

Indian Culture Influence on Business Negotiations

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Abstrakt

Den indiska marknaden växer och blir större varje dag, och förväntas i framtiden bli en av de större internationella marknaderna. Detta leder till att allt fler företag runt om i världen börjar söka sig till Indien. Eftersom den indiska kulturen är en av de äldsta kulturerna i världen, är den väldigt stark och unik. Syftet med detta slutarbete var att kartlägga viktiga delar av den indiska kulturen som influerar deras förhandlingsätt med europeiska länder och kulturer.

I examensarbetets teoretiska del kartlades den indiska kulturens påverkan på affärsförhandlingar med hjälp av Hofstede's fem kulturella dimensioner, vilket ger en bakgrund till den indiska kulturen. Därefter kartlades de viktigaste delarna i en förhandling som influeras av den Indiska kulturen. Detta med hjälp av Jean Claude Usuniers tre aspekter av förhandlingar; förhandlingsparternas beteendeförmåga, underliggande förhandlingskoncept samt förhandlingsprocessen.

Den empiriska delen i examensarbetet bestod av intervjuer som genomfördes med finska förhandlare som har erfarenheter av förhandlingar med den indiska kulturen, samt en intervju med en indisk förhandlare. Forskningen var uppdelad i två intervjudelar, där första delen besvarade frågor om en typisk förhandling med indier. Andra delen av forskningen bestod av intervjuer på mer specifika detaljer av en förhandling med den indiska kulturen som motpart. På det stora hela stämde teorin överens med intervjuerna. En del nyanser framkom dock.

Språk: engelska

Nyckelord: Indien, kultur, förhandlingar

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Abstract

The Indian market is growing and getting bigger every day and is expected to become one of the larger international markets in the future. This is leading to more and more companies around the world starting to find their way to India. As Indian culture is one of the oldest cultures in the world, it is very strong and unique. The purpose of this thesis was to map out significant parts of the culture that influence their way of negotiating with European countries and cultures.

The theoretical part of the thesis mapped out the influences of the Indian culture on business negotiations with the help of Hofstede's Five Cultural Dimensions. This provides a background of the Indian culture. After, the most important parts of a negotiation influenced by Indian culture was opened up. This with the help of Jean Claude Usunier's three aspects of negotiations; the behavioral predispositions of the parties, the underlying concept of negotiation as well as the negotiation process.

The empirical part of the thesis consisted of interviews conducted with Finnish negotiators who have experience of negotiations with Indian culture, as well as an interview with an Indian negotiator. The research was divided into two interview parts, where the first part answered questions about a typical negotiation with Indians. The second part of the research consisted of interviews on more specific details of a negotiation with Indian culture as a counterpart. On the whole, the theory agreed with the interviews. However, some nuances were emerged.

Language: English

Key words: India, negotiations, culture

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1 INTRODUCTION

"India is the 'next big thing'- you really cannot afford to ignore it."

(Warburton, 2020)

Research suggests that culture does have a big effect on the outcomes of the negotiations, it may though not be direct, and it has an influence through differences in the whole negotiation process depending on different cultures. (The Business Professor, u.d.)

India, the country in the world with the second-largest amount of people that occupy a great part of Asia. Even though India is struggling with economic inequality and domestic challenges, it is still one of the world's most fast-growing high-technology centers (Champakalakshmi, o.a., 2020). During the years from 1991 to 2011, the market capitalization has on the Indian stock markets grown from almost nothing to 180 billion. This has led to a compounded annual growth rate of 29%. At the very same time in the USA and their stock market, the compounded annual growth rate was 7.7%. (Agrawal, 2013, s. XV) These numbers show that India as a business country is growing every day. Companies are seeking to expand their associations to India more and more, especially in the field of information technology and software businesses. (Champakalakshmi, o.a., 2020)

When coming into a new country, maybe starting your own business, expanding your business, or thinking of merging with another company it is always important to know the country's culture, values, ways of working, etc. Depending on what country or culture you are meeting, there can be big differences in these factors. With India being one of the older cultures in the world the culture is very strong and unique. But what is actually their way of doing business and how does their culture influence on business negotiations with other cultures?

Having the knowledge of these basic cultural factors will get you a kick-start into the country and its culture and will enable fruitful negotiations with counterparts.

1.1 Purpose and problem formulation

The purpose of this thesis is to define significant aspects of the Indian culture that influences business negotiations. This will be done by looking into their cultural values, actions, behavior, styles, and ways to get to a final decision and contract.

As mentioned in the introduction, the Indian market is growing, and companies are more and more starting to move or expand their businesses to India. Because India is a relatively new country in the international market, people do not know how the culture is and their view on the negotiation process looks like.

The three main factors that will be gone through to get as good knowledge as possible of the Indian culture and their view on negotiations are:

- ⇒ Hofstede's five cultural dimensions
- ⇒ The Impact of Culture on Negotiation
- ⇒ The facets of negotiation

1.2 Method

The theory in this thesis is taken from different literary sources. These resources are mostly in the English language and some in the Swedish language. To get better facts and a broader view of the topic, other publications from the internet have been used for the work.

For this study, a qualitative research method is being used. Because the topic is about the Indian culture influence on business negotiation, I have chosen to interview individuals with experiences negotiating with Indian, as well as with an Indian.

1.3 Disposition

In the theoretical part of the thesis, the Indian culture will be defined through their values, norms, behavior, approaches as well as attitude. If you know your negotiation counterpart's culture it will lead you to a more trusted and fruitful negotiation.

The empirical part includes two parts. The first part is an interview that will answer a kind of baseline on how a typical negotiation with an Indian counterpart. This part is followed by four semi-structured interviews on more specific areas of the negotiation with the Indian counterpart.

The thesis will start in the next chapter with a description of India, and the Indian society and culture. This part is followed by chapter three where Hofstede's five cultural dimensions are described, and the Indian culture will be inserted. Knowing these two parts will get a good background to the Indian culture in business negotiations.

In chapter five, which is the major chapter of this thesis, the Indian culture will be inserted and analyzed through Jean Claude Usunier's three facets of negotiation, which includes behaviors, underlying concepts of the negotiation, and the negotiation process.

The empirical research which includes interviews begins from chapter seven. The interviews include four Finnish negotiators with experience of negotiations with Indians and one Indian negotiator with their views on the Indian negotiations. The results are analyzed and discussed, and a conclusion of the theory as well as the empirical research will end the thesis.

2 INDIA

Nicki Lisa Cole, a master's degree student and a doctorate in sociology from the University of California, explains that "culture is a term that refers to a large and diverse set of mostly intangible aspects of social life" (Cole, 2019). Nicki continues to explain that culture consists of beliefs, values, communication, languages and all kinds of practices that individuals share and have in common, and that all these can be used to define people as a collective.

India, with a culture that is among the world's oldest (Zimmermann, 2017). India is the largest country in South Asia, and they have roughly one-sixth of the world's total population. India is ranked, after China, as the second-most populous country. The government of India is a constitutional republic that presents a highly diverse population between religions, languages, social satisfactions, etc. Religion forms a crucial aspect of identity for most of the Indian population. The major religion in India is Hinduism (2011: 79,8%) followed by Muslim (2011: 14,2%), Christian (2011: 2,3%), Sikh (2011: 1,7%) and other unspecified religions (2011: 2.0%), (Champakalakshmi, o.a., 2020). India is divided into 28 states and seven different territories. The official language of the government is Hindi, but an official language is not named in the Indian culture. Instead, there are recognized up to 23 official languages. (Zimmermann, 2017)

One of the most important and largest holidays in India is Diwali. It is known as the festival of lights and is celebrated for five days. During the celebration, lights are lit to symbolize the inner light that is protecting them from spiritual darkness. (Zimmermann, 2017)

2.1 Values and norms

Indians set high values on harmony and unity with others. To maintain harmony in society Indians, tend to emphasize humility, preserve the collective and their reputation, dignity, and honor. One example of this is the way Indians communicate to keep harmony. By speaking indirectly, they avoid conflicts and will maintain harmony. Communities in the rural areas in the north even have their own regulating system of self-imposed rules to help maintain harmony and order. Linked to the harmony that is highly valued in India, Indians tend to have the acceptance towards their position of life and the belief that actions made and done in one's past life, good or bad personal circumstances are deserved. These kinds

of attitudes and beliefs that are highly followed by individuals partly stem from religious ideas. '*Karma*' is the idea that actions made in one's life will affect their current and future life. This whole process is then connected to '*Samsara*' that explains the idea of the cycle of rebirth. Because of these social, religious, and cultural factors, many individuals often contemplate how their different actions can impact their future and choose to make decisions accordingly to that. (Scroope, 2018)

