina and jute goods of about $1.06 billion in countries like India, Bangladesh and Italy. Import is of $6.329 billion for the products like petroleum products, machinery and equipment, gold, electrical goods and medicine from countries like India, South Korea and China. It has the reserves for foreign Exchange and gold for about $6.574 billion. (World Fact Book : Nepal, 2014)

2.10 Finland

The conventional long form is the Republic of Finland and short from is Finland. It has a republic type of government. The capital city is Helsinki with the time zone of UTC +2. Finland goes to daylight saving time +1hr, which begins at last Sunday in March and ends on last Sunday in October. There are 19 regions for administrative divisions. It was declared as independent from Russia on 6 December 1917 and celebrates its independence day on 6th of December. The civil law system is based on the Swedish model which is the mainframe for the legal system in Finland. Finland is part of Northern Europe and border to Baltic Sea, Gulf of Finland, Gulf of Bothnia, Sweden, Norway and Russia. Its total area is about 338,145 sq km. It has the population of 5,268,799 as of report in July 2014. The official language is Finnish and Swe-
dish. Finns are the most populated ethnic group which is about 94.2% and Lutheran is the most practiced religion with 78.4% of the population. The population growth rate is 0.05 and Helsinki is the most populated city with 1.134 million populations. It spends its 6.8% of the GDP as education expenditure. These have resulted on 100% literacy rate in both male and female citizens. (World Fact Book : Finland, 2014)

Economy of Finland

Finland has highly industrialized and free market economy. Its export is accounted for one-third of its total GDP. Finland is competitive in the sector of business like manufacturing of wood & metals, engineering, telecommunications and electronics. The ICT, gaming, cleantech and biotechnology sectors also hold the largest share on the overall trade from Finland. Its total GDP growth rate is -0.6% which was affected by the economic recession within the European Union. The per capita income of people in Finland is about $35,900. The unemployment rate is 8.1%. The major industries in Finland are metals and metal product, electronics, machinery and scientific instruments, shipbuilding, pulp & paper, foodstuffs, chemicals, textiles and clothing. The net exports accounts to $75.7 billion for the goods like electrical & optical equipment, machinery, transport equipment, paper & pulp, chemicals, basic metals and timber to the countries like Sweden, Russia, Germany, Netherlands, US, UK and China. It is mainly importing the products like foodstuffs, petroleum & petroleum products, chemicals, transport equipment, iron steel, machinery, computers, electronic industry products, textile yarn & fabrics and grains for almost $70, 67 billion from Russia, Sweden, Germany, Netherlands and China. Finland has $10.6 billion of reserves for foreign exchange and gold. (World Fact Book : Finland, 2014)
2.11 Hofstede’s National Dimension of Culture

In this chapter, authors have explored Nepal & Finland on the basis of the Hofstede six dimension of culture and this model gives a good overview of core drivers that distinguishes Nepal from Finnish culture.

1. Introduction

Gerard Hendrik Hofstede, a Dutch social psychologist, was born on 2 October 1928. He has published numerous publications in the field of social psychology and among them he is well known for his books “the poverty management control philosophy, the game of budget control, cultural consequences, Cultures and organizations: software of the mind.” His one of the most notable works consists developing of the cultural dimension theory. (The Hofstede Center, n.d.). To develop this theory, he has compiled the huge database from the survey within the subsidiaries of one large multinational business organization IBM in 72 countries. He was also the former employee of IBM. His study reflects that culture differs according to the country and the solutions to the basic problems that any society has to cope also differs according to the respective culture. (Hofstede G., 2001)
Figure 5 Hofstede’s 6 Cultural Dimension
Source: (Hofstede G., 2012)

By using Hofstede cultural dimension cultural differences among Nepal and Finland can be identified and described in the chart below.

Figure 6 Hofstede’s 6 Cultural Dimension of Nepal and Finland
Source: (The Hofstede Center, n.d.)

1. Power Distance

Power distance measures the differences and acceptance of the power in the society. (Zhou, 2008) It helps to find whether the power flow is from top to down or more horizontally and widely. It also helps to find out how the employees react to the power. Nepal has a slightly high score in this dimension. It shows that Nepal is hierarchical society and everybody has their place. In an organization, centralization of power is in practice thus the boss orders what to do and what not without consulting their employees and they
should behave respectfully. Whereas Finland scores more than half times lesser than Nepal which shows that power is decentralized in Finnish organization. Finns employee have an informal attitude towards the manager and they all work as equal parts of the team. Finns like to have direct communication, and they consult with the managers. There are equality and independence. Managers or superior are easily accessible, and they coach their juniors rather than ordering them. (The Hofstede Center, n.d.)

2. Individualism VS Collectivism (IDV)

This dimension addresses “the degree of interdependence a society maintains among its member”. With a lower score of 30, Nepal is a collectivistic society committing long term and strong bond to the group or relationship. Thus, every member takes the responsibility of each other of the group/family. They are more comparatively loyal and strongly dependent on other members. Finland scoring 63 represents individualistic society taking self-care. Finns mostly thinks like ‘I’ rather than ‘We.’ They emphasize in their individual interest, achievements and rights. (The Hofstede Center, n.d.)

