UNIVERSITY OF VAASA
FACULTY OF BUSINESS STUDIES
DEPARTMENT OF MARKETING

Andrew Kolomy

ROLE OF CULTURE IN COMMUNICATION PROCESS AND ATMOSPHERE OF BUSINESS NEGOTIATION: A COMPARATIVE ANALYSIS OF BUSINESS NEGOTIATIONS IN CEE AND ASEAN COUNTRIES FROM FINNISH FIRMS' PERSPECTIVE

Master's Thesis in
International Business

VAASA 2014

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

LIST OF ABBREVIATIONS

BN business negotiation
PDI dimension of Power Distance
IDV dimension of Individualism and Collectivism
CEE countries of Central and Eastern Europe
ASEAN Association of Southeast Asian Nations

UNIVERSITY OF VAASA
Faculty of Business Studies
Author: Andrew Kolomy
Topic of the Thesis: Role of Culture in Communication Process and Atmosphere of Business Negotiation: A Comparative Analysis of Business Negotiations in CEE and ASEAN Countries from Finnish Firms' Perspective
Supervisor: Dr. Ahmad Arslan
Degree: Master of Science in Economics and Business Administration
Department: Marketing
Programme: Master's Degree Programme in International Business
Year of Entering the University: 2012
Year of Completing the Thesis: 2014 **Pages**: 123

ABSTRACT

In the research area of cross-cultural business negotiations there are few studies on factors that impact the atmosphere and the communication process of business negotiations. Hence, the interest of this study lies in investigating specifically what are the cultural and strategic factors and to what extent they determine the nature of the atmosphere and communication in particular business negotiations. The targeted negotiations are of Czechs and Malaysians, considered from the Finnish firms' perspective. Furthermore, none of such academic research has ever been made. Thus, this study aims to answer the research question, which is to identify and compare similarities and differences in the communication process and the atmosphere in Czech and Malaysian business negotiations.

The theoretical framework of this study consists of specific cultural and strategic factors that determine the final nature of the atmosphere and the communication process. This study applies a qualitative research method with a multiple-case study research strategy. Two Finnish firms were chosen as case companies, and the empirical data was collected by conducting semi-structured interviews with Finnish high-level managers who were involved in Czech or Malaysian business negotiations.

The findings of this study demonstrate there are in fact more similarities between Czech and Malaysian negotiators than proposed in the theory. The nature of the atmosphere and the communication are affected by particular cultural and strategic factors relevant for each of the countries. On the side of Czech negotiators, a corporate culture and mix of two cultures play a role of major determinants. Malaysian negotiations were observed more heterogeneous, mainly due to existence of various ethnic and religious groups, a change in a Malaysian society towards Western values, and other factors that appeared to be culturally or strategically related.

KEY TERMS: Culture and business negotiation, Atmosphere, Communication, Czech Republic, Malaysia

1. INTRODUCTION

This chapter introduces the background of the study and the purpose why this topic needs an attention. Additionally, the research problem and the research question are stated. This study endeavour to answer the research question via six sub-objectives, also presented below. Furthermore, this chapter walks a reader through the limitations and previous studies conducted on the topic. Finally, structure of the study is presented.

1.1. Background of the study

Living in the 21st century is associated with the era of globalization. The century being significantly important for its rapid advances in communication technologies and transportation services. Integration of global trade markets, loosing of trade barriers, and the end of the Cold War in 1989 played an important role in globalization of business life. Globalization initiated internationalization of firms regardless of their size or level of development and technological innovations increased opportunities of conducting business across national borders. As a consequence, borderless competitiveness in international business market emerged, followed by a growth of foreign direct investments and raise of business deals to be negotiated. (Promsri 2012: 776; Rudd & Lawson, 2007: 3.)

Nevertheless, inherent challenges occur in globalization. Global business environment created borderless world consisting of cross-cultural diversity in how people think and behave. This diversity influences negotiations all over the world. Negotiating globally constitutes interaction across different geographical locations and hence remaining separated from other cultures becomes a limitation. Negotiating across national borders is also known as cross-cultural negotiation. (Ready & Tessema 2009: 494).

Cross-cultural business negotiation is more complex and challenging due to many factors negotiators need to be aware of. They are coping with various communication and decision-making styles; some negotiations demand a long small talk in order to build trust and relationship, whereas others can easily dispense with a “warmup”. Additionally, negotiators from a particular culture may incline to more direct communication styles, may make

decisions based on a group approval that might be opposite to negotiators from other cultures.

Cross-cultural negotiators need to be concerned about effectiveness of negotiations, which in particular does not lie only in what is said, but in how it is said; a certain degree of ambiguity in word choices or contract expectations can evoke undesired perceptions. In addition to what has been mentioned, global negotiators must take into account different cultural perceptions of time, different approaches to problem-solving processes and different legal, political and economic systems. Since among countries are different views of value to share information or authority. (Spangle and Isenhart, 2003: 378.)

All those factors have a crucial impact on communication process and atmosphere in cross-cultural business negotiations. In order to succeed in cross-cultural business negotiations, it is essential for a negotiator to be familiar with those factors and has ability to adapt to diverse business settings, and communicate a message in various cultural settings.

1.2. Research problem, research question and objectives

Research problem of my study is to investigate role of culture in business negotiations between two distinct emerging economies such as countries of Central and Eastern Europe (CEE) and countries of Association of Southeast Asian Nations (ASEAN).

The research problem is further specified to the **research question**, which is to ***identify and compare similarities and differences in the communication process and the atmosphere in cross-cultural business negotiations***. Additionally, whole study is taken from the perspective of Finnish firms, meaning that only Finnish managers have been interviewed.

Research problem is very complex. Hence, it has to be broken down to additional sub-objectives in order to obtain the main objective of the study. Following sub-objectives are listed on the next page.

The **sub-objectives** are:

1. To examine nature of cross-cultural business negotiations in respect of the atmosphere and the communication during a whole process of negotiation.

2. To understand what factors and how they affect the atmosphere and the communication in cross-cultural business negotiations.

3. To distinguish and describe relevant cultures by applying cultural theories of Hofstede and Hall.

4. To find out what Czech alongside Malaysian negotiators and negotiations are like.

5. To explore into what extent the empirical findings differ from the theoretical assumptions in respect of major differences and similarities between Czech and Malaysian negotiations.

6. To undertake interviews with relevant Finnish managers in terms of their experience and perceptions about Czech and Malaysian negotiators.

Although purpose of my study is to explore the atmosphere and the communication in business negotiations in diverse cultural settings; main focus is put on describing the atmosphere and the communication during Czech and Malaysian business negotiations. It is expected there are differences in cultural values between these countries, more importantly, both Malaysia and Czech Republic are emerging economies and their societies have been constantly changing, hence it will be interesting to explore which of cultural variables differ most and the degree of their impact on the atmosphere and the communication. Besides cultural factors, I endeavour to demonstrate a consequence of strategic factors and how they reflect on behaviour of negotiators.

There has not been done any research previously, which would concentrate on comparative analysis of Czech and Malaysian business negotiations. There is evidence of several studies conducted on Malaysian business negotiations or in comparison with one of the Western country. It is interesting to mention Czech culture and business negotiations have not

gained much attention among scholars yet. I assume the reason of such evidence is most likely due to a small size of the country alongside its meaningless importance in global business markets. The fact that there is no study done on business negotiation between Czech and Malaysia contributes a significant value to my study.

Besides that, I contribute with another value to my study, because I pay attention neither only to process of business negotiation nor to any of single elements such as trust, time, communication, etc. Instead, I analyse atmosphere and communication process as two complex elements at a time. In addition to that, I have entailed both cultural and strategic factors within those elements, which subsequently enable me to give more comprehensive insight into the topic.

The third contribution to my study is connected to implementation of Hall´s and Hofstede´s cultural theories, and of the process model of business negotiation by Cavusgil and Ghauri (1990). In order to fit the objective of my study, cultural theories have to be adjusted and process model modified. This combination allows me to reveal a complete nature of atmosphere and communication in business negotiations.

1.3. Limitations of the study

This study has limitations due to complexity of many objects to be covered. There are many interesting issues and elements that are worth further research, however, it is impossible all issues to be covered within one research.

Major limitation of my study is its focus which is concentrated on atmosphere and communication in cross-cultural business negotiation. As a result of this limitation, several elements of business negotiation have been left out or mentioned only briefly.

Additionally, my study has several limitations that are necessary in order to maintain focus of my study. The first limitation is towards business negotiation. I am keen on negotiations that are undertaken across national borders, also known as cross-cultural business negotiations.

As it has been mentioned before, main focus is not on business negotiation itself, but the insight is given into atmosphere and communication process around whole process in cross-cultural business negotiation. The word “whole” is important to keep in mind since both nature of atmosphere and communication may change anytime at any stage of negotiation process.

Obviously major attention is paid towards cultural factors that affect the atmosphere and communication, nevertheless, I have decided to entail strategic factors as well. Since I strongly believe they are closely connected with cultural values of negotiators.

Another limitation concerns comparative analysis of business negotiations between member countries of the Association of Southeast Asian Nations (ASEAN) and countries of Central and Eastern Europe (CEE). These geographical regions are large in size and single societies within the regions are too diverse from one another. For this reason, region of CEE countries has been limited to Czech Republic, and the region of ASEAN to Malaysia. I have decided to pick up Czech Republic because I am a Czech by nationality and have lived there for most of my life. Hence, I can contribute by providing own insights into the topic based on compelling arguments and experiences with Czech culture. Malaysia has been chosen in respect of my own interest in this country and its culture.
The comparative analysis of cross-cultural business negotiations between Czech Republic and Malaysia is perceived from Finnish firms´ point of view. Since I am a student at Finnish university and to assume adding such perspective contributes by another value to my study.

Final limitation is regarding theoretical framework, which has been given a foundation in the process model of business negotiation by Cavusgil and Ghauri (1990). Additionally, Hofstede´s theory of cultural dimensions has been limited to Power Distance and Individualism in order to find out characteristics of atmosphere in cross-cultural business negotiations. Similarly, Hall´s cultural theory of high-context and low-context cultures has been implemented with an intention to fully identify communication process in cross-cultural business negotiations.

Conducting four interviews in total is definitely one of major limitations of empirical part of my study. However, it has been a big challenge to obtain contacts and get into contact

with Finnish managers who have experienced business negotiations with either Czech or Malaysian negotiators. Finland is a small country and international businesses are focused particularly on negotiations with more internationalized countries such as Indonesia or Singapore in Southeast Asia.
In turn, my aim is to reflect main similarities and difference in the atmosphere and the communication process in business negotiations in relevant countries, instead of providing a deep insight.

1.4. Previous studies

This chapter reviews relevant literature in my research area and literature, which has been used as a background for conducting my study. The reference literature focuses on areas such as business negotiations, cross-cultural negotiations, culture, communication, atmosphere, Central and Eastern Europe, and the Association of Southeast Asian Nations. In particular, fundamental literature references for my theoretical framework have been used studies of Hofstede and Hall.

It is taken for granted that studies on culture were prior to studies exploring business negotiations. **Initial studies exploring role of culture** in business negotiations are dated already in the eighties (cf. Adler 1986), whereas a main interest of studies on this topic was in the **nineties** (cf. Ghauri & Usunier, 1996; Simintra & Thomas 1998). The 21st century is the century in which many scholars turned their attention to be more focused in their research of business negotiation.

Object of some researchers concerned selection and impact of various negotiation **strategies of business negotiations** (cf. Buttery & Leung, 1998; Ready & Tessema 2009). Some scholars published articles with interest in **behavior of negotiators, negotiation process** or **outcome** of business negotiations (cf. Samuelson 1984; Graham, Mintu-Wimsatt & Rodgers 1994; Graham 1985).

In terms of my research area, extensive research can be found on the role of national culture in international business negotiations. Among these studies, most attention from the Eastern countries received **United States** (cf. Graham 1983; Graham et al. 1994). From the Western

countries, countries such as **China** (cf. Samuelson 1984; Tung 1991; Pye 1982; Ghauri & Fang 2001; Shi 2001), and **Japan** (cf. Kramer 1989; Van Zandt 1970; Lituchy 1997; Graham 1993).

There is a significant evidence of studies on cross-cultural business negotiations using a comparative analysis of countries between the **East and West**. These studies describe single cultural traits of particular nationalities that are subsequently contrasted with one or more nationalities. As a result, there are created hypotheses associated to the outcome and process of negotiation in which being a member of one nationality is of the main explanatory variables. (Ghauri & Usunier, 2003: 102.). Research comparing negotiations of countries from the East and West has mainly been conducted on exploring **the United States with China** (cf. Chang 2002; Fang 2006; Adler, Brahm & Graham 2006), and **the United States with Japan** (Adair, Brett & Okumura 2001; Adair, Weingart & Brett 2007; Yonekura, Gallhofer & Haslam 2012). In addition, some researches have been made on comparison of a Western country with a member country of the Association of Southeast Asian Nations; for example the **United States with Malaysia** (Ready & Tessema 2009), or **Germany with Thailand** (Promsri 2012).

Besides the studies mentioned above, there is evidence of growing interest in studies comparing **Finnish** business negotiation with other countries such as Russia (cf. Korvela, 2006; Juosila, 2005), Mexico (Virkanen, 2008), Spain and Portugal (Timo, 2005), China (Huang, 2010), or India (Suraj, 2004).

1.5. Structure of the study

An initial chapter of Introduction is broken down to four parts. Firs part provides a reader with background information to understand the role of globalization in cross-cultural business negotiation. The following part addresses a description of the research problem and the objectives of the study. Furthermore, purpose and value contribution to my study are discussed. The third part of the chapter reviews main limitations necessary to maintain scope of my study. The last part covers relevant literature and references in my research area that function as theoretical background for my study.

Chapter 2 is dedicated to the concept of culture and to cross-cultural business negotiation. This chapter provides definitions of culture at a general level and define business negotiation in the context of cross-cultural business negotiation. Furthermore, a central attention of the chapter is devoted to Hofstede´s dimensions of Power Distance and Individualism, and explains a negotiation process and negotiation stages. The chapter further aims to explore abilities and competencies of a successful cross-cultural negotiator.

First two sections in Chapter 3 discuss atmosphere and communication in cross-cultural business negotiations. Throughout the first section, I describe nature of the atmosphere in cross-cultural business negotiations and provide a descriptive overview of major cultural and strategic factors with reference to their considerable effect on the atmosphere. Additionally, this section is unique as it offers a specific perception of time, also known as monochronic and polychronic time. The second section of the chapter walks a reader through the concept of communication in cross-cultural business negotiations and gives insight about elements of cross-cultural communication. Yet the section's main interest is to describe nature of cross-cultural communication in the context of high-context and low-context cultures in synergy with Hofstede´s cultural dimensions. The third section of the chapter presents emerging economies of Central and Eastern Europe and Association of Southeast Asian Nations. This section is useful as it concludes and outlines most important similarities and differences between Czech and Malaysian business negotiations in terms of cultural and strategic factors and other negotiation components discussed in previous sections. In a concluding section of the chapter, I explain structure and explanation of the theoretical framework of the study.

The empirical part of the study covers chapters four, five and six. In the fourth chapter, the methodology and strategy used for the empirical research in this study is explained. Chapter five presents the empirical findings from the two cases studied, followed by conducting a cross-case analysis. Main focus of this chapter is to detect and understand main similarities and differences across cases, and further to discuss the empirical findings according to the theory discussed in chapters two and three. Hence, the purpose of chapter five is to obtain the fifth objective of the study and further to provide an amended framework of the study.

Concluding chapters six and seven summarize and conclude this study. As a result of chapter six, a guideline on successful business negotiations is introduced. Additionally,

chapter seven introduces theoretical contribution of my study, managerial implications and proposals for further research.

Table 1. Structure of the study.

Chapter I – INTRODUCTION • Background information • Research problem, research question and objectives • Limitations of the study • Structure of the study
Chapter II – CULTURE AND BUSINESS NEGOTIATION • Culture & Hofstede's Dimensions • Cross-cultural business negotiations
Chapter III – ATMOSPHERE AND COMMUNICATION IN CROSS-CULTURAL BUSINESS NEGOTIATIONS • Atmosphere • Communication • Countries of CEE and ASEAN • Theoretical framework
Chapter IV – RESEARCH METHODOLOGY AND STRATEGY • Research methodology • Research strategy
Chapter V – EMPIRICAL FINDINGS AND DISCUSSION • Cultural factors • Strategic factors • Communication • Amended framework of the study
Chapter VI – SUMMARY • Summary • Guideline on success in business negotiations with Czechs and Malaysians
Chapter VII – CONCLUSIONS • Managerial implications • Theoretical contribution • Limitations and proposals for future research

2. CULTURE AND BUSINESS NEGOTIATIONS

This chapter provides definitions of culture and business negotiations at a general level and places business negotiations in the context of cross-cultural business negotiation. Hofstede's dimensions of Power Distance and Individualism and Collectivism are introduced. Furthermore, negotiation process and its stages will be explained. The end of the chapter aims on exploring necessary abilities and competencies of a successful cross-cultural negotiator.

2.1. Definition of culture

There is no common agreement on a single definition of the term culture, because various anthropologists have defined culture in various ways. As an example, only Kroeber and Kluckhohn (1952) have developed over 160 different definitions.

Likely, the most traditional definition of culture is "*culture is the sum of the values, rituals, symbols, beliefs, and thought processes that are learned and shared by a group of people, and transmitted from generation to generation*" (Requejo & Graham, 2008: 36).

Salacuse (1991: 45) defines culture as "*the socially transmitted behaviour patterns, norms, beliefs and values of a given community*", which means negotiators from a certain community use elements of culture they come from to interpret their surroundings and guide their interactions with others.

Hofstede (2001: 424) provides a simple definition of culture such as "*the extent to which people evaluate a foreigner by the standards of the home culture*"; additionally Hofstede (2001: 9) defines culture as "*the collective programming of the mind that distinguishes the members of one group or category of people from another"*.

2.2. Hofstede's model of cultural dimensions

The base data for the survey were collected in a multinational company IBM between 1967 and 1973, based on answers to 116,000 questionnaires from 72 countries in 20 languages.

The analysis focused on how employee values are influenced by national cultures. Hofstede distinguished four clusters with regard to values that determine countries from one another. These clusters are known as five dimensions of national culture such as Power Distance, Uncertainty Avoidance, Individualism, Masculinity, and later on added Long/Short-term orientation. (Hofstede, 2001: 41.) Nonetheless, my study takes into account only dimensions of Power Distance and Individualism, because cultural differences particularly within these dimensions influence atmosphere and communication in business negotiations.

It is important to consider the fact that country scores on the dimensions are only worth in a case of making a comparison of one society with another. Without such comparison the country scores are meaningless. Some might doubt country scores are relative as they are not stable. Nevertheless, the forces that push cultures to shift tend to shift together with a shift of the cultures and hence their relative position remains the same. (Hofstede 2013a.)

2.2.1. Power distance (PDI)

Hofstede (2001: 83) defines power distance as the degree of inequality in power distribution between less powerful and more powerful negotiators. A primary concern is how particular negotiating teams manage this type of unequal power distribution within their group members. Hofstede (2005: 48) further points out that inequality among negotiators might be also linked to a social class, education level, and occupation of individuals. For instance, a higher educated negotiator may be assigned to a higher hierarchical position in a negotiation team.

Negotiators with a high power distance

Czech business negotiators, with a score of 57, comes from a society with a relatively high degree of power distance. In turn, Malaysian negotiators, with a score 104 on this dimension, are attributed with a high degree of power distance and hence is assumed they accept a hierarchical order within their negotiation teams. Brett (2001: 17, 19) identifies Malaysian negotiating teams as hierarchical with a negotiators' status distinguished into ranks. Additionally, Malaysian negotiators pursue more of distinct confrontational styles and favour centralization of power. (Ghauri & Usunier, 2003: 150; Jandt, 2004: 10).

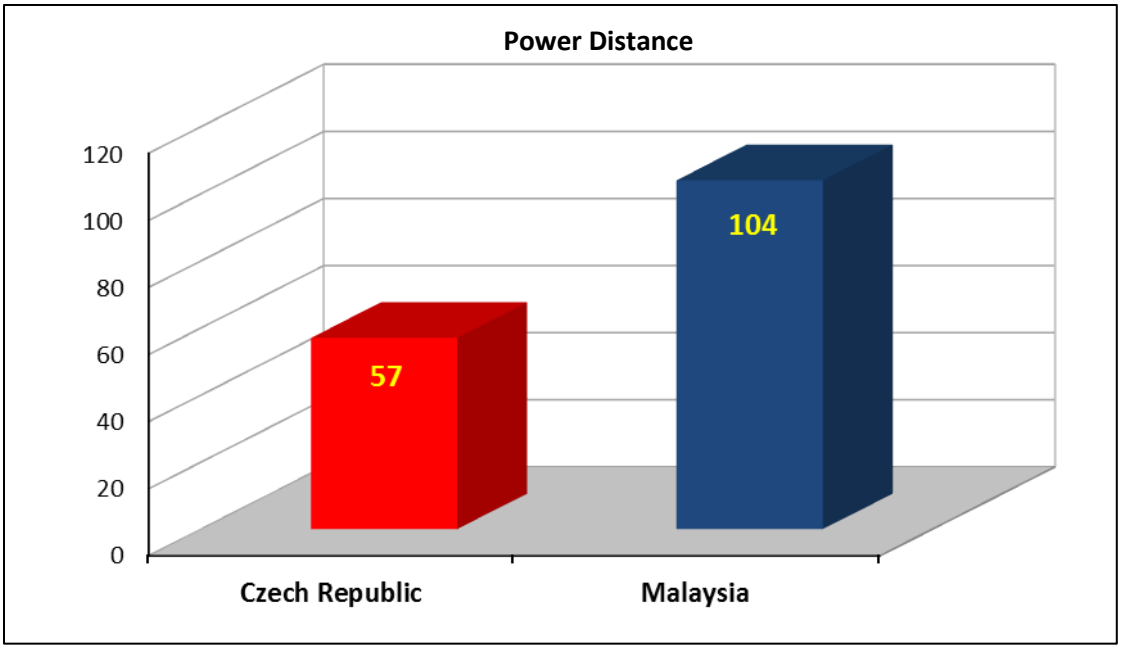

Figure 1. Scores of Czech Rep. and Malaysia on PDI (based on Hofstede 2013c).

Due to existence of a high power distance in Malaysian society, Malaysian organizations strive to centralize power into hands of few executives. As a result, subordinate negotiators in Malaysian negotiation teams do not approach and contradict their bosses, as they are dependent on their bosses with a large emotional distance between them. (Hofstede & Hofstede, 2005: 46, 55 – 56, 60.). During negotiations, subordinate negotiators are expected to be navigated what to do. In addition, there are lots of advisory personnel, and organizations are structured into vertical hierarchies of employees reporting to each other. Negotiation may become challenging once a Malaysian subordinate negotiator refuses authority of a superior member of a negotiating team. Additionally, the authority of a superior negotiator may be represented by visible signs of power and status.

Negotiators with a low power distance

Negotiators with a low power distance such as Finns have a tendency to decentralize power and equalise a power distribution within their negotiation teams. (Hofstede 2013d.)

Finnish negotiators are less dependent on their supervisors; their focus is on interdependence. Hence, Finns do not hesitate to approach and contradict their bosses. (Hofstede & Hofstede, 2005: 45.) Finnish organizations are decentralized with a flat hierarchy of employees being unequal in their roles but equal existentially, as the main source of power is their formal position. While negotiating with Finns, here is a limited supervisory personnel and superior negotiators should be accessible for subordinate negotiators. Similarly, a discussion between Finnish negotiators takes place prior to the decision-making. (Hofstede & Hofstede, 2005: 45, 56 – 57, 60 - 61.)