The Indian people do not see themselves as "one among many", instead, diversity is celebrated in an entrepreneurial and innovative spirit. Indians are very adaptive, creative, and very often visualize great possibilities for their country, their people, and themselves. Problems in society are often solved in cooperative, innovative, and cheerful ways. Situations that normally are understood as frustrating, are handled in a heartedness and harmonious manner. (Scroope, 2018)

Cultural norms are many and vary widely in India. Some of the more significant ones are brought up in the following arrows (DiSilvestro, 2017):

- ⇒ In India, it is a belief that feet are unclean and that shoes are even more unclean. This is since shoes are what come in contact with dirt, germs, and other substances when walking outside. (DiSilvestro, 2017)
- ⇒ Another part of the body that is important to think about is the left hand, and what to do and not do with it. The same thing as with the feet, the left hand is considered unclean. When giving and receiving gifts, use just your right hand or both hands – never just the left. The same way when eating. Do not use only your left hand when handling or eating food. (DiSilvestro, 2017)
- ⇒ The food and food products are very significant. The cow is considered a sacred animal, meaning most Hindus avoid eating beef and many are vegetarian. (DiSilvestro, 2017)
- ⇒ Gestures are commonly used in communication in India. But the gestures may not always mean the same as they mean in your own culture. For example, waving your hand side to side to gesture hello can mean "no" or "go away!". (DiSilvestro, 2017)

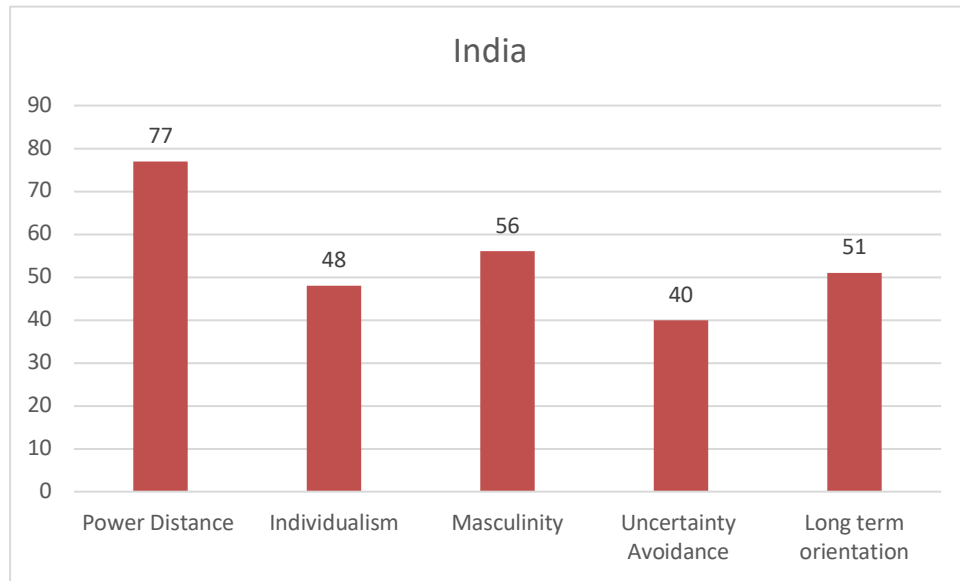
⇒ The clothing in India is very clean, conservative, and even pressed. When going to India, leave all your ultra-revealing tops and ripped jeans at home. Instead, try out the traditional Indian clothing. It will be viewed as respectful of cultural norms in India. (DiSilvestro, 2017)

3 HOFSTEDE'S FIVE CULTURAL DIMENSIONS

Geert Hofstede, 1928-2020, was a social psychologist from the Netherlands. With a Ph.D. in organizational behavior, it gave him a job at IBM international in the personnel research department. During his years he has written many books, with one of the most popular *Cultures and Organizations, Software of the mind*. (Hofstede, 2020) Hofstede researched and developed a dimensional approach to cultural comparisons through his studies on how management is affected by differences in cultural groupings. His research produced a comparison between cultures in five dimensions. The five cultural dimensions by Hofstede is power distance, individualism vs. collectivism, long-term orientation, masculinity vs. femininity, and uncertainty avoidance. (Browaeys & Price, 2019, s. 31)

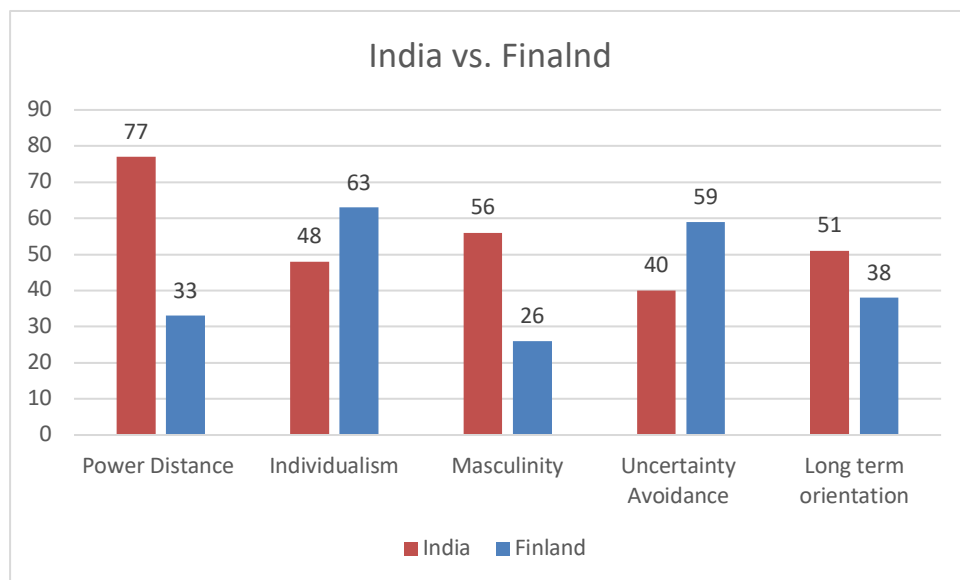
Power distance talks about the willingness of individuals to accept differences in status and power amongst members of a society or organization. Further said, how inequalities are handled amongst people in the society. A society with a high degree of uncertainty avoidance tends to feel uncomfortable in uncertain situations. On the contrary, in a society with a low degree of uncertainty avoidance, people tend to feel less threatened in uncertain environments. Masculinity and femininity talk about men and women, and their role in society. There is a significant difference between men's and women's behavior, goals, and values. Collectivism vs. individualism bring up the strength of the ties which people have to others within society. Individuals in an individualistic culture see themselves as strong individuals and seek to accomplish individual needs and goals. Individuals in a collectivistic culture put more priority on the benefit for the whole group they belong to and put their own needs and goals aside. Long vs. short term orientation is the last one that was added later, and it talks about the different time horizon that people display in their societies. (Hofstede Insights, u.d.)

By using Hofstede's five cultural dimensions, it will give us an easier way to understand and determine the characteristics of the Indian culture.

Table 1 Hofstede's five cultural dimensions: India

(Hofstede Insights, u.d.)

To get an even better understanding of what this means, Finland is also attached to the graph below to show better differences.

Table 2 Hofstede's five cultural dimensions: India vs. Finland

(Hofstede Insights, u.d.)

On the power distance dimension, India scores 77, meaning hierarchy and a top-down structure is well appreciated in society. Individuals are expected to treat the elderly respectfully both in everyday life and in business. (Hofstede Insights, u.d.)

With a low score of uncertainty avoidance, India is a country where imperfection is accepted, nothing has to go exactly according to plan, and tolerance for unpredictable issues is high.

Scoring 56 on masculinity vs. femininity, India is considered to be a masculine society especially when talking about the visual display of power and success. Because of India's ancient culture of millions of deities and various religions, there is still a strong view of power to masculinity. (Hofstede Insights, u.d.)

With a score of 48 in the dimension individualism vs. collectivism, India is a culture with a high desire to exist and feel belonged in a greater social structure. (Hofstede Insights, u.d.) They will still have the need of succeeding in life individually as mentioned about Karma before.

In India, the score of 51 in the long-term orientation dimension tells that time is not linear and is not as significant as for other western societies. (Hofstede Insights, u.d.)

These dimensions are a big background to this thesis and will be well viewed throughout the following chapters.