3. Masculinity VS Feminity (MAS)

This dimension refers to the ‘tough’ masculine or ‘tender’ feminine societies. Feminine societies give more importance to social goals such as relationship, co-operation, physical environments and masculine societies focus more on ego goals such as money and career. Importance to such feminine and masculine goals varies across the society and country. Thus “The fundamental issue here is what motivates people, wanting to be the best (masculine) or by liking what you do (Feminine)”. Both countries: Nepal (scoring 40) and Finland (scoring 26) are considered to be feminine society. The focus is “working in order to live”. They try to settle down the conflicts from compromise and negotiation. (The Hofstede Center, n.d.)

4. Uncertainty Avoidance (UAI)

This dimension describes “the extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these”. The future is unknown. The confusion of
whether controlling or just letting to happen causes anxiety to the people. Various people from various cultures view it differently with different ways of dealing. Nepal scoring 40 has a medium low preference for avoiding uncertainties. In this society aggression, stress, emotions, disapproval are not expressed but internalized. Moreover rules and regulations are quite flexible and they like to stay relaxed rather than taking risk in the business. Finland and other Scandinavian countries have tolerance for uncertainty and are ready to value risk-taking, problem-solving and ambiguity. Finns are very punctual and innovative. They are strict about rules and security and it is an important element in individual society. (The Hofstede Center, n.d.)

5. Long term orientation

This dimension was added later which deals with the society virtue. “Long term orientation stands for fostering of virtues oriented towards future rewards, in particular, preservance and thrift. Its opposite pole, short term orientation, stands for fostering the virtues related to the past and present, in particular, respect for tradition, preservation of ‘face’ and fulfilling social obligation.” There is currently no any score for Nepal but Finland lies in the normative society with a low score of 38. They plan for their present and save less for the future. They are also aware of their norms and traditions. (The Hofstede Center, n.d.)

6. Indulgence

No ‘human’ are abide from socialization and humanity, now and in the past are by which level the little child are socialized. Thus, this dimension describes “the extent to which people try to control their desires and impulses” and it is based on their upbringings. Culture can be categorized as the ‘Indulgence’ which is weak control over the desires and wants or it can be called ‘Restraints’ which is strong control over own desires. Finland has scored 57 points and comes under the indulgent culture. Finnish people know their wishes or desires and they enjoy their life in their way. Finnish people are independent and they don’t want to be live under anybody pressure. That’s why they spend the money as their wish. They have a positive attitude and are optimistic. Leisure time is very important to them that why when they have
spare time they wish to make it valuable by traveling or spending time in productive ways. (The Hofstede Center, n.d.).

2.12 Seven Dimension of Culture

Trompenaars and Hampden-Turner (Hampden-Turner, n.d.) did research, spending 10 years in 40 different countries with 46,000 managers. The result of this study differed in very specific and predictable ways. The cultural values, beliefs and priorities differed according to the distance. Thus, writers concluded these differences to distinguish the group of people in following seven dimensions of culture.

1. Universalism Versus Particularism

Universalist culture tends to follow the set of rules and obligations as part of the moral reference. They support the rules even their best one are involved with and deal equally with all cases. USA, UK, Netherlands, Switzerland, Germany, Scandinavia, New Zealand, Australia are some examples of universalist society. Whereas particularist societies are more likely to support their particular one against the rules and obligations. They try to give more importance to their friends and nearer ones than treating equally with accordance to any abstract rule. For an example of particularistic society Russia, Latin America, China (Hampden-Turner, n.d.).

2. Individualism Versus Communitarianism

Individualistic society is more freedom lover and believes in personal achievement. They are responsible for their decision and take care of themselves. USA, Canada, UK, Scandinavia, New-Zealand, Australia and Switzerland are some examples of Individualistic culture countries. Group is the main priority of communitarianism society. They work in a group by helping each other for safety and goal in exchange for loyalty. They place the group always before the individual. Latin America, Africa and Japan are some examples of communitarianism society (Hampden-Turner, n.d.).

3. Specific Versus Diffuse
The people in specific culture keep the personal and professional life separately. They believe that relationship does not impact on the work objectives even though the good relationship is important. They also believe that each can work and can achieve results without having a good relationship. USA, UK, Switzerland, Germany, Scandinavia, and Netherlands are some examples of specific society. Whereas in diffuse culture people overlap their working life with personal life. They tend to have a closer relationship with each other. Knowing each other and having a close relationship is more important to meet the work and business objectives. People socialize by spending time with each other for getting involved in work. Argentina, Spain, Russia, India and China are some examples of Diffuse Culture Society (Hampden-Turner, n.d.).

4. Neutral Versus Emotional

People control and do not try to show their personal feelings and emotions at the work in Neutral culture societies. Reason and facts are more important rather than how or what they feel about any situations. UK, Sweden, Netherlands, Finland, Germany are more Neutral society. The people in emotional society express their feelings and emotions at work. They show their feelings rather than going for a specific reason for any situations. Italy, France, Spain and Latin American countries are more emotional culture society (Hampden-Turner, n.d.).

