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TITLE:

IDENTIFYING THE ROLE OF CULTURAL DISTINCTIONS IN NORWEGIAN AND  
INDIAN BUSINESS RELATIONSHIPS

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## ABSTRACT

One major challenge when doing business internationally is the business relationship and cultural differences. A good business relationship is crucial to succeed in the international market. The cultural distinctions between business partners can have an impact on the strength of the engagement between the parties. Behavior, attitude, and expectations are highly influenced by culture. This thesis is designed to investigate the role of cultural distinctions between Norwegian and Indian business relationships.

The research method utilized in this thesis is qualitative research method, this is a exploratory study which took place in Stavanger, over a period of two months. There has been a little inconvenience due to COVID19. Moreover, semi-structured interviews were conducted with 9 informants in order to figure out their understanding of cultural distinction and how it influences their relationships with others. Power distance, uncertainty avoidance, communication, orientation to time and trust are the elements that might result in challenges for Norwegian business in India. The interview questions and analysis are according to these elements. The outcome and findings reveal that distinction in culture can result in misunderstandings, misinterpretations, financial loss, frustration, conflicts and weak business relationships.

## ACKNOWLEDGEMENTS

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I hope you will have a good time reading my thesis.

Manveer Kour Hans

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# CHAPTER 1: INTRODUCTION

In this chapter, I will start off by presenting the research background of this research and the construction of the research problem. In the very beginning, I have a short introduction of the literature review for this study, thereafter the research objective, questions, and in the end is the structure of the thesis.

## 1.1 RESEARCH BACKGROUND

The area of research in this thesis is how cultural distances affect Norwegian companies doing business in India. From what I know, this topic is not researched in the area and not in the context of inter-organizational relationship conflict. National culture is becoming significant in the context of globalization. Having an understanding for culture prepares individuals and companies for challenges that might occur in international businesses. Moreover, it helps managers to comprehend their international business partners, which again strengthen their managerial skills (Dabić, Tipurić & Podrug 2015) (John, Parboteeah & Hoegl, 2004). (Cullen, Praveen Parboteeah 2011).

Cultural difference is one of the main problems of international businesses. Lenartowicz and Roth, alongside other scholars argues that culture is a term which is important to acknowledge and needs additional understanding. Culture varies a lot, which can be flexibility in a country's legal, personal space expectations, different perceptions of a conversation or hesitation to talk. A company operating in one country, only have to deal with one culture. On the other side, a company having business relationships to companies in other countries must take differences in culture into consideration. Even though the cultural aspect plays an important role and is complex to understand, companies should be open for it as such relations can be beneficial and there are opportunities for growth across borders. Different businesses have different backgrounds, ideas, beliefs, expectations, but also different ways of communication, all of this is brought together when businesses tie a relation. The differences somehow define culture (Sousa & Bradley, 2006).

Scholars have carried out numerous researches on firms entering international markets. The aim of the studies is that firms need to be prepped for exclusive demanding situations that are a result of worldwide national culture, differences in language, social norms, consumer

preferences (Albaum and Tse 2001; Lu and Beamish 2001; Peñaloza and Gilly 1999; Pornpitakpan 1999; Sousa and Bradley 2005). The concept of cultural distances is used in literature regarding the challenges of stepping into a new and foreign marketplace (Child, Ng, and Wong 2002; Johanson and Vahlne 1990; Nordström and Vahlne 1994). Cultural distance is one of the distances between business partners that in combination with physical distances, economic distances and academic distances play a vital position within a business relationship. In cross-cultural communication, it is important to have knowledge about culture and skills. Agreements such as contracts, partnerships, licensing are negotiated, written and signed. Furthermore, the negotiations also include human and social interactions, which also plays an important role (Ghauri & Usunier, 1996). Ghemawat introduced the CAGE framework, which is used to measure how companies and countries match according to four dimensions of distance, such as cultural distance, administrative, political distance, geographical of distance and economic distance. (Johnson, Scholes, & Whittington, 2008). According to Johnson et al. (2008) cultural distance relates to differences in language, ethnicity, religion and social norms.

Hutzschenreuter and Voll (2008) believe that cultural distinctions provides with intricacy to business relationships in various ways. As individuals need to discover together with their business partners who have different values, different belief system and act differently from them. While exploring the role of culture on business relationship, there are many studies that argues that the cultural distance between home and host country have unfavorable impact on their relationship. Tihanyi, Griffith and Russell (2005), on the other side argue that there is lack of evidence of negative relationships. Instead, they found high cultural distance encourages innovation and creativity.