4 INTERNATIONAL NEGOTIATIONS

Cecilia Albin, Professor of Peace and Conflict Research at Uppsala University, states in her book *Justice and Fairness in International Negotiation* that "negotiation is a joint decision-making process in which parties, with initially opposing positions and conflicting interests, arrive at a mutually beneficial and satisfactory agreement. It normally includes dialogue with problem-solving and discussion on merits, as well as bargaining and the exchange of concessions with the use of competitive tactics." (Albin, 2001, s. 1)

Jeswald Salacuse (1999), explains that the process of understanding the culture of a cross-cultural negotiation counterpart is like peeling an onion. The outer layer is the behavior, the actions, and the words one's counterpart is using. The second inner layer is the attitude of your counterpart towards specific events and phenomena. The next layer is norms, which are rules to follow in specific situations. The core layer consists of values. Norms about the way counterparts are acting and approaching are usually based on values that are important for the counterpart's culture. (Salacuse, 1999, ss. 219-220)

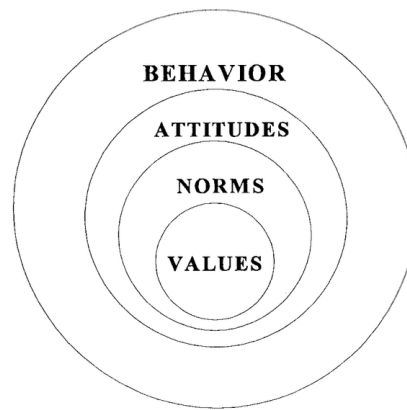


Figure 1 Culture as an onion (Salacuse, 1999, s. 219)

The values and norms were brought up in the previous chapter. The attitudes and behaviors of the Indian negotiator will be brought up in the following chapter of the three facets of negotiation.

When preparing and starting a negotiation with an Indian business partner or any other business partner from another culture, there are many key things that you need to take into account. These include how Indians are approaching different situations, how they are viewing different aspects, and what they are thriving for in a partnership and specific business negotiations. Jeswald W. Salacuse, (Salacuse, 2005), identifies ten factors that are seen as the most problematic in international negotiations. These factors are illustrated in the following table:

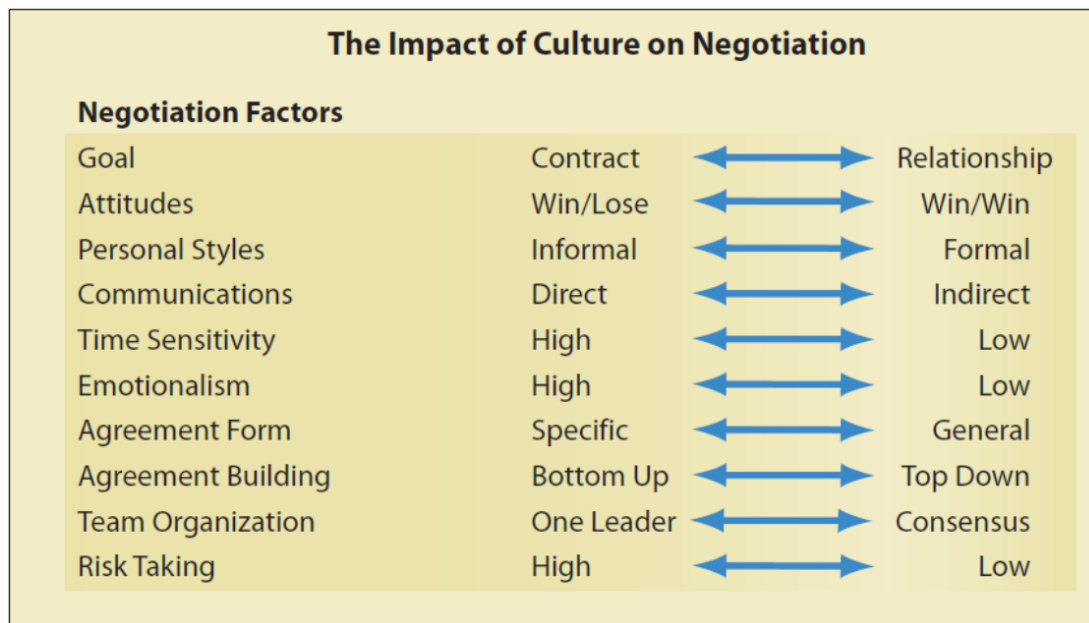


Figure 2 The Impact of Culture on Negotiation (Salacuse, 2005)

These ten factors are a basic framework for identifying cultural differences that can appear during the negotiation process. With the knowledge of these ten elements, you as a negotiation counterpart may be able to better understand the negotiation styles and other approaches of your counterpart. It will even help to prepare for possible misunderstandings and arguments. (Salacuse, 1999) These ten factors will be taken into account in the upcoming chapters in the three negotiation facets by Usunier.

5 FACETS OF NEGOTIATION

To get the culture into the business negotiation and its different parts, the Facets of Negotiation by Professor Jean Claude Usunier will be used. Usunier has four facets of negotiation in his book, but it was chosen to only use three main facets and put "outcome orientation" into the "Negotiation process" facet. This leads the three facets consisting of "Behavioral predispositions of the parties", "Underlying concept of negotiation" and "Negotiation process" with their subdimensions. (Ghauri & Usunier, 2003, s. 104) Negotiation facets illustrated below:

Negotiation facet	Elements	Concepts
Behavioural predispositions of the parties	Interpersonal orientation	Harmony, self-interest
	Power orientation	Formal power, (informal) influence
	Willingness to take risks	Negotiating party's degree of delegated decision-making, and (lack of) uncertainty
Underlying concept of negotiation	<i>Negotiation strategies</i>	<i>Trust or mistrust as basis</i>
	<i>Strategic time-frame</i>	<i>Logical, finite process or ongoing dialogue</i>
Negotiation process	Styles of negotiation	Work towards specific, concrete goals, or more towards principles, concepts
	Outcome orientations	Iron-cast deal or less explicit agreement

Figure 3 Facets of negotiation (Perkins, 2019)

5.1 Behavioral predispositions of the parties

The first facet, behavioral predispositions of the parties, which is shown in the table by Usunier explains the two parties' behavior at the negotiation table. This facet consists of three subdimensions; Interpersonal orientation, Power orientation, and Willingness to take risks. (Ghauri & Usunier, 2003, s. 104)

5.1.1 Interpersonal orientation

Interpersonal orientation refers to the differences that individuals have in preference for various social interactions. (Ruiz & Smith, 2007) These differences will show how the negotiating parties may relate and act to each other and how the context of the negotiation may turn out. (Browaeys & Price, 2019, s. 389) A way of analyzing this easily is by using the collectivistic vs. individualistic dimension that is mentioned above in Hofstede's five dimensions.

The Indian people can be explained to have a hybrid mind-set. (Naghavi & Mubarik, 2019) As individuals, the Indians are highly focused, objective-oriented, and may be aggressive at times. Yet, the Indian people are belonging to a collectivistic culture where individuals are seeking to belong to a group and extend the loyalties to the people close to them. By having the simultaneous presence of both collectivistic and individualistic tendencies, they

are able to successfully navigate themselves through negotiations with both collectivistic and individualistic cultural counterparts.

Even though to a lesser degree than in several other Asian countries, the factors of building a long-lasting and trusted relationship with negotiation partners are a big deal. The Indian can still be engaged in the business negotiation but bear in mind that the relationship building is still an ongoing process. (Katz, 2017) If the Indians then do not receive the expected reassurance in respect, the negotiation may likely be put off or be less fruitful. Take time to allow the Indians to get to know who you are and let them show you who they are. Let them build up that trust and make them feel comfortable and relaxed in proceeding with business and negotiations with you. By talking about family and friends is an important way of easily establishing trust. (Commisceo Global, 2019)

As Indians are generally very friendly, they do prefer doing business with counterparts who have the same view and similar behaviors. The "Saving face" that Lothar Katz (2017) brings up in his book Negotiating international business is a critical term for the Indian culture. To cause embarrassment to another individual could in the Indian culture cause "loss of face" for all parties being involved and can put the business negotiation at risk. Always remain friendly and keep control of your emotions. To avoid these kinds of risks, do always take unpleasant issues in private places, instead of in public places where the embarrassment of the two parties can occur. (Katz, 2017) Other avoidances may be to not show poor etiquette or be confrontational or to speak in a certain way that shames others. (Commisceo Global, 2019)

5.1.2 Power orientation

Power orientation is referring to the kind of influence a person has in the process of the negotiation. Who in the negotiation can fully be involved and what are these different persons' status in the company? Who has the last word? (Browaeys & Price, 2019, s. 390)

The Indian population has great respect for age and authority. Younger individuals respect and defer to their elders. White hair, characterizing the old, even confers status. (Gesteland, 2005) Because of the deep roots of hierarchical principles of the Indian society and culture, the Indian society is a very hierarchical one where top-down decision making is the norm. (Kumar & Verner , 2011, s. 74) As Gopalakrishnan (2013) notes in his article "In

the Indian milieu, leadership is by personality. It is the magnetism and personal charisma of the top man that is believed to make the difference.” (Gopalakrishnan, 2013) This has the implication that all major and crucial decisions are being made by the very top of the organization and most often than not there is only a downward flow of information through the organization. (Kumar R. , 2005)

In the hierarchical organization of the Indian culture, the head and higher ranked managers in the organization are the ones giving definite instructions and guidance through the work, which the teams are following with no added complaints. (Alliance experts, u.d.) The hierarchical character is being supported by the subordinates' expectations to be nurtured by their superiors. The subordinates will very rarely challenge and complain about decisions that are being made by their superiors, even though they may highly disagree. (Naghavi & Mubarik, 2019)

As mentioned, a few times already, respect and trust are a major part of business life in India. Depending on the status and rank of the counterpart, Indians enjoy the respect even more. (Katz, 2017) For example, an individual with a higher university degree is to be more enjoyable to respect than an individual with a lower university degree.