5. Achievement Versus Ascription

In achievement culture society the personal performance in the base for him/her status. People will look at what they do and they base their worth accordingly. USA, Canada, Australia and Scandinavia are an example of typical achievement culture countries. People believe in personal value for their status. Their position or title rank them in ascription culture society. Some examples of Ascription based countries are France, Italy, Japan and Saudi Arabia (Hampden-Turner, n.d.).

6. Sequential Time Versus Synchronous Time
In sequential time culture society, they think time is money and get strict about their schedule. They are punctual and make a systematic plan for everything they do. They prefer every event should be in order. Germany, UK and USA are some examples. In synchronous time society, people are quite flexible about the schedule. They work on several projects at once and modify the plans or commitments according to the need. Japan, Argentina, and Mexico are some examples of synchronous time culture societies (Hampden-Turner, n.d.).

7. Internal Direction Versus Outer Direction

People believe they can control the nature of working environment to achieve the goals. They have their way of working within a team in an organization. Israel, USA, Australia, New Zealand and UK are some examples of Internal direction culture societies. In outer direction culture societies, people are controlled by the nature of working environment for achieving the goals. They work in a team by having a good relationship for avoiding the conflict. People need reassurance from seniors often for doing a good job. China, Russia and Saudi Arabia are some typical outer direction culture societies (Hampden-Turner, n.d.).

2.13 The Lewis Model of Culture

The Lewis model has been taken from the concept from Edward T Hall’s monochromic (attending to one thing at a time) and polychronic (attending to multiple things at the same time) cultures. Richard Lewis broadened these concepts to three parts; that is Linear active, Multi active and Reactive (Lewis, n.d.).

Linear Active

The linear active people are good planners, task oriented and do one thing at a time. They are direct and stick to the facts and figures from authentic sources. They focus on truth rather than being emotional. They talk and listen in equal proportions. These people highly value the amount of privacy and like
to move quickly forward and compromise when it is necessary to achieve the results. They are strictly bounded by the rules and regulations and time management (Lewis, n.d.).

Multi Active

The multi active people are more relationship oriented. They make the decision based on their feelings and emotions. Speaking and listening is done at the same time with frequent interruptions and pauses. Relationships and connections have more importance in business than the products deal. They like to have face to face interactions rather than making deals over the phone calls. Spoken words and mutual trust are more important than the contract written on a piece of paper. They tend to give priority to the nearer ones and have less importance for the official rules and regulations. People are flexible with time plan and unpunctuality is frequent. They are family oriented and like being compassionate by human warmth (Lewis, n.d.).

Reactive

The reactive people listen before they react. These people are world’s best listeners and concentrate on what the speaker is saying or presenting and interrupt very rarely. In these cultures, the preferred mode of communication is monologue-pause-reflection-monologue. They let each party to deliver their monologue first. People take the silence as very meaningful and opinions with high importance. The people in reactive culture often confuse the westerners with silence. Finns, Japanese and Chinese cultures are some examples of Reactive culture (Lewis, n.d.).
2.14 Sales Management

The main objective of selling is for creating value for the business through the customer. Value is kind of revenue or profit obtained from sales or purchases transactions. The important motive of sales management is to gain maximum return in value from each customer. The factors like competitors, customers, technology, mature market economies and globalization are the main elements of the sales environment. (Donaldson, 2007)

Sales management is related to the management of an organization personal selling function. It includes planning, implementing, analyzing and controlling of the personal selling activities. They must be able to communicate and provide the inquiries of the people outside the organization and customers. The sales manager must fully understand and be responsible for the management of personal selling function. There are many firms which have multiple business, multiple product and diverse customers. This kind of companies needs to develop and integrate strategic decision at various operation levels. The sales person work on the guideline and this is typically provided by the corporate and business-level decision makers. Personal selling is an important part of marketing policy of any products in particular market situations. For an effective sales management, implementation of the corporate, business and marketing strategies is important. The sales result is affected by the selling effort and methods of the sales force. The hiring and directing of sales force determine the ability of leadership in sales management. Sales managers should monitor and evaluate the effectiveness of the resources in operation. (Ingram, LaForge, Avila, Jr., & Williams, 2015)

2.15 Negotiation in Sales

Negotiation word is itself a part of selling vocabulary. Even negotiating and selling are different somehow but have a very deep relationship with each other. Negotiation is part of selling and means for exchanging information with the customers. There are both ways communication between the personal and customers in the sales process. The customer inquiries about the service and products whereas the sales personal describe and tries to understand the customers need. It also allows them to express and share each other feeling
towards the selling and buying subject. Negotiation consists different stages of preparation of the information, discussion about the product-services, Bargain on price-condition and agrees or refuse the deal. The nature of buyer and sales person is the main factor for the outcome of any selling process. (Donaldson, 2007)

2.16 Selling in international markets

When a firm extends to the international market, its sales is affected by different factors. There are various environmental elements which influence its operation. The international marketing environment is dynamic in nature. The fiercer competition in the global market is the main reason for adopting dynamic marketing policy for global firms. Global firms are the firms that operate its various units like marketing, sales, R&D and production units in various nations. The cultural environment is one of the important components for the success of any company. The study of this environment helps the firms to gain knowledge about the values, beliefs and customers taste of different geographical regions. Culture also impacts in the way of doing negotiation in various places where the company has to operate. There are also many factors like political, legal, economic and technological environment that directly affects the sales of any firms. These factors determine the lifetime and success of the firms in the particular areas. (Donaldson, 2007)
3 Methodology