Minimal studies available on Norwegian-Indian business relationships generates the need to analyze and understand the relation between Norway and India, and how to improve the relations between them. Thus, being comprehensive towards the perceptual role of cultural variations in relationship conflicts, makes a good base for understanding the business relationships. There are many articles pointing out the issue that companies face when doing business with each other, because of the lack of understanding. Indian companies misinterpret Norwegian companies and their culture, which affects mutually on their business relation, and vice-versa.



The purpose of this study is to explore the role of cultural distinctions in Norwegian and Indian business relationships. There will also be provided an insight in what Indians in India think about the dimensions in the literature review, and how Indians perceive Norwegian business culture, and how Norwegians perceive Indian business culture. Along with, how the cultural differences are perceived, and how these differences cause relationships conflicts. This information will be acquired through in-depth interviews with participants. The collected data will thereafter be utilized to answer the research questions related to the research problem. There are two research questions, the first question focuses on the perceived cultural distance, and the second question focus on perceived distances that causes conflicts in the business relationships. The goal of this study is to assess if the cross-cultural theories classify Norwegian and Indian culture, as well as give empirical evidence due to how conflicts in business relationships can be affected by cultural distances between the parties.

## 1.2 BUSINESS IN INDIA

Foreign companies have been in India since the British colonization. There were many companies that operated in India at the time and continued after the independence in year 1947. During that time, Norway was one of the first countries to recognize the independence of India. Norway's focus on development aid started in 1952 when the "Indian Fund" established by the Norwegian parliament, Stortinget. India has the largest democracy of the world and has a fast-growing and emerging economy. The combination of geopolitical role, enormous population, coastline, and economy makes India an influential global actor, thus an important partner for Norway.

Today, there are about 100 Norwegian companies that are present in the Indian market. The Norwegian-Indian context has been chosen for this study because of different factors. Conducting business in India is not easy as there are many areas that can be frustrating and might result in rather bigger challenges for doing business in the country. This means, that doing business in India can be challenging for Norwegian companies. Research substantiates shows that businesses seek to collect information such as institutional and legal systems of the host country. Research does not always take cultural differences into consideration, the cultural differences between India and Norway could be essential. However, Gesteland's (2012) theory illustrates cultural challenges. Being precise or being flexible around time, and communication

style can be such challenges. The chairman in *Norway India chamber of Commerce & Industry (NICCI)* mentioned in a meeting that it is not easy to succeed in the Indian market. Success in the market necessitates knowledge, stamina, patience, and a longtime perspective. Apart from that, areas such as geographical distance, legal/laws, tax, trust and local content can make it extraordinarily and challenging to understand for a company from Norway or elsewhere.

India is considered one of the world's most attractive area for IT and technology, and Norwegian companies in bank, telecommunication, and maritime- sectors have been flocking to India in the last few years. In the rapport "Norway-India 2030" by the Norwegian government, is a strategy for cooperation with India. The Norwegian Minister of Foreign Affairs encourages the business relationship between Norway and India by providing support to the businesses, promote partnership between businesses in the two countries and strengthen the dialogue.

"Norway will increase its cooperation with India with a view to strengthening multilateral cooperation, the international trading system and the international legal order." (Norwegian ministry affair, 2018). Thus, it is crucial to explore business relationships and culture. It is reasonable to assume that Norwegian companies mainly try to adjust to the differences that pose real difficulties for the companies. Ritter (2007) argues that not all relationships are cooperative, as the relationships vary in strength.

### 1.3 RESEARCH QUESTION

The research question is an important component of the research, since decisions such as research design and methods made in the research study are made in order to answer the research questions (Bryman, 2008).

To investigate the role of cultural differences in Norwegian-Indian business relationships, it is essential to comprehend characteristics of the cultures in both Norway and India, especially characteristics such as value, norms and attitude, that can influence business practices. Thus, theories of national cultures and their components that I studied have a significant role in identifying my research problem.

In order to investigate the role of cultural differences in Norwegian- Indian business relationship, the following questions is crucial to solve:

- What are the main cultural differences between Norway and India?
  - What are the cultural differences that Norwegian companies encounter with their Indian partners?
  - What challenges do cultural differences pose to Norwegian companies in India?