5.1.2.1 Women in Indian business

Even though India is very male dominated, there are many women in Indian businesses as professionals in higher positions and some even with important authority and influence. But it is not as easy for them as the men. They have to continuously struggle and work hard to attain the positions that are with similar income as men. (Katz, 2017)

5.1.3 Willingness to take risks

There is always risk-taking when in negotiation. But how willing are you to take risks and to what price? Risk-taking is linked to Hofstede's uncertainty avoidance dimension, that measures people's extent to feel vulnerable by undefined, uncertain, and risky situations (Ghauri & Usunier , 2003, ss. 110-111).

All negotiations activities, cross-cultural or not, are associated with risk-taking. Drafting clauses, making concessions disclosing information, etc. are involved in risk-taking as there is always a level of vulnerability to the counterpart's opportunist actions. Cultural

differences are existing in the perception of risk rather than in the attitudes towards perceived risk. The willingness to take risks is related to the uncertainty avoidance and power distance dimensions of Hofstede's five cultural dimensions. Uncertainty avoidance, meaning the measure to what degree people in a society tend to feel threatened by uncertain or risky situations. The higher the uncertainty avoidance the lower is the risk averse. When looking into power distance the risk-taking is different depending on bureaucracy in a country, view on hierarchy, and top management in different cultures. For example, countries with ex-communist orientation have stronger governmental control, where individual people are not able to do any decision-making without official government approval. (Ghauri & Usunier, 2003, ss. 110-111)

As we have gone through in the text before, the hierarchy has a great impact on the Indian culture. Decisions being made on the top and information flowing downward in the organization. At the same time, India lies on a medium-low performance for avoiding uncertainty. Meaning the Indians are accepting the imperfection; plans do not have to go exactly as planned and nothing has to be in perfection. The country is traditionally patient where tolerance for the unexpected is high. The people are not feeling compelled or driven to action-initiatives and are comfortable to settle into establishing routines and rolls without any questioning. As mentioned earlier the Indian people are open to innovative and creating methods, leading rules to often just be circumvented. (Hofstede Insights, u.d.)

5.2 The underlying concept of negotiation

The second facet that Jean Claude Usunier (2003) brings up in the table of facets of negotiation is the underlying concept of negotiation. This facet has two subdimensions, negotiation strategies and strategic timeframe. As it says in the heading, it is the underlying concept of the negotiation. With what kind of mindset are you going in with to the negotiation, a distributive or integrated approach? Are you going in with trust or mistrust as a base? (Browaeys & Price, 2019, s. 389)

5.2.1 Negotiation strategies

According to the book *International Business Negotiations* (2003), there are two types of business negotiation strategies: distributive and integrative. The distributive strategy also

termed “zero-sum game” or “competitive negotiation”, is seen as leading to the division of a specific “cake” which the two counterparts feel they cannot grow even if they wanted to do so. These are the “win-lose” type of negotiations that will lead to a war of positions– “anything that is not yours is mine”. (Ghauri & Usunier , 2003, ss. 111-112) This kind of strategy include tactics such as worsening the counterpart’s best alternative to a negotiated agreement, fusing to make any concessions, issuing threats and penalties, etc. (Narlikar & Narlikar, 2014, s. 7) The integrated strategy on the other hand is the “win-win” kind of negotiation, which is a “positive-sum game” where the cooperative outcome is greater than zero. In this kind of strategy, the size of the “cake”, the joint outcome of the negotiation, can be increased if the two counterparts maintain a co-operative attitude. This strategy is directly connected to problem-solving, meaning the counterparts are not only concerned with their own objectives, but also the other party’s results and aspirations – equally important. (Ghauri & Usunier , 2003, ss. 111-112)

Pervez N. Ghauri (2003), Professor at Birmingham Business School, mentions that there are several types of strategies behind business negotiations, but the most significant is tough, soft, and intermediate strategies. The tough strategy is where the party starts with a high initial offer and remains firm on the offer and is expecting the counterpart to make the first concession. In a soft strategy, the party does not start with a high initial offer and they themselves make the first concession in hope that the counterpart will reciprocate. The intermediate strategy is where the party, in the same as soft strategy, does not start with a high initial offer, but as soon as an offer is made which is within the realistic expectations, the offer is accepted. (Ghauri & Usunier , 2003, ss. 14-15)

The business negotiation in India can be very complex. Indian negotiators are striving for ambitious goals and successes (Kumar R. , 2005). They are striving for trust and long business relationships (Commisceo Global, 2019). The Indians are very innovative and in a harmonious way looking for solutions to problems in cooperative ways. (Scroope, 2018) These characteristics show the use of a “win-win” strategy, but they may tend to use a “win-lose” strategy, which makes it more important to listen and understand them. (Commisceo Global, 2019)

5.2.2 Strategic timeframe

Usunier (2003) brings forward, in the book *International Business Negotiations*, two extreme ideal types of people's behavior in task scheduling. These two types are monochronic, called M-time, and polychronic, called P-time. Individuals suited under M-time tend to focus and strictly follow the present schedule and do one thing at a time. Individuals under P-time, on the other hand, can easily modify the present schedule and very seldom experience that time as wasted. P-time individuals are more committed to the persons in the relationship than to the scheduled times. (Ghauri & Usunier, 2003, s. 178) With the characteristics that are found, the Indian is a good example of a P-time person.

As Richard R. Gesteland (2005) says in his book *Cross-cultural Business Behavior: Negotiation, Selling, Sourcing and Managing Across Cultures*, "In Hindi, *kal* means both "yesterday" and "tomorrow", and *kal-kal* can mean "the day before yesterday" as well as "the day after tomorrow". (Gesteland, 2005, s. 129) Meaning the Indian culture is a pretty flexible concept to work with. In an article by Kumar (2005), there was brought forward a study between 12 countries. The results of the study came out to show that Indians are the least sensitive when it comes to timeframe and time consideration. This result has a lot to do with the way of living. The Indians are focusing more on the "being" than on the "doing" orientation in life. (Kumar R., 2005)

Indians are like most other countries in Asia, they are focusing on long term business relationships, where trust is highly linked. A highly trusted relationship will lead to a long-term business relationship. This is why it is important as the counterpart to highlight and identify possible long-term benefits for the Indian negotiator, to show the long-term trust you want to give them. (Commisceo Global, 2019) The pace of the negotiation may be slow and drawn-out. (Katz, 2017) One explanation for this is the strong hierarchy in India. The time in countries in South Asia happens to go in a much slower rhythm than in other parts of Asia. (Gesteland, 2005, s. 130)

Even though punctuality is expected and appreciated by the Indian counterpart they do not always practice it themselves. As a negotiation counterpart to India, it is good to keep in mind that the business meetings and other arrangements can be changed a few times and may even be confirmed first the same day as the planned meeting. Prepare for

planned meetings to start late and finish late and that they can last longer than anticipated. (UK India Business Council, u.d.) Control your emotions and be patient as you and your Indian counterpart may be interrupted every now and then by phone calls or unexpected visitors for the Indian negotiator. (Gesteland, 2005, s. 129)

5.3 Negotiation process

"In India, every transaction – EVERY transaction – is negotiated."