3.1 Summary of Thesis Process

<table>
<thead>
<tr>
<th>Introduction about the topic</th>
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</thead>
<tbody>
<tr>
<td>objective of study, importances of the study.</td>
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</table>

<table>
<thead>
<tr>
<th>Literature Review</th>
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<tbody>
<tr>
<td>Background for the study, Culture, Negotiation, Hofstede, Lewis and Trompenaars models, Nepal, Finland and their economic status, sales management, negotiation in sales</td>
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<thead>
<tr>
<th>Research Method</th>
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<tbody>
<tr>
<td>Saunders Research Onion: Research Philosophy - Exploratory strategy, Research Approach - Deductive, Research Strategy - semi-structured interview, choice - mono method, Time horizon - cross-sectional, Techniques and procedures -</td>
</tr>
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<thead>
<tr>
<th>Data collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary source: interview with businessperson from Nepal and Finland</td>
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<tr>
<td>Secondary source: Books, Internet, journal, article, report</td>
</tr>
</tbody>
</table>

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<tr>
<th>Findings and conclusions</th>
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Figure 7 Summary of thesis process

3.2 Methods and Data Collection

This chapter describes the methods and tools implemented by the authors to collect and analyze data. For the process of data collection, semi-structured interviews by using open-ended questionnaires are being used.
Here, is also the elaborated part of the collected information through this research study.

This topic was generated by the interest to find out how culture affects business negotiation between two groups and researchers chose to focus on and study between Nepal and Finland. The literature review includes findings from previous research done so far in these fields. These theories of culture, negotiation and some other major elements in international business also supports that there is an influence on the final business deal. The negotiation styles and behavior of the counterparts while negotiating are affecting the future of international business.

The authors have implemented qualitative data collection method because the analysis will be conducted by using the personal comments and ideas of the interviewees instead of numbers, diagrams and statistics typically of quantitative data collection methods. The term qualitative and quantitative are widely used in business and management research because of different data collection techniques and data analyzing procedure. Quantitative data collection focuses on the data analysis procedures such as graphs and statistics that gen-
erate numerical data. In contrast, qualitative focuses in data collecting technique like a questionnaire and analyzed by categorizing data. It generates non-numerical data. The research is conducted in single data collection technique i.e. questionnaire and data analysis procedure to find the solution of the research question. Thus it is a mono method qualitative study (Saunders, Lewis, & Thornhill., Research methods for business students, 2009).

Research philosophy is the development of research background, knowledge and its nature. (Saunders, Lewis, & Thornhill, Research methods for business students, 2007) It is also broad framework, which consists of perception, belief and understanding of theories and practices that are used for conducting research. Pragmatic view and approach were used for this research because it allows selecting multiple ontological perspectives. (Cohen, 2007). It also comprises the factors like individual's mental model, view towards subject and reality and various perceptions. The approach for this study was deductive. The deductive approach helps to make an observation of a hypothesis by developing theories and strategy to test the hypothesis by developing theories and strategy to test the hypothesis. In this study theories were reviewed to develop a hypothesis and research was done to find the reality of it.

Primary data will be collected through interviews by using open-ended questionnaires to the participations. This open-ended questionnaire helps to generate the elaborated information with different emotions and experience of the participations. The Research is an Explorative study which is a valuable means to find out “what is happening; to seek new insights; to ask questions and to assess phenomena in a new light” (Saunders, Lewis, & Thornhill., Research methods for business students, 2009). Exploratory research identifies the key issues and key variables. This helps in generation of a new phenomenon for better understanding to the researchers about the study. It provides guidelines for best methods to be used in the subsequent study. Although its focus is on broad issues rather than providing precise answers to particular research problems. (Research methods, n.d.)

This study focuses on broad issues such as the impact of cross culture in international business negotiation. The semi-structured research data was collected by conducting interviews with the businesspersons from Nepal and
Finland. The authors conducted the face to face interview, and some interviews were conducted through Skype. The interview is audiotaped and transcribed.

3.3 Research questions

The theoretical framework of this study has led to following research questions. These questions will be justified through the different methodologies implemented to conduct this research. Some questions are as follows;

1. How strongly does national culture play a role in the negotiation practices of Nepalese and Finnish businesspeople?

2. What are the different cultural values or behaviors prominently featured in the international business activities of Nepalese and Finnish businesspeople?

3. As regards commonly held cultural characteristics, how can Nepalese and Finnish businesspeople be compared and contrasted, and what are the implications for business success or failure?

4. How do Finnish and Nepalese businesspeople respond to cultural aspects in international business that differ from their cultural characteristics and practices?

4 Interview

4.1 Interviewees

There were total three respondents from each country, i.e. Finland and Nepal. There were two males and one female representing from each nation. Here, X represents the male participants and Y represents Female participants.