Table 2. Main similarities and differences between negotiators with high and low PDI (based on Hofstede & Hofstede, 2005: 57, 59, 67).

High Power Distance	Low Power Distance
Negotiators dependent on a superior negotiator	Negotiators not dependent on a superior negotiator
Inequality in a negotiation team	Equality in a negotiation team
Hierarchy in a negotiation team	Low hierarchy in a negotiation team
Respect for a superior negotiator	Natural respect for a superior negotiator
Power based on sings of status	Power based on formal position
Centralized power	Decentralized power
Less dialogue	More dialogue
Subordinate negotiators expect to be told what to do	Subordinate negotiators expect to be consulted
Subordinate negotiators fear to disagree with superior negotiators	Subordinate negotiators less afraid to disagree with superior negotiators
Superior negotiators inaccessible	Superior negotiators accessible

2.2.2. Dimension of Individualism and Collectivism (IDV)

This dimension is considerably the most important dimension among Hofstede´s five dimensions of national culture. Osman-Gani and Tan (2002) suggest this dimension is the most explored cultural dimension in studies on cross-cultural business negotiation.

The dimension of individualism, as opposed to collectivism, is described as the relationship of an individual negotiator towards other negotiators within their negotiation team (Hofstede, 2001: 209). Negotiators' position within a team is determined whether they perceive themselves in terms of "I" or "We". (Hofstede 2013b.)

According to Kumar and Brett (1999: 65; 2001: 17), the dimension has the most significant impact on the content of communication and motivation of negotiators whilst negotiating.

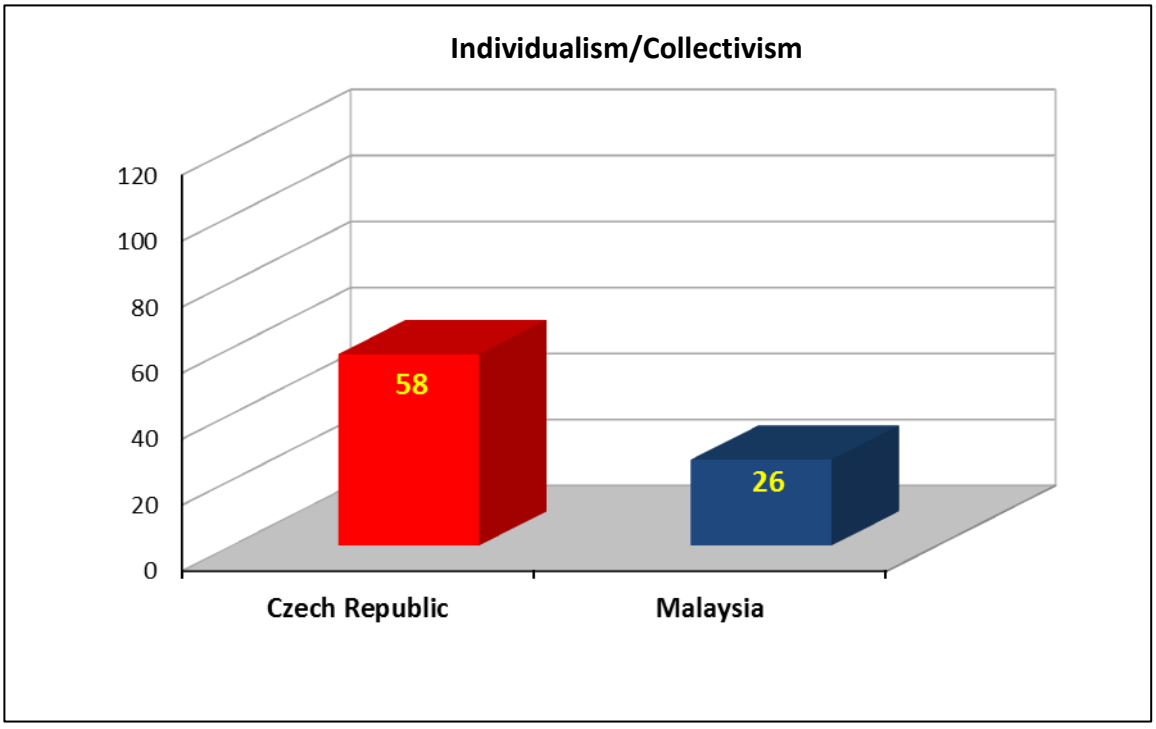

Figure 2. Scores of Czech Rep. and Malaysia on IDV (based on Hofstede 2013c).

Individualistic negotiators

Czech negotiators with a score of 58 on this dimension are individualists, hence they value independence and self-sufficiency, and prefer individual achievements and rewards. Furthermore, they think about themselves as "I" and thus they prioritize individual interests over the interests of other negotiators (Hofstede & Hofstede, 2005: 75). Additionally, they emphasize self-reliance, attempt to pursue task-oriented goals, and occurred mistakes during a negotiation are discussed at a personal level. (Kumar 1999: 65; Jandt, 2004: 14 – 15.)

Collectivistic negotiators

Malaysian negotiators with a score of 26 on this dimension are collectivists, as they tend to be concerned about and loyal to their co-members of their negotiation team. They focus on harmonious relationships in negotiations and the position of a negotiator in a negotiation team is determined by his or her "in-group" membership, which is out of hands of the individual. Malaysian negotiators favour group rewards and hence they share resources and responsibilities with other negotiators. As a result, it might be one of the reasons why Malaysian businessmen incline to establishing family businesses. Malaysian negotiators are very keen on saving someone's face in front of other group members. (Jandt: 2004: 14 – 15.)

Moreover, Malaysian negotiators make decisions based on a group consensus and cooperation. As a result of Malaysians endeavouring harmony maintenance goal during negotiations, the atmosphere is supportive and cooperative. (Schneider & Barsoux, 2003: 91.)

On the whole, Czech negotiators are oriented towards individual targets, since they are task-oriented and seek for self-actualization and individual benefits. In Czech negotiations, showing happiness is encouraged, whereas showing sadness is considered as weakness. Czech negotiators communicate in a direct way, words are clear with no need to read between the lines. In terms of negotiating manners, Czech negotiators tend to pursue more direct and dominant-oriented strategies incurring more competing, emotionally expressive, and assertive to aggressive conflict styles.

On the contrary, Malaysian negotiators are oriented towards other negotiators with a strong emphasis on harmony. Hence, they value relationships and cooperative atmosphere. They

communicate in an indirect way, and things that have been said are not as important as how they had been said. As a result, Malaysian negotiators strive to use more of integrative strategies with a consequence of more avoiding, obliging, and compromising to integrating conflict styles. (Rudd & Lawson, 2007: 168.)

Table 3. Main similarities and differences between individualistic and collectivistic negotiators (Based on Hofstede & Hofstede, 2005: 97, 104, 109).

Individualism	Collectivism
Focus on negotiator's individual benefits	Focus on team's benefits
Task-oriented	Relationship-oriented
Self-actualization is target	Harmony and consensus are target
Low-context communication	High-context communication
Rather explicit communication	Rather implicit communication

2.3. Cross-cultural business negotiations

Spangle and Isenhart (2003: 1, 18, 233) start chapters in their book with a couple of quotations that demonstrate nature of negotiations. "*Our is an age of negotiation… negotiation becomes not a transition but a way of life...you negotiate all the elements of your work life and everything you do or don´t do…a thousand details all day long… striking a deal is like striking a balance…the process is never ending…*".

As an example, Requejo and Graham (2008: 19) compare business negotiation to a **social activity** in which disapproval or agreement of negotiators may have a crucial effect on the negotiation outcome.

In turn, Spangle and Isenhart (2003: 3, 17) view business negotiation from another perspective. The identify business negotiation as a specific **way of communication** supporting understanding problems, consideration of options, and discussion that has an outcome accepted by both sides. Furthermore, they argue negotiation becomes a **tool to**

maintain relationships as a function of mutual agreements and reasoned discussions based on problem-solving process.

Cross-cultural Business Negotiation

However, negotiators do not conduct negotiations only within domestic markets but also across national borders. These negotiations are referred to **cross-cultural** or **international business negotiations.**

Nevertheless, Gudykunst (2002: 19) distinguishes those terms. He defines **cross-cultural communication** as communication consisting of comparing communication across cultures; whereas **intercultural communication** involves communication between negotiators from different cultures.

International or cross-cultural business negotiation is described as a very complex, stressful and frustrating process taking place between various business organizations or negotiators across national borders. As a matter of fact negotiators have a lack of shared experience and expectations in this type of negotiations. The Eastern mind approach may be completely different to the Western mind, which may have a result in making absolutely different set of conclusions. (Cavusgil, Ghauri & Agarwal, 2002: 131 – 132.)

Accordingly to the definition of business negotiation by Spangle and Isenhart (2003), Rudd and Lawson (2007) compare international business negotiations to a **communication process.** In this process, at least two negotiators of various national cultures meet up at the negotiation table with a tendency to reach consensus with a successful outcome.

2.3.1. Negotiation process and stages of business negotiations

I like the idea by Requejo and Graham (2008: 11), who demonstrate **negotiation process** on a body of a fish. The body consists of three main parts such as integrated use of knowledge, communication, and creativity of agreement. Major body part of the fish represents communication between negotiators.

Personally, I consider as most descriptive and accurate definition of the process of international business negotiation the one stated by Salacuse (1999). He compares international business negotiation to a **bridge construction** as it "*requires the cooperation*

of the parties at both ends… no negotiator will permit a bridge to be built if he or she feels threatened... negotiators who want to build a bridge across the cultural divide to their counterpart must be concerned to strengthen the other side's sense of security, not weaken it..". Additionally, Cavusgil, Ghauri and Agarwal (2002: 133) propose that a way how to succeed in business negotiations is to overcome perceptions of difference and become cooperative. In contrast, Ruquejo and Graham (2008: 8) argue there is no winner in negotiations since business negotiations are rather a creative than a competitive activity.

The negotiation process is taking place through a **series of five stages** such as preparation, exchanging information, bargaining, and closing and commitment (Promsri 2012: 780). Similarly, Rudd and Lawson (2007: 51) identify the process of business negotiations within **four stages**. It starts with the pre-negotiation activities and planning, continues with the negotiation process itself, followed by a negotiating agreement, and ends with a renegotiation.

It has been told managers spend more than 50 % of their time negotiating (Reynolds, Simintiras & Vlachou 2003: 236). While, cross-cultural business negotiations are one of the most challenging tasks, it is also one of the most important tasks in international business, since it requires a negotiator to have a specific set of cross-cultural skills and competencies. Most likely no other type of negotiation has in its context as many factors being out of the negotiators´ control as in cross-cultural business negotiations.

2.3.2. Success and adaptation

Companies have nowadays limited budgets due to a recent economic crisis. They send less employees abroad to negotiate business deals and thus being successful in negotiation missions became even more critical than ever before (Kulshreshtha 2009: 19). Success in cross-cultural negotiations depends on the negotiators´ competency to communicate their message in various organizational and national cultures. In addition, achievement of successful negotiation outcome is one of the most challenging communicative tasks in the business (Khakhar & Rammal 2013: 579; Gilsdorf 1997: 21).

Successful negotiators are people conscious about the factors having an impact on the content of business negotiations. They are familiar with diversity, which cross-cultural business negotiations are constituted of. Furthermore, they have an ability to adapt to different business settings as well as communicate a message in various cultural settings. Consequently, these negotiators know how to adapt their negotiation skills to those of the local market and can recognize different cultural values they are going to follow in the negotiations (Ready & Tessema 2009: 494).
Spangle and Isenhart (2003: 15) characterise such negotiators to be concerned about communication values of negotiating parties, nature of relationship, structure of the negotiation, and perceived power by negotiators. In addition, they understand that those issues have a further effect on trust, degree of cooperation, sharing information and comprehensive outcome of the negotiations.

In turn, some negotiators do not have the ability to face to the diversity in cross-cultural negotiations. In other words, they are not able or willing to deal with fundamental obstacles in cross-cultural environment such as overcoming perceptions of diversity and turning negotiation in a cooperative activity. Negotiation parties may belong to different cultures, share different ways of thinking, feeling, and behaviour. Hence, being unfamiliar, fail to anticipate, misunderstand, or not to adapt the diversity may negatively affect negotiation process and its outcome. (Osman-Gani & Tan 2002: 821.)

An anthropologist Edward T. Hall has mentioned in one of his interviews that is absolutely necessary to understand a difference between cultures. The way to achieve it is to learn to respect other's values and behaviour. He describes the respect to a mutual respect as a key to work efficiently and peacefully with each other. Since, unless people will understand the differences, they will not even know what they should respect. (Bluedorn 1998: 113.)

3. ATMOSPHERE AND COMMUNICATION IN CROSS-CULTURAL BUSINESS NEGOTIATIONS

In this chapter is discussed nature of the atmosphere in cross-cultural business negotiations and is provided a descriptive overview of major cultural and strategic factors with reference to their effect on the atmosphere. Furthermore, concept of communication and its elements in cross-cultural business negotiations are introduced. It is further explored nature of cross-cultural communication in the context of high-context and low-context cultures in synergy with Hofstede´s cultural dimensions. In a concluding section of the chapter, most important similarities and differences between Czech and Malaysian business negotiations are reviewed in terms of cultural and strategic factors and other negotiation components. The chapter concludes with an introduction of structure and explanation of the theoretical framework of the study

3.1. Atmosphere

Atmosphere is certainly one of the prime issues in the negotiation process. Ghauri & Usunier (2003: 7) identify atmosphere as a perceived **milieu** around the interaction of negotiators. In other words, how the negotiators perceive reality has more of importance than the reality itself.

The atmosphere in business negotiations is determined by many aspects and factors sending either positive or negative signals and hence the atmosphere is either more positive or negative. The atmosphere plays a significant role in the process of business negotiations as they both interact with each other. The process is dynamic and can turn in positive or negative direction at any time. Usually, if the process is more conflict oriented, the atmosphere will turn to be negative. And conversely, if the process has more of collaborative nature, the atmosphere will be likely positive.

Cultural differences challenge negotiators, and their ability to understand and adapt to these differences influence the atmosphere. With better flexibility and understanding to each other, rather positive atmosphere around the whole process can take place. (Ghauri & Usunier, 2003: 5.)

The model of the process of international business negotiation proposed by Ghauri (1986) and Ghauri and Cavusgil (1990) suggests ***cultural factors*** that play a significant role in the type of the atmosphere. In this respect, the model entails cultural factors such as time, pattern of communication, and individualism/collectivism as well as ***strategic factors***. In terms of the strategic factors, I am keen on negotiation strategy and tactic, and decision-making process.
Nevertheless, I have also decided to highlight some other factors that are same important in respect of their impact on the atmosphere in business negotiation. The model further identifies the atmosphere in business negotiation within three characteristics. These identified characteristics are the existence of dynamic of conflict and cooperation, the power or dependence relation, and the negotiator´ expectations of future deals.

3.1.1. Negotiation strategy and negotiation tactic

Success in negotiations may be determined by a choice of the right negotiation strategy and tactic. Implementation of a certain strategy and tactic goes in hand with the atmosphere in business negotiations.
Negotiation **strategy** is an overall guideline determining a direction. In order to fulfil negotiators´ objectives, it is important the direction to be acknowledged. On the other hand, **tactic** is an interpretation of the strategies, more accurately they are means by which strategic objectives help to be achieved. Negotiation strategy is linked to objectives of the negotiators, whereas a negotiation tactic is related to a negotiation strategy. (Ghauri & Usunier 2003: 51.)

Accordingly, Brett (2001: 6, 9) defines negotiation strategy as a cohesive set of behaviours that functions as a tool to achieve goals of negotiations. Nevertheless, it is important to bear in mind that negotiators´ behaviour is strategic and their strategies may be culturally based.

Ghauri and Usunier (2003: 5) distinguish three types of strategies in business negotiations. They describe tough, soft, and intermediate strategies. These strategies differ from each other in the nature of an initial offer. Moreover, the strategies vary one from another in terms of expectations of which party will make the first concession. The tough strategy, which might be pursuing by Czech negotiators, constitutes a high initial offer with an

expectation of the other party to make the concession. In contrast, Malay negotiators may incline to pursuing the soft strategy, which relies on the other party to reciprocate the consensus. The third, intermediate strategy represents accepting the first offer made within realistic expectations.

3.1.2. Negotiation approaches and attitudes

Atmosphere of business negotiations is also influenced by approaches to which negotiators strive to pursue their aims and interests.

Salacuse (1999: 223) has recognized **two basic attitudes** to the negotiation process. They take into account differences in culture and personality of negotiators. The first approach concerns a mutual cooperation of both sides resulting in a **win/win** situation. Negotiators who are extrovert and conscientious find easier to be involved in this approach. (Spangle and Isenhart, 2003: 137.) The second approach has been defined as a **win/lose** in which only one side wins and the other loses. Personality traits such as stubbornness, quick temper, self-centeredness, or aggressiveness may be typical for the negotiators pursuing this approach.

Two basic negotiation approaches have been further developed to an **integrative and distributive approach**. The **distributive** negotiation approach could be compared to dividing a pie when both parties want more than a half of it. The interests and aims of the parties are in competition with one another. Atmosphere within distributive process is more about telling, positioning, and manipulating (Spangle and Isenhart, 2003: 14, 17). However, the parties can remember such behaviour and consequently decrease a possibility of conducting business in the future. The distributive negotiation approach is typical to Czech negotiators who tend to pursue more direct and dominant-oriented strategies incurring more competing, emotionally expressive, and assertive to aggressive conflict styles (Rudd & Lawson, 2007: 168).

In contrast, the **integrative** negotiation approach refers to a collaborative process. Focus of this approach is on disagreements of the parties that provide them with a possibility to identify conflict issues. Consequently, the parties can develop solutions for resolution of these conflicts. The atmosphere characterising **integrative** process has a nature of an interest-based discussion with behaviours such as being open-minded to share new ideas,

understanding, and willingness to trust others. This negotiation approach is more pursued by Malaysian negotiators who strive to use more of integrative strategies with a consequence of more avoiding, obliging, and compromising to integrating conflict styles (Rudd & Lawson, 2007: 168). On the whole, integrative approach is considered to be a better attitude towards supporting a long-term relationship (Promsri 2012: 780).

Czech business negotiators endeavour more distributive negotiation approach combined with an integrative negotiation approach. On the other hand, Malay negotiators are eager to pursue integrative negotiation approach.

Table 4. Comparison between Czech and Malaysian negotiators.

	Czech negotiators	**Malay negotiators**
Negotiation approach	Distributive & Integrative	Integrative
Process	Competitive & collaborative	Collaborative
Interests of the parties	Rather in competition	Understanding for the other party; A mutual consensus
Atmosphere	Rather negative	Positive

3.1.3. Position of negotiators in conflict and impact on the atmosphere

Although nature of the atmosphere varies from a process to process, pre-negotiation stage of negotiation process is characterised mainly by a cooperative atmosphere, because both parties would like to achieve a mutual consensus. However, negotiations entail a certain level of duality. The parties seek for a balance between cooperation and competition while pursuing each side's own goals and agendas (Schoop, Köhne & Ostertag 2008: 196). This may result in a conflict caused by a clash of objectives of the parties. Despite some relationships being naturally less conflicting, the degree of conflict or cooperation in the negotiations is a consequence of few aspects. Among these are aspects such as the way negotiators manage certain conflicts, situation, and personality of the negotiators. (Ghauri & Usunier, 2003: 5, 52.)

Conflict and cooperation

In every business negotiation, a negotiator has a certain position taken place around either assertion or cooperation. This position is known as a position in the conflict. Ghauri and Usunier (2003) developed a pattern of five negotiator's behaviours that represent a position in the conflict and their impact on the atmosphere of business negotiations, further demonstrated in **Figure 3**.

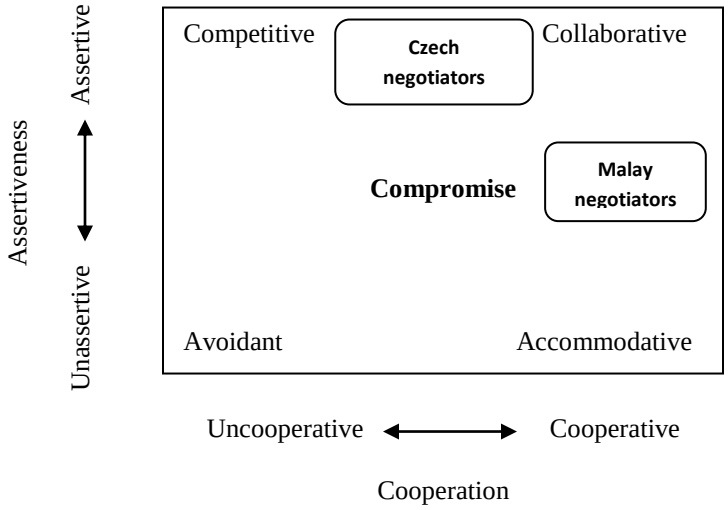

Figure 3. Modes of conflict management (based on Ghauri & Usunier, 2003: 53).

Competitive position

The competitive position in the conflict is likely the worst as it leads easily to confrontation of the negotiating parties. At this position, a negotiator pursues behaviour of which aim is to achieve a distributive result, a zero-sum game. There are no traits of cooperative behaviour, instead pushing through own interests without any heed to the other. This competitive attitude has a negative affect on the atmosphere in negotiation. Feelings such as tension, anger, impatience, and stress could be right examples. Such atmosphere has a negative impact on the negotiators themselves since it excludes flexibility, and a room for

constructive and cooperative approaches. (Ghauri & Usunier, 2003: 53 - 54.) Czech negotiators are likely representatives of this mode of conflict management.

Collaborative position

In collaborative position, negotiators pursue own interests and objectives in tandem with objectives and desires of the other part. This position is in correlation with an integrative solution. Collaborative negotiators attempt to understand other's needs and perceive situation from the opponent's point of view. (Ghauri & Usunier, 2003: 54.) The atmosphere is more relax; has a climate of cooperation, goodwill, understanding, flexibility, and creativity. High willingness to build relationships and equal power distribution may occur as a consequence of a high degree of cooperation. Both Czech and Malaysian negotiators might incline to this mode of conflict management.

Compromise position

In compromise position, both parties are seeking for a compromise. An example of these negotiators might be Malaysians who are aiming to find a solution being acceptable by both sides and bringing a certain satisfactory to each of them. The atmosphere could be described as superficial with both traits of assertion and cooperation. On one hand, something is demanded, but not completely received. On the other hand, something is given up, but not the whole way. (Ghauri & Usunier, 2003: 55.)

Avoidant position

Avoidant position represents a negotiator who withdraws from the conflict and forgoes an agreement. The negotiator is passive, with no desire to get into conflict because there is no prospect of the success. This position leads a negotiator to a no-win solution, which has a versatile impact on the atmosphere. (Ghauri & Usunier, 2003: 55 – 56.) On one hand, the atmosphere may have a conservative or diplomatic quality. In turn, it may also lose a friendly atmosphere, which further decreases chances of doing business in the future.