The research questions are connected to the perception that the informants have of cultural distances, and their perspective of the cultural differences between Norwegians and Indians. The goal is to determine whether the informants actually interpret cultural differences between Norwegians and Indians. The questions also relate to how informants perceive the differences that are identified as an effect of relationship conflict. The purpose is to figure out if cultural distances causes conflicts between Norwegian and Indian business partners. The obtained data will help answer the research problems, and further use that to explain the business relationship between Norway and India. Therefore, finding elements that enhance the business relationship and lessen conflicts is crucial. Within the dyads, trust and informal interaction might occur as issues, besides the lack of the formal mechanism as contracts and planning becomes apparent. These are studied, and I have tried to recognize these underlying forces in the dyads with the help of existing theory to give an clarification for the events as a part of the relationship itself.

## 1.4 METHODOLOGICAL CHOICES OF THE STUDY

An overview of the methodological choices of this study is given in the table below:

Research strategy	The plan for reaching the objectives outlined: Qualitative research.
Research design	In what form the particular plan I executed and presented: Interview study
Data collection method	How the data is being obtained: Semi-structured in-depth interviews
Analysis method	How the data is analyzed and processed: Structural analysis with the use of theoretically informed reading.

*Table 1. Methodological choices of the study.*

## 1.5 THESIS STRUCTURE

The structure of this thesis is given in the following seven chapters:

**Chapter 1.** Introduction, this chapter introduces the research background, research objective and the research question.

**Chapter 2.** Literature review, this chapter reviews relevant theories and previous research. Relevant definitions that are useful in this research are also provided. Theoretical and empirical considerations for conflicts and comparing cultures are put into perspective. Furthermore, it aligns existing theories in the discipline of cultural distance in business relationships, with the study,

**Chapter 3.** Research and methodology, this chapter presents a very precise explanation of the research and analysis is to be conducted. In addition, analysis tools to be applied during the data analysis, which means justifying the research design and strategy, techniques for data collection, presentation and analysis.

**Chapter 4.** Empirical findings, this chapter perform the results and findings of the study, in different formats, such as tables and narrative of the finding.

**Chapter 5.** Discussion of findings, this chapter discusses the results and relation to the theory and research problem.

**Chapter 6.** Limitations and further research, this chapter presents the areas that are limited, as well as giving approach for further research.

**Chapter 7.** Implications, this chapter recommends improvements on actions to business relationships.

**Chapter 8.** Conclusion.

## CHAPTER 2: LITERATURE REVIEW

In this chapter, I will present the literature review for this study. The chapter begins by defining business relationship and so culture. Dimensions of cultures will be discussed, as well as the

dimensions effect on business relationships using existing theory, knowledge, and arguments about business relationships, conflict and cultural distance.

### 2.1 BUSINESS RELATIONSHIPS

There is great attention on business relationships, in business studies, but it is challenging to give the concept of relationship a definition. The concept varies a lot in content and could mean several things relying on its application. From what I knowledge, there are 5 well-known theories that are used to understand inter-organizational relationships. The theories are shown in the table below.

Name of the theory	Sources
Agent- principle Theory	(Eisenhardt 1989) (Emerson, 1962)
Industrial network approach	(Håkansson & Snehota, 1995) (Våland, 2002)
(Interactional approach	(Håkansson, 1989)
Transactions cost Theory	(Williamson O.E., 1985)
Relational contracting Theory	(Macaulay, 1963) (Mooi & Gilliland, 2013) (Mclaughlin, Mclaughlin, &Elaydi, 2014)

Table 2. Business relationship theories

The theories have both advantages and disadvantages and have different perspectives on business relationships. The authors hold unrelenting assumptions on motives for boundaries for corporations among independent organizations. One would quite often think that organizations cooperate because they must, not necessarily because they want to do that.

Some of the theories pay attention to B2B relation between two actors by the means of addressing issues that arise due to differences in goals between the actors, recognizing that there is an industrial sphere for organizations which they must perform in. On the other hand, some will concentrate on bigger industrial surroundings, and recognize the business relationship among two companies as it is necessary for the surroundings to build and sustain value.

However, the theories given in the table above, have similarities and consistency in some of the aspects. First and foremost, relationships are crucial and profitable, which means no business can exist as an isolated phenomenon. Secondly, business relations between two companies are also part of bigger networks consisting of many dyads, and organizational networks, which belongs to industrial surroundings. IMP interaction model (Håkansson & Snehota, 1995), dynamics of industrial networks (Georgieva, Easton, Brooks, & Wilkinson, 2008), the natural progression of the Transaction Cost Theory approach (Williamson O. E., 2010), the past and future of marketing theory (Wilkinson & Young, 2013) and practices of business networking (Ford & Mouzas, 2013), are all studies well-grounded empirical foundation.