(Ferriss, 2007)

In the international negotiation process, there are three different stages: pre-negotiation, face-to-face negotiation, and post-negotiation. The different stages refer to a specific part of the negotiation process and include actions and communications by any counterpart that is connected to that part. Any of these stages will end when parties decide to proceed to the next phase or if no point in further negotiations is seen, the parties can decide to abandon the communication with each other. (Ghauri & Usunier, 2003, s. 8)



Figure 4 Three stages of the international negotiation process

(Ghauri & Usunier, 2003, s. 9)

5.3.1 Pre-negotiation

The pre-negotiation stage begins with the first contact between the counterparts and where an interest in doing business with each other has appeared. It is during this stage where the counterparts begin to understand what one another needs and evaluate the possible benefits of entering into the negotiation process. The two counterparts will gather as much information as possible about each other, the involvement of possible third parties, the operating environment, competitors, and infrastructure. The main issue in this stage is to define the problem that needs to be solved. (Ghauri & Usunier, 2003, ss. 8-9)

This stage in the negotiation process is one of the most important as it is in this stage where the relationship is started. The informal and social relationship is a great help in the development of the relationship. Good relationships lead to trust and confidence between the parties which will, later on, increase the possibility of agreement. (Ghauri & Usunier , 2003, s. 10)

5.3.1.1 Sharing of information

The Indian negotiation culture put a considerably high focus on the sharing of information and other material before the real negotiation or bargaining will begin. To the counterpart of the Indian negotiator, have in mind that sharing information is a huge sign of trust. Try and share as much material and information in advance as possible. (Commisceo Global, 2019) The Indians will in response openly share information in an effort to build trust. But that does not mean that they will reveal everything you would want to know during a negotiation. (Katz, 2017)

5.3.2 Face-to-face negotiation

The essential matter in this negotiation stage is that the counterparts believe that they can work together towards solutions for joint problems. It is important to know that all parties will view issues, situations in their own ways, not only the different perceptions but different expectations for the outcome. This is why it is significant to go into this negotiation stage with an open mind and with several alternatives. (Ghauri & Usunier , 2003, s. 11)

5.3.2.1 Style of negotiation

Negotiation styles differ from person to person, from company to company, and from culture to culture. From all the ways the two counterparts handle and process information, argument during negotiations regarding data, theory, speeches, and virtue, to ways of communicating, emotions, and all the negotiation tactics. (Ghauri & Usunier , 2003) These are just a few major things that need to be taken into account in a negotiation process.

It has never been easy to negotiate with Indians, especially for Western cultures, due to India's negotiation style. This has led Westerns to be irritated and frustrated. Indians are

known for being tough negotiators with a readiness to reject offers and reluctance to compromise. (Narlikar & Narlikar, 2014, s. 1)

The primary approach for the Indian negotiator is to employ contingency and distributive bargaining. But as the negotiation style is primarily competitive, the Indians will look for a win-win result and highly value the long relationship. Even though the buyer is in the leading position, both counterparts have the responsibility to in the end reach an agreement. The Indian counterpart always expects a long-term commitment from the other party and will mostly focus on the long-term benefits. They may during some occasions appear to be pursuing the win-lose approach. In these cases, it is important to help them come back and continue focusing on mutual benefits but avoid bringing your confrontational side forward - keep the harmony. (Katz, 2017)

At possible disputes during the negotiation, you may get back to a resolution by showing your friendly and respective side and continue showing the willingness to compromise. (Katz, 2017)

What we have gone through until now, we have seen that the Indian negotiator is a complex and imaginative person. These are, as every other country, being influenced by their cultural values. Scholars have debated for a long time whether India is more a culture of the East or the West. The conclusion showed that Indians, on the whole, are more Western than Eastern in their way of thinking. This means that the Indian negotiator can, depending on the situation, act and behave in either an individualistic or a collectivistic manner. (Kumar R. , 2005) The individualistic negotiator is highly goal-oriented and may come out as aggressive. At the same time, the collectivistic negotiator can be passive and unwilling to show and express their opinions and views. (Naghavi & Mubarik, 2019, s. 496)

5.3.2.2 Communication

Because English is one of the official languages in India, many Indian business managers speak the language fluently. (UK India Business Council, u.d.) Even though they speak the language there may come local Indian English terms, that can be confusing many times. As an example, Gesteland (2005) brings forward in his book that if your Indian counterpart is telling you she has just "fired" the assistant, do not be shocked. It just means the assistant got a reprimand. (Gesteland, 2005, s. 130)

For Indian people, the communication's purpose is not to exchange exact information but to maintain harmony and forge relationships. (Nishimura , Nevgi, & Tello, 2008, s. 792) By trying to be polite and friendly, the communication is generally indirect and the Indian may even say what they think you want to hear. (Gesteland, 2005, s. 130; Katz, 2017) When an Indian is receiving a direct question, they may answer "yes" only to show that they heard what you were saying, not that they are agreeing to it. (Katz, 2017). "No" is an unpleasant word that is often being avoided to avoid conflicts and confrontations. Instead, they are replying with a very weak "yes" or by remaining silent and just show a small smile. (Gesteland, 2005, s. 130) Lothar Katz also mentions that Indian can instead of a direct "no" answer in a seemingly ambiguous way, such as "we will think about it", "I am not sure" or "yes, but...". Do always use a similar indirect approach throughout the negotiation as they may perceive you as pushy and rude if being too direct. (Katz, 2017)

In non-verbal communication, the Indians are respecting everyone's personal space and prefer an arm's length as a common distance. As keeping the distance, it is preferable to not touch when it can be avoided. Body contact between genders is very minimal, but as long as they are the same gender there can become touches on someone's arm or hand when speaking. As frequent eye contact is made between peers, eye contact overall is very minimal. Some women may even avoid any eye contact altogether. (Scroope, 2018) Divert your gaze and looking away is generally a sign of respect towards the other person and does not send any dishonesty or insincerity. (Scroope, 2018; Katz, 2017) The head is considered to be the holiest body part. (Scroope, 2018)The head in the Indian non-verbal communication consists of a simultaneous forward-backward and side-to-side movement of the head. These characteristic oscillations may mean different things based on the immediate context. IT can mean "I guess so", "Okey" or "Maybe". It can also signify "I am listening" but remember that it does not necessarily mean "I agree with you". (Gesteland, 2005, s. 131)

5.3.2.3 Tactics

Tactics are always following after the strategy and is fleshing it out on a concrete line of different actions. If the strategy is known as the thought, the tactic on the other hand is thought of as its formulation. What is important to know is that tactics should not be directed directly towards the objectives, but towards the strategy. (Ghauri & Usunier , 2003, s. 51)

There are a few hidden tactics that the Indian negotiators typically use during negotiations. It is good to be aware of them, but it is important that you avoid them yourself. (Commisceo Global, 2019)

The use of silence could be used instead of the word “no”, as mentioned earlier. This silence is also used as a negotiation tactic for the Indians to make their counterpart feel uncomfortable and to encourage them to start talking and break the silence. And this to push a bit of pressure on them. The Indians can also be using “emotional blackmail” also known as an attitudinal bargaining approach. This means that they are using emotional tactics to make the counterpart to change their approach by highlighting the business relationship and through guilt. (Commisceo Global, 2019)

Other tactics that may be used by the Indians are actions about their behavior that already has been named in the thesis. This tactic is linked again to communication and ways of sharing information. By being untransparent with some definite areas, and this is done for an attempt of drawing out the counterpart’s weaknesses before disclosing issues. (Commisceo Global, 2019)

If you are aware of these tactics and they are shown during negotiations, continue to remain friendly and firmly try and bring back discussions where they should be. Avoid capitulating to emotional blackmailing as well as with other emotional pressures. (Commisceo Global, 2019)

5.3.2.4 Bargaining

Indians have a big passion for negotiation, and it is a big part of the culture. At any negotiation, the Indians would be more than happy for a bargaining situation. This happens not only in business-to-business life but in every individual’s everyday life too. In a YouTube video, Subodh Gupta explains that products on a market are not labeled with a price. Indians feel the need for bargaining and negotiation at purchases so that the products are bought for the right price. The price is basically being put based on your appearance. Gupta tells that if you are a tourist visiting the Indian market the price automatically goes higher from the beginning, and this is a part of the appearance on the market and negotiation. (Negotiations in India | Indian Culture, 2009)

5.3.3 Post-negotiation

In this negotiation stage, all issues have been agreed on and a contract is being made and ready to be signed by the counterparts. There may be a second round of face-to-face negotiation if there will appear any negative feedback from negotiators, possible third parties, conflicts, expectations, power, etc. (Ghauri & Usunier, 2003, s. 12)

5.3.3.1 Outcome orientation

Profits and especially future accounting profits for counterparts are not only the outcomes of the negotiation process. Other outcomes are the partnership, the contract, and the continuous view of negotiations. More on the Asian side, businesses are seeking relationship rather than the deal. Meaning that they are preferring the gentleman's agreement, where the contract is a loosely worded statement to express the trust and co-operation between the counterparts. The Western style is more formal and seeking for more specific made contracts. (Ghauri & Usunier, 2003, s. 129)

Even though interim and oral agreements are considered as binding, it is best to consider the final signed contract as the final binding agreement. Signing a contract is not only important from the legal point of view, but it is also shown as a confirmation of the commitment from your Indian counterpart. The final and signed contract should be clear and concise. Too many detailed terms and conditions may be left out. (Katz, 2017) Because of the Indian economic and political instability, the business environment is continuing to evolve as time goes. This is why Indian negotiators may change the contract terms and conditions and expect to renegotiate them due to new circumstances. These flexible actions can be seen as less trustworthy by the Western countries and cultures as more strict followed contracts are more popular. (Naghavi & Mubarik, 2019) A word that is often used in India is "adjust" and its meaning can be a wide range of things. For example, turning a blind eye to rules for finding innovative solutions. It is this attitude that is the cause of empowering aspects as well as the misery of the country. There is a saying that "nothing is impossible" in India, so long that one knows how to "adjust". (Hofstede Insights, u.d.)