Accommodative position

Accommodative position is opposite to the competitive position. A negotiator is very cooperative with little assertiveness. Basically, the negotiator sacrifices his own interests on a behalf of his opponent. Atmosphere is friendly with low chances of having a conflict as one party defuses an escalating conflict, if it occurs. Sometimes, negotiators choose an

accommodative attitude to give way in order not to sully the good relations. (Ghauri & Usunier, 2003: 56.) Establishing a friendly atmosphere gives a chance of establishing long-term relationships in the future.

On the whole, it is important to keep in mind that perception of the atmosphere is rather subjective since each of the parties may have different point of views. In literature, positive atmosphere is related to being cooperative. In contrast, negative atmosphere is linked to being conflicted. Therefore, both parties should strive to earn "label" of being trustworthy and worth of cooperation. As all of us behave inherently different towards a friend than towards a stranger. However, lack of common interests incurs origin of a negative atmosphere despite good personal relationships.

3.1.4. Power and dependence

Another significant characteristic related to the atmosphere is a perceived power by negotiators. In other words, the value of relationships to negotiators. This characteristic functions as a property of the relationship rather than an attribute of the negotiator. Concern of the negotiation teams is the extent of power balance in business negotiations. The problem is that one negotiation team usually perceives more power than the other one. (Ghauri & Usunier, 2003: 7 – 8.) The parties may strengthen their own power by finding information and arguments against the other team, or mentioning weak points of the competitor. As a consequence, the negotiator' position in the process of negotiation may be improved. Nonetheless, business negotiation is an interdependent activity in which both parties are to some extent dependent on each other. One of the parties is usually more dependent than the other one. Higher degree of dependence of one party on the other one will result most likely in a negative atmosphere. (Ghauri & Usunier, 2003: 207 – 208.)

According to Lewicki and Litterer and Minton and Saunders (1994: 298), there are five sources causing domination of a negotiator upon the other party. However, I will mention only three of them by reason of their relevance to my study. Legitimate power concerns formal legitimacy in a form of such as titles or hierarchy in an organization. Information power refers to establishing a dominant position upon our opponent in terms of information on him or her, or particular situation. The third source regards a personal power, which is

based on the personal characteristics of the negotiator. Examples of such personal traits could have a form of trust, interest, or empathy. (Ghauri & Usunier, 2003: 209 – 210.)

In cross-cultural business negotiations, power may be also used as an exploitive weapon if it happens to be in the wrong hands. Similarly, negotiators may become more successful if they adjust power according to their needs. Studies identified that negotiators having an obvious power in negotiations tend to take advantage of it. As an example, a stronger negotiator may pursue a detailed agreement and hence lock up the deal. Whereas a negotiator with less power inclines to make compromises and behave on behalf of the other party. Consequently, they are likely to have a general agreement which would leave them with room for manoeuvring. (Salacuse 1999: 229; Spangle and Isenhart, 2003: 35.)

3.1.5. Expectations

Before a business negotiation even starts, both parties have certain expectations of what they want to achieve as a whole as well as on specific issues. This is referred to as maximum and minimum expectations of each negotiator. Besides that, the parties should also have a clear vision of their expectations, whether they want to establish a long-term business relationship or focus themselves only on the present deal. (Ghauri & Usunier, 2003: 8.)

Obviously, a negative atmosphere can prevail when a negotiator achieves the result, which does not fulfil his initial or entire expectations. Moreover, the atmosphere can change rapidly in accordance to the development of a negotiation. (Ghauri & Usunier, 2003: 211.)

3.1.6. Time

According to the model of Ghauri (1996) and Cavusgil & Ghauri (1990), time is considered as a cultural factor due to its perception which is determined by a particular culture. There is evidence of various points of view of people looking at time. Negotiators with knowledge of the value attached to time gives them possibility to plan their own time and pace of negotiations.

Time orientation demonstrates attitudes of negotiators towards time and the way they structure their actions. Nevertheless, perception of time has mostly an invisible influence on negotiations. (Ghauri & Usunier, 2003: 101.)
People from different cultures value differently an amount of time measured against as well as devoted to a pursued goal, which is also known as time sensitivity. Negotiators from some cultures are likely to close a deal as soon as possible as they see time as an investment. They believe time is money and thus they try to reduce formalities to a minimum and get straight down to business. In contrast, negotiators from other cultures may underline creating a relationship as a goal of the negotiation rather than signing a contract. Therefore, they may invest more time in the pre-negotiation stage in order to get to know each other and potentially find out if establishing a long-term relationship is possible. (Salacuse 1999: 228.) It is said Asian negotiators may interrupt negotiations in the middle and go to conduct other businesses with an assumption to resume previous negotiations after the office hours (Cavusgil et al. 2002).

Time management represents the key activity in the life of all business negotiators, and has an eminent influence on the atmosphere in business negotiations. It varies with different cultures of the negotiators as every culture perceives time differently. The concept of time is complex and spread around all the stages of business negotiations. It implies the structure of negotiations and negotiation strategies. In addition, it functions as a process variable affecting appointments between the parties as well as the negotiation pace, speed, rhythm etc. (Ghauri & Usunier, 2003: 173 - 174.)

3.1.6.1. Perspectives of time

As mentioned earlier, time is closely related to culture, thus its perception varies with cultural differences. In addition, time may be seen from various cultural perspectives. One of these perspectives is an assumption about the extent to which time is a tangible commodity, known as the economity of time. In other words, whether time is money.
Another perspective regards a combination of tasks with time, meaning how tasks should be scheduled. Some culture carries out one task at any time, whereas other culture can undertake more tasks simultaneously.
The third possible perspective concerns negotiators´ orientation towards the past, present, or future. Negotiators emphasizing the past will keep in mind a history while negotiating.

Examples of such cultures are Europeans or Asians that are eager to maintain traditions. Negotiators oriented towards the present will particularly believe that the only true is a reality we live in. Orientation towards the future constitutes negotiators who think in a long-term (Ghauri & Usunier, 2003: 176 - 7).

The most important time system to international business is defined by Hall and Hall (1990). They distinguish cultures either as monochronic or polychronic in terms of the time sensitivity. They recognized two extreme types of behaviour in respect of time and how tasks are scheduled. People living in monochronic cultures experience the monochronic time system. They are committed to schedules, while polychronic cultures with the polychronic time system are involved with many things at once.

Monochronic perception of time

Hall (1996: 173) characterizes monochronic cultures as there is a low-involvement of people. These cultures compartmentalize their time and schedule one thing at a time. Therefore, dealing with many tasks simultaneously may cause them to become confused.

Monochronic time is seen as tangible, as time would be money. Monochronic people talk about time as something that could be spent, saved, or lost. Since these people focus only on one thing at a time, being interrupted may make them feel uncomfortable. Monochronic time is divided quite naturally into the segments, it is scheduled and compartmentalized. As a result, it makes for people easier to concentrate on one task at a time. (Bennett, 1998: 60.) Monochronic negotiators are very organized, process activities sequentially, strive to start their meetings on time, and spend their time efficiently. They find much easier if they can separate things in a space. In case of more meetings, they are supposed to be scheduled in short time intervals. (Schneider & Barsoux, 2003: 45.) Moreover, these negotiators may strengthen some relationships while short-changing others. Monochronic time allows some people to enter while others are excluded.

Polychronic perception of time

Hall (1996: 173) compares polychronic people to jugglers, because they are involved to each other and keep doing many things at once.

Polychronic time has a tendency to be unlimited and structured in a form of several activities being conducted simultaneously. Further, polychronic time is experienced to be less tangible and characterised by a great involvement of people. Thus, polychronic time prioritizes relationships and puts an emphasis on completing human transactions rather on holding to schedules (Hall & Hall 1990: 14).

Polychronic negotiators are eager to lead more discussions simultaneously and believe that time expands in order to handle activities. Negotiations may have a form of a few interruptions by phone calls and visitors, since polychronic negotiators are likely not to ignore conversational turn-taking and interruptions. (Schneider & Barsoux, 2003: 45.; Ready & Tessema 2009: 502)

Table 5. Similarities and differences between monochronic and polychronic society (based on Hall & Hall, 1990: 15).

MONOCHRONIC people	POLYCHRONIC people
Low-context cultures	High-context cultures
Low involvement of people	High involvement of people
Do one thing at a time	Do many things at once
Focus on tasks, schedules	Focus towards people
Take time commitments (deadlines, schedules) seriously	Consider time commitments an objective to be achieved, if possible
Committed to job	Committed to people and human relationships
Need information	Have already information
Obey strictly plans	Change often plans and easily
Follow rules of privacy and consideration	Concern with those closely related than with privacy
Respect for private property; seldom borrow or lend	Borrow and lend things often and easily
Emphasize promptness	Promptness based on relationships
Short-term relationships	Long-term relationships

3.1.7. Relationships and decision-making process

The way negotiators interact with their counter sides as well as the way they mix human relationships with business affect the atmosphere in international business negotiations. In addition, some negotiators emphasize personal relations within negotiations. This means a negotiator is more interested in the personality of the negotiator than in the importance of an issue itself. (Ghauri & Usunier, 2003: 14, 102.)

Some cultures such as Asians are keen to negotiate with people they have got to know. Therefore, it is important to establish a relationship first and subsequently start with a business negotiation. Otherwise, it is hard to pursue business to be done.

Decision-making process

One of the negotiators´ tasks is to recognize how the other side is organized. Additionally, to find out who has the authority to make decisions, and whether decisions are made only by an individual or by a group consensus. Since it can occur a negotiating team has the leader with a complete privilege to make decisions, whereas another team underlines a collective agreement. Negotiation process with one leader team is usually faster in the decision-making process than the team based on a group consensus. As an explanation, one person can make commitments and decisions much faster than a group of people. (Salacuse 1999: 231.) In Asia, third parties such as for example wise men or astrologists may be present during the negotiation process to assist in the decision-making (Schneider & Barsoux, 2003: 39). In addition, it is interesting between Eastern and Western negotiators that when an Asian leader asks a question of its opponent team from the East, it is also expected to be answered by the leader.

However, a limited authority in negotiations does not have to be necessary a disadvantage. It can be utilized as a negotiation tactic because negotiators are given a possibility to let the home office take a blame for refusing the deal. (Requejo & Graham, 2008: 26.)

Soma issues in the decision-making patterns are important to know before the parties meet up at a negotiable table. Particularly, there are issues such as information about who has the

last word in the decision-making, or if negotiators have a responsibility to make the final decisions. (Ghauri & Usunier, 2003: 14.)

3.1.8. Trust and emotions

Building trust in international business negotiations is very important since it may be one of the keys to a successful outcome. Negotiators from Asia and Europe try to clarify first, whether the opponent party is reliable and trustworthy (Kulshreshtha 2009: 18).

Emotions

Displaying emotions differ from a nation to nation. Eastern countries such as Thailand, Philippines, or Malaysia do not display many emotions and speak with a quiet and peaceful tone (Spangle and Isenhart, 2003: 374).

Negative emotions play a role in how a negotiator feels about the opponent. Emerge of negative emotions might negatively affect relationships towards other negotiators, or the performance and outcome of the negotiation process. Kumar (1999: 73) identifies negative emotions as they can generate incompatibility in the behaviour of negotiators while simultaneously limiting an information exchange. In addition, the nature of incompatibility determines the intensity, the duration, and the frequency of negative emotions. Naturally, negative emotions are sending negative messages that result most likely in a negative atmosphere.

Generally, Asian negotiators try to hide their emotions and feelings. They tend to avoid experiencing negative emotions such as anger and frustration. Obviously, it does not mean they would not express any emotions, but they just react emotionally in a way, which is not apparent to the Western negotiators (Ready & Tessema 2009: 502).

In some cultures is expected to save someone’s face. Pointing out someone’s fault in front of other is considered as a mistake.

3.2. Communication

Culture has a considerable impact on the communication in many ways. It determines time and the sequence of events, the environments suitable for a discussion, the physical distance between speakers as well as a tone of the voice, which fits to a certain subject matter. In addition, a culture affects a relationship of what is said to what is meant. Since in some cultures "no" means "maybe", and by "tomorrow" is meant "never". (Hall 1960: 1.)

Scholars have captured the role of communication in a negotiation within different definitions. Adler, Graham and Gehrke (1987: 413) provide likely the most descriptive definition. They define the communication in business negotiations as "*a process in which at least two partners with different needs and viewpoints try to reach agreement on matters of mutual interests*".

Some theorists view the communication as a goal-driven activity (Higgins 1981). A few scholars have focused their studies on what constitutes a good or successful communication. (Habermas 1981)

Schoop, Köhne and Ostertag (2008: 194, 200) recognize a business negotiation as a social interactive process associated with a certain level of effectiveness and efficiency of the negotiation process, also known as the quality of negotiation process. Furthermore, they developed a definition of the communication quality specifically tailored to business negotiations. They **define the good communication quality** in business negotiations as "*a high level of coherence and transparency, a jointly positive evaluation of the interaction, and the absence or successful management of communicative conflicts on all semiotic layers*". In addition, a good communication is a prerequisite to build a long-time relationship. On the other hand, a poor communication can cause a fail in an attempt to reach a successful outcome such as a breakdown of relationships or costly renegotiation. Moreover, saying or doing a wrong thing at the wrong time, or cross-cultural misunderstanding may also jeopardize the outcome of negotiations (Ready & Tessema 2009: 494).

Cross-cultural communication, both verbal and non-verbal, is a valuable skill for cross-cultural negotiators. The negotiators should be aware of, whether to handle communication

in a formal or informal setting, whether to communicate individually or in groups, or whether being argumentative or informative, factual, or straight to the point. (Ghauri & Usunier, 2003: 14.) Communication becomes sometime difficult between people within same cultures and therefore communication between people with various cultural backgrounds is even more complex and challenging. Consequently, the chances of misunderstanding or miscommunication increase rapidly. (Griffin & Pustay, 1999: 337.)

Communication process between negotiators is inherent in all the stages of the negotiation process. Goal of the negotiation process is not to reach just any possible agreement, but a target is to make an agreement, which is better than you would get without one (Bazerman & Neale, 1992: 68). The pre-negotiation should be more about the research of the opponent side. The parties gather information about each other in order to fulfil a demand and requirements of the opponent part. The negotiation stage contributes to face-to-face meetings and the post-negotiation stage concerns reaching an agreement upon conditions and closing the deal. However, a communication can be interrupted or abandoned within any stage, if the parties can not see any point in further negotiations. (Ghauri & Usunier, 2003: 8.)

Spangle and Isenhart (2003: 136**) divide communication into three dimensions** in terms of the communication competence such as the communication's effectiveness, the relational appropriateness, and the situational appropriateness. From a perspective of the communication's effectiveness, a negotiator is successful when communicates effectively what should be communicated. He or she communicates by means of listening, speaking clearly and feasible questioning. In terms of the relational appropriateness, a negotiator should be able to build relationships and be sensitive to the nature of the communication context. The situational appropriateness presents a negotiator's ability to be prepared for the negotiation process and be engaged in the problem-solving process.

Negotiators tend to coordinate their actions while negotiating. They need to exchange information and discuss contract details while reaching an agreement. Interaction may have a range of forms of the complexity, from simple orders to multi-attribute negotiation processes. Nevertheless, there are few factors that determine the degree of the complexity. The extent to which information will be exchanged depends on a business volume and/or the complexity of products or services. Accordingly, the more attributes to be negotiated,

the more interactive the exchange will be. Finally, the amount of complex and interactive communication acts needed to be processed goes in hand with the amount of long-term interests involved. (Schoop et al. 2008: 196.)

According to Schoop, Köhne and Ostertag (2008: 196), the **key components of communication** in a business negotiation are argumentation and bargaining. Arguing involves an ability to make claims of a factual truth in order to convince the other party. On the other hand, bargaining implies promises and threats with a purpose to change other's behaviour. In terms of the communication competence, it may be related both to the conflict style and personality of a negotiator (Spangle and Isenhart, 2003: 136).

In a global business environment, avoiding a cross-cultural communication is most likely impossible. Cross-cultural communication becomes more and more challenging as negotiators communicate and interact with people from various cultures across national boundaries. Hence, the cross-cultural communication requires a high level of the communication skills. Rudd and Lawson (2007: 121 - 2) identify **four key communication characteristics** of which negotiators need to be conscious in order to be competent and successful negotiators. They suggest the argumentativeness, the verbal aggressiveness, the intercultural communication apprehension, and the self-monitoring as the communication traits. Being aware of these communication characteristics help negotiators to manage conflicts alongside reaching an agreement in cross-cultural business negotiations.

Highly argumentative negotiators recognize arguing exciting; often feel a sense of satisfaction and accomplishment after a discussion of controversial issues. On the other hand, low argumentative persons avoid arguments and feel uncomfortable in conflicting situations.

Communication apprehension is associated with a negotiator's fear or anxiety to take part in communication. High communication apprehension persons withdraw from or avoid interaction and may exhibit unusual nonverbal behaviours. Conversely, low communication apprehension negotiators incline to initiate a discussion with strangers and are more talkative. Moreover, they are perceived to be more competent and experience a low anxiety in communication. (Rudd & Lawson, 2007: 132 – 134.)

Self-monitoring characteristic concerns an ability to adapt and control a verbal and nonverbal communication in social situations. Persons with a low self-monitor can struggle

with a control and appropriateness of their presentation and expressions. (Rudd & Lawson, 2007: 138.)

3.2.1. Language

Each culture has own communication patterns. This relation is associated with a culture and contextual background of languages that may be a source of ambiguity in communication. As a result, negotiators from different cultures may misunderstand to each other. (Ghauri & Usunier, 2003: 13 - 14.)

In the respect of communication, international business negotiations are directly affected by the way negotiators communicate as well as by the extent to which their native languages form their global views and attitudes (Ghauri & Usunier, 2003: 101).

It is taken for granted that negotiation parties in an international business negotiation speak different languages. Therefore, it is more effective to agree on a language, which will fit to both parties. Discussion about the contract content implies specific terms and details that need to be entirely understood because misunderstanding them could have fatal consequences. Nowadays, English is the language, which prevails in all cross-cultural negotiations.

Usage of a non-native language in business negotiations affects a negotiators´ mental state alongside the communication performance and behaviour. Negotiators speaking with their non-native language speak more indirectly and locally incoherently, whereas the communication style of native-language negotiators is more direct and locally coherent. The reason of difference is people generally express themselves and persuades others easier in their native language than in a non-native language. In addition, speaking a native-language gives advantage of being familiar with native idioms and constructions. This allows a deep insight on how people in different cultures think (Cavusgil et al. 2002: 144). As a result, conducting negotiations in a non-native language may affect the negotiation performance as a consequence of a decrease in a communication ability and precondition for a high quality integrative negotiation. (Lai, Lin & Kersten 2010: 537 – 538.) Nevertheless, negotiators listening in a second language are given advantage of having more time and freedom to use their tactics (Requejo & Graham, 2008: 25).

3.2.2. High and low-context cultures

Some cultural dimensions explain differences in the cross-cultural communication. Among these dimensions, the Hofstede´s dimension of Individualism and Collectivism identify these differences as the most.

In respect of the communication styles, the clearest distinction is between a high-context and low-context communication (Mooij, 2010: 163). The scholars distinguish communication to be a high-context or low-context in a relation to the context in which the discussion occurs (Griffin & Pustay, 1999: 337). Some cultures may emphasize a simple and direct way of communication while others an indirect and more complex method of the communication. The communication context, more precisely the transmission of a message in the communication determines a distinction between high context and low context cultures. The content of a message is derived from two sources such as information in a message itself and information stored in the central nervous system.
On the top of that, there is evidence of a close connection between the high-context communication styles and collectivistic cultures; and between the low-context communication styles and individualistic cultures (Hall & Hall, 1990). In collectivistic cultures, information flows more smoothly between in-group members. There is also less demand for an explicit communication than in individualistic, low-context cultures. Nevertheless, most information is likely transmitted in low context cultures. Generally speaking, most Asian cultures (Malays) are high-context while most Western cultures are low-context cultures. (Mooij, 2010: 71 - 2.)

Hall (1976) describes a high and low context communication as "*most of the information is already in the person, while very little is in the coded, explicit, transmitted part of the message*"…while in a low context communication..."*the mass of the information is vested in the explicit code*". (Hall & Hall, 1990: 6)

High-context cultures are related to **Malaysian** negotiators since they come from collectivistic and polychronic cultures.
In high-context cultures, information is stored in the central nervous system. Meaning of a message is dependent on the context in which the message is transmitted (Bluedorn 1998:

109). The message is ambiguous with signs of being unclear, indirect, and implicit. On the other hand, communication is economical, fast, and efficient (Mooij, 2010: 71). Much of information is communicated in what is not said. Thus, Malay negotiators are more visually oriented with an ability to read non-verbal signals and body language. Malay communication has a synonym of being inaccessible due to challenges outsiders are facing while assessing a meaning of the message.
Malay negotiators have an extensive network of contacts and rely on close relationships (Brett, 2001: 21). Hence, they value a discussion of the differences once a relationship with others was established (Rudd & Lawson, 2007: 122). Additionally, information is distributed among people with a privilege to access data upon others. (Schneider & Barsoux, 2003: 44 – 45.)

Particularly in Asia, people learn to understand communication without "words" and how to read someone's mind. They are expected to recognize a mood of interpersonal situations, and subsequently choose an appropriate social behaviour. The choice of the right behaviour is determined by an identification of the contextual features. (Mooij, 2010: 167.)

Czech negotiators are perceived as people from ***low-context cultures*** that are further linked to monochronic cultures. Most of the information is a part of the message itself rather than being stored in the central nervous system (Bluedorn 1998: 109). Their communication has been characterized as clear, direct, and explicit. Czech negotiators are supposed to come to the point, not need to read between the lines. It is expected that everyone is able to understand a message and has an equal access to information. (Schneider & Barsoux, 2003: 44 – 45.) Czech negotiators value an open discussion and arguments. Moreover, they may keen on using more of the distinct confrontational styles.

Table 6: Similarities and differences between high and low-context societies (Based on Mooij, 2010; Hall and Hall, 1990).

High-context	Low-context
Collectivistic cultures	Individualistic cultures
Polychronic cultures/time	Monochronic cultures/time
Implicit messages	Explicit messages
Internalized messages	Coded messages
Indirect communication (read between the lines)	Direct communication (straight to the point)
Complex communication	Simple communication
Non-verbal communication	Verbal communication

3.2.3. Communication style

Gudykunst and Ting-Toomey (1988: 100) describe a communication style as a sort of message, which contextualizes how negotiators should accept and interpret a verbal message.

Formal and informal communication

Salacuse (1999: 226) identifies personal styles that have an impact on the way negotiators speak and interact with others. He distinguished two styles such as formal and informal. The formal style is based on calling people by their titles, using business cards, and avoiding personal or family issues.

In contrast, the informal style is more relaxed and calls people by their names. There is also a tendency to establish friendly relationships with team members. Despite the informal style of communication, there needs to be paid attention to cultural issues especially during a small talk. Since some cultures may avoid a discussion upon sensitive issues such as a religion, status of women, or politics. Czech business negotiators identified themselves rather with formal style of communication as well as Malay negotiators do.

Discussion of the formality and informality is a bit challenging issue, since it entails understanding of what the degree of the formality is necessary in certain circumstances and with specific people. Since negotiators from cultures underlying the formal style may become more informal when are outside of the negotiation process. (Ghauri & Usunier, 2003: 125.)

Direct and indirect communication

Apparently, the most pronounced difference in communication is, whether the communication style is more direct or indirect. It is determined by the extent to which speakers reveal their intentions through an explicit communication (Nelson, Batal & Bakary 2002: 40).