Conflicts in a dyad were related to outside parties (Våland, 2002) (Anderson, Håkansson and Johanson, 1994). The relationships will be affected by the externalities, and the conflicts could also arise caused by externalities as cross-cultural distances. Changes of relationships are unable to assign to just dyads. Similar conclusion was also given by Halinen and Tornroos (1995), who meant that stress disconnected changes within the organizational dyad caused by relationship, external to the dyads. This could in turn affect relationships within a network of relations. Based on these theories, my focus is relationships affected by externalities and business relationship between two or more actors participating in a bigger industrial surrounding. That means, events that occurs inside the dyad is affected by the externalities.

It would probably be safe to come with a statement such as doing business in the market today, one has to rely on others in order to achieve goals. These goals can be reached by having great relationship with other companies. Having good relationships with those across borders is essential because culture can be complex to comprehend. Companies entering a business relationship, have to provide a framework so that interactions and communication easily can take place. Typical interactions can be activities as coordinating, independent production, logistics, resources, administrative work and development. It is significant to have to build and maintain a great relationship with business partners, especially when the partners want to

maintain the relationship in the long run (Håkansson & Ford, 2002) (Ford et al., 2012). The reason behind this is getting involved in the long run have a tendency to develop and strengthen satisfaction, stabilize production processes and prices, facilitate planning and decrease uncertainty in the business partners behavior. As a result, this will improve trust among the partners. In addition, Hedaa and Geersbro (2008) speak of the entropy that any business relationship will experience if left unchecked and not renewed by inducing resources (commitment & energy) into the relationship. This implies that a proper understanding is fundamental to sustain the relation. Within this comes the issue of cultural distance. To assess the role of cultural distance as an underlying force in relationship conflict, I need to acknowledge the intricacy and the content of the relationships. Challenges occurring, due to cultural differences are only one part of the relationship, but it gives indications about how the overall business relationship proceeds.

## 2.2 CULTURE

Geert Hofstede defined culture as *“The collective programming of the mind which distinguishes the members of one human group from another”*.

Culture is a term that is complex and has several definitions. However, it is difficult to find a definition that satisfies everyone, I will therefore use Hofstede’s definition of culture throughout this thesis. Definition apart, culture plays a huge role in business relationships and it is fundamental for the research in this thesis. Culture can be classified as learned, shared, transgenerational, symbolic, patterned, and adaptive. Since there are many different cultures all over the world, it is essential to be curious and find out about the influence of cultures on business relationship (Hodgetts and Luthans, 1999). The concept is quite complex, but it basically involves a group shared values, behavior, attitude, beliefs, artifacts, and assumptions. Culture is outlined as norms, values and ideas that people establish in their societies which makes people different from other societies. (Pettigrew 1990; Hofstede, 1980; Pettigrew, 1979; Kluckhohn & Kroeberg, 1952). According to Triandis, 1994, norms are an understanding of how things should be dealt with in social situations, especially behaviors that have been proven to succeed in the past, but guarantee future success. Norms and values are informal rules and govern the relationship an individual have to a society.

Cultural norms are recognized to be effectual forming people's behaviors, perception and predispositions (Markus & Kitayama, 1991). Distinctions in culture between business partners may consequence in misinterpretation because of lack in exchanged frame of reference (Zhang et al., 2003), as well as lack in resolving misunderstandings which can be harmful for the relationship between the parties.

### 2.2.1 NATIONAL OR ORGANIZATIONAL CULTURE

Reviewing the impact of culture on business relationships, there was a question that took my attention; Is it national culture or organization culture which has more effect on the employees and members of an organization? It is necessary to be aware of which level the concept should be discussed. The concept of nation-state is invoked by international business people when there is a wish to examine culture and discuss it on national level. Organizational culture encompasses as “the pattern of shared values and beliefs which enables people within the organization to understand its functioning and furnishes them with behavioral norms” (Ghauri and Usunier, 1996). National culture is outlined as “the pattern of shared values and beliefs which enables people within the organization to understand its functioning and furnishes them with behavioral norms” (Ghauri and Usunier, 1996).

According to Hofstede (1990) organizational cultures are distinct from national cultures, as organizational culture can be measured through a set of practices, while national culture can be measured through a set of values. The term of national culture is comparable to Hofstede's (1980) definition which was presented earlier in this chapter, but is more specified towards behavior, values and attitudes of a particular nation. The national culture does have an influence on the values that the individuals carry inside their workplace (Mead, 2005). Organizations are joined by individuals by their free will, and they have the freedom to quit if they want, it is an easily changeable situation, but perceptions and attitude are not easy to change according to various stages in life. Moreover, it is essential to be reflective about that a nation might not be accurate representation for culture. The reason why it is still being used is due to its convenience in researching and explaining this phenomenon.