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<tr>
<th>Name</th>
<th>Gender</th>
<th>Business</th>
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<tr>
<td>X1</td>
<td>Male</td>
<td>Handicrafts Store</td>
</tr>
<tr>
<td>Y1</td>
<td>Female</td>
<td>Restaurant</td>
</tr>
<tr>
<td>X2</td>
<td>Male</td>
<td>Groceries Store</td>
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Figure 9 List of the respondents from Nepal
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<th>Name</th>
<th>Gender</th>
<th>Business</th>
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<tbody>
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<td>X3</td>
<td>Male</td>
<td>XXX</td>
</tr>
<tr>
<td>X4</td>
<td>Male</td>
<td>Fashion Business</td>
</tr>
<tr>
<td>Y2</td>
<td>Female</td>
<td>Handicrafts Store</td>
</tr>
</tbody>
</table>

Figure 10 List of the respondents from Finland

All the questions were semi-structured because it allows the authors to collect the large numbers of variables from the response of interviewee. These interviews were audio recorded and transcribed to extract the results from the response of each participant. Each of the interviews was recorded for more than 15 minutes, providing enough time for the interviewee to express their view and feelings. Most of the interviews were taken in the places which were favorable to the participants due the fact that this participant would feel easy to express their answers without any hesitation in a homely environment. Two of the interviews were done through Skype and was recorded because these respondent were from the different city. Participants from Finland gave answers in the English language because this was the only communicable language between the authors and them. The participants from Nepal gave an interview in their mother tongue i.e. Nepali language and this factor helped the researchers to achieve more inner feelings and facts about the Nepali respondents. All of the participants tried to express their experience on research topic during the interview without any hesitation. There were some distractions during the recordings in some respondents’ workplace that could impact on their imagination of the response; still they manage to provide the answers to each and every question.

Some of the participants were entrepreneurs working and handling the operations, sales and entire business functions of the company. Some of them were involved in importing the products for selling in foreign markets. Two of the respondents were involved particularly with the business operation along with sales of their company. So, the fact is this research have tried to involve
the participants from every field that is directly involved in international business. They have experienced the impact of cross-cultural influence on their day to day or particular negotiation process. One of the participants from Finland was directly involved doing business with Nepalese community. This participant also shared the feelings about making business relationship with Nepalese working colleagues and the suppliers from Nepal.

5 Results

The results from the audio recorded interview were transcribed and different points were noted to compare with different theoretical perspective. Finnish participants believed that there was no impact due to gender issues while doing international business. They felt that every gender could negotiate without any difficulties in any situation. The response stated that there is a mixed belief on gender roles from Nepalese perspective. Some expressed their stories that occurred in working life and gender issues caused this. One of the Nepalese responded that every gender could do the task but it depends on the task handling capabilities of that particular person. So, The Hofstede theory of Feminist Society Nepal and Finland believes that success of any business depends on the Personal abilities of the employee that could be of any gender. The results also suggest that the open minded abilities in person make the person look the cross culture scenarios in the very delicate way. This would help each party to understand and compare their cultural values from others cultural perspectives. The participants from Finland like to bound more by rules and regulations. They believe that it is more important to follow the paper works and fulfill the words that are made during the contract and deals. The Nepalese are more relationship oriented but also believe that in business life, work has the first preference.

Most of the company have utilized the service from consulting services that could assist their business in giving the knowledge about culture, taxation and overall business rules and regulations for their operating areas. Some of the participants believed that knowledge culture could be the primary factor for influencing the success of the business negotiation. They said that the personal
traits and behavior are upbringings from their childhood and this is more important in impacting their working life. These factors were affected by the culture they perceived from their life since childhood. Some participants from Nepal and Finland were able to change their personal abilities while they have met the people from other cultural backgrounds.

The results also stated that culture is not only the factor for conflicts, setbacks and misunderstanding but there might be several reasons like business laws, the transformation of information, personal abilities. Every participant thought that both listening and talking is important in business. Listening make the people understand the speaker feelings and needs. Talking is important to sell the ideas to the listening party. One of the participants believes that reading the mind of another party is an essential factor for success in cross-cultural negotiation. The respondents said that they were open minded and could handle from the people who like to be personal in negotiating the process. They also believe that opening their personal feelings at the first meeting is not so good and this has no sense of doing business. This statement also states that Finnish are not only the persons to keep their personal and professional life separate but also Nepalese like to do the same. They think that these issues are depending upon the people of different nature in the same or different country.

Finns believe that there must be directness in the information that they want to give or receive. This provides the clearness in negotiation. They also believe that they have respect and equality in their directness. Some participant from Finland said that they could be flexible with the formal and informal habits while doing business with foreign customers and partners. Nepalese respondent said that they believe in respect by their language and titles but also stated that they try to adapt themselves according to the situation and places. Sauna is an important part of the culture in Finland so people coming to negotiate with Finns must prepare to go to sauna with them. In Nepal, people should ready to bargain about the prices and terms in business and have to show their gratitude towards the culture and elder peoples.
5.1 Analysis of Interviews

Hofstede Theory of national cultural dimension defines that the power distribution is in hierarchical order in Nepal in compare to Finland. Hofstede also said that there is more dependence upon the boss orders and respecting his beliefs is an essential issue in any workplace in Nepal (The Hofstede Center, n.d.). The Nepalese participants believed that they were part of the organization where everybody has to do their responsibilities without doing a favor to their seniors’ beliefs. They said that everybody was equal and power distribution was equally divided in every position according to their working abilities.