Czech negotiators are characterised with the **direct** communication style which stresses a simple and direct way of communication. It has a form of expressing explicitly someone's feelings, wants, and needs. Here is expected to get a clear answer to the questions. Wording such as "absolutely" and "definitely" could be examples of expressing intentions.
Conversely, Malay negotiators use the **indirect** communication style which presents vague allusions, figurative forms of speech, and facial non-verbal expressions. Wording such as "probably" and "somewhat" would characterize the indirect style. In addition, cultures preferring less direct communication value a harmony, avoid conflicts, and are concerned about the others. (Salacuse 1999: 227.)

3.2.4. Non-verbal communication

Some scholars identify a message embedded in a non-verbal behaviour even more important than in a verbal communication, since same behaviour in a non-verbal communication may have different meanings as well as different behaviours same meaning (Schneider & Barsoux, 2003: 21).

Approximately 70 percent of all communication is expressed non-verbally (Cavusgil et al. 2002: 141). Moreover, Requejo and Graham (2008: 73) underline that almost all non-verbal signals arise below our level of consciousness. General agreement between experts finds that about 80 to 90 percent of received information occurs outside our awareness (Bennett,

1998: 53). Obviously, some might doubt the percentage, however, it illustrates that what is verbally said has less on the importance than the way it is said. Success of Charles Chaplin´s pantomimic movies is an early evidence of a non-verbal communication.

Signs of non-verbal behaviours are a big communicative challenge to which cross-cultural negotiators are facing. Non-verbal signals may vary between foreign negotiators. They give off or take in a significant amount of information as they go below our level of consciousness. Hence, it is easy to misinterpret them without even being aware of the mistake (Ghauri & Usunier, 2003: 33.; Requejo & Graham, 2008: 73, 75.)

Non-verbal communication is more spontaneous and sincere. Much of an individual's meaning is conveyed in a tone of the voice, a speed of the speech, or a body language. Insightful meaning of the body language may be yet too ambiguous, because it differs a lot with a culture. As an example, laughter in the West countries may be a sign of a good humour, whereas it can indicate an embarrassment and humility in the East.

Eye contact

There are significant differences in how an eye contact is perceived between the Eastern and Western cultures. Europeans are likely to maintain a direct eye contact as a sign of the concern and honesty. Direct eye contact in Asia may be a signal of the disrespect and aggression, particularly between people of different hierarchical status. This may result in a misunderstanding. Asians can feel uncomfortable once they are having a direct eye contact. In contrast, Europeans may feel distrust while not having it. (Schneider & Barsoux, 2003: 21.) However, even in the cultures avoiding an eye contact, the degree of an eye contact usually increases once a relationship is established and the parties become closer.

Table 7. Non-verbal signals in business negotiations (Based on Cavusgil et al. 2002: 142).

HANDS
Person is lying when: • An increase in hand signals • Touching nose • Covering mouth Person is not giving right information when: • Considerable decrease in hand signals used to emphasize verbal statements Sign of a contradictory message • Aggressive gestures with the hands from a person seeking cooperation Sign of non-cooperative behavior: • Crossing arms or closing both hands together on the belly
BODY
Person is lying when: • Increase in body shifting movements from one sitting position to another Person is attentive and receptive if: • Leaning forward Person is bored or non-receptive if: • Leaning or sagging backwards Sign of impatience and anxiety: • Foot tapping or lower body movements Sign of rejection or disapproval: • Watching at a wristwatch or ceiling
FACE
Sign of rejection or receptiveness: • Eyebrow movements Sign of stress, fear, or excitement: • Sweating or licking of dry lips

3.2.5. Successful communication

Ghauri and Usunier (2003: 474 – 475) have developed a guideline on an effective communication in international business negotiations. Negotiators should be prepared to face different communication styles and interpretation of a silence and emotionality. In addition, they should also know how to handle threats and any kind of manipulative communication. The negotiators also need to be good listeners since the more the other part talks, the more it discloses its position. Finally, negotiators should keep in mind the fact that anything being said is explicitly meant.

Communicative skills of negotiators are a considerable determinant of the success in business negotiations. Among these skills is a negotiator competence to know how to obtain and apply certain knowledge. The knowledge demonstrates a set of specific skills, attitudes, global point of views that are unbounded by traditional national or cultural boundaries. In addition, the negotiators´ skills to effectively communicate inherent issues become more of a competitive edge in a today's global business world. (Jandt, 2004: 436.)

3.3. Countries of CEE and ASEAN

Countries of the region of **Central and Eastern Europe (CEE)** are an emerging market, as they are at different stages of development due to historical circumstances in the past decade. Most of the CEE countries were either part of the Soviet Union or allied with it politically and economically, such as Czech Republic, Slovakia, Bulgaria, Hungary, Poland, and Romania. More than a half of the century of communist's regimes have left mark over these societies, so that the western standards of conducting business could not be fully applied (Ghauri & Usunier, 2003: 364).

The biggest change occurred when the Soviet bloc began dissolving in 1989 and subsequently disintegrated in 1991. After the Soviet Union broke down, the countries had to go through a painful process full of challenges to deal with.
The first common problem to deal with was to adjust to a loss of guaranteed export markets, as the former Soviet Union developed a regional trading bloc in order to integrate their economies. The system of the regional trading bloc functioned by dictating good and services each member country should specialize in. In return, the countries benefited by

having guaranteed markets within the bloc for their exports and by receiving subsidized good from the Soviet Union in turn for their political loyalty.
Another common challenge for those countries of which many are still dealing with, was the process of restructuring their economies from centrally organized communist systems to decentralized capitalist systems; and from totalitarianism to democracy. (Griffin & Pustay, 2013: 58 – 59.)

Czech Republic

Czechoslovakia, at that time, was ranked between one of the most industrialized societies in Europe in the period before the Second World War. However, rapid changes took place after Czechoslovakia allied with the Soviet Union. The loss of guaranteed export after the collapse of Soviet bloc resulted in a split of Czechoslovakia in 1993 into two countries, such as Czech Republic and Slovakia. The dissolution was particularly a consequence of economic and political pressures, and did complicate the process of moving Czech to more open market economy.

In addition, transformation towards capitalism system was conducted by means of privatization program. Thousands of businesses have been privatised, leased out and some have been returned to their original buyers. Nevertheless, the program got off to a fast start and brought neither new capital nor new management to the companies. (Griffin & Pustay, 2013: 59.; Ghauri & Usunier, 2003: 389.) Among the countries of Central and Eastern Europe, Czech Republic as an emerging economy, has overcome the transition period quite quickly and successfully without any political or economic crisis.

Table 8. Nature of negotiation in Eastern Europe (Based on Ghauri & Usunier, 2003:376).

Factor in Negotiation	Characteristics
1. Pace of Negotiation • Value of time	Slow Moderate & punctual
2. Negotiation Strategy • Offer vs. agreement	High initial demand Group issues may be presented
3. Atmosphere • Personal relationships • Distance • Decision making (overall) • Hierarchy • Degree of bureaucracy • Need for agenda • Emotional aspects o Degree of rationality	 Very low emphasis Personal space shorter Top-down decision-making Group and team work High High Low sensitivity Rather high
4. **Communication** • Personal style • Presentations • Communication style	Necessary Quite formal Argumentative Rather direct, little small talk

The Association of Southeast Asian Nations (ASEAN) was established in 1967 by the Founding Fathers of ASEAN; namely Indonesia, Malaysia, Philippines, Singapore and Thailand. Later on, other countries joined, making up what is today the ten Member States of ASEAN. Among major purposes of ASEAN are to accelerate an economic growth, social progress and cultural development alongside promoting regional peace and stability. Moreover, members of ASEAN benefit from integrative collaboration and assistance to each other within the region. (Association of Southeast Asian Nations 2013.)

Countries of the Asia-Pacific region became prevalent of ethnicity and multiculturalism due to a global migration in the 20th century (Osman-Gani & Tan 2002: 820). The Southeast Asian countries are emerging markets at a various stage of economic development. Particularly countries such as Thailand, Malaysia, and Indonesia have been significant recipients of foreign direct investments in the last few decades. American, European, and Japanese investors found these destinations an interesting place for their production platforms. Therefore, Thai, Malay, and Indonesian economies have boomed as a consequence of the foreign direct investments. Their growth temporarily slowed due to the 1997 Asian currency crisis. (Griffin & Pustay, 2013: 67.)

In term of business negotiation, Asian cultures are as diverse as they are interrelated. Thailand, Malaysia, and Indonesia incorporate a mixture of Chinese, Islamic, and Indian cultures that may make negotiation process challenging. (Cavusgil et al. 2002: 167.)

Malaysia

From 1971 through the late 1990s, Malaysia has had transformed from a production and export oriented country towards becoming one of the world's leading trading nations in electronics and information technology. Malaysian culture is defined as a multireligious and multiracial society, since it consists of major ethnic groups such as Malays, Chinese, and Indians, who practice Islam, Buddhism, Christianity, Hinduism, and other religions. However, despite the diversity taking place, Malaysians cope with it very well and live in a harmonious environment. (Ready & Tessema 2009: 495.) Accordingly, Hofstede (1980) considers Malaysians being culturally similar despite the ethnic groups. Nevertheless, he points out on the existence of cultural differences within the ethnic groups that are likely to affect negotiation perceptions and strategies.

3.4. Summary and theoretical framework

3.4.1. Summary

Giving a brief overview of the theoretical knowledge introduced in the previous chapters alongside underlining the most important factors and negotiation components that influence nature of the atmosphere and the communication process in cross-cultural business negotiations are illustrated in **Table 9.** It provides a relatively distinct outline of cultural

similarities and differences in the context of atmosphere and communication in business negotiations between Czech and Malaysian negotiators. Obviously both cultures tend to have some similarities as well as they share lots of considerable differences. Thus, foreign businessmen need to be aware of and be prepared for these differences. Similarly, they need to be willing to adapt to these different cultural settings in order to turn business negotiation into a successful outcome.

Table 9: Comparison of factors and negotiation components in Czech and Malaysian business negotiations.

Factor and Element	Czech Republic	Malaysia
Power Distance (PDI) • Status • Hierarchy • Power distribution	**Relatively high PDI** Relatively high distinction Hierarchical distance accepted Centralized	**Very high PDI** Considerably high distinction High hierarchical distance Centralized
Individualism/Collectivism (IDV)	**Individualistic culture** • Individual interests • Self-orientation	**Collectivistic culture** • In-group interests • Harmony and consensus orientation
High/low-context culture	Low-context culture	High-context culture
Mono/Polychronic culture	**Monochronic** • Low involvement of people • Need for information • Committed to job	**Polychronic** • High involvement of people • Have already information • Committed to relationships
Atmosphere • Strategic factor o Negotiation strategy o Negotiation approach o Decision-making • Perception of time	Tough Argumentative, arguing Individual decision Monochronic o Do one thing at time	Rather soft Bargaining, persuasive Collective consensus Polychronic o Do many things at time

• Personal relationships • Emotional aspects	○ Focus on tasks Low emphasis Low sensitivity	○ Focus towards people High emphasis High sensitivity
Communication • Personal style • Communication style • Verbal/Non-verbal communication • High/Low-context communication	Quite formal Direct, little small talk Verbal Low-context ○ Explicit message ○ Clear message ○ Simple communication	Formal Indirect Non-verbal High-context ○ Implicit message ○ Ambiguous message ○ Complex communication

As a *summary*, both Czech and Malaysian negotiators accept a hierarchical order, since they both come from the societies with a high degree of power distance. Their negotiation teams tend to facilitate more of the confrontational styles as a result of acceptance of the social status and power distribution into hands of few executives. Having a high power distance indicates on the existence of vertical hierarchical system within the organizations in which the authority of a superior needs to be accepted by the subordinates. Authority of the superior negotiators might be shown to others by visible signs of their status and misunderstanding or misbehaviour of them may result in negative consequences.

Czech negotiators are task-oriented negotiators oriented towards an individual and hence they seek for their own independency and self-actualization. They do not show negative emotions and mistakes are discussed at a personal level.

Czech culture is considered to be low-context and monochronic, hence they communicate in a direct way. Words of Czech negotiators are clear, with no ambiguity and hence the other negotiators do not need to read between the lines or decode sings of a body language. Before negotiations start, they spend a very short time with small talk, and right after they get down to business. Czech negotiators value open discussion based on arguments, and like going straight to the point.

Furthermore, Czech negotiators value a certain degree of formality, which is determined by the degree of formality necessary in specific circumstances and with particular people. It is common Czech negotiators become more informal outside of the negotiation process.

It is hard to assign Czech negotiators towards one conflict-handling style, as they manoeuvre between collaborative and competitive styles that are determined by prioritizing their individual interests. On one hand, they pursue distributive strategies with higher degree of assertive and aggressive conflict styles with signs of dominance and directness. On the other hand, they might endeavour integrative strategies when pursuing their own interests in correlation with objectives and desires of the other side. As a result, the atmosphere can be both competitive and collaborative.

In terms of Malaysian business negotiators, they have a strong community spirit and are concerned about others. They emphasize harmonious atmosphere, since they feel responsible for the consequence of their actions on the feelings of others.

Malay negotiators generally carry out their work with an energy and enthusiasm. They tend to avoid the subject of unhappiness and all assistance provided should be reciprocated whenever the chance arises, as failing to do so may result in negative atmosphere and consequently jeopardize the whole business relationship. (Osman-Gani & Tan 2002: 834.)

Malaysian society is perceived as a high-context and polychromic culture. The way they communicate is indirect, meaning that much of communicated information is in what is not said. The message is implicit, unclear, and it might be necessary for the Western negotiators to read it between the lines or read it from non-verbal signals. Furthermore, Malaysian negotiators tend to have an opening dialogue before getting down to business. This small talk may help to smooth the flow of discussion and both parties to get to know better. Business will most likely be done only with those parties to whom they can trust and feel comfortable with.

Malaysian negotiators value formality determined by social status, age, education, individual achievements, or family background. (Ready & Tessema 2009: 497.) It is

important to keep in mind to avoid discussing sensitive issues such as religion, family and personal issues.

To conclude, Malay negotiators endeavour a collective consensus building as a result of their compromising and cooperative conflict-handling style incurred by their collective nature prioritizing group interests over the individual interests. As a result, they strive to use more of integrative strategies with more avoiding, obliging, and compromising to integrating conflict styles.

3.4.2. Theoretical framework

In order to resolve my research problem and fulfil particular sub-objectives of my study, I have been inspired by the model of the process of international business negotiation by Ghauri (1996) and Cavusgil and Ghauri (1990), which functions as foundation for the theoretical framework of my study.

The original model consists of three dimensions and three groups of variables such as strategic and cultural factors, while the dimensions and the groups of variables are interdependent. I have decided to focus neither on all dimensions nor on all groups of variables, but in fact on the dimension of cultural factors which work as a core variable to my theoretical framework.
Ghauri and Cavusgil embedded in their model only cultural factors such as time, an individual vs. collective behaviour, the pattern of communication, and an emphasis on personal relations. However, I have decided to include additional cultural factors besides the factors provided by the original model. In addition to that, I also implemented strategic factors and other elements, since I strongly believe they have a considerable impact on the atmosphere and the communication process in business negotiations.

In order to describe and distinguish Czech and Malaysian cultures from each other when simultaneously fulfil the sub-objectives of my study, I have utilized Hofstede´s cultural dimension of Power Distance and Individualism alongside Hall´s distinction of high-context and low-context cultures. I consider these cultural theories as a part of the cultural factors too. All of the factors having an impact on the atmosphere and the communication process in business negotiations had been reviewed thorough chapters 2 – 5.

Some might doubt my choice of Hofstede´s dimensions in synergy with the Hall´s theory of high-context and low-context cultures, however, Requejo and Graham (2008: 65) provide a compelling argument in which there an apparent synthesis of Hall's concept of high/low context cultures with Hofstede's dimensions of Individualism and Power Distance; further supported by the fact that Hofstede leans on Hall´s ideas in developing the dimensions of culture.

All the cultural factors that had been described in previous chapters significantly affect nature of the atmosphere and the communication in cross-cultural business negotiations. It is important to keep in mind that the atmosphere and the communication are mutually interdependent.

The effect of the cultural and strategic factors on the atmosphere and the communication in business negotiations is illustrated at the bottom part of the **Figure 4** on the next page.

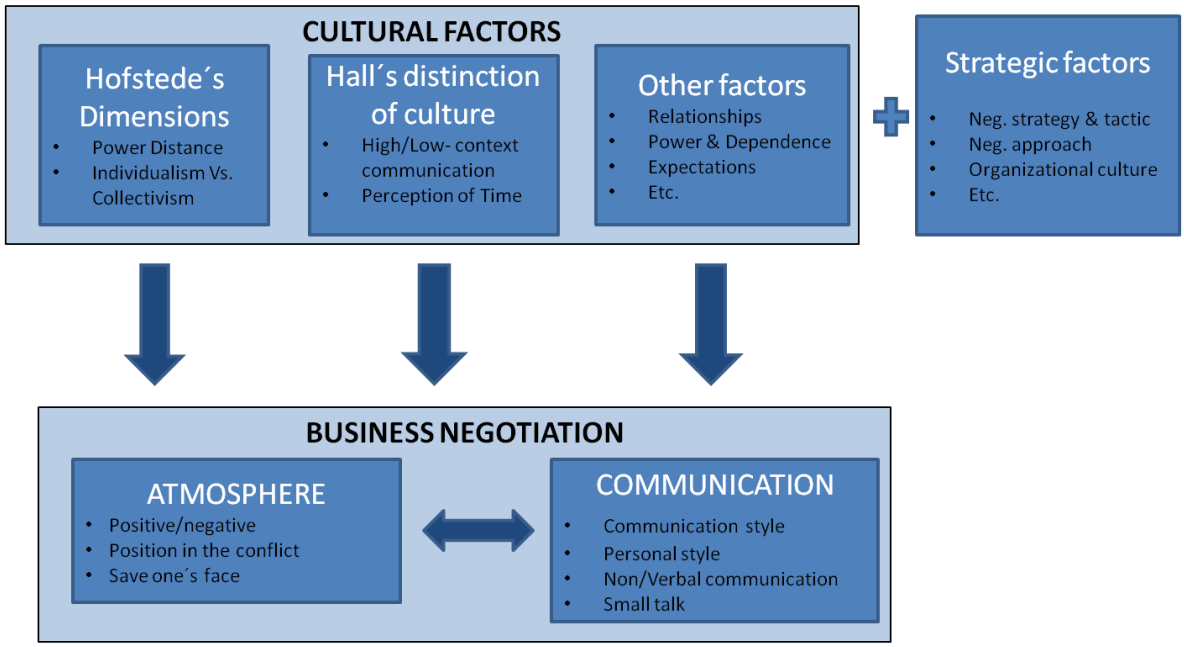

Figure 4. The framework of the study.

4. RESEARCH METHODOLOGY AND STRATEGY

This chapter provides a detailed overview about the research methodology and strategy in my study. The research design is constructed to function as a logical plan in order to solve my research problem, fulfil my research objectives, and obtain related conclusions as a result of the process of collecting and analysing data. There has been used a qualitative research method based on deduction research approach in order to draw conclusions from collected data, which were obtained by conducting semi-structured interviews with Finnish managers. Multiple-case study has been applied as the research strategy consisting of two cases from a real business environment.

4.1. Research method

Research methods refer to a systematic and focused data collection aimed at obtaining information. As a result, analysis of particular information helps to resolve research problem and answer research questions. (Ghauri & Gronhaug, 2010: 104).

There are identified two research methods to data collection, such as a qualitative and quantitative method. These methods are not mutually exclusive, because no method can be entirely qualitative or quantitative. Nevertheless, they differ one from another in the data collection techniques, which can be either quantitative or qualitative. Furthermore, qualitative and quantitative methods vary in their overall form and the emphasis alongside the objectives of the study. In the qualitative research, oppositely from a quantitative research, results are acquired neither by statistical methods nor by other tools of quantification. (Ghauri & Gronhaug, 2010: 104).
Within my study data have been collected through interviews whilst using the qualitative research method.

4.1.1. Qualitative method

Qualitative research method consists of a mixture of rational, explorative and intuitive approaches. Business negotiation has been previously defined as a social process and hence qualitative method is the most appropriate research approach for its tendency to explain

various aspects of the research problem. Applying the qualitative method provides a "thick description" of a social process and behaviour.

The qualitative method suits to my research problem, since it offers a chance of a deep insight into the phenomenon of business negotiation. Consequently, it enables me to reveal nature of the atmosphere and the communication process of business negotiation. (Ghauri & Gronhaug, 2010: 107.). The definition by Miles (1979: 117) supports the fact of importance of qualitative data. He defines these data as "*they are rich, full, earthly, holistic, real; their face validity seems unimpeachable, they preserve chronological flow where that is important, and suffer minimally from retrospective distortion; and they in principle, offer a far more precise way to assess causality in organizational affairs than arcane efforts like cross-lagged correlations*". Having said that, the qualitative method enables me to give a comprehensive insight into the phenomenon of business negotiation. Without this method, I would not be able to explore similarities and differences in the atmosphere and communication process in Malaysian and Czech business negotiations.

Qualitative research data are referred to carriers of information. First in place, information must be interpreted prior to they become a valuable piece of information. Nonetheless, this process might imply challenges; among the most common challenges to which researchers are facing is collecting a huge mass of qualitative data. As a result, a researcher may become easily overwhelmed with the large amount of data of which many may be irrelevant. (Ghauri & Gronhaug, 2010: 197).

Qualitative research gives an option to test hypotheses and to be more explorative and unstructured. In particular, qualitative research becomes relevant in the context of discovery, as it places the most importance on gaining insights, understanding and constructing explanations. (Ghauri & Gronhaug, 2010: 196.) Furthermore, qualitative research provides a holistic picture of the problem and its related issues. It implies multiple perspectives, analysis of many factors alongside their complex interactions rather than cause-and-effect relationships among factors. (Creswell, 2007: 39.) Therefore, this method is predominantly used when we want to hear individual's stories and overwhelm power relationship between a respondent and a researcher. Besides this, qualitative research gives possibility to study and collect data in their natural settings in particular when we are keen on the context or the settings of a problem or an issue; since what people say can not be separated from the context in which they say it. (Creswell, 2007: 40.)

4.1.2. Research approach

There are two research approaches to establish what is true or false and to draw conclusions of the research. In my study, I make conclusions through logical reasoning, also known as **deduction**. Deduction approach is based on logic, as it focuses on the consequences of the theory. It entails collecting data to confirm or deny hypothesized relationships among variables that have been deduced from an existing knowledge. In the deduction approach, theory comes first. Afterwards, theoretical assumptions are built from existing theory and are subsequently subject to empirical testing. As a result, the assumptions are accepted or rejected. (Ghauri & Gronhaug, 2010: 15 – 16.)

4.2. Research strategy

Case study method is generally defined as "*an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context… when the boundaries between phenomenon and context are not clearly evident*" (Yin, 2009: 18).

My study is applying a multiple-case design, as it contains more than one single-case. In comparison to a single-case study, the evidence of multiple-case study is more compelling and hence regarded as more complex. Disadvantage of multiple-case studies is in the fact that unusual, critical and rare cases involve particularly only single cases; and that multiple-case studies are more time and resource consuming. (Yin, 2009: 53.)

Case study research approach is not the easiest way to do a research. It requires specific skills from a researcher. In terms of the case studies, researchers need to be skilled in dynamics of the case and know how to benefit from the opportunities occurred during the data collection process. (Ghauri & Gronhaug, 2010: 112.)