### 2.2.2 ELEMENTS OF NATIONAL CULTURE

Hall & Hall (1990) outlined culture as “each cultural world operates according to its own internal dynamic, its principles and its own laws- written and unwritten”. They came up with



the key concepts, underlying structures of national culture, which can affect the international business.

- **Language and communication:** Every individual have their own style and way to communicate, considering their attitudes and the extent they use their native language, does have an impact on international business and negotiations.
- **Institutional and legal system:** Divergence in contractual and legal systems gives an indication on decision- making systems and rules the society are following or organized accordingly.
- **Value systems:** To what degree prevalent values are adhered in a society is significant.
- **Time orientations:** People act differently due to time orientations, simply because of their attitude towards it. This creates a noticeable but invisible effect on the distinction in punctuality or time orientation.
- **Mindsets:** Various mindsets have an impact on how people perceive problems, gather information, process the information, and evaluate its truthfulness which has an impact on the result of business relations.
- **Relationships:** Is how individuals are related to groups and how that relationship is conceived in a group, and how that can influence international businesses. There are various styles to engage with others, as well as the relationship between humans and business topics are combined.

## 2.3 THE CATEGORIZATION OF CULTURES

There are about 200 countries in the world, which means that the number of cultures is even greater. In larger countries, there are huge differences that could be observed by moving from north part of the country to the south part of the country, examples on such countries are Russia, China, USA and India. In such countries the values and behavior are so different and easily visible. Many well-known scholars attempted to characterize culture by using some

fundamental dimensions that cover the essential elements of cultures. These scholars have tried to measure the cultural distance amongst different clusters, in addition to plot national cultures. Even though national culture is a proper conceptualization and measurement it is deeply debated (Stephan and Uhlaner, 2010).

There are many well-known scholars who have researched on national cultures throughout the years, however I have chosen to focus on five scholars who have outlined a framework of national culture dimensions.

- Florence Kluckhohn describes 5 dimensions that involves time, person nature, form of activity and relation to cultural compatriots.
- Edward Halls described monochronic/polychronic, high/low context and past/future oriented to divide groups and cultures.
- Geert Hofstede's dimensions consists of five dimensions which are power distance, collectivism/ individualism, femininity/masculinity, long term/ short term and uncertainty avoidance.
- Richard Lewis outlined a model by classifying culture into linear activity, multi-active and reactive organizations.
- Fons Trompenaars's dimensions of culture are universalist/ particularistic, individualist/ collectivist, specific/ diffuse, achievement/ ascription oriented and neutral/ emotional or affective.

Culture has an important role in international business, being unaware of your business partners culture may cause misunderstandings and mistakes. In this part of the thesis I seek to describe and represent various frameworks that are valuable for understanding culture and cultural divergence. The frameworks are helpful and applicable in different settings, depending on its attributes.

### 2.3.1 KLUCKHOHN AND STRODTBECK'S VALUE ORIENTATIONS

Kluckhohn and Strodtbeck's framework consists of 6 value orientation dimensions (Wild et. Al, 2003; Ahlstrom and Bruton, 2010). Their value orientation proposes that there is a confined amount of universal problems answered by human societies, the solutions are confined in number and universally known. Different cultures have different priorities between them. The advised questions consist of human orientation towards time, humanity and natural environment, human motives and nature of human nature. The scholars have suggested answers to all of the value orientations, and have been evaluated in many cultures, and utilized to assist negotiating ethnic groups understand each other and other cultures. Further intro of the questions and description to compare culture is given below:

- **Orientation towards time:** Is past, present or future implications peoples main focus of their action?
  - Past orientation: In past-oriented culture one considers the magnitude of historical incidents, religions and traditions. In addition, there is a belief that the past should be used as guidance for decision making and being conclusive when it comes to the truth. (Samovar, Porter and McDaniel, 2007). US is an example on a country with little orientation to the past as history and tradition in comparison to Asian countries that are oriented toward history on a higher level. When entering a business relationship with people from Asian cultures, it is wise to chat about history and show respect to old people.
  - Present orientation: In present-oriented culture an intense confidence in the significance of the moment and that the time to come is unclear and unfamiliar. In such cultures would rather choose fully experience life, while people around them prefer the present. (samovar et al., 2007).
  - Future orientation: In future-oriented, one believes in the future and that it is more magnificent than the present. Future is also a great attraction for people in culture, as well as having insight to the future in their thoughts and in the way they act (samovar et al., 2007).