As mentioned earlier, the Indians do not stop the relationship building when the contract is agreed upon and signed. The decision is viewed as a process, meaning it does not stop just because the two parties having signed the final contract. (Alliance experts, u.d.)

6 SUMMARY OF THEORY

To round off this theory part of the thesis a small summary will explain the three main areas where the culture is most influencing the international business negotiations. These three main areas are included in the Facets of Negotiation table by Usunier and they are behavioral predispositions of the parties, the underlying concept of negotiation, and last the negotiation process. When inserting the Indian culture into these three areas we will get something like this:

Behavioral predispositions of the parties	Underlying concept of negotiation	Negotiation process
<ul style="list-style-type: none"> • Hybrid mindset • Saving face • Importance in Hierarchy • Trust & respect 	<ul style="list-style-type: none"> • Ambitious goals and success • P-time • Slow rhythm 	<ul style="list-style-type: none"> • Gathering information • Indirect communication • Bargaining • Adjustments

Figure 5 Influence of Indian Culture on Business Negotiation

The Indians have a hybrid mindset with the ability to act in both collectivistic and individualistic situations. The high importance of the hierarchy is led to significant aspects of trust and respect in business as well as in everyday life. As everything needs to be smoothly and be in harmony the “saving face” in Indian culture is important to always have in mind. India is known for being a polychronic time culture (P-time), the rhythm of the whole negotiation aspects may be a bit slower than other cultures. Indians are high on gathering information about their counterpart but may not share back information as much as wanted by the counterpart. Followed by information collection, they are happy to enter into a bargaining situation as that is a big part of the culture. With the indirect way of communicating and the thought of continuous adjustments, contracts and outcomes are not always stamped on the wall.

7 EMPIRICAL RESEARCH

In this chapter, the qualitative and quantitative research methods, as well as the two concepts of validity and reliability will be defined. The way of working throughout my research will also be explained. For this thesis, I have chosen to use the qualitative research method because of the different kinds of interviews I have had with both Finnish and Indian negotiators.

7.1 Research method

To brief differences between the two research methods, the qualitative method is something that can be explained with words and not quantifying during the data collection. The quantitative method is something that can be explained in numbers and emphasizes quantifying at the data collection. (Bryman & Bell, 2017)

The most used qualitative research methods are interviews and observation. The interview can be both well and less structured, depending on the interview and wanted outcome. At observations, the observer can perform the research by only being an observer, but he/she can also do the research as a participant. Here also depending on the situation and the wanted outcome of the research. (Eliasson, 2012, s. 22) Dawson (2009) states that qualitative research explores issues such as behavior, attitudes, and experiences through focus groups or interviews.

At interviews, the interviewer discusses topics and questions that the interviewer has made before the interview. Depending on the purpose of the negotiation the interview can be made in a more or less structured way. The more structured the interviews are the more active the interviews used to be. Annika Eliasson (2012), brings forward three different levels of structured interviews: the unstructured, semi-structured, and structured interview. (Eliasson, 2012, ss. 24-26)

An unstructured interview is basically a normal conversation around the topic between the interviewer and the interviewee. Through this kind of interview, the interview has a good chance of getting to know the interviewee's view on the world and his/her own assumptions on things. The semi-structured interview is pretty much like the unstructured, only that there are more steering questions. There are a few more questions than one or two as it can be in unstructured interviews. The structured interview consists

of detailed and well-made questions. In these interviews, the interviewer does not have the opportunity of asking followed questions. (Eliasson, 2012, s. 26)

Quantitative research includes a large amount of mathematic and other more advanced approaches to can be analyzed through numbers and other records that are represented in numbers. This kind of research method consists of surveys where a questionnaire is answered, either written or as an interview. (Eliasson, 2012, s. 28)

7.2 Validity and reliability

Primarily, validity and reliability are about the matters concerning the quality of the measures that are used in the information that is provided about the concept of the researcher's interest. Secondly, they are about what kind of research design is applied. (Bryman & Bell, 2017)

7.3 Research - way of working

In this thesis, I chose to use the qualitative research method since I was doing interviews with people. To know how India is as a negotiation counterpart I decided to interview persons that have or have had experiences in negotiating with Indians. I wanted to hear their opinions, views, and examples of experiences. But to still get information and opinions from the Indian point of view, I got the opportunity to interview an Indian person. As this topic has to do with international business and negotiations, the language English was chosen for the interview questions.

I divided the research into two parts, the baseline and specific interviews. The first part was made to get a big picture of typical negotiations with Indians. By having a base like this it will help me get a first big picture or the whole thing. I chose one interviewee to talk through a typical negotiation with the Indian culture.

The second part consists of interviews with three Finnish negotiators and one Indian negotiator. These questions were more specific in different areas. These interviews were done as semi-structured interviews. Questions were made and sent beforehand to the interviewees. During the interviews, more of a discussion was done between me and the interviewee, where the questions were answered in the discussion and examples of experienced negotiations.

The interview questions were different for the Finnish interviewees and the Indian interviewee, as I wanted opinions, views, and experiences from both sides. Even though the questions were different for the different cultures I followed the same base of questions. The differences were to be how I asked the questions. For the Finns, I asked questions where they just had to say what they thought, while for the Indian I first mentioned what had been said in the theory and basically asked if they thought it was correct or not.

The questions that were made for the interviews were based on the more important areas of what makes the negotiation so unique. These areas came out to be the hierarchy, time perspective, age & gender, styles of negotiating, and changes in the Indian negotiation during the past years.

The interviews that were held, were the style of semi-structured interviews. For me to get as much information and as much of people's own experiences as possible to analyze, I wanted them to talk and me to listen. I had before the interviews made questions that I wanted to talk about and sent them to the interviewee beforehand. This made it easier for them to know what experiences to bring up and what kind of information I was searching for.

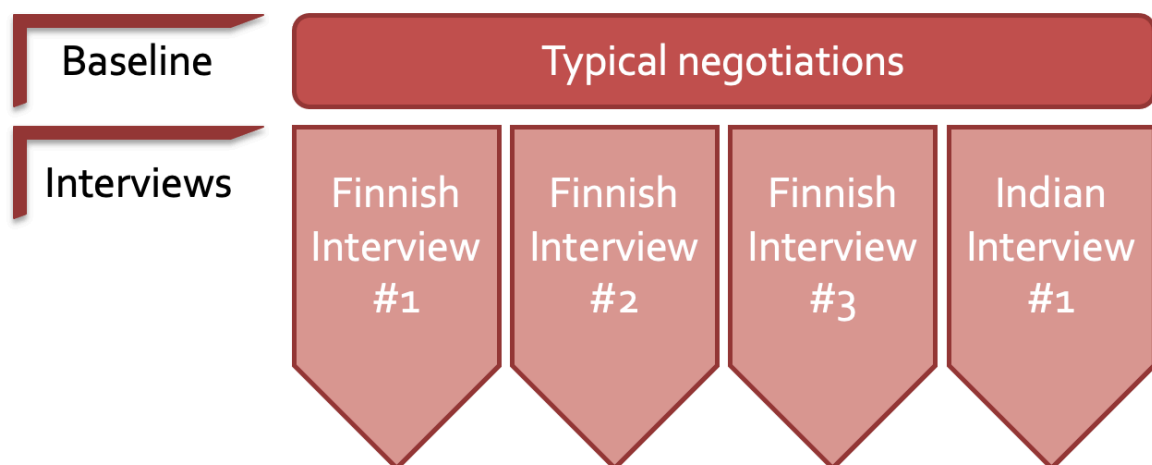


Figure 6 Way of working

8 DATA PRESENTATION AND ANALYSIS

In the following chapter, the participants of the interviews will be presented as well as answers from the semi-structured interviews that were done with every participant.

8.1 Baseline interview

Done with a Finnish interviewee, positioned as Director.