The case study method fits to my study, since it is an appropriate approach to find a solution for my research problem and fulfil my research objectives. In my research, the case study implies "two-cases", so called a multiple-case study. Usage of multiple-case study helps me to explore the phenomenon of business negotiations in-depth and in its real-life context. In addition, "two-case" study facilitates comparison of the Czech and Malaysian

business negotiations. Additionally, this approach helps me to identify strategic and cultural factors within the context of business negotiation.

4.2.1. Data collection

Data collection techniques refer to step-by-step process with a purpose to collect and analyse data, which in return will fulfil my research objectives or resolve my research problem. (Ghauri & Gronhaug, 2010: 104).

Semi-structured interviews

There are distinguished two basic types of interviews in a research. The first type is structured interviews with a standard format and an emphasis on fixed response categories. They further focus on systematic sampling and loading procedures combined with quantitative measures and statistical methods. The second type is unstructured interviews in which a respondent may freely discuss reactions, opinions and behaviours on a specific issue. The task of an interviewer is to ask questions that have no systematic order beforehand. Furthermore, the interviewer might record the answers in order to analyse data later on.

I have collected data for my thesis by means of semi-structured interviews. They gave me possibility to ask open-ended questions whilst respondents were free to answer based on their own opinions and thinking. There are no answers constrained by a choice from few alternatives as it would have been in the structured interviews. Additionally, semi-structured interviews are also known as in-depth interviews, since they offer more accurate and clear picture of a respondent's position and behaviour. (Ghauri & Gronhaug, 2010: 126.)

Disadvantage of semi-structured interviews is a requirement for special skills and know-how of interviewers. Interviewers should possess a comprehensive knowledge about the research problem, its purpose and what information to look for. Furthermore, they should have an ability to ask the right questions at the right time, to have a control over the situation, to adapt to new or unexpected situations and to develop trust. In addition, an interviewer's background may cause challenges to interpretation, which might affect objectivity of the study. (Ghauri & Gronhaug, 2010: 126 - 127).

4.2.2. Research population

All the interviewees had to meet two major criteria in order to be selected. First, the interviewees are *Finnish, regardless their current domain*. In this respect, there has been made an exception with one respondent, who is a Czech by nationality, but has been living and working in Finland for more than 25 years, therefore I consider him to be a Finn. Second, the interviewees needed to have *experience with either Czech or Malaysian business negotiations, and be in contact with local negotiators in relevant countries*. Since these requirements ensure the interviewees have learned values and habits of particular cultures and thus can give a comprehensive insight into the topic.

In total, four interviewees had been interviewed. All of them are males, who represent business people positioned at a managerial level in their companies. None of the interviews was conducted face-to-face, because of very busy schedules of the managers and our mutual distance. In three cases, the interviewees had been interviewed via Skype call and one as a phone call; it had been agreed one hour as a max length of the interviews. All interviewees were given approximate topics of the interviews beforehand in order to avoid wasting time and utilize time efficiently while collecting as much data as possible. In addition, all respondents required to be interviewed under the condition to threat their names and companies' names with confidentiality. In this respect, the respondents of the interviews and the companies they are working at were given codes such as **Respondent1-4**, and **A/B-company**.

Respondent1 (R1) works for **A-company** in Helsinki as **Field Operations Director** for more than a year. As Field Operations Director, he needs to be highly customer-oriented in order to meet customer needs.

He has been present in an automotive industry since 1999, when started working in distribution as Logistic Manager in the logistic department of a well-known automotive manufacturer. Throughout this position, he had experienced first negotiations with manufacturers.

After three years time, he had been assigned to the position of General Manager and moved to more retail side of the business whilst negotiating with both manufacturers and importers in Finland, Germany, and Japan.

Nowadays, he does lots of business negotiations with Czech negotiators, particularly, with people working in Czech automotive company. He needs to negotiate with Czechs working at all levels, from the top management to more operative levels whilst negotiating all kinds of issues.

Respondent2 (R2) has been active in an automotive industry for about thirty-six years. Last twenty-five years, he has been working for **A-company** in Helsinki, currently positioned as **After Sales Director.**

Within a whole career in A-company, he has been negotiating with Czechs from Czech automotive company that makes him the most experienced person I have met during conducting my research on business negotiations.

He claims after sales imply much more activities than one could think, as they begin with activities that are far before a car is even produced. He needs to arrange the transport of a car, particular documents connected to the car delivery and permission for a usage of the car in Finland, etc. Furthermore, he is responsible to make sure that A-company will have extra components in case the car is delivered with a damage and needs to be repaired. As a result, he is mainly in contact with the director of after sales in Czech automotive company in Czech Republic.

Respondent3 (R3) has been living and working in Malaysia for about fifteen years and hence he deals with Malaysian people on a daily basis.

He works as **Managing Director and Head of Services** in **B-company** in Kuala Lumpur. He works in the areaa of IT telecom domain providing software solutions to telephone operators and network corporations not only in Malaysian market, but also within other Asian countries.

R3 conducts various types of negotiations with people at different managerial levels. First, within a local industry, negotiations are contract related, which constitute business related transactions such as a supply and delivery of software and projects to them.

Second, he experiences lots of interactions and negotiations with various government institutions when running a local office from a legal perspective in Kuala Lumpur.

Third, in terms of business organizations, he negotiates at many different levels in customer organizations whilst dealing with negotiators anywhere from IT or network departments, heads or managers of departments to CEO, CTO, and similar positions.

Respondent4 (R4) has been working as **Executive Vice President** in a **B-company** in Malaysia for about four years. Previously, he worked in other Asian countries as Regional Head with different titles when heading Asian-Pacific locatives.
Besides corporate internal negotiations, he conducted many negotiations with Malaysian people from the position of a seller. As a result, his experiences have particularly nature of sales negotiations when negotiating business contracts.
In addition, R4 negotiates with Malaysian people at all managerial levels, from the top-management to lower managerial levels.

Table 10. General information about the research population.

Interviewee	Gender	Company	Position	Negotiation	Years of negotiation experience
R1	male	A-company	Field Operations Director	Czech	15 years
R2	male	A-company	After Sales Director	Czech	25 years
R3	male	B-company	Managing Director and Head of Services	Malaysian	15 years
R4	male	B-company	Executive Vice President	Malaysian	4 years

A-company is privately owned family company headquartered in Helsinki. A-company has been importer and distributor of Czech cars since 1947 and thus it makes A-company to be the oldest Czech cars' importer in the world. Besides importing of Czech cars, A-company is also importer of original Czech cars' spare parts and original Czech cars' accessories in Finland.
In addition, A-company has been part of more than one hundred years old A-company group, which conducts business across various fields such as car rental chains, renting business premises, bike retail and ship cable manufacturing.

B-company has headquarters in Sweden with regional offices in London, Paris, Kuala Lumpur, etc. B-company provides market-leading mediation platform and data integration solutions that turn raw information into business intelligence. They serve leading

companies around the world to help meet their data management needs. In particular, they address their concerns and challenges such as reducing costs of managing data by simplification of data infrastructures while simultaneously managing a further increase in the volume growth needs.

Table 11. General information about the cases.

Company	HQs	Industry	Negotiations
A-company	in Finland	Automotive	Czech
B-company	in Sweden	Telecommunications	Malaysian

Data analysis is known as a process of bringing order, structure, and understanding alongside obtaining insight from a data collection. As mentioned previously, a qualitative research is usually overwhelmed by a large mass of data. Hence, purpose of a data analysis is dividing up or breaking down a complex "pie" into the parts. As a result, such process allows working with data with a purpose to challenge and test the theory. (Ghauri & Gronhaug, 2010: 199).

4.2.3. Validity and reliability

Validity of a research is referred to a valid knowledge, meaning whether the results are credible. Researchers distinguish types of validity such as internal and external validity. Internal validity represents a question if obtained results within the study are true. In turn, external validity refers to whether the findings could be generalized. (Ghauri & Gronhaug, 2010: 63.)

Reliability of a study refers to the fact if another researcher would obtain same findings after repeating the study, also known as repeatability. Since findings are reliable only in a case of the world itself is uniform. (Maylor & Blackmon, 2005: 159.)

5. EMPIRICAL FINDINGS AND DISCUSSION

Within this chapter I present and analyse results of the empirical study. The study results and the analysis are broken down in accordance with theoretical framework of my study.

The empirical results are constantly compared against the theory of my study in order to fulfil main objective and sub-objectives of my study that are in particular to find out major similarities and differences in communication process and atmosphere in cross-cultural business negotiations.

5.1. Cultural factors

Following sub-chapters enshrine findings from the interviews in respect of cultural factors that are further analysed against the theory. These factors are particularly Hofstede's dimension of Power Distance and dimension of Individualism and Collectivism.

Power Distance (PDI)

According to the theory, power distance concerns how negotiators manage unequal power distribution within their negotiation teams (Hofstede, 2001:83). The theory suggests that Czech society has higher PDI, whereas Malaysia has a very high PDI with a score of 104, which has a consequence of both Czech and Malaysian negotiators accept a hierarchical order within their negotiation teams. These teams are assumed to have a vertical hierarchical system when the power is distributed into hands of superior negotiators who make final decisions.

The results of the interviews support theoretical assumptions about apparent signs of hierarchy among Czech negotiators. The respondents conclude it is easily recognized who is the one with authority regardless getting to know Czech negotiators or being familiar with a negotiation topic. This person leads a discussion as well as is a decision-maker. Nevertheless, this person does not go into detail, instead, they are other negotiators such as experts from their field who give insight into the issue when asked for by the "speech man". Moreover, the hierarchical system is further apparent when crucial decisions need to

be made; these decisions usually are not made by any person inside the negotiation team, but they are let to be made by top-executives or board of directors.

In Malaysian negotiations, evidence of power distance among negotiators is more complex. In this respect, the respondents highlight two aspects that determine the degree of power distance between Malaysian negotiators. First, there are three different ethnic groups living in Malaysia among which cultural and religious differences might cause different perspectives on how to deal with particular issues. Second, the extent to which a company is internationalized plays a big role in the degree and existence of power distance between Malaysian negotiators. Since, in more internationalized companies, people have been educated outside of Malaysia; negotiations are more renewed, liberalized and the distance between a top leader and following levels down is not so great. Each negotiator can participate and give own insight into the topic. In turn, there are companies that are not so internationalized and involve people with more Malay background. In these companies can be found a power distance between a decision maker, who is either CEO or someone similar to that, and other negotiators who only follow the decision maker.

Table 12. Results on PDI dimension in Czech and Malaysian business negotiation.

Power Distance	Czech negotiation		Malaysian negotiation		Cultural & Strategic factor
	Theory	Result	Theory	Result	
Power Distance	Quite high	**Not** high	Very high	**Low** & High	**Determinants:**
Hierarchy	Accepted	Accepted	Highly accepted	Accepted & **not** accepted	•Existence of 3 ethnic groups
Decision making	Centralized	**Crucial decisions** centralized	Centralized	Centralized & **Decentralized**	• Company's degree of internationalization

Individualism versus collectivism(IDV)

Hofstede explains this dimension as the extent to which negotiators maintain interdependence among their group members. In other words, whether negotiators perceive themselves within a negotiation team as "I" or "We", which has impact on the content of

communication goals and motivation to negotiate. (Hofstede, 2001: 209; Kumar 1999: 65; Brett, 2001: 17). According to Hofstede's theory, Czech Republic with a score of 58 is an individualistic society opposed to Malaysia, which is a collectivistic society with a score of 26 (Hofstede 2013c). The theory further suggests that Czech negotiators are task-oriented and value independence with emphasize on individual interests over the group interests. On the contrary, Malaysian negotiators are oriented towards group interests and consensus. Additionally, they value relationships and cooperative atmosphere with harmony maintenance within their negotiation teams. (Jandt, 2004: 14 – 15).

Nevertheless, the results of the interviews do not present such simplistic assumptions as proposed in the theory. The respondents argue that Czech negotiators are more group-oriented in a sense the group interests represent interests of A-company. R1 says that Czech negotiators "*think about company's interests, they are not thinking about how the decisions will influence individuals or the relationships...they have a corporate goal and the strategy they have to follow*". The respondents further claim Czech negotiators need to make a decision, which is important from the perspective of their corporation, despite other solutions, which might have been better from their point of view. As a result, the company's interests go always over the negotiator's individual interests due to strict corporate regulations.

The respondents further state Malaysian negotiators are likely to be more individualistic, however, it becomes very complex again, because there is no clear distinction between social grouping and business grouping. They elaborate it on three perspectives. First perspective represents dividing society into more groups that are family oriented. These groups would put decision making and anything that affects their family ahead of their individual interests. In this regard, it is about collective interests of the group. Second perspective regards ethnic groups and social grouping. It has been said particular ethnic groups such as Malay Malaysian, Indian Malaysian, and Chinese Malaysian will decide the favour on their own within their own ethnic group. Third perspective is linked to a business, when decision making within companies is made to benefit only one or two keen individuals in the organization and thereby certain people can make decisions that affect a whole company towards their own benefit.

Table 13. Results on IDV dimension in Czech and Malaysian business negotiation.

Individualism Vs. Collectivism	Czech negotiation		Cultural & Strategic factor	Malaysian negotiation		Cultural & Strategic factor
	Theory	Result		Theory	Result	
Individualism Vs. Collectivism	Individualistic	**Collectivistic**	**Determinant:** • **Corporate regulations & strategy** = corporate interests go over individual interests	Collectivistic	**Individualistic** & Collectivistic	**Determinant:** •3 differently oriented **groups** in Malaysian society

5.2. Strategic factors

The atmosphere in business negotiations is a result of many factors that can turn the atmosphere to be either positive or negative and so at any time of negotiation process.
Choice of a certain strategy and tactic goes in hand with the atmosphere in business negotiations.

Negotiation styles, strategy and tactic

The theory provided with an assumption that Czech negotiators are assigned to use more of collaborative and competitive negotiation styles due to prioritizing their individual interests. On the contrary, Malaysian negotiators tend to pursue more of compromising and cooperative negotiation styles, as they value a collective consensus building whilst putting group interests over the individual interests. (Ghauri & Usunier, 2003: 53 - 55.)

Further, the theory proposes Czech negotiators pursue distributive strategies with signs of directness and dominance as well as integrative strategies when pursuing their own interests in tandem with objectives of the other side (Rudd & Lawson, 2007: 168; Ghauri & Usunier, 2003: 54). The results of the interviews clearly revealed Czech negotiators inclined to integrative negotiation approach, as they have been defined as flexible with ability to make a compromise, if the other side has facts and compelling arguments against. Their ability to adapt was explained by R2, who identified Czech culture as a mix of Slavic and German

cultures; Czechs have German skills of being precise, hard-working, and Slavic skills of flexibility and improvisation.

According to theoretical background of my study, the atmosphere in negotiations with Czechs can be both competitive and collaborative. Both respondents confirmed this assumption that a positive atmosphere prevails, but in some cases negotiations might also have small signs of competitiveness. On the whole, based on the results, the atmosphere in negotiations with Czechs is pleasant, encouraging, constructive, and very friendly. Having said that, Czech negotiators are very demanding and the atmosphere might turn out to be more negative if it is not fulfilled what has been agreed on by negotiators.

The theory defines a process of distributive negotiation approach similar to telling and manipulating (Spangle and Isenhart, 2003: 14, 17), which has been implicitly mentioned by the respondents. They remarked that Czech negotiators posse a unique ability to manage to get negotiations into a phase in which they establish atmosphere together with compelling arguments when they convince Finnish negotiators to change their decisions.

According to the theory, Malaysian negotiators seek for a solution being acceptable by both sides as well as they strive to use integrative strategies with more avoiding, obliging, and compromising to integrating conflict styles (Ghauri & Usunier, 2003: 54 - 55). Similarly to Czech negotiators, Malaysians attempt to understand the other party's interests and perceive situation from the opponent's point of view, which result in more relax and collaborative atmosphere.

However, the findings from the interviews vary among respondents. R4 indicates that the atmosphere is not always as collaborative as the theory proposes. He states behaviour of Malaysian negotiators was determined by his position of a seller to big corporations, whereas Malaysians were in the position of a buyer. Hence, Malaysians felt like doing little of compromises and dictated conditions they wanted. Thereby, there was less likely to achieve a win-win situation. He says "*I know there is usually some other company they can select instead of us, so it has it is kind of a game when they play a hard ball and we have to guess when we can make a concession and when we can not*". Being on a side of a buyer is a distinct example of a source causing a dominant position upon the other party.

On the contrary, R3 defines the atmosphere as very positive and relaxed due to a discussion which was very opened, friendly, and on a personal level. He has experienced very seldom

that Malaysians would be assertive or direct in terms of their own interests. In general, Malaysians do not look particularly at the immediate matter, instead they perceive negotiation in a long-term to create a relationship in which they believe will last in the future.

Table 14. Results on the atmosphere in Czech and Malaysian negotiation.

Atmosphere	Czech negotiation		Cultural & Strategic factor	Malaysian negotiation		Cultural & Strategic factor
	Theory	Result		Theory	Result	
Neg. Strategy	Distributive prevails	**Integrative** prevails	**Determinant:** • Mix of **German** (precise) and **Slavic** (adaptability) culture	Integrative	Integrative & **Distributive**	**Determinant:** • **Position** of a negotiator (seller vs. buyer)
Neg. Approach	Argumentative	**Highly** argumentative		Bargaining	Rather **argumentative**	X
Atmosphere	Collaborative & Competitive prevails	**Collaborative** prevails		Collaborative prevails	Collaborative & **Competitive**	**Determinant:** • **Position** of a negotiator (seller vs. buyer)

Power and expectations

According to the theory, negotiation parties are into some extent dependent on each other, but the parties may strengthen their own power by finding compelling arguments and weak points of the competitor (Ghauri & Usunier, 2003: 207 – 208). In this respect, Lewicki and Litterer and Minton and Saunders (1994: 298) refer to a term of information power such as negotiators achieve a dominant position upon the opponent parties by means of information about them.

The results of the interviews on negotiations with Czechs clearly revealed that negotiations are organized and Czech negotiators posse information power, as they are very well prepared for a meeting. These negotiators are highly educated and trained. Additionally, they have arguments, evidence respectively, and other facts beforehand. R1 claims that "*I know Czechs came to a negotiation prepared, I know they discussed the topics, tactics, and what they want to achieve beforehand*", which obviously provide them with a subjective power to push the other party to increase e.g. a price of selling goods. On the other hand,

findings further confirm that Finnish negotiation teams also want to strengthen their power and so they are prepared for negotiations as well; therefore they strive to decrease a price to the contrary, which is a part of Czechs' expectations. As a result, a discussion is based on arguments demonstrated that both Czech and Finnish negotiators pursue highly argumentative negotiation approach. Despite negotiation teams having different requirements and arguments, the respondents make a deal every year, while both sides feel as they win the negotiation (win-win situation).

Findings further disclosed that the key to succeed in negotiations with both Czechs and Malaysians is to have a strategy with the outcome negotiators feel what they wanted, when simultaneously fulfil own internal requirements and expectations. Within negotiations with Malaysians, it is important Malays do not sign anything when they would feel they did not have an opportunity to influence what they wanted to achieve. This applies particularly in the first negotiation, because it leads to the future relationship. R3 further compares negotiation of initial deals with Malaysians to a game, "*They basically know that they will not get same preferential treatment the next time, but they know that the first time they will get more because you want to have more a long-term relationship...in the procurement, they have to negotiate a certain percentage of discount from the original price in order to get an extra bonus at the end of the year. But we know why they are doing it, thus we want to make sure they achieve close to their targets, since as closer we get to them, as much easier it will be in the future*."

Relationships

Before a business negotiation even starts, negotiators should have a clear vision of their expectations, whether they want mix human relationships with business and thus establish a relationship, or focus only on a present deal (Ghauri & Usunier, 2003: 8, 14, 102).

According to Hofstede theory, Czech negotiators are more task- than relationship-oriented (Jandt, 2004: 14 – 15). However, the results from the interviews are not in correlation with the theory. The respondents emphasize importance of having positive personal relationships. There is definitely a need for building relationships with Czech negotiators in order to gain a mutual trust. As a result, negotiation turn in more positive atmosphere, which subsequently impact outcome of negotiations, as R1 adds "*I have noticed a few changes after a half year time, probably due to the fact we got to know and trust to each*

other". Generally speaking, R2 claimed that personal contacts are an essential part of a work life; it is a huge advantage if one knows who he is negotiating with. Since life is not only about a work, thus is useful to get to know people and know what is happening in their lifes, as it may explain certain behaviour of the individuals.

In the theory, Malaysian negotiators value relationships and are oriented towards collective interests. (Jandt, 2004: 14 – 15.) Additionally, Malaysians are keen on doing business with those they have got to know and establish relationships before a business negotiation. Otherwise, it might be hard to pursue business to be done. The findings from the interviews confirm the assumptions that building up personal relationships before getting down to business is crucial, and definitely is taking place. Finnish managers need to spend quite a long time with creating the relationship with Malaysian negotiators, and once they achieve it, they also need to invest quite a lot of time to maintain it by means of social gathering and similar types of events. Maintaining relationships with Malaysians play also a big role in nature of the atmosphere as well as in decision making process. Interesting insight was provided by R4, who says nature of relationships in Malaysia is very personal, and relationship related things that are reflected into decisions of individuals may be extremely complex and complicated. As he said "*when I have negotiated so that I have had a Malaysian on my side and then when the person explained all the complications that are in kind a power related relationship on the other side, the picture can be amazingly complicated*", meaning that, in some cases, authority along with his individual interests affect so many things that without personal relationships is impossible to analyse and understand the situation.

In addition, creating relationships with Malaysians go in hand with trust and sort of favouritism, as R3 compared it to "*I will do a favour for you and you will do a favour me*". Moreover, the better a negotiator knows Malaysian person, the better he can hold his position, since he understands what expectations are taking place and how to handle them – how much to give up and at what point of a negotiation.

Table 15. Results on value of personal relationships in Czech and Malaysian negotiation.

Negotiation Element	Czech negotiation		Malaysian negotiation	
	Theory	Result	Theory	Result
Relationships	Low emphasis	**Very important**	High emphasis	**Crucial**

Monochronic versus polychronic perception of time

In chapter 4, I referred to Hall's perception of time, who distinguishes cultures either as monochronic or polychronic in respect of negotiators' attitudes towards time and how they structure their actions (Ghauri & Usunier, 2003: 101).

According to the Hall's theory, in monochronic cultures, such as Czech society, negotiators are very organized and focus only on one thing at a time (Bennett, 1998: 60). Both respondents agreed Czech negotiators are very well prepared for a meeting beforehand, and negotiations very well organized, as I have already mentioned previously. However, R1 says despite negotiations are organized, there might be discussed lots of topics at a time. He further mentions that it is a bit different than in Finland, where topics are discussed one by one and Finns go straight to the point. On the contrary, R2 answered that a discussion is very systematic, whilst discussing an agenda points step by step.

In addition, the theory suggests that Czech negotiators strive to start their meetings on time and spend time efficiently. Dealing with many tasks simultaneously may cause them to become confused (Hall, 1996: 173). The results from the interview with R1 do not confirm Czech negotiators are strict neither with deadlines nor schedules as much as Finns do, nor they start their meetings on time, he adds "*typically if a meeting starts for example at 12 o'clock, we Finns will be there five to twelve, whereas Czechs will be there ten past twelve*". The findings of the interview conducted with R2 are to the contrary with R1, despite they both are negotiating with people from same Czech corporation. R2 confirms a theoretical assumption that Czech negotiators are stuck to deadlines and schedules, however, it might depend on how strong are his personal relationships with Czechs. He further states negotiators he is cooperating with are professionals, additionally, he has been negotiating with them for many years and hence Czech negotiators had adjusted to Finns. They learn how to be prepared for meetings with Finns, how to discuss things, how be dressed, etc. This adaptability of Czech negotiators verifies their unique skills of flexibility.