- **Relationship to nature:** What is people's perception of relationship to nature. Does the environment control them, they control the environment, or are they a part of the environment? The interest in this value orientation is if space is considered as public good.
- **Relations between people:** What do people believe, that a person's welfare responsibility is on individuals or groups?
- **Beliefs of human nature:** Can people be trusted to act freely or are they easily controlled and not to be trusted? It is all about a person proactiveness in the society, whereas the persons tend to be deterministic in some societies, which means they imagine their faith can be adjusted by a little effort. On the other hand, in some societies people believe that there is little to be done to transform a situation, thus, they neglect to put effort to do so.
- **Nature of human activity:** Do people desire achievement in their life, carefree lives, or spiritual lives?
- **Conception of space:** what do humans prefer, do activities in private or publicly?

## 2.3.2 EDWARD HALL'S FRAMEWORK

### 2.3.2.1 *High and low context culture*

Context is described to the data surrounding an event which are linked to the meaning and purpose of that event. The cultures existing are evaluated on the scale from low to high context culture (Hall & Hall, 1990). Each and every culture varies in events and context. In the framework of culture outlined by Edwards Hall the communication style can be categorized into high-context and low-context cultures. The communication internalizes information in high context communication, in other words, that would say much is unexpressed in a conversation (Hall, 1976). A short conversation or utilizing few words when speaking can express a complicated message, as there are many that customs, ideas and expectations are interpreted as being inherent between the conversation partners. Contrarily, in low context communication the information is conveyed explicitly, and there is almost never something which is implicit or concealed.

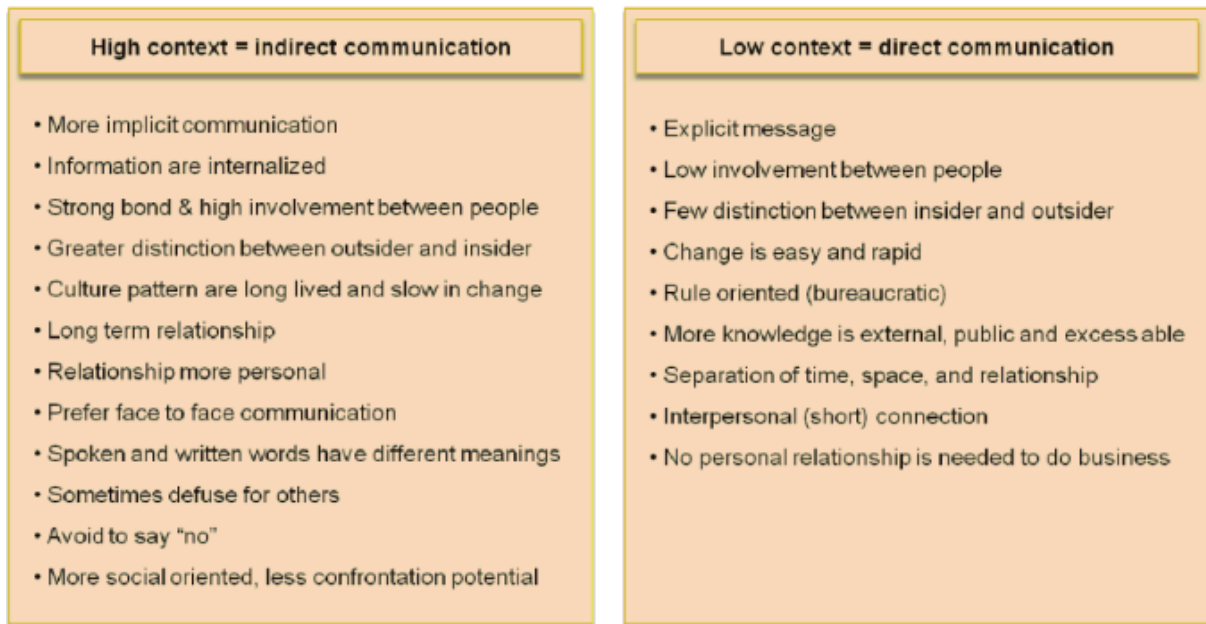


Figure 1. Hall's High & low context categories

### 2.3.2.2 Orientation to time

Every culture in the world has their own language, which also consists of their own language of time. Appointment-schedule time displays how some cultures feel about each other, how important their business and what their position is in the system. Thus, it is crucial to recognize the message linked to time in other cultures.

Hall & Hall (1990) came up with two-time systems, whereas one of them is linked to human body clock, whereas the other one is linked to solar, lunar and annual cycles. Humans body's work correspondingly with body clocks, which monitor most of our psychological functions. Premised on these two systems of time, there are many systems in the world, but when considering international businesses monochronic and polychronic times are the most essential ones.

Briefly, monochronic time is related to doing one thing at a time, when polychronic time is related to looking into many things at once. Both, monochronic time and polychronic time are to completely different orientations to time, and cultures can be divided into one of them:

- Monochronic culture: Monochronic culture time is utilized as experience as a path from the past to the future and is utilized in a linear way. Such cultures prioritize to do one thing at a time without any disturbance. Being precise and follow schedules is significant. When a plan is made, the plan is followed- up, and changes that might occur would be considered

in a serious manner. Businesses in USA and Northern Europe are a part of monochronic culture.

- Polychronic culture: Polychronic culture time concerns many things to happen at the same time, as well as engagement of many people. This culture pays attention to human transactions instead of schedules. Examples on polychronic cultures are Latin American, African, Arab and native American cultures. In these cultures, the view on time is more flexible. In contrast to monochronic cultures, time is being less concrete.

Although generalization does not apply similarly to people in various cultures, comprehending the differences is beneficial when engaging with people from monochronic or polychronic cultures (Hall & Hall, 1990). In the table below, Hall & Hall have presented the differences between monochronic and polychronic culture in order to understand cultural differences:

Monochronic people	Polychronic people
Do one thing at a time	Do many things at once
Take serious commitments to deadlines and schedules	Take commitments to deadlines and schedules as objective to be achieved if possible
Are low-context and need information	Are high- context and already have information
Are committed to the job	Are committed to people and human interactions
Adhere to plans	Change plans easily

Do not disturb others and respect privacies	Are concerned with their close related people rather than with privacy
Respect private property; seldom borrow or lend	Borrow and lend things often and easily
Emphasize promptness	Base promptness on the relationships
Are used to short term relationships	Are likely to build lifetime relationships

*Table 3. Monochronic/ polychronic cultures Hall & Hall (1990).*

### 2.3.3 HOFSTEDE’S DIMENSIONS OF CULTURE

An aspect of culture is a dimension, which can be measured in significant other cultures (Hofstede, 2010). It groups together a number of phenomena in a society that basically were empirically identified to appear in combination, in spite of whether there seems to be a logical need for emerging. There is a difference between the logic of societies and the logic of individuals looking at them. The dimension, the aspect of a culture, in some societies might be different or go in opposite direction of the general trend in other societies. The aspects can be disclosed on the basis of comparative information from some countries, that is because they are found with the support of statistical methods.

Geert Hofstede is a sociologist who has been researching cultural interaction in workplaces. When he researched on IBM (international business machines), he had obtained comparable data about determined values, which were arranged into cultural dimensions: power distance, individualism vs collectivism, masculinity vs femininity, uncertainty avoidance and long term orientation versus short term normative orientation. All these dimensions assigned indexes on all nations, and connected each of the dimensions to demographic, geographic, economic and political aspect of society (kale & barnes, 1992). Hofstede’s dimension of culture is a widely used framework and is very broad and robust in terms of national culture samples (smith et al.,

1996). In this thesis, Hofstede’s framework will be utilized to compare the Indian and Norwegian business culture, as the framework is helpful to formulate hypotheses for comparative cross-cultural studies.

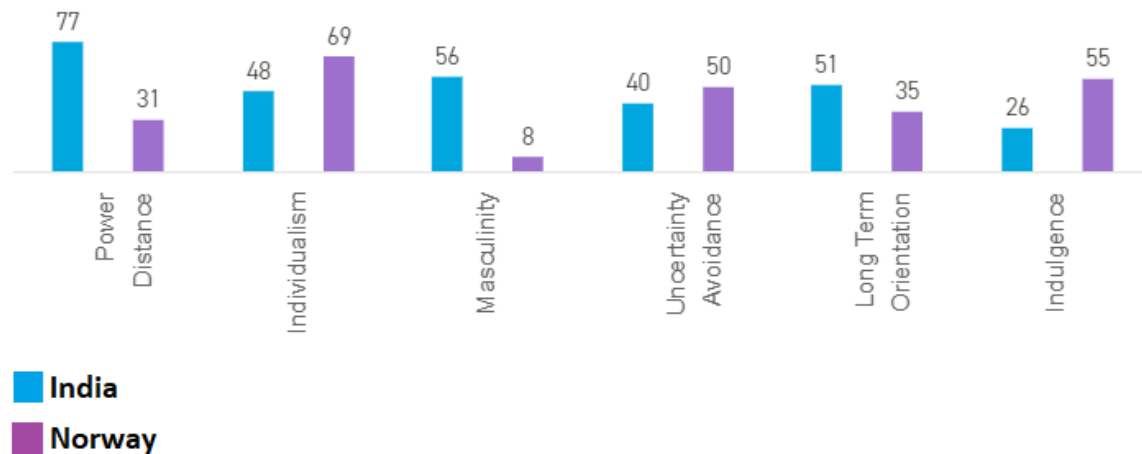


Figure 2- Culture distance between Norway and India, taken from Hofstede-insights

- Power distance: According to Hofstede, power distance is the level of inequality which exists between individuals, in institutions and organization (Hofstede, 1980, p.45). This can be seen in the form of physical characteristics, social status, wealth, power and laws. It could also for instance be that subordinates cannot express their thoughts, feelings and especially disagreements towards their supervisor. Furthermore, the subordinates would not be participating in the decision making alongside supervisors (Hofstede, 1980, 1991, 2001). Hofstede measured power distance by conducting statistical analysis, referred to power distance index. A high score on the index indicates a higher level of power distance, and cultures displaying a low power distance score, had a lower index (Hofstede 2001). For instance, in organizations where employees represent varying range of cultural backgrounds, the level of power distance in their home country may impact the way they operate within the organizational structure/ environment (Hofstede 2001)
- Individualism versus collectivism: The dimension of Individualism vs. Collectivism is defined as the balance of personal and group interests in society, as well as the way in which this balance impacts individual actors’ behavior. Hofstede examined whether personal identity in a given culture is shaped based on own initiative or by group membership, when



measuring individualism and collectivism. Individuality variance (IDV) is the method this is measured through. High score on IDV, means that cultures are considered highly individualistic, and a low score on IDV indicates more collectivist in nature (Hofstede 2001).

Individualism and collectivism have a huge impact at the workplace. The participants or employees have more to say in an organizational operation in a collectivist society than in individualistic culture. In a collectivist organization, the employees are being seen as family members. A manager for instance in this kind of organization, would not be willing to expel an employee based on bad performance. He would rather, assign new tasks to this employ which would fit him/ her better according to knowledge, education and skills. Furthermore, obedience is a moral duty in a collectivistic society. Individuals therefore often view adherence to organizational rules and regulations as a means of expressing loyalty to the organization (Hofstede 2001). On the other hand, in the individualistic context employees are primarily driven by their own best interest. The responsibilities at work are therefore tied closely to personal incentives. Individualistic perspective views the manager-subordinate relationship as a “business transaction” conducted within a labor market (Hofstede 2001, 237). The individuals tend to be motivated by their own personal goals and achievement, and the decision taken is based on personal choice and strategy. They, therefore, tend to show emotional connections towards their careers (Hofstede 2001).

- Masculinity versus femininity: Hofstede described masculinity as achievement and assertiveness. A masculine society can be classified as a competition-oriented society. Goals, challenges, achievements, earnings and recognition are characteristics in a masculine culture. Adversely, in feminine culture, employment security, the manager and living area are essential. Each culture has their own consideration of feminine and masculine. Typical values for femininity are corporation and modesty, such society is also consensus-oriented.
- Uncertainty avoidance index: Hofstede describes uncertainty avoidance as a human feeling threatened by unknown situations and ambiguity. (Hofstede 2010, p 191). With the help of technology, law and religion it is possible to prevent uncertainties and ease anxiety. Uncertainties that can be caused by nature can be avoided with the help of technology. Uncertainties related to people’s behavior can be avoided by the help of law and regulations. While religions alleviate followers to embrace uncertainties as they do not have control over

and cannot defend themselves. A low threshold for uncertainty suggests a society which has a rigid authority system, freely expressing sentiments of prejudice or racism, or tending towards extreme traditionalism.

When measuring uncertainty, the index varies from 0 to 100. The country with 0 has the lowest uncertainty avoidance and countries with an index of 100, have the strongest uncertainty avoidance. The perception of uncertainty avoidance and how to deal with it comes from the culture of the society. The existence of laws in countries with strong uncertainty avoidance is high, as well as the laws are specific and precise compared to the countries with low uncertainty avoidance. Laws