The participants from Finland were good planners for preparing themselves before going to visit any unknown places or people from different culture. They said that they were taught from childhood about considering other cultures and behavior while visiting abroad or meeting foreigners. Whereas Nepalese participants thought it was not necessary to prepare them beforehand. They tried to keep in mind that everyone is equal and they could be treated in the same way as other. This statement also supports that Finns are more prepared for uncertainties about the future and try to avoid them as stated by Hofstede national cultural dimension of Uncertainty avoidance indulgence (The Hofstede Center, n.d.). Here is a table of comparison of the key points of differences between Nepal and Finland Hofstede national dimensions and the results from our research.
According to Hofstede (The Hofstede Center, n.d.):

<table>
<thead>
<tr>
<th>Hofstede National Dimensions</th>
<th>Finland</th>
<th>Nepal</th>
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<tbody>
<tr>
<td><strong>Power Distance</strong></td>
<td>Decentralization of power and equally distributed, Directness, Independent</td>
<td>Unequal power distribution, Centralization, Autocracy</td>
</tr>
<tr>
<td><strong>Individualism</strong></td>
<td>Value for merits, Individualistic, contract based working relationship</td>
<td>Loyalty, Long term commitment, Relationship oriented</td>
</tr>
<tr>
<td><strong>Masculinity</strong></td>
<td>Consensus-based decision making, equal involvement, working for living</td>
<td>Compromises, Status not shown</td>
</tr>
<tr>
<td><strong>Uncertainty Avoidance</strong></td>
<td>Rules are relationship, value of time, high preference to avoid uncertainty</td>
<td>Anxiety internalized, People are fairly relaxed and less prepared to avoid risks</td>
</tr>
<tr>
<td><strong>Long term Orientation</strong></td>
<td>Normative, expect quick results</td>
<td></td>
</tr>
<tr>
<td><strong>Indulgence</strong></td>
<td>Optimistic, value leisure time, Spent money on wish</td>
<td></td>
</tr>
</tbody>
</table>

Figure 11 Hofstede National Dimensions
Source: Hofstede (The Hofstede Center, n.d.)
Results from this research:

<table>
<thead>
<tr>
<th>Hofstede National Dimensions</th>
<th>Finland</th>
<th>Nepal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Power distance</strong></td>
<td>Equality, Directness</td>
<td>Equal distribution of power, Does not need to favor boss</td>
</tr>
<tr>
<td><strong>Individualism</strong></td>
<td>Freedom in work, Values for contract</td>
<td>Working for group, Values for mutual trust and understanding</td>
</tr>
<tr>
<td><strong>Masculinity</strong></td>
<td>Status does not matter, Value for work</td>
<td>Status matters, Value for work and words</td>
</tr>
<tr>
<td><strong>Uncertainty Avoidance</strong></td>
<td>Preparedness, Respect for individual space and unknown cultures</td>
<td>Prepare in some cases only, believes everyone would give the same kind of respect or response in return</td>
</tr>
<tr>
<td><strong>Long term orientation</strong></td>
<td>Patience, Expect Value from any activity</td>
<td>Patience for results, long term business relationship oriented mind</td>
</tr>
<tr>
<td><strong>Indulgence</strong></td>
<td>Free time is for leisure, Spends for self-Satisfaction</td>
<td>Free time is for family and nearer ones, Values the use of money and expects maximum return from it</td>
</tr>
</tbody>
</table>

Figure 12 Result from Research

The seven-dimension theory of culture highlights that the Finnish society is more abided by the rules and do not favor their nearer ones, thus they are more Universalist culture society (Trompenaars & Hampden-Turner, n.d.). The respondent from Finland loved for following the rules and regulations. They
prioritized the profession and tried to keep the relationship apart from their personal life. They believed in a business relationship rather than valuing emotions in professional life. The Nepalese participant thought that personal relationship was an essential factor for the success of their business or professional life. They tried to value their nearer ones because they believed that business is run by mutual trust and understanding between the stakeholders. The People in specific culture keep their professional and professional life separate whereas in diffuse culture people tried to mix their both part of life (Trompenaars & Hampden-Turner, n.d.). The both Finns and Nepalese participant thought that they were acting differently according to the situations. Most of them believed that they enjoyed for mixing their Personal and working life and sharing it with their Business partners or customers. They said that the sharing the experience means gaining attention and was important to get success in most of the cases.

Both Countries respondent were trying to hide their emotions in their working life. All of them were conscious of the consequences that might impact if they try to show their personal anxiety in the workplace. The Finns and Nepalese stated that there would be better results in the negotiation of them if they have good teamwork in Business.

The results show that Nepalese are between the Linear active and Multiactive where Finns are more Reactive. According to (Lewis, n.d.) Linear active is strictly abide by time management and task oriented. Multiactive culture people are more relationship oriented, they also listen and speak at the same time. In reactive culture, people are good listeners and they only react after listening to the speaking partners. Nepalese people said that every situation while doing negotiation differs according to various factors thus they try to change themselves to get fit in those situations. Sometimes it is good to speak and listen at the same time but in some cases, it is good to speak and listen in order. But Finns believed that they were raised so that they make pause while other speak. This is a kind of culture for Finnish people. They speak directly to the point after they Finnish hearing the point of their negotiating partner. Finns also said that directness in communication is an essential factor in Finnish culture. According to Some Finns respondent, this rules does not apply in some cases like selling or buying products with foreign parties.
5.2 Conclusion

Finland and Nepal being from different parts of the world share some similarities and many dissimilarities. Both possess distinct cultural beliefs and traditions. The main objective of this research was to see how the deep-rooted cultural differences were impacting on the business negotiations. There were many different ways to look at the same issue in these two countries. People could be misunderstood, and it could impact on the results of any business deal due to cultural differences. This research has tried to show the issue that would be beneficial to consider while negotiating with people from Nepal and Finland. In this modern world, every day the development of different technologies is making the small world even of the huge geographical distances. People are getting closer and closer to improving the way of living through the development of business and technologies. This is an important part of human civilization. Everyone cannot deny their unique differences which are rooted from their culture where they have been raised.

So understanding the cultural differences is a very important issue to do any international business. The authors believe that this study would help the readers to understand the key issues of cultural differences. Even in the lack of resources and time limit the authors were able to collect some important information on negotiation styles used by Finland and Nepal and what the people in these countries expect while having a negotiation with another part of the world. The consideration of these issues would help the foreigners to get success while making deals with the people of these two countries. After this research the authors thinks that the future researchers could do a study on the comparison of the cultural values of the Finnish and Nepalese society. This study would help the people to see the culture differences and similarities between these two countries more clearly and distinctly.
6 Recommendation

Culture is one of the vital factors that up brings the behavior in any person. This behavior raises the styles for communication and negotiations. Thus, Culture is directly impacting on negotiations. Finnish culture is more direct towards their views expressions and they try to be on point. Being an individualistic society Finnish people are also prepared for the uncertainties. These factors distinct Finns from the other people from rest of the world. The participants said that they could adapt their behavior according to the places and situations. But the main issue was about language problem.

The language being an important part of the negotiation, it is a key point which defines the result of any situation. Finns were shy and valued personal space, so they said that they preferred to give and expect the same level of space in the negotiation process. The participants from Nepal were concerned about status and relationships. They did not want to miss the chance to build the long term relationship while doing any negotiations. This makes them focus on building a relationship along with their business. They also said that language is an essential factor which defined the success of any deal. Along with the language, every party has their set of values while negotiating which might create misunderstanding between them. Salacuse writes that:

“When Enron was still – and only – a pipeline company, it lost a major contract in India because local authorities felt that it was pushing negotiations too fast. In fact, the loss of the contract underlines the important role that cultural differences play in international negotiation. For one country’s negotiators, time is money; for another’s, the slower the negotiations, the better and more trust in the other side. This author’s advice will help negotiators bridge the cultural differences in international negotiation.”
(Salacuse, 2004).

Thus, the matter which is important to one negotiation party might not be important to another one. There is importance for the issues like principles in negotiation because each party runs their business on the basis of an own set of rules to follow their dream. “Where two principles really do meet which
cannot be reconciled with one another, then each man declares the other a fool and a heretic” (Klagge, 2011)

Among these authors find language is one of the important factors in international business negotiation. So, every party must try to be prepared about the situation beforehand. They should prepare about if there is a need for intercultural expert or translator. By consideration of these issues, it would help in leading the negotiation process more efficiently and successfully. In Finland, there is awareness about the need of an intercultural expert in some cases most of the international companies. In the case of Nepal, they try to handle the situation by using their own or other experiences to handle the conflicting situation arise by cultural differences. There is lack understanding about culture could impact a lot in many situations in the international land. Nepalese try to see only the language and race as a factor for misunderstanding. So, the authors find that there is need of cross-cultural education awareness among the Nepalese people who are involved in international business.

Conflicts are not only arising by the language barriers or the words that are spoken by the negotiators. It could be due several factors like lack of expertise in the field they are doing to talk, or perception of the belief that everyone would be same. These issues that are causing conflicts must be handled separately because everyone is different in the world and even from the same country people could have different distinct cultural learnings. So, these conflicts could be handled by considering the fact that every individual have different beliefs and they must be treated how they want to be. The detailed research of culture of unknown place would be very beneficial to every people who are involved and will be involved in negotiation in a foreign land.

7 Advise from interviewees

This part includes the Interviewee personal beliefs that would help to improve results while having a negotiation with the people of these two countries. Participants from Nepal believes that respect towards the elders and culture is a vital factor for the success of while doing any Negotiation. Nepalese people
values their personal space but would like to share some of their personal life issues with customers and business partners. In Nepal, the foreigners should be ready to bargain about the prices and condition of any product or services. Being too direct in communication could lose the face of Nepalese counterparts in Negotiation process. Nepalese people highly value for a relationship after the business deal so be ready to build a friendship by showing respect and gratitude. Do try to make a long talk about religion because Nepalese people highly value their native religious beliefs.

The Finnish participants are mostly freedom lover. So be prepare to respect their personal space. Finns like to be direct on any matter or issue so try to say your point in short and clearly. Sauna is an important part of Finnish Tradition so be ready if some Finnish counterparts offer you for the sauna. The Finns are taught to be individual and respect other cultures from their childhood. They expect that every Negotiator would show respect towards to their culture and society norms. They are a flexible person so they can adapt according to the different kinds of situations and cultures which vary with the places. Finns like to be more business oriented in formal meetings so be straight on business issues and points about your demands and conditions.