Next, the theory proposes that Czech negotiators may feel uncomfortable when being interrupted (Bennett, 1998: 60). This theoretical assumption is confirmed by both respondents into the extent that there are no interruptions during negotiations. In this respect, R2 demonstrates professionalism of Czech negotiators on "*it is not possible there are interruptions...I have experienced many times that the owner of the organization came*

to the office with a specific request, but when he saw we are in the middle of negotiation, he apologized and said he will come later". Nevertheless, it has been said that about 20 years ago, the situation was completely different. There could have been organized a meeting with Czech negotiators, but all of a sudden half of the negotiators was not present.

On the contrary, in polychronic cultures, such as Malaysian society, negotiators keep discussing many issues simultaneously and value relationships rather than holding to schedules (Hall, 1996: 173). The results from the interviews neither clearly confirm nor deny an assumption about Malaysians conducting several activities at a time. R4 tells it varies with a pace of negotiation and amount of things to be negotiated. In early stage of negotiations, when multiple things or packages of things need to be discussed, negotiators may talk over each other. Whereas in late pace of negotiation, discussion of things step-by-step is applied, as there are less things to be agreed on. Similarly, R3 states a discussion depends on nature of negotiators, which varies with an individual.
Having said that, the results from both interviews clearly disclosed that Malaysian negotiators are not committed to deadlines and schedules at all. R3 further argues Malaysian negotiators "*have their own schedules and deadlines that are always very urgent and want always a very quick response...but then when there is their turn to fulfil some deadlines basically by reviewing or by providing feedback...then typically entire sense of time seems to disappear, the urgency seems to disappear as well*". As a result, Malaysian negotiators expect the other party (e.g. supplier) to give in a little more time in order to get the deal.

Additionally, negotiations with Malaysians may have a form of interruptions (Schneider & Barsoux, 2003: 45; Ready & Tessema 2009: 502). In this respect, the findings from the interviews provide evidence that interruptions do occur in negotiations with Malaysians. R4 argues that when he is having a sales speech, some people may walk out for other things, which is quite common in Asia. However, both respondents emphasize on the fact that Malaysian society has been changing and made a step forward in terms of time management and professionalism. Thus, there are less interruptions taking place than it used to be a couple years ago. This argument is further clarified by R3, "*ten years ago was very common that people picked up a phone call and went for a coffee basically, and they would come back 30 mins later and then continue basically...it has changed a lot from pretty interrupted to non-interrupted or distracted these days*". Additionally, there might be

interruptions in terms of making a break between negotiations. Usually, negotiations last for a half an hour to one hour, then both parties meet up again a few hours later or next day in order to have more efficient negotiations. However, R3 adds making a break might be also used as a part of a negotiation tactic, "*Malay would basically excuse them, try to give a pressure and make impression that they are not interested*".

Table 16. Results on perception of time in Czech and Malaysian negotiation.

Monochronic Vs. Polychronic Time	Czech negotiation		Malaysian negotiation		Cultural & Strategic factor
	Theory	Result	Theory	Result	
Mono/Polychronic	Monochronic • Organized • No interruptions • Stick to deadlines	Monochronic • Organized • No interruptions • **Rather** stick to deadlines	Polychronic • Not organized • Interruptions • No commitment to deadlines	**Mono** & Polychronic • **No** commitment to deadlines **at all**	**Determinants:** • **Shift** in a Malaysian society towards **western** values • Depends on an **individual**

5.3. Communication

The theory of my study distinguishes communication between a high-context and low-context, determined by the context in which a discussion takes place (Griffin & Pustay, 1999: 337). Furthermore, there is an association between high-context communication styles and collectivistic cultures, such as Malaysian society; and between low-context communication styles and individualistic cultures, such as Czech society (Hall & Hall, 1990).

High and low-context communication

The results from the interviewees define Czech communication rather more direct than indirect, although R1 argues there is sometimes a need to read between the lines in order to get a comprehensive understanding of a problem. Additionally, R2 provides and example when Czech negotiators clearly show their disapprovals and so "*usually they do not exactly say no, but they say we understand to your point of view, however, our executives would not agree with it, so we will come to that later and will find some solution*". As a result, is

confirmed that Czech negotiators stress a simple and direct way of communication, and express explicitly their feelings and needs. Additionally, for everyone is easy to understand meaning of what Czech are telling. (Salacuse 1999: 227; Schneider & Barsoux, 2003: 44 – 45.)

On the contrary, the theory assigns communication with Malaysians a synonym of being unclear, implicit, and indirect in order to avoid conflicts due to their high value put on harmony. Much of what is communicated is not actually said and thus negotiators of the opposite site need to read between the lines to understand. (Mooij, 2010: 71; Salacuse 1999: 227.) The results from the interviews propose that nature of communication is determined by a person's character and background, thus the theoretical assumption can not be neither verified nor denied. R3 reminds again the fact that Malaysian society has been changing in terms of communication as well, since many Malaysians are internationally educated and embraced more of western values to which they were exposed to. R4 distinguishes communication as direct and indirect according to the phase in which a negotiation is taking place. In the early phase of negotiation, he defines communication as more indirect, as it is difficult to identify Malaysians intentions and needs. Whereas in a in the latter phase of negotiation, the communication becomes more direct. Another perspective adds R3, who refers to various ethnic groups in Malaysia and their different communication styles. Chinese Malaysian negotiators, they say very directly their requirements and go straight to the point, such as "*you lower this much as much and the deal is yours*". Whereas Malay Malaysians, they are not as direct as Chinese Malaysians, they rather circulate around various factors and do not exactly tell their demand, but they are trying to give certain hints indicating their needs. Thus, negotiations with Malay Malaysian require negotiator's ability to read between the lines and signs of body language with a purpose to find out what they are looking for. As an example, R3 reminds sometimes is hard to recognize difference between particular jokes Malaysians make and how to interpret them; if a person should be serious about them or not. These findings regarding Malay Malaysians confirm assumption based on the theory that Malaysian negotiators tend to use more of non-verbal signals and body language, which in turn might be a challenge for the opposite negotiation party whilst assessing meanings of these signals (Mooij, 2010: 167).

Formal and informal communication

According to Salacuse and his theory, there exist two communication styles in terms of how formal or informal the discussion between negotiators is (Salacuse 1999: 226). Based on his theory, negotiators pursuing formal style of communication, such as both Czech and Malaysian negotiators, call themselves by their relevant titles. Having said that, Ghauri and Usunier (2003, 125) argues that negotiators tending to be formal may become more informal whilst being outside of negotiations.

The respondents on Czech negotiations answered to the contrary to what the theory proposes. Both respondents agreed that Czech negotiators are more informal, although likely more formal than Finns. However, from my own experience, Finnish society is known for a high degree of informality. Both respondents further conclude Czech negotiators call each other by their first names that premise an evocation of a friendly atmosphere. As an example, one respondent argues nobody is required to wear a tie in a meeting or stand while talking. Only R1 revealed a little signs of formality and so that Czech negotiators have used titles such as Mr. or Mrs. whilst talking about people from the top management, however, very rarely. As a result, those findings deny assumptions based on the theory.

The answers of the interviewees on Malaysian negotiation regarding the degree of formality or informality in Malaysian communication indicate that the communication is not apparently as formal as the theory suggests. One respondent provides evidence that Malaysians do not use any titles between each other and thus he assigns Malaysian negotiators to informal communication styles. Nevertheless, the other respondent does not provide as explicit answer, as he highlights the existence of different generations of Malaysians and various communication styles they posse. He argues there is a big shift between young and older generations. The young generation of Malaysians do not really matter about titles, thus is considered to be very informal. The older generation of Malaysians, people about forty, fifty, and sixty years old, still retain more of a formal attitude towards titles. Thereby, older generation still remain to be formal, which confirms the theoretical assumption.

Furthermore, R3 explains a persisting degree of formality by saying "*in Malaysia you have certain titles that are privileged basically to very keen individuals and business men and royalty...there are seen as significant contributors to the society...you are sort of looked up*

when you have the title ". Consequently, the persistence of the degree of formality in Malaysia is likely determined by historical circumstances rather than by a current trend among people. Therefore, I remark that Malaysian society will incline to more informal communication styles in the future.

The theory further remarks that negotiators with formal communication style endeavour to avoid sensitive topics such as religion, family, and other personal issues (Salacuse 1999: 226). Although I came to a conclusion that Malaysian negotiators are not as formal as the theory suggests, the respondents highly warn on discussion of sensitive topics such as religion. R4 states Malaysian negotiators are willing to overlook if one makes little cultural mistakes. In turn, one needs to be very sensitive and avoid mistakes that concern religion, as the respondent state "*religious aspects, as they are, are something not to mess around with*".

Small-talk

Within a theoretical part of my study, I very briefly referred to an opening dialogue, also known as a small talk, before negotiators get down to business; thereby I assume both Czech and Malaysian negotiators dedicate some time to make small talk, nevertheless, it remained questionable into what extent.

The answers on Czech negotiations disclosed that Czech negotiators want to spend time with small talk. One of the respondents point out on the difference between Czechs and Finns and so Czech negotiators are keen to spend more time with small-talk and other kinds of no business-related discussions. It is taken for granted that Finns in general spend a little time with small talk and rather go quickly straight to the point. Furthermore, another respondent revealed that the amount of small talk with Czechs is determined by the degree of personal relationships between negotiators. Since if one knows the person and more about the person, it may contribute to a better atmosphere.

Similarly, the respondents on Malaysian negotiations exposed findings showing on the importance of small talk in negotiations with Malaysians. The results demonstrate a positive contribution of small talk to the atmosphere, as the more a negotiator knows the negotiator from the opposite site, the more chance is to find a topic which would not be purely business oriented. In this regard, small talk and pleasantries are crucial in getting over pure business aspects of negotiations and subsequently the easier is to build reputation

and relationship with Malaysians. Moreover, he defines such small talk as a mix of a personal discussion, such as hobbies, interests, what food negotiators like, etc., with a business discussion. Another respondent further argues small talk in negotiations with Malaysians is not long, but required.

Knowledge of local language

Negotiation parties in an international business negotiation speak different languages and hence it is efficient to agree on the language, which would fit to both negotiation parties. Conducting negotiations in a non-native language may be a cause of ambiguity and misunderstandings in communication among negotiators that may further affect the negotiation performance (Lai, Lin & Kersten 2010: 537 – 538; Ghauri & Usunier, 2003: 13 - 14.) Nowadays, English is a prevailing language in most cross-cultural negotiations that have been confirmed by all respondents in the interviews, excluded the R2, who talk to Czech negotiators either German or Czech, which is his native language. As expected, this respondent highly values the knowledge of Czech and considers it as a big advantage, because everyone rather speaks native language. An interesting finding was disclosed that Czech negotiators appreciate if a Finn tries to say a few words in Czech, that further result in building a friendly atmosphere. Another respondent claims despite all Czech negotiators speak English at a very good level, a few misunderstandings naturally happen. He argues that "*even we all speak English, we are speaking a bit different way, if you are telling something, it may have a little bit different meanings*". He further suggests knowledge of Czech would be a benefit, however, it would not be any significant advantage.

The answers from the interviews on Malaysian negotiations vary between the respondents. R4 concludes the knowledge of local languages would ease to build trust and subsequently a relationship, but in turn he does not perceive negotiating only in English to be an obstacle. On the contrary, R3 provides different perspectives and more comprehensive view in this respect. The first perspective demonstrates that the importance of speaking local language is not as considerable whilst negotiating with big corporation, because there are working lots international people. The second perspective concerns negotiations with government based or government linked organizations in which are a huge command to know a local language or to have links to local middlemen in order to facilitate business. The third perspective regards negotiations with smaller Malaysian companies in which a negotiator with the knowledge of local language might be more successful, since these companies are

always not internationalized and thus understanding of a local language while negotiating can be a huge benefit. As he remarks, "*very often they would turn to at least in their internal discussion to what they feel comfortable and of course if you understand at that point what they are talking about, it gives you advantage*".

Saving of someone's face

Generally speaking, some cultures, such as Malaysian negotiators, are supposed to hide their emotions and feelings. They endeavour to avoid experiencing negative emotions such as anger and frustration, because emerge of negative emotions might negatively affect relationships towards other negotiators, or the performance and outcome of the negotiation process. (Ready & Tessema 2009: 502). Thereby, I referred in my theory to the term of saving someone's face, since point out on someone's fault in front of others might result in negative circumstances.

One of the respondents on Czech negotiation verified that Czech negotiators strive to save their colleagues' face in front of their customers; they usually tell it to each other face-to-face after a customer left. Similarly both respondents on Malaysian negotiations answered and so saving Malaysian negotiators' face in front of their colleagues is very important. R4 explains that "*you can not crush anybody on the meeting*". R3 ads "*it is important to make them look good in front of their bosses...it will give you in return an easier relationship in the future*".

Non-verbal communication

The theory suggests Czechs are likely to maintain a direct eye contact as a sign of the concern and honesty. Whereas, a direct eye contact in Asia, such as Malaysian negotiators, may be perceived as a sign of disrespect, as Malaysians can feel uncomfortable while having a direct eye contact. In contrast, Czechs may feel distrust while not having it. (Schneider & Barsoux, 2003: 21.)

All respondents revealed the fact that having a direct eye contact is perceived as polite and a sign of trust with both Malaysian and Czech negotiators. In this respect, the findings disclosed that Malaysian negotiators and their attitude towards a direct eye-contact is to the contrary to the theory. Malaysian negotiators do not avoid an eye contact, which in turn is supported by what R3 said "*I never come across when eye-contact would be impolite*".

In addition, R3 ads a visible non-verbal communication and gestures are common in negotiations with Malaysians, however, one needs to be aware of specific religion aspects. Since there exist people, who do not want to shake hands due to their specific habits and preferences.

Table 17. Results on communication in Czech and Malaysian business negotiation.

Communication	Czech negotiation		Malaysian negotiation		Cultural & Strategic factor
	Theory	Result	Theory	Result	
Context	Low-context	Low-context	High-context	**Low** & High-context	X
Personal Style	Quite formal	**Informal**	Formal	Formal & **Informal**	•**Generation** of Malaysians • **Certain titles** culturally inherited
Com. Style	Direct	**Rather** Direct	Indirect	**Direct** & Indirect	• **Person's character and background** • **Phase of negotiation** • **Ethnic groups** in Malaysia
Non/Verbal com.	Verbal	Vary with an **individual**	Non-verbal	**Be aware of certain habits**	• **Religion related things**
Direct eye contact	Required	Required	Avoid	**Required**	X
Local language	Not defined	**Advantage**	Advantage	Depends on a **company**	• **Nature of a Malaysian company** (Malay background, government related, size, etc.)
Save one's face	Not defined	**Important**	Required	**Very important**	X

Recommendations to success

When the respondents were asked for recommendations how to succeed in business negotiations with respective negotiators, they all agreed that personal relationships and subsequently a mutual trust is an essential key to the success. Besides that, a genuine respect of the opposite side is at least same important.

Another key is to be very well prepared for negotiations at any stage in order to avoid unnecessary mistakes that might have negative consequences and thus jeopardise outcome of negotiations. One of the respondents identifies the most common mistake is to make

assumptions as a result of misunderstandings. Sometimes, negotiators might seem to understand to what both sides have agreed on, but at the end of the day, their expectations and understandings differ. Therefore, it is recommended to go through same matter many times from many different angles to make really sure the opposite side understands. As an example, R3 provides "*you think you sold them Fiat, but they think they bought Ferrari*".

One respondent highlights the fact that building a relationship is a process. It is recommended to be opened as one can regardless the nature of a discussion and situation which takes place. R1 identifies Czech negotiators to have a good sense of humour as same as Finns do, hence one should not be afraid to give own personality into negotiations, because business negotiation is in its essence basic communication and interaction between people. Thereby, if one is conscious about "*good manners, how to treat other people to be polite, how to look into the eyes, how to shake hands of the opposite side, how to behave well, be positive so that you are constructive, thinking about relationship as a long-term...if you know how to do that, then you will succeed*".

On the whole, R3 states that a pivotal key to the success is to "*make sure you really know the people, but not only on the business level...be interested in outside the business area, ask them what they have for a dinner, how their family is doing...show the interest from personal aspects...they become happier if myself as a foreigner show the interest...if you want to have a successful relationship, you do not have to be the best buddy, but you have to be close to that to be able to handle that...you can not go in and be arrogant....you have to be confident, but you can not come across to be rude...make sure that people feel you do care about them*".

5.4. Amended framework of the study

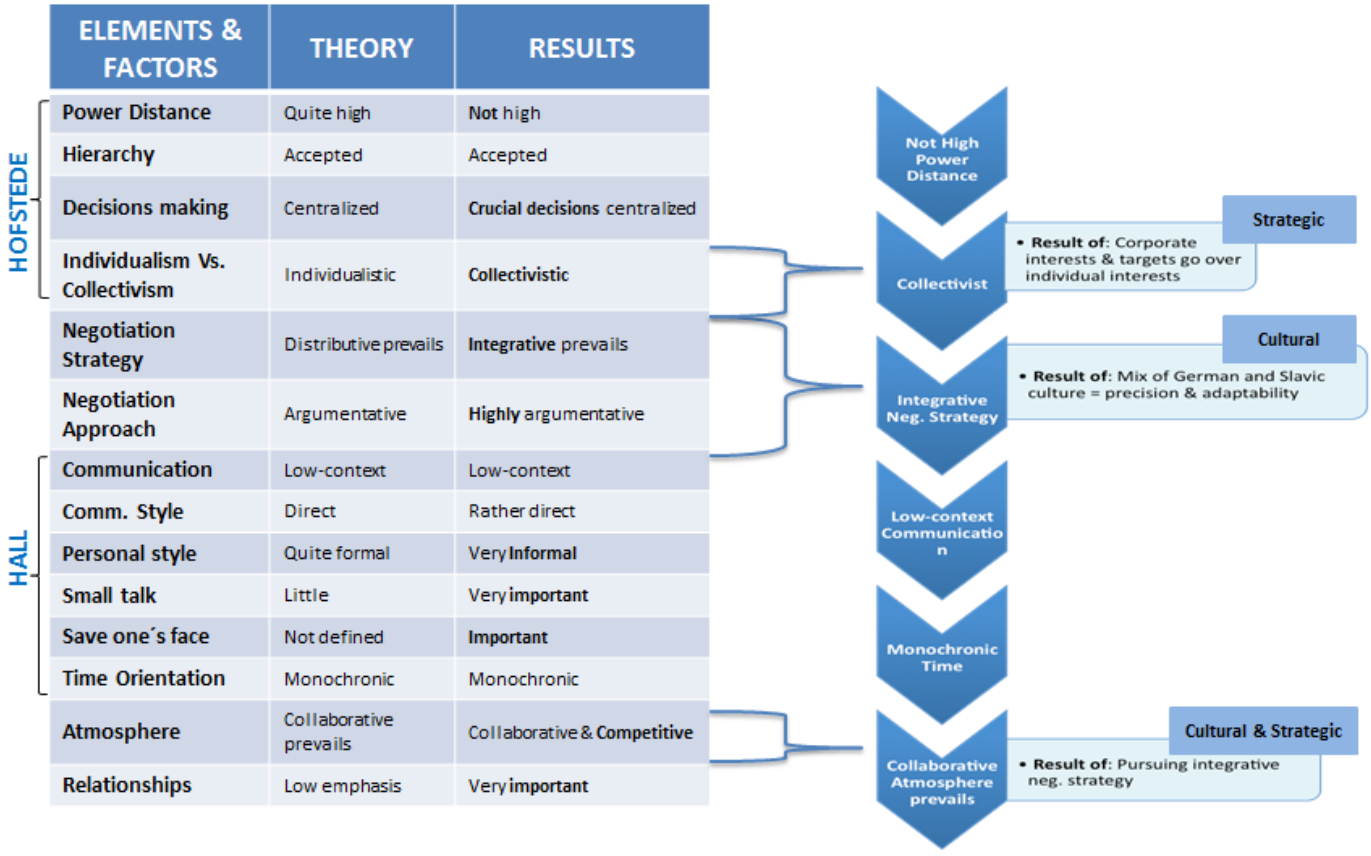

Figure 5. Amended framework of case study on Czech business negotiations.

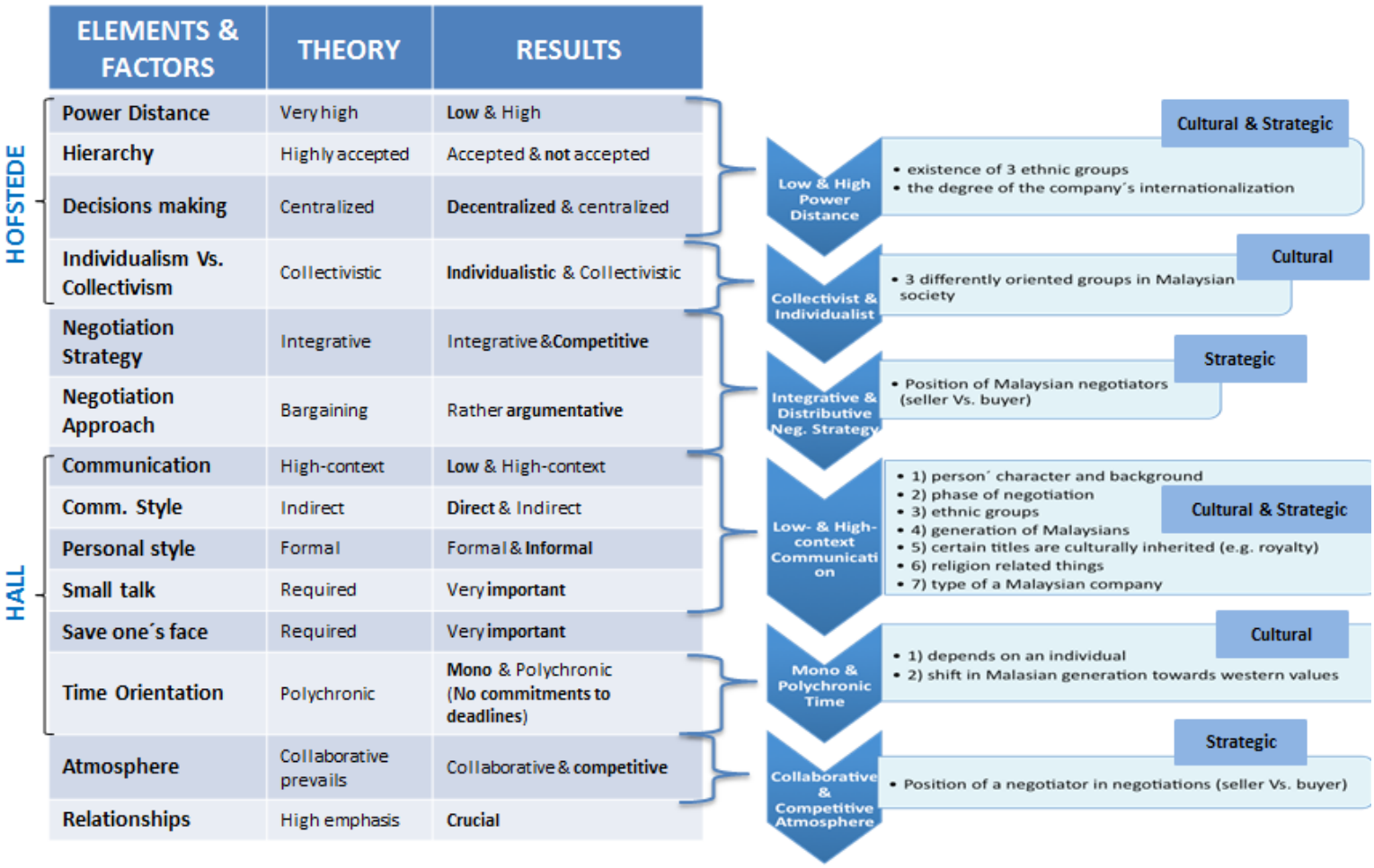

Figure 6. Amended framework of case study on Malaysian business negotiations.