A typical negotiation with an Indian counterpart from the interviewee point of view:

There are of course different types of negotiations and will depend on what persons that are at the negotiations. Depending on the main participants and the type of the meeting, the number of participants may vary. If a person with a high position is invited, the number might be higher. If the target group on the other hand is on lower management, they prefer attending alone. Experts usually prefer to have their line managers with them as a person who presents them in the meeting and that can confirm the validity of their statements.

The Indian culture is very strong, and they always show respect to their guests and customers. The atmosphere in the negotiations is always friendly, meaning the focus is mostly on positive issues and opportunities. They tend to say what they think you want to hear.

It is difficult to discuss negative subjects as the Indian counterpart finds this as a "lose-face" situation, especially if there are a lot of participants in the meeting. It can also be hard to reach a mutual understanding when improvements about negative issues are rarely discussed. Truthfulness and honesty are important in Western culture, while it is not considered as important in the Indian culture.

8.2 Detailed interviews

The interviews were done with Finnish persons who are medium and higher positioned workers at local companies in Vaasa Finland.



The Finnish interviewees are positioned the following:

Finnish interviewee #1	Manager
Finnish interviewee #2	Project manager
Finnish interviewee #3	Director

The Indian interviewee is working for a company in Vaasa but is at the moment positioned in India.

The Indian interviewee is positioned the following:

Indian interviewee #1	Team Leader
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8.3 The hierarchy in business negotiations

Finnish Interviewee #1

The hierarchy is very well shown in the negotiations when looking at the level of people's ability to make decisions. A problem is knowing how many mandates an Indian negotiator has. An example of this situation is where they started the negotiations and had negotiated for several hours. When the negotiation then came to an end and decisions were to be made, the Indians realized that it is not in their hand to make these kinds of decisions. This led to the Finnish negotiator having to travel up the

organizational ladder for reaching a final decision. And the higher on the ladder you need to climb the harder it was to get in touch with the people.

Finnish Interviewee #2

The hierarchy at negotiations is being viewed well. The interviewee mentioned situations where the boss of the Indian negotiators was shown. There were going to be about 5-7 persons in the meeting. They had all just met, shook hands, and started making small talk. The Indian boss had a button that he pressed, and his assistant came in with tea for the negotiators. While drinking the tea small talk was made with the Indian boss. At the time when negotiations were going to start, the boss backed down and was only listening while the other Indian negotiators did the talk. At the end of the negotiation, the boss went through the negotiation and came with input that could lead to further and renegotiations.

Finnish Interviewee #3

The hierarchy in Indian business is being noticed very well. It is always the highest boss making the decisions, and especially the larger decisions. The workers under the boss are of course talking, discussing, and making decisions that are of a smaller part, but they still have to always bring the smaller decisions forward to the higher management.

Indian Interviewee #1

Thinking of myself, decision making depends on different questions and issues. Decisions cannot be made without the manager's approval. Of course, these smaller decisions, for example on project level, can be made. But the decisions and actions have to be reported to the manager. Another example is the recruitment part, where recruitment decisions can be made but when it comes to salary decisions it always goes to higher management. At negotiations, there are always managers that are choosing what topics will be discussed about.

8.4 Thoughts on the Indian time perspective

Finnish interviewee #1

Negotiations with India can take a very long time and the whole process can be very long. These factors are the hierarchy when persons do not have enough mandate. We then need to go further up in the organizations and even negotiate the same thing several times with different persons. There is a lot of negotiations after negotiations. Very time-consuming.

Finnish interviewee #2

The negotiation process can be long on some occasions. For example, when negotiated with Indians they need to forward the negotiation for approval to the higher boss. This boss may approve it, but he/she can also find things that he/she does not agree on. This will lead to renegotiations and in worst cases start the negotiation from the beginning, which takes a lot of time.

Finnish interviewee #3

Their perspective on time has gotten much better. Before, if you had sent out a meeting proposal, the Indians could accept the proposal. But when coming to the meeting they were not there and did not show up without any reason. On some occasions, they did not even accept or propose another time for the meeting and did later on not show up for the meeting.

Indian Interviewee #4

I would not really agree that the Indians are insensitive to time. Instead, I would say that time sensitivity varies from individual to individual.

8.5 Negotiation with different ages as well as gender

Finnish interviewee #1

As a younger negotiator, they do not listen to you that much. While the older only have to listen while the Indians are talking. The older negotiator, basically, only had to talk when he/she gets the question "and what do you think about this?"

There are absolutely fewer women in business in India and I have not seen that many in negotiations. The ones I have seen, seem to have a bright career and they are being treated the same as men.

Finnish interviewee #2

Respect is always shown for the elderly and the ones who are higher positioned in the organization. The interviewee explained a situation where a man from Finland who was about 60 years old was going to take part in negotiations with Indians. The Indians asked how old he was. As a joke, he told them to guess. The Indians, as kind as they are, they said 40 years. When he then said how old he was, the Indians directly respected him as much higher and always mentioning Sir when saying his name.

In my many years of negotiating with India, I have seen many good women negotiators. But I must say that they have to work to keep their position and do not let go of the position they have.

Finnish interviewee #3

I have not directly put a notice into the age, would say you see it more on what kind of position the person has.

What shocked me, when thinking of the culture was that there are actually this many women in businesses in the engineering industry that I work in. Indian women are very competent and even more aggressive. But this I could relate to the work they have to do to keep their position in the business.

Indian interviewee #1

There are a lot of women in the company I am working at and as long as everything works properly the negotiations are exactly the same.

8.6 Ways of negotiating

Finnish interviewee #1

In the Indian culture, shame and problems should not be shown. They should be erased and hidden from others. This means everything should look good and be perfect. This also leads to the Indians not really going straight to the topic and maybe not always telling the truth. It is very hard for them as a counterpart to know what their problem is and what they really need. Followed by this they are not answering a straight "yes" or "no", instead they are trying to go around it.

As a counterpart to the Indians, I would also recommend not telling and bring forward too many facts. The Indians may in these situations think that you take them as unaware of things and not as smart.

Overall, the negotiations take a lot of time, with negotiations, after negotiations before coming to a conclusion and decision.

The Indians, I would say, are one of the best negotiators! They are always trying to sell. If their first offer does not really suit the buyer and they get a negative answer to the offer they are directly coming with new ideas that the buyer would like to accept. And they are big in bargaining. An example of this is when the interviewee's Indian friend was going to buy a car in Finland. The Indian person negotiated on every little thing on the car, everything from the radio to the services of the car. Closer to the end, the interviewee had to tell the Indian friend to just sign the already magnificent car contract, because he could see on the Finnish car seller that he started to get irritated.

Finnish interviewee #2

Continuing from the hierarchy it can get really hard to know what they want. In situations where I have been, there are factories needing parts and solutions. But as they are not as high in the hierarchy, they are sending a specification of parts needed to a head office that will do the negotiations with the seller. This can very often lead to the problem of fogginess of information received by the Indians.

At negotiations, they are also always trying to get as much as possible. For example, if they have agreed on parts for a specific price, they can think that they should get other connected parts for free even if they are not in the plan. This is why it can be good to in some ways try to give/take with the Indians to get more of a "win-win" situation.

Finnish interviewee #3

At negotiations, the Indians are very nice, they are welcoming you with open arms, and want to show you that they know you. If this is genuine or not is a question I do not know, but they are overall very professional. Like other cultures, they are very reserved at the beginning of the negotiations but as a Finn, it is really good to show what you can as Indians put a lot of pressure on what kind of competencies you have. The same stands for communication. Try and be as transparent as possible to get the Indians to commit.

Talking with Indian individuals, they are very diplomatic and always searching for solutions. While in groups Indians are very tough on showing what they can and how good he/she is at it. They want to be heard.

Regarding unsolved situations, they are very hard to solve. In these cases, higher management needs to be taken into the discussion to get some sort of a solution.

Indian interviewee #4

I focus very much on building a relationship with the person I am going to work with. If you have a good background in a relationship, then it is much easier to negotiate.

In negotiations where the relationship is starting to weaken, there is no point breaking it. The project needs to go on and be finalized. If we get in a small disagreement, the

next day is very silent and it may take time before someone comes forward to apologize and fix the disagreement.

8.7 Changes in the Indian negotiation during past years

Finnish interviewee #1

The Indians themselves are being more aware of international business and that other people have other cultures. This has led the Indians to happily go courses and gain knowledge about cultures and want to adapt their way of doing business. An example by one of the interviewees explained that there were Indians coming on a business meeting to Finland. The Finnish counterparts had noticed that they were really punctual, going almost directly to the topic, etc. The Finnish negotiation party wanted to try this and made a small joke with them, by coming very late to the meeting. They then got the answer back from the Indians "that is not what the Europeans do, how come you came so late?".