7.1 Reliability and Validity

While doing research it is very important to value the personal beliefs of respondent involve in the research process. In this thesis, there were only a few numbers of research samples that might reduce the quality of the results. The limitation of time frame and the sample size is the main problem to present the exact scenario of answers for the research questions.

The sample size of this study is a very tiny part for assuming that any particular society would look like what they have said. Still this is a primary source how the respondent saw their society from their eyes. Generalizing the whole societies by the response from small sample size is leading to a lot of criticisms. The results were based on the respondent personal beliefs and views about how they see the issue in their working life.

Even of the small size this study is kinda tiny light hole inside a dark room. It shows how the society from Finland and Nepal look alike while comparing with
culture and negotiation style issues. Participants were from different sectors and this important part which bring experience from different fields for a common issue. The results from the small sample are reflecting of bigger society about individual look and act in practical life.

While looking at the whole research paper, the authors find that there were no much differences on research issues from previous studies done by different writers and scholars which are included in literature review part. But the fact is that there are still some new issues that might help the authors and other readers to understand the society more clearly. The authors have expected that the issue raised by the results of this study would be helpful to other researchers who would like to study about comparing and relationship the cultures and negotiation issues in deep of Finland and Nepal in future.

7.2 Limitations of the study

The authors have focused on a small sample. It includes three interviewees from each country. i.e. Nepal and Finland. The respondents are businesspersons from small to large scale companies such as clothing store, restaurants, grocery stores, fashion business, etc. The scale of these companies that are listed to interview is not equal. Also, interviewees are from different professions. Their thinking and way of negotiation might be a contrast from one another. Therefore, the finding is solely depending on the data that has been collected in the interview not considering the type of business they are conducting.

For the primary data, semi-structured interviews were organized. Some additional questions might be created and ask right at the moment of the interview while some questions are omitted. Thus, questions may be different from one interviewee to another and also the question order may vary depending on the conversation.
8 References


9 Appendices

The Semi-Structured Interview questions:

1. What is your position in the company, and what duties does your position entail?
2. How do you prepare yourself before you begin to negotiate with foreign customers?
3. Do you find that your own negotiating style has an impact on your success with foreign customers? Please explain
4. Do you feel comfortable while communicating with foreign customers?
   - Why (do you feel that way)?
   - What could be the reason that makes you to feel uncomfortable?
5. Does your company utilize the services of intercultural experts to assist in negotiating with foreign companies?
   a. Yes: Please tell us about how well that worked for you.
   b. No: Do you think that this type of service would be helpful to you?
6. Have you faced conflicts while developing business with your International customers?
   a. Yes: How did you manage to cope with it?
   b. No: In your opinion what are factors that are necessary to avoid such conflicts?
7. Do you believe that gender plays a role in your negotiation with foreign customers?
   a. Yes: How did you manage to cope with it?
   b. No: why do you think so? Please tell us more about that.
8. In your personal experience, what are other factors that affect the outcome of negotiation with foreign customers?
9. Some people like to keep personal and business lives separate. Do you agree with this approach?
   Yes/No: Why? Please explain.
10. What is more important in negotiating with foreign prospects, listening or talking? Please explain.
Questions in Nepali language

प्रश्नहरू:

1. यस कम्पनीमा तपाईले कुन जिम्मेवारी सम्बाल्नुभएको छ?
2. कुनै पत्र बिदेसी नागरिकसँग बार्तामा जानु भन्दा अगाडी तपाई आफुलाई कसरि तयारी गरौँले?
3. के तपाईलाई लाग्नुहोस कि तपाईको आफ्नो वार्ता गर्नेसैलीले बिदेसी ग्राहकवी च सफलता प्रदान गर्दैछ?
4. के तपाई बिदेसी ग्राहकसँग कुराकानी गर्दै सजिलो महसुस गर्नुहुन्छ?
5. के तपाईको कम्पनीमा बिदेसी ग्राहकहरू सङ्ग वार्ता गर्नेको लागि विशेषजनको परामर्श लिने गरिएको छ?
6. के तपाईलेठाँच एस्टो सुविधा प्राप्त गर्नुहुन्छ?
7. के तपाई विवाहमा राख्नुवाले कि बैद्यक प्रार्थना को सफलता लाईग आधारामा निर्भर गर्दै?
8. तपाईको व्यक्तिगत अनुभव अनुसार, अरु के - के कारण हुन सक्छ जसले गर्दै बिदेसी ग्राहकहरूसँग वार्ता गर्दै असर पार्न सक्छ?
9. कोहि उदाहरण, व्यवसायीहरू व्यक्तिगत जीवन र व्यवसायिक जीवन अलग राख्नुहुन्छन् के के तपाई यो विचारमा सहमत हुनुहुन्छ?
10. बैद्यक राख्नुहोस कुन चाहिए बढी महत्वपूर्ण हुन्छ-
     सुन्ने बा बोल्ने?
     कृपया वर्णन गर्नुहोस