6. SUMMARY

The main purpose of my study was to investigate role of culture in communication process and atmosphere in Czech and Malaysian business negotiations. Therefore, the main objective was to identify and compare similarities and differences in communication process and atmosphere in negotiations with Czech and Malaysian negotiators, viewed from the perspective of Finnish managers. The main objective was further narrowed down to six sub-objectives, four of them exploring the theoretical viewpoints towards the main objective of the study, and the last two examining the theoretical findings empirically.

First part of the theoretical framework of my study, discussed in chapters two and three, introduced concept of culture with attention to cultural theories, and placed business negotiations into the context of cross-cultural business negotiation. The focus was to introduce Hofstede´s cultural dimension of Power Distance, and the dimension of Individualism and Collectivism. Second part of the theoretical framework, deliberated throughout chapters four and five, studied nature of the atmosphere and the communication process in Czech and Malaysians business negotiations. The emphasis was to explore major cultural and strategic factors alongside monochronic and polychronic perception of time relevant to the atmosphere of cross-cultural business negotiations. Furthermore, the communication process was examined in the context of high-context and low-context cultures in synergy with the Hofstede´s cultural dimensions. The latter part of the framework, discussed in chapter six, described regions of Central and Eastern Europe and Southeast Asian Countries, whilst focusing on countries of Czech Republic and Malaysia.

The research methodology was specified in chapter eight. The empirical part of my study was conducted in qualitative pattern by using deductive research approach. Multiple-case study was applied as the research strategy, while collecting data by conducting four in-depth interviews in total. Three of the interviews were conducted by Skype call and one by a phone call, an average length of the interviews lasted for an hour. Three of the cases represented Finnish business people, and one businessman was a Czech by nationality living and working in Finland for more than 25 years, therefore he was considered as a Finn. Two of the respondents work in an automotive industry and the other two in a telecommunication industry. One of the respondents speaks a local language, which enabled me to obtain different perspectives and a deep insight into the topic.

Finally, the empirical findings of the four interviews were presented and analysed in chapter ten. The empirical results were constantly compared against the theory of the study in order to fulfil main objective and sub-objectives of my study and thus to reveal main similarities and differences in communication process and atmosphere in Czech and Malaysian business negotiations. The results indicate more similarities between Czech and Malaysian negotiators than proposed in the theory of the study. The results further disclosed evidence of other cultural and strategic factors that have a considerable impact on the atmosphere and the communication process. The most significant finding was that Malaysian negotiators are becoming oriented towards Western values mainly due to consequences of globalization, which is subsequently reflected on business negotiations.

When exploring Hofstede dimension of Power Distance, there was found both theoretically and empirically difference between Czech and Malaysian negotiators. The findings confirmed that negotiators from both countries may accept hierarchical order within their negotiation teams. A superior, who is a speech man, leads Czech negotiations and other negotiators are involved only as experts in a particular field, who give insights when needed. Hierarchical order among Czechs is further apparent when crucial decisions need to be made, as they are let to be made by the top management. However, power distance among Malaysian negotiators depends on two aspects that determine the degree of hierarchical order within their negotiation teams. First, in Malaysia, there are living various ethnic groups of which cultural and religious differences impact the hierarchical order. Second, the degree to which a company is internationalized also affects hierarchical order among Malaysian negotiators. Lots of Malaysians have been educated outside of Malaysia, where they acknowledged western values and thus negotiations are similar to those in the Western countries in which power distance is low. Whereas, in less internationalized companies that involve people with more of Malay background, power distance might be very high as the theory suggests.

Hofstede (Hofstede 2013c) clearly states that in individualism versus collectivism index, there are evident differences between Czechs and Malaysians, since Czechs represent individualistic negotiators and Malaysians collectivistic negotiators. The results of this study do not suggest such simplistic viewpoint. According to the theory, Czech negotiators prioritize individual interests over the interests of their own group. Nevertheless, the

findings disclosed an important strategic factor and so that Czech negotiators are tight up with their strict corporate strategy and its goals, therefore the company´s interests go always over the negotiator´s individual interests. On the contrary, Malaysians were defined in the theory as collectivistic negotiators emphasizing interests of their own group. However, the findings revealed an important cultural factor due to which Malaysian society is broken down to three groups with different orientation towards individual and collective interests. The family oriented groups and certain ethnic groups decide favour on their own within their own family or ethnic group; whereas within some business groups certain individuals make decisions that affect a whole company towards their own benefit.

The theory suggested that atmosphere in business negotiations with Czechs and Malaysians differs. The atmosphere in negotiations with Czech can be both competitive and collaborative determined by the fact whether Czech negotiators pursue distributive strategies with signs of dominance, or integrative strategies when trying to take into account interests of the opposite side. Similarly, according to the theory of the study, the atmosphere in Malaysian negotiations is proposed to be collaborative and compromising. However, the results demonstrates that both Czech and Malaysian negotiators endeavour integrative strategies when pursuing their own interests in tandem with objectives of the other side; and the atmosphere with Czech negotiators is very friendly and positive, as Czechs are highly flexible and precise with a unique ability to improvise. Their adjustability is further reflected in the fact that Czech negotiators adjusted to Finns in terms of how to be prepared for meetings with them, how to be dressed, how to discuss things, and even how to say a few words in Finnish. In turn, Czech negotiators are very demanding and alongside their ability to be constructive, the atmosphere may become more negative as a result of Czechs to switch to more distributive strategy if the opposite side do not fulfil what has been agreed on. The theory clearly defines the atmosphere in Malaysian negotiators to be positive, as they value relationships and harmony within their negotiation teams. The findings of the study confirmed the atmosphere to be very opened and friendly, as Malaysians perceive negotiations as a long-term relationship in the future. Paradoxically, one respondent disclosed an important fact and so that behaviour of Malaysians and subsequently the atmosphere of the negotiations he conducted was highly determined by his position as a seller, when Malaysians were willing to do little compromises, since there were always other sellers that could be chosen instead.

Jandt (2004: 14 - 15) proposed that Czech negotiators are more task- than relationship-oriented, whereas Malaysian negotiators, on the contrary, value relationship as they prioritize collective interests. The findings clearly state that building personal relationships with both Czech and Malaysian negotiators is crucial for business to be done and for a better atmosphere in negotiations. The results further disclosed that life is not only about work life, hence is essential to know what is happening in negotiators´ life, which can consequently explain much of their behaviour in negotiations. In addition, the relationships are important in order to gain a mutual trust and both sides can get to know each other, which will logically build positive atmosphere while negotiating. It is recommended Finnish negotiators to create personal relationships with Malaysians before getting down to business and subsequently invest quite lots of time to maintain such relationship by means of social gathering and similar types of events. Since maintaining a particular relationship opens the door into business in the future as well as relationship related things are highly reflected into decisions of certain individuals that can be very complex. As a result, in some cases might be almost impossible to pursue business with Malaysians without personal relationships, since doing business in Malaysia goes in hand with sort of favouritism.

Within chapter four, I assigned Czech negotiators to monochronic culture and Malaysian negotiators to polychronic culture in respect of their attitudes towards time and how they structure their actions (Ghauri & Usunier, 2003: 101). The Finnish respondents confirmed that Czech negotiators are well prepared for meetings, they have arguments and evidence respectively and other facts beforehand. Furthermore, they are very organized and the discussion is systematic, although, there might be also discussed many issues simultaneously, which differ with negotiations in Finland where topics are discussed one by one. In Malaysian, the discussion varies with a pace of negotiations and nature of negotiators. Hall´s theory suggested that Czech negotiators are stuck to deadlines and begin their meetings on time, whereas Malaysian negotiators value rather relationships than holding to schedules (Hall, 1996: 173). The empirical results confirmed that Malaysian negotiators are not committed to deadlines and schedules at all, despite the fact they highly requires the opposite side of negotiators to be strictly stuck to deadlines. In term of Czech negotiators, the empirical results confirm that Czechs behave as professional regarding commitment to deadlines and schedules, however, it may be slightly determined by the degree of personal relationships between the negotiators, meaning there might be willing to do more of compromises. According to the theory, interruptions in negotiations with Czech

do not occur, whereas they do occur in negotiations with Malaysians (Bennett, 1998: 60; Ready & Tessema 2009: 502). The respondents confirmed theoretical assumptions that nowadays there do not exist any interruption in negotiations with Czechs, however, twenty years ago the situation was the opposite. In terms of Malaysian negotiations, the findings approved of evidence of interruptions while negotiating with Malaysians, however, Malaysian society has been rapidly changing and there are less interruptions than it used to be ten years ago. Nowadays, the Malaysians use breaks as a part of negotiation tactic or to make a break in order to have a rest and have more efficient negotiations after the break.

In chapter five, I identified association between high-context communication styles and collectivistic cultures, such as Malaysian negotiators; and between low-context communication styles and individualistic cultures, such as Czech negotiators (Hall & Hall, 1990). In this respect, it has been defined in the theory of the study that Czech negotiators communicate in direct way with explicit meaning of their messages, whereas Malaysian negotiators communicate in indirect way with implicit meaning of their words. The empirical results revealed that discussion with Czechs is highly argumentative and hence Czech negotiators stress a simple and direct way of communication, and express explicitly their feelings and needs. If they disagree with Finnish negotiators, they endeavour to come up with an argument and come back to the point later on in the discussion and find a solution being acceptable for both sides. However, in terms of Malaysian communication, the nature of communication is more complex as it is determined by strategic and cultural aspects, such as negotiator´s character and background, the phase of negotiations, and the various ethnic groups living in Malaysia. Malaysians who were educated abroad communicate in a pattern similar to western low-context communication styles. In the early phase of negotiation, communication is more indirect, whereas in the latter phase of negotiation, the communication becomes more direct. Chinese Malaysian express themselves in a very direct way; Malay Malaysians stress high-context communication styles with attributes defined in the theory in my study such as implicit communication with negotiators´ ability to read between the lines and signs of body language in order to assess what they are looking for.

In terms of non-verbal communication, in the theory of the study I suggested that maintaining a direct eye contact with Czech negotiators is a sign of concern and honesty. Whereas having a direct eye contact with Malaysian negotiators may make them feel uncomfortable and be perceived as a sign of disrespect. (Shneider & Barsoux, 2003: 21.)

The empirical results clearly remark that a direct eye contact with both Malaysian and Czech negotiators is perceived as polite and a sign of trust. More important is to be aware of certain religion aspects of Malaysian, such as some Malaysians do not want to shake hands due to their specific habits and preferences.

Chapter five was further dedicated to formal and informal communication styles in respect of how formal and informal the discussion between negotiators is. Based on Salacuse´s theory (1999: 226), both Czech and Malaysian negotiators call themselves by their relevant titles, thus they were assigned to use formal communication styles. The empirical findings disclosed that neither Czech nor Malaysian negotiators would highly pursue formal communication styles. None of the Czech negotiators call others by their titles as well as nobody is required to stand while talking or wear a tie in the meetings. In Malaysia, the communication style varies with generation of Malaysians; older generation still retain more of formal attitudes towards titles, whereas younger generation became very informal. One respondent pointed out on a little sign of formality among Czech negotiators and so when they used titles such as Mr. and Mrs. whilst talking about people from the top management, however, it was very rare. The persisting degree of formality in Malaysian society is likely determined by a cultural heritage of certain titles that are privileged to very keen individuals such as royalty, business men, significant contributors to the society, etc.
Although, Malaysian younger society is informal and thus most likely Malaysian society will incline to be more informal in the future, the empirical findings warn on discussion of sensitive issues such as religion. Malaysians are willing to overlook little cultural mistakes, nevertheless, foreign negotiators should be very sensitive and avoid making mistakes regarding religion.

Within my theoretical part remained questionable the degree to which both Czech and Malaysian negotiators spend their time with small talk. All respondents confirmed that small talk in both Czech and Malaysian negotiation is taking place, is required, and is important. Czech negotiators compare to Finnish negotiators are keen on spending more time with small talk and other no business related discussions. The length and nature of small talk in both negotiations depend on the extent of personal relationships with certain negotiators, which is logical, as the more you know the person, the more you have in common, and the easier is to find a topic for the discussion. The nature of small talk was defined as a mix of personal discussion, such as hobbies, interests, what food they like, etc.

In this regard, small talk and pleasantries are crucial in getting over pure business aspects of negotiations and consequently the easier is to build relationships with negotiators.

In the theory in chapter five, I assumed that conducting negotiations in a non-native language may cause ambiguity and misunderstandings in communication among negotiators that may further affect the negotiation performance (Lai, Lin & Kersten 2010: 537 – 538; Ghauri & Usunier, 2003: 13 - 14.) The empirical findings demonstrate that knowledge of a local language would be a big benefit, however, using English as the language in negotiations is not an obstacle. The Czech speaking manager highly valued his knowledge of Czech and considers it as a big advantage, since everyone speak rather native language, which goes in hand with what the theory proposes. In Malaysia, knowledge of local languages is more important than speaking Czech with Czech negotiators. Since, importance of knowledge of a local language in Malaysian negotiations is determined by the size of Malaysian companies a negotiator negotiates with. Whilst, negotiating with big Malaysian corporations, there is no need for speaking a local language. When negotiating with government based and government related organizations, knowledge of local language may be important in order to facilitate business. In smaller Malaysian companies that are less internationalized, without knowledge of local language can be very challenging to succeed in business.

Further in the theory of the study, I referred briefly to the term of saving someone´s face, as pointing out on one´s fault in front of others may result in negative circumstances. In addition, some cultures, such as Malaysian negotiators, are supposed to hide their feelings and emotions. Thus, emerge of any negative emotions may negatively affect relationships towards other negotiators, or the performance and outcome of the negotiations process. (Ready & Tessema 2009: 502). The empirical results disclosed the fact that saving´s someone´s face in front of others is much more important than I expected. It is unacceptable that both Czech and Malaysian negotiators would insult their colleague´s face in front of customers. The negotiators usually tell the matter to each other face-to-face, but after a customer left. However, in Malaysia, the same applies from the perspective of Finnish negotiators; it is essential to make Malaysians look good in front of their superiors, which will in return provide them with an easier relationship in the future.

Based on my research, I dedicate this paragraph to a general guideline how to be successful in business negotiations with both Czech and Malaysian negotiators. As an essential key to succeed in both Czech and Malaysian business negotiations is to get to know negotiators and build personal relationships that consequently lead to a mutual trust and positive atmosphere. Creating a personal relationship should be considered as a process, which requires a genuine respect along with an interest in the opposite negotiation side. The negotiators should make sure that they really know certain people, but not only on the business level; they should be interested at a personal level in order to achieve that opposite negotiators feel the negotiator cares about them. Once the relationship is created, it is even more important to maintain such relationship, such as further recommended by means of social gathering and similar types of events.

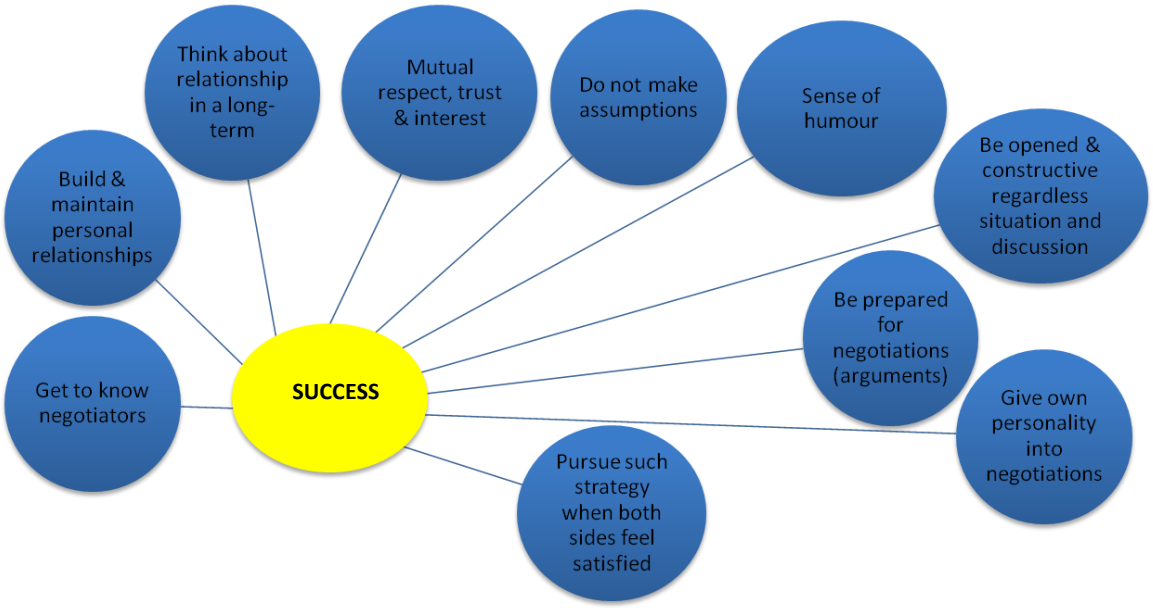

Figure 7. Guideline on success in Czech business negotiations.

Another important factor how to succeed in these negotiations is to be very well prepared for a negotiation, in terms of realistic expectations, arguments, cultural knowledge, and so at any stage of negotiations in order to avoid making unnecessary mistakes that might have had negative consequences and hence jeopardise outcome of negotiations. In this respect,

the negotiators should avoid making assumptions as a result of misunderstandings. It is further recommended to be positive, opened, and constructive regardless the nature of a discussion and situation taking place. The negotiators should be conscious that business negotiation is in its essence a basic communication and interaction between people, thus is useful to give a bit of own personality into negotiations and treat other people with good manners. Finally, Czech and Malaysian negotiators should not be pushed to sign anything when they would feel they did not have opportunity to impact what they wanted to achieve. Rather, negotiators should have a strategy with the outcome Czechs and Malaysians feel what they wanted to achieve, when simultaneously fulfil their own internal requirements and expectations, as it leads to future relationship.

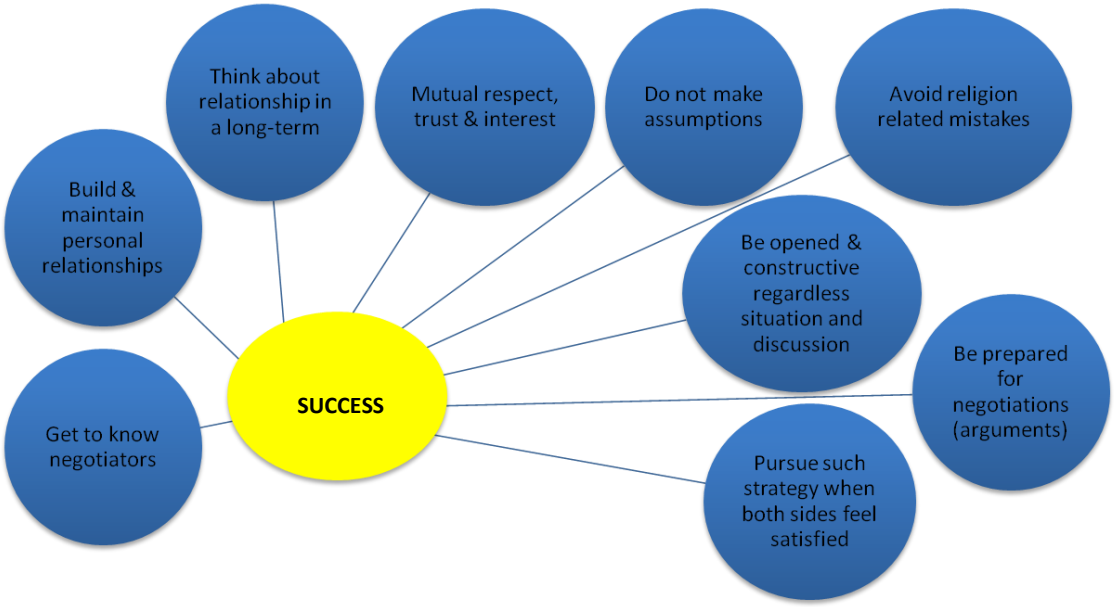

Figure 8. Guideline on success in Malaysian business negotiations.

Table 18. Summary of the theoretical assumptions against study findings.

Elements and Factors	Czech negotiators		Malaysian negotiators	
	Theory	**Study Results**	**Theory**	**Study Results**
Power Distance **Hierarchy** **Decision making**	• Quite high • Accepted • Centralized	• Not that high • Accepted • Crucial decisions centralized	• Very high • Highly accepted • Centralized	• Low & High Determinant: • 3 ethnic groups • Company's degree of internationalization
Individualism vs. Collectivism	• Individualistic	• Collectivistic Determinant: • Corporate strategy	• Collectivistic	• Individualistic and Collectivistic Determinant: • 3 groups differently oriented
Time Orientation	• Monochronic • Organized • No interruptions • Stick to deadlines	• Monochronic • Organized • No interruptions • Stick to deadlines	• Polychronic • Not organized • Interruptions • No commitment to deadlines	• Monochronic & Polychronic • No commitment to deadlines Determinant: • Shift in Malaysian culture
Communication	**Theory**	**Study Results**	**Theory**	**Study Results**
Context of Communication	• Low-context	• Low-context	• High-context	• High & Low-context
Communication Style	• Direct	• Rather Direct	• Indirect	• Direct & Indirect Determinant: • Person's character & background • Phase of negotiation

Personal Style	• Quite formal	• Informal	• Formal	• Formal & Informal Determinant: • Ethnic groups • Generation of Malaysians • Certain titles inherited
Local language	• Not defined	• Advantage	• Advantage	Determinant: • Type of a company
Non/Verbal communication	• Verbal	• Depends on an individual	• Non-verbal	• A need to be aware of certain habits Determinant: • Religion
Direct eye contact	• Required	• Required	• To avoid	• Required
Small talk	• Little small talk	• Very important	• Some small talk	• Very important
Save one's face	• Not defined	• Important	• Required	• Very important
Atmosphere	**Theory**	**Study Results**	**Theory**	**Study Results**
Atmosphere	• Collaborative & Competitive prevails	• Collaborative prevails	• Collaborative prevails	• Collaborative & competitive Determinant: • Position of a negotiator
Negotiation Strategy	• Distributive prevails	• Integrative prevails Determinant: • Mix of German & Slavic culture	• Integrative	• Integrative & Distributive Determinant: • Position of a negotiator
Negotiation Approach	• Argumentative	• Highly argumentative	• Bargaining	• Rather argumentative
Relationships	• Low emphasis	• Very important	• High emphasis	• Crucial

7. CONCLUSIONS

This chapter presents managerial implications of the study, further provides findings how the study contributes to the existing research, and make suggestions for further research.

7.1. Managerial implications

The empirical findings of the study are more complex than assumptions proposed in the theory as well as they demonstrate that there are in fact more cultural similarities between Czech and Malaysian negotiators, which may be further a prerequisite for a better atmosphere and less misunderstandings and conflicts in business negotiations. The results also seem to provide evidence of some of the views suggested in the theory, however, in most cases there are diverse findings than stated in the literature. Hence, the empirical findings of my study may function as an information source for how Malaysian and Czech business negotiators behave, and what is expected nature of the atmosphere and the communication process in particular negotiations.

7.2. Theoretical contribution

Higher power distance is apparent among both Czech and Malaysian negotiators. Czech negotiators let to made crucial decisions by the top management; whereas in Malaysia, the degree of hierarchical order varies with certain ethnic groups as well as with the extent to which a Malaysian company is internationalized. Czech negotiators, assumed to be individualistic, are highly tight up with their corporate strategy and hence their interests go always over the negotiator's individual interests. In turn, Malaysian negotiators decide a favour on their own within own groups according to which Malaysian society is broken down. Positive atmosphere prevails in both Czech and Malaysian negotiations, since negotiators from both societies incline to pursue integrative negotiation strategies. However, a bit negative atmosphere may also occur in Czech negotiations as a result of switching to more distributive strategies if the opposite negotiation side does not fulfil what has been agreed on. On the other hand, the atmosphere in Malaysian negotiations may be very competitive as well, particularly when Malaysians stand for a big corporation in the position of a buyer, since they are provided with advantage to choose among other sellers.

Although, Czech negotiators on the contrary to Malaysian negotiators were proposed in the theory of the study to be more task than relationship oriented, building personal relationship is crucial for both Czech and Malaysian negotiators in order to do business as well as to create a better atmosphere in business negotiations. Particularly in Malaysia, doing business goes in hand with favouritism, therefore without personal relationship may be difficult to succeed in negotiations with Malaysians. Based on the theory of my study, Malaysian negotiators were supposed to perceive polychronic perception of time and how they structure their actions, oppositely to Czech negotiators that were assigned to monochronic perception. As a matter of fact, Czech negotiators are very organized and committed to deadlines. On the other hand, similarly to Czech negotiators, some Malaysian negotiators may perceive monochronic perception of time as a result of change in Malaysian society towards western values, when simultaneously other Malaysian negotiators can in turn incline to polychronic perception of time. However, foreign negotiators should be aware of the fact that Malaysians are not committed to deadlines at all.

Czech negotiators are highly argumentative and stress a simple and direct way of communication and employ a formal communication style. They call themselves by their first names; titles such as Mr. and Mrs. are rarely used when talking about people from the top management. The context of communication and the degree of formality in Malaysian communication is complex, determined by different communication styles between younger and older generation of Malaysians, by a negotiator's character and background, by the phase of negotiations, and by three ethnic groups living in Malaysia. Therefore, in Malaysia, foreign negotiators should be prepared to deal with various communication styles, however, they need to avoid discussing sensitive issues such as religion. Both Malaysian and Czech negotiators endeavour a direct eye contact, which is perceived to be polite and a sign of trust. Furthermore, small talk during negotiations with Czechs and Malaysians is taking place, is essential and required. The nature of small talk is a mix of personal discussions, such as hobbies, interests, favourite food, etc., which helps to get over pure business aspects of negotiations and consequently to ease building personal relationships as well as it contributes to a better atmosphere.

Knowledge of a local language is not required in Czech negotiations, as Czech negotiators speak very good level of English. In turn, speaking local language in Malaysia can be crucial whilst negotiating with government based and government related organizations, or with small less internationalized Malaysian companies. In addition, to save negotiator's face in front of other negotiators is very important in both cultures. It is unacceptable that negotiators would insult their colleagues in front of the customer; particularly in Malaysia, it is essential to make Malaysians look good in front of their superiors, which will in return provide with an easier relationship in the future.

7.3. Limitations and proposals for future research

The conclusions and assumptions of my study needs to be considered cautiously and only on the basis of theoretical assumptions and associations, as the investigation of strategic and cultural factors having impact on the atmosphere and the communication process in Czech and Malaysian business negotiations is considerably determined by the characteristics of respondents of the interviews alongside by people involved in the negotiations as well as by the type of a company negotiators work for. Furthermore, a longitudinal research would provide more reliable conclusions and thus repetition of the study in a few years time would be in place. Similarly, it would be interesting to interview on this topic more population in order to obtain more applicable conclusions and see whether the results would be different. In this respect, a quantitative study with a larger database is further recommended for future research, since it would enable to obtain more viewpoints on this matter. An important theme for future research would be to focus only on the atmosphere or the communication process in either Czech or Malaysian business negotiations in order to gain more comprehensive findings from a narrow standpoint; additionally, none of such study on Czech business negotiations has ever been conducted before. My study explored that the atmosphere and the communication in negotiations is determined by other factors of which some linked to a corporate culture. Therefore, further studies could explore this issue more in deep. Besides that, as mentioned previously, Malaysian culture has been rapidly changing towards more of western values, thus in further studies is needed to focus on younger generation of Malaysian negotiators in order to explore more precisely comparisons and assumptions, since behaviour of these

negotiators and consequently the atmosphere and the communication may differ to those presented in my study.

LIST OF REFERENCES:

Adair, W. L., Brett, J. M. & Okumura, T. (2001). Negotiation Behavior When Cultures Collide: The United States and Japan. *Journal of Applied Psychology*. 86:3, 371 – 385.

Adair, W. L., Weingart, L. & Brett, J. (2007). The Timing and Function of Offers in U.S. and Japanese Negotiations. *Journal of Applied Psychology*. 92:4, 1056 – 1068.

Adler, N. J. (1986). *International Dimensions of Organizational Behaviour*. CA: Kent Publishing.

Adler, N. J., Graham, J. L. & Gehrke, T. S. (1987). Business negotiations in Canada, Mexico, and the United States. *Journal of Business Research*. 15, 411 – 429.

Adler, N. J., Brahm, R. & Graham, J. L. (2006). Strategy implementation: A comparison of face-to-face negotiations in the peoples republic of China and the United States. *Strategic Management Journal*.13:6, 449 – 466.

Association of Southeast Asian Nations (2013). *Overview*. [online]. [accessed 10 October 2013]. Available from World Wide Web: URL: <http://www.asean.org/asean/about-asean>.

Bazerman, M. H. & Neale, M. A. (1992). *Negotiating Rationally*. NY: Free Press.

Bennett, M. J. (1998). *Basic Concepts of Intercultural Communication: Selected Readings*. Boston: Intercultural Press. 272.

Bluedorn, A. C. (1998). An interview with anthropologist Edward T. Hall. *Journal of Management Inquiry*. 7:2, 109 – 115.

Brett, J. M. (2001). *Negotiating Globally: How to Negotiate Deals, Resolve Disputes, and Make Decisions across Cultural Boundaries*. San-Francisco: Jossey-Bass. 246.

Buttery, E. A. & Leung, T. K. P. (1998). The difference between Chinese and Western negotiations. *European Journal of Marketing*. 32:3/4, 374 – 389.

Cavusgil, S. T., Ghauri, P. N. & Agarwal, M. R. (2002). *Doing Business in Emerging Markets. CA:* Sage Publications. 299.

Creswell, J. W. (2007). *Qualitative Inquiry and Research Design: Choosing Among Five Approaches*. 2nd ed. CA: Sage Publications. 395.

Chang, L. C. (2002). Cross-cultural differences in styles of negotiation between North Americas (U. S.) and Chinese. *Journal of American Academy of Business*. 1:2, 179 – 188.

Fang, T. (2006). Negotiation: the Chinese style. Journal of Business & Industrial Marketing. 21:1, 50 – 60.

Friedman, T. (1999). *The Lexus and the Olive Tree: Understanding Globalization*. NY: Farrar.

Gilsdorf. J.W. (1997). Metacommunication effects on international business negotiation in China. *Business Communication Quarterly*. 60:2, 20 – 37.

Ghauri, P. N., & Fang, T. (2001). Negotiating with the Chinese: A socio-cultural analysis. *Journal of World Business*. 36, 303 – 325.

Ghauri, P. & Gronhaug, K. (2010). Research Methods in Business Studies. 4th ed. Harlow: Pearson. 265.

Ghauri, P.N. & Usunier, J-C. (2003). *International Business Negotiations*. 2nd ed. Oxford: Elsevier. 522.

Graham, J. L. (1983). Brazilian, Japanese, and American Business Negotiation. *Journal of International Business Studies*. 14, 47 – 61.

Graham, J. L. (1985). Cross-cultural marketing negotiations: A laboratory experiment. *Marketing Science*. 4, 130 – 146.

Graham, J. L. (1993). The Japanese negotiation style: Characteristics of a distinct approach. *Negotiation Journal*. 9, 123 – 140.

Graham, J. L., Mintu-Wimsatt, A. T., & Rodgers, W. (1994). Explorations of negotiation behaviors in ten foreign cultures using a model developed in the United States. *Management Science*. 40, 72 – 95.

Griffin, R. W. & Pustay, M. W. (1999). *International Business: A Managerial Perspective*. 2nd ed. CA: Addison-Wesley Longmann. 808.

Griffin, R. W. & Pustay, M. W. (2013). *International Business*. 7th ed. NY: Pearson Education Limited. 598.

Gross, M. A. & Guerrero, L. K. (2000). Managing conflict appropriately and effectively: An application of the competency model to Rahim´s organizational conflict style. *International Journal of Conflict Management*. 11:3, 200 – 226.

Gudykunst, W. B. (2002). *Handbook of International and Intercultural communication*. 2nd ed. CA: Sage Publication.

Gudykunst, W. B. & Ting-Toomey, S. (1988). *Culture and Interpersonal Communication*. CA: Sage Publication.

Habermas, J. (1981). *Theorie Des Kommunikativen Handelns*. Frankfurt: Suhrkamp.

Hall, E. T. (1973). *The Silent Language.* NY: Anchor.

Hall, E. T. (1983). *The Dance of Life*. NY: Anchor Press

Hall, E. T. (1996). *The Hidden Dimension*. NY: Anchor.

Hall, E. T. & Hall, M. R. (1990). *Understanding Cultural Differences*. Yarmouth: Intercultural Press. 196.

Hall, E. T. & Whyte, W. F. (1960). Intercultural Communication: A Guide to Men of Action. *The International Executive*. 2:4, 14.

Higgins, E. T. (1981). The communication game: Implications for social cognition and persuasion. In Kumar, R. (1999). Communicative Conflict in Intercultural Negotiations: The Case of American and Japanese Business Negotiations. *International Negotiation*. 4, 63 – 78.

Hofstede, G. (1980). *Culture's Consequences: International Difference in Work-related Values*. CA: Sage Publications.

Hofstede, G. (2001). *Culture´s consequences: Comparing Values, Behaviours, Institutions, and Organizations across Nations*. 2nd ed. London: Sage Publications.

Hofstede, G. (2013a). *National Cultural Dimensions*. [online]. [accessed 10 September 2013]. Available from World Wide Web: URL: <http://geert-hofstede.com/national-culture.html>.

Hofstede, G. (2013b). *Indonesia*. [online]. [accessed 10 September 2013]. Available from World Wide Web: URL :<http://geert-hofstede.com/indonesia.html>.

Hofstede, G. (2013c). *Czech Republic*. [online]. [accessed 10 September 2013]. Available from World Wide Web: URL :<http://geert-hofstede.com/czech-republic.html>.

Hofstede, G. (2013d). *Dimensions*. [online]. [accessed 10 September 2013]. Available from World Wide Web: URL: <http://geert-hofstede.com/dimensions.html>.

Hofstede, G. & Hofstede, G. J. (2005). *Cultures and Organizations: Software of the Mind*. 2nd ed. NY: McGraw Hill.

Huang, Y. (2010). *Cross-cultural Interactions in Business Negotiation Behaviors between Finland and China.* Vaasa: University of Vaasa.

Jandt, F. E. (2004). *Intercultural Communication: A Global Reader*. CA: Sage Publications. 451.

Juosila, J. (2005). *The Cultural Aspects of International Business Negotiations: A Case Study of Finnish-Russian Business Negotiations*. Vaasa: University of Vaasa.

Kramer, H. (1989). Cross-cultural negotiations: The Western Japanese interface. *Singapore Marketing Review*. 4:1, 31 – 37.

Khakhar, P. & Rammal, H. G. (2013). Culture and Business Networks: International Business Negotiations with Arab Managers. *International Business Review*. 22, 578 – 590.

Korvela, P. (2006). *Cultural Elements in Cross-cultural Business Negotiations: Study of Business Negotiations between Finnish and Russian*. Vaasa: University of Vaasa.

Kroeber, A. L., & Kluckhohn, C. (1952). Culture: A Critical Review of Concepts and Definitions. *Papers of the Peabody Museum of American Archaeology and Ethnology*. 47:1.

Kumar, R. (1999). Communicative Conflict in Intercultural Negotiations: The Case of American and Japanese Business Negotiations. *International Negotiation*. 4, 63 – 78.

Kulshreshtha, A. K. (2009). How to carry out International Business Negotiations for Industrial Globalization Overseas. *Business Management.* 17 – 19.

Lai, H., Lin, W. J. & Kersten, G. E. (2010). The Importance of Language Familiarity in Global Business E-negotiation. *Electronic Commerce Research and Applications.* 9, 537 – 548.

Lewicki, R.J., Litterer, J. A., Minton, J.W. & Saunders, D. M. (1994). *Negotiation: Readings, Exercises and Cases*. 2nd ed. Boston: Irwin Publishing.

Lituchy, T. (1997). Negotiations between Japanese and Americans: The effects of collectivism on integrative outcomes. *Canadian Journal of Administrative Sciences*. 14, 386 – 395.

Maylor, H. & Blackmon, K. (2005). *Researching Business and Management*. NY: Palgrave Macmillan. 466.

Mooij, M. de (2010). Gl*obal Marketing and Advertising: Understanding Cultural Paradoxes*. 3rd ed. CA: Sage Publication.

Nelson, G. L., Batal, M. A. & Bakary, W. E. (2002). Directness vs Indirectness: Egyptian Arabic and US English Communication Style. *International Journal of Intercultural Relations.* 26, 39 – 57.

Osman-Gani, A. A. & Tan, Joo-Seng (2002). Influence of Culture on Negotiation Style of Asian Managers: An Empirical Study of Major Cultural/Ethnic Groups in Singapore. *Thunderbird International Business Review*. 44:6, 819 – 839.

Promsri, Ch. (2012). A Comparison of Preference for Negotiation Styles of Thais and Germans. *Interdisplinary Journal of Contemporary Research in Business.* 4:4, 776 – 791.

Ready, K. J. & Tessema, M. T. (2009). Perceptions and Strategies in the Negotiation Process: A Cross Cultural Examination of U.S. and Malaysia. *International Negotiation*. 14, 493 – 517.

Requejo, W. H. & Graham, J. L. (2008). *Global Negotiation: The New Rules.* NY: Palgrave Macmillan. 263.

Reynolds, N., Simintiras, A. & Vlachou, E. (2003). International business negotiations: Present knowledge and direction for future research. *International Business Review*. 80:3, 236 – 261.

Rudd, J. E. & Lawson, D. R. (2007). *Communicating in Global Business Negotiations: A Geocentric Approach*. CA: Sage Publications. 276.

Pye, L. (1982). *Chinese Commercial Negotiating Style*. MA: Gunn and Hain Publishers.

Samuelson, L. (1984). *Soviet and Chinese Negotiating Behavior*. London: Sage Publicactions.

Salacuse, J. W. (1991). *Making Global Deal – Negotiating in the International Market Place*. Boston: Houghton Mifflin.

Salacuse J. W. (1999). Intercultural Negotiation in International Business. *Group Decision and Negotiation.* 8, 217 – 236.

Simintras, A. C., & Thomas, A. H. (1998). Cross-cultural sales negotiations: A literature review and research propositions. *International Marketing Review*. 15:1, 10 – 36.

Schneider, S. C. & Barsoux, J. L. (2003). *Managing across Cultures*. Harlow: Pearson Education. 330.

Schoop, M., Köhne, F. & Ostertag, K. (2008). Communication Quality in Business Negotiations. *Group Decision Negotiation*. 193 – 209.

Shi, X. (2001). Antecedent factors of international business negotiations in the China context. *Management International Review*. 41, 163 – 187.

Spangle, M. L. & Isenhart, M. W. (2003). *Negotiation: Communication for Diverse Settings.* CA: Sage Publication. 435.

Suraj, P. (2004). *Role of Culture in the Finnish-Indian Business Negotiations*. Vaasa: University of Vaasa.

Timo, M. (2005). *Cross-cultural Business Negotiations Case: Finnish, Spanish and Portuguese*. Vaasa: University of Vaasa.

Tung, R. (1985). Handshakes across the sea: Cross-cultural negotiating for business success. *Organizational Dynamics*. 19, 30 – 40.

Van Zandt, H. (1970). How to negotiate in Japan. *Harvard Business Review*. 25:2, 45 – 56.

Virkanen, K. (2008). *The Impact of Cultural Elements in Cross-Cultural Business Negotiations: A Multiple-Case Study of Finnish and Mexican Business Negotiations.* Vaasa: University of Vaasa.

Yin, R. K. (2003). *Applications of Case Study Research*. 2nd ed. CA: Sage Publications. 173.

Yin, R. K. (2009). *Case Study Research: Design and Methods*. 4th ed. CA: Sage Publications. 219.

Yonekura, A., Gallhofer, S. & Haslam, J. (2012). Accounting disclosure, corporate governance and the battle for markets. The case of trade negotiations between Japan and the U.S. *Critical Perspectives on Accounting.* 23:4-5, 312 – 331.

APPENDICES:

Appendix 1. Interview questions on Czech negotiations

General questions:

1. Name of the interviewee.
2. Position in the company.
3. How long have you been working in the company?
4. How many years of experience do you have with business negotiations?
5. What type of business negotiation do you conduct?
6. Who and what hierarchical level do you negotiate with?

Questions regarding business negotiations with Czech negotiators:

7. How would you describe a power distance among Czech negotiators?
   For example:
   a) Hierarchy
   b) Respect for authority
   c) Decision-making process
   d) Relationship between a boss and subordinates
   e) Centralized or decentralized power distribution
   f) Signs of power and status
8. Are Czech negotiators more individualistic or collectivistic oriented in terms of pursuing individual over group interests?
9. How would you describe the atmosphere in negotiations with Czech negotiators?
   For example:
   a) Is it more positive or negative?
   b) Do they pursue more of integrative or distributive negotiation approach?
   c) Emotions, feelings, etc.
10. What type of negotiation strategy and tactic do Czech negotiators tend to employ?
    - What did they try to achieve and when?
11. Do Czech negotiators incline to monochronic or polychronic perception of time?
    a) Negotiating tasks simultaneously or only one task at a time
    b) Existence of interruptions
    c) Commitments to deadlines, schedules, etc.

d) Short term or a long term relationship orientation.

12. What extent to are personal relationships important?

13. Is the context of communication process high or low-context?

a) Importance of small-talk

b) Direct or indirect communication style

c) Formal or informal personal communication style

d) Message is clear or ambiguous

e) Arguments or bargaining

f) Signs of non-verbal communication

g) Importance of saving someone's face

14. Would knowledge of a local language benefit you in negotiations?

15. Are there any surprises or shocks you have experienced in Czech negotiations?

16. Would you mind to provide me with some recommendations to a success in negotiations with Czechs?

Appendix 2. Interview questions on Malaysian negotiations

General questions:

1. Name of the interviewee.
2. Position in the company.
3. How long have you been working in the company?
4. How many years of experience do you have with business negotiations?
5. What type of business negotiation do you conduct?
6. Who and what hierarchical level do you negotiate with?

Questions regarding business negotiations with Malaysian negotiators:

7. How would you describe a power distance among Malaysian negotiators?
   For example:
   a) Hierarchy
   b) Respect for authority
   c) Decision-making process
   d) Relationship between a boss and subordinates
   e) Centralized or decentralized power distribution
   f) Signs of power and status
8. Are Malaysian negotiators more individualistic or collectivistic oriented in terms of pursuing individual over group interests?
9. How would you describe the atmosphere in negotiations with Malaysian negotiators?
   For example:
   a) Is it more positive or negative?
   b) Do they pursue more of integrative or distributive negotiation approach?
   c) Emotions, feelings, etc.
10. What type of negotiation strategy and tactic do Malaysian negotiators tend to employ?
    - What did they try to achieve and when?
11. Do Czech negotiators incline to monochronic or polychronic perception of time?
    a) Negotiating tasks simultaneously or only one task at a time
    b) Existence of interruptions
    c) Commitments to deadlines, schedules, etc.
    d) Short term or a long term relationship orientation.
12. What extent to are personal relationships important?

13. Is the context of communication process high or low-context?
   a) Importance of small-talk
   b) Direct or indirect communication style
   c) Formal or informal personal communication style
   d) Message is clear or ambiguous
   e) Arguments or bargaining
   f) Signs of non-verbal communication
   g) Importance of saving someone's face
14. Would knowledge of a local language benefit you in negotiations?
15. Are there any surprises or shocks you have experienced in Malaysian negotiations?
16. Would you mind to provide me with some recommendations to a success in negotiations with Malaysians?

Appendix 2. Interview questions on Czech negotiations in Czech

Všeobecné otázkz:

1. Jméno dotazovatele.
2. Pozice ve společnosti.
3. Jak dlouho pracujete pro společnost?
4. Kolik let máte zkušeností s obchodní vyjednáváním?
5. O jaký typ obchodního vyjednávání se jedná?
6. S kým a na jaké úrovni vyjednáváte?

Otázky týkající se obchodního vyjednávání s českými vyjednavači:

7. Popište vzdálenosti moci a vztah k autoritě mezi českými vyjednavači?
   Například:
   a) Hierarchii
   b) Respekt k autoritě
   c) Proces rozhodování
   d) Vztah mezi nadřízeným a podřízeným
   e) Centralizovaná or decentralizovaná distribuce moci
   f) Znaky moci a pravomoci
8. Jsou čeští vyjednavači spíše individuálně nebo kolektivně orientovaní co se týče upřednostňování individuálních zájmů před zájmu kolektivu?
9. Popište atmosféru při českém vyjednávání?
   Například:
   a) Positivní či negativní
   b) Integrativní či distributivní postoj?
   c) Emoce, pocity, atd.
10. Jakou strategii a taktiku používají Češi?
    - Čeho se snaží dosáhnout a kdy?
11. Kloní se spíše k monochronic nebo polychronic času?
    a) Vyjednávání bod po bodu nebo vše najednou
    b) Existence přerušení
    c) Dodržování harmonogramů a deadlinů.
    d) Krátkodobá či dlouhodobá spolupráce
12. Jak důležité jsou osobní kontakty?

13. Je kontext komunikace spíše high nebo low-context?
    a) Důležitost small-talk
    b) Přímý či nepřímý styl komunikace
    c) Formal or informal personal communication style
    d) Message is clear or ambiguous
    e) Arguments or bargaining
    f) Signs of non-verbal communication
    g) Importance of saving someone's face
14. Pomohla Vám znalost Češtiny?
15. Stalo se Vám něco překvapivého nebo šokujícího během vyjednávání?
16. Mohl byste uvést doporučení jak být úspěšný při vyjednávání s Čechy?