Finnish interviewee #2

I think what has changed is their background, meaning where they are doing their education. If they are doing it internationally in another country they are more open to adapt and take other cultures into account. On the other hand, doing their education on home base their ways of negotiating is another thing.

Finnish interviewee #3

Indians have gotten more aggressive in negotiations. This is by having more contact with their boss, they know who he/she is and know what he/she wants. This has also led the Indians to get a bigger self-confidence. But what has not changed is their way of getting feedback. Do not go and tell them they would need to do tasks in another way. The answer will be that they have been doing their job for a long time and know how it is done, a bit like "do not come here and tell us what to do".

Indian interviewee #1

The communication has developed in a much better way during the past years in the Indian business and business negotiations. Before there was always the same one person that talked to the manager. Now it is more open and easier to talk to people.

8.8 Factors to negotiation success and negotiation failure

The black answers are from Finnish negotiators and the red answers are from the Indian negotiator.

Success factors for a fruitful negotiation:

"Understand what is important for the counterpart"
 "Reserve plenty of time"
 "As a woman do not take the first lead in shaking hands"
 "Show respect"
 "Be well prepared"
 "Defend your standpoints with facts that will give value to both parts"
 "Be friendly and constructive"
 "Stay professional"
 "Give in some small things or items"
 "Propose solution"
 "Follow contract"
 "Listen & understand"
 "Listen"
 "Give proper data & Information"
 "Proper communication"

Factors making a negotiation to fail:

"Losing face"
 "Do not listen to customer"
 "Be unpleasant"
 "Being a besserwisser"
 "Too strict and going only on rules"
 "Accuse or criticize"
 "Unrespectful"
 "win-lose attitude"
 "Inappropriate clothing"
 "Bad communication"
 "If not right level persons are at the table"
 "Criticism & negative feedback"
 "Unproper preparation"

9 RESULTS AND DISCUSSION

Looking back at the theory and the empirical research we can see that they go pretty well hand in hand with each other. But there are still some small differences that are brought up.

The hierarchy is a big part of the culture where the higher management makes the decisions and gives instructions, choices, and rules the organization. The higher management as ages and positions are highly respected by the workers with no extra criticism or complains. The Indian business is very male dominant but there are still many women succeeding with their careers. But it is not as easy as for the men, the women have to work hard to keep their position in the organization.

Looking into time-sensitivity that has been brought up in the theory and the empirical research shows that the Indians are in many ways not so sensitive to time. The negotiation processes may at times be drawn out because of the hierarchical levels and their decision-making process. But also, the way of not getting to meetings and communicating matters. What was interesting with time sensitivity in this thesis was that the theory and Finnish negotiators had pretty much the same view on the Indian time sensitivity. But when interviewing the Indian negotiator, he was not really agreeing to the time perspective. Instead, the Indian interviewee mentions that it depends on the individuals you are meeting and talking about. Is this true or is it a way of changing the truth to make it look more unproblematic?

At negotiations, data and information are highly wanted but be sure it is necessary information. Other unnecessary information and data may make them believe you think lower of them by not knowing. The Indians are using the indirect way of communicating, meaning they do not like using direct "yes" and "no". Instead, they are trying to get around it.

India is shown to be using a combination of "win-win" and "win-lose" bargaining approach. But also, that the Indian negotiators are reluctant to compromise and reject offers. The theory said that they are used to be using a distributive approach at bargainings. But it was also told by the interviewees that the approach of giving and taking is a good way of changing the distributive approach to a "win-win" approach and that the Indians do appreciate this.

Something that is also interesting to bring up is the way Indians are expressing themselves. In the theory, it is said that they, in group negotiations, are unwilling to express their views and opinions. While the interviewees bring strongly forward that because of the high competition between workers in the businesses, they are eager to talk and letting people see that they are competent and worthy.

10 IMPROVEMENTS AND FURTHER RESEARCH

There are always implementations that can be made for projects, and that also for this thesis. With four Finnish negotiators and one Indian negotiator, the number of interviewees could be much larger for getting more information, views, and opinions from more people.

There are many interesting issues for further research on this kind of topic. Because this thesis was a research on general negotiations it would be interesting to see if the culture influence differently depending on different business industries. What also started to interest me throughout the thesis was the women's positions in the Indian business and how hard they have to work to keep their higher positions. Will the Indian growth on the international market have an impact on this?

11 CONCLUSION

Indian is a country that is growing every day in the international market. Businesses are more and more searching their way into the Indian market and its knowledge, especially for IT and software. For these businesses to succeed in Indian negotiations they need to know the Indian culture including values, norms, attitudes, and behaviors.

The Indian culture, one of the oldest cultures in the world, is highly influenced by the many and strong religions amongst the people in society. Harmony is a big part of the society and the people are striving for it every day. This harmony is linked to the idea of "Karma" where actions by the people will affect their future life depending on good or bad causes, followed by "Samsara" which explains the idea of the cycle of rebirth.

Through Hofstede's five dimensions, the Indian culture is known for having a strong appreciation for hierarchy and top-down structures. The culture and society are very male

dominated, especially in power and successes, but still open to giving women opportunities. With the hybrid mindset the Indians are able to communicate and act in both individualistic and collectivistic situations. The perspective of times is very insensitive, not always significant, and is not being linear in the Indian culture.

The Indian negotiations can be very complex. With high respect for the elderly and positions, decisions are being made in the higher top of the management. But other workers are not afraid of showing who they are and what competences they have, as the competition between the workers is tough. With the low sensitivity on time, negotiations may be drawn out by several factors, making the counterparts getting irritated and frustrated. For the Indian negotiators being known for using a distributive bargaining approach, it can easily be changed to a "win-win" situation through friendliness, the show of trust and respect, and give/take approaches.

By succeeding in negotiations with Indians, you should come with necessary information, show high respect, propose solutions to problems, listen and understand their needs, and stay professional. These very important factors will give you future successful and fruitful negotiations with the Indian culture.

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Attachment 1 Typical negotiation with India

1. Can you walk through a typical negotiation with an Indian counterpart?
 - Background
 - Type of negotiation: sales, our problem, your problem etc.
 - Meeting participants
 - View of hierarchy
2. how did the cultural values emerge in the discussion and negotiation?
 - E.g., Price, topic, where does the story start?
3. What sort of negotiation strategies were used by the Indian counterpart?
4. Where did you see challenges and contradictions in the negotiation process?

Attachment 2 Interview questions for Finnish negotiator

Background

Position:

Age:

If possible, I am happy to receive examples throughout the questions of negotiations that you have experienced.

1. How do you perceive the hierarchy in India and is it viewed in the negotiations?
2. Are there any differences working with younger or elder Indians, as well as with women vs. men at the negotiation table?
3. How strong is the friendship building shown from the Indian side at the negotiation?
4. How does the negotiation climate change from the first negotiation to the time when friendship has stabilized?
5. What differences are there to negotiate with one Indian vs. a group of Indians?
6. What is it like to work and negotiate with Indians regarding their view of time?
7. When for example a project has ended, who gets in touch? Will the friendship continue?
8. If a negotiation friendship begins to weaken and one begins to disagree, how does the Indian act? And how do you act yourself towards the Indian negotiator?
9. Would you say the Indian way of negotiating has changed during the past years?

Give three success factors for a fruitful negotiation:

Give three factors that make a negotiation to fail:

Attachment 3 Interview questions for Indian negotiator

Background

Position:

Age:

If possible, I am happy to receive examples throughout the questions of negotiations that you have experienced.

1. When going into negotiations, would you say you are more focused on building the relationship or the contract with your counterpart?
2. It is said that hierarchy is very important in the Indian culture and that elderly are highly respected. Is this something that you would say is correct and in what ways are these viewed in negotiations?
 - a. How high in the organization must the negotiation matter go before it will get a decision?
3. In the theory it says that Indians have this hybrid mindset where you are both individualistic and collectivistic. Do you prefer more individualistic or group negotiations and why?
4. Women in Indian negotiations. What is the view on this?

E.g.
Finnish man <-> Indian woman
Finnish woman <-> Indian man
5. I have read that India is one of the cultures that are the least sensitive when it comes to time and that time consideration is more “being” than “doing”. What is your view of this and how are you towards time in business?
6. If we were in a negotiation and the relationship is starting to break. How would you like me to act? And how are you yourself acting in these situations?
Any examples of real situations?
7. Has the Indian culture changed in ways of doing international business and negotiations during these past 10-20 years?
8. What does trust and respect mean for you at negotiations?

Give three success factors for a fruitful negotiation:

Give three factors that make a negotiation to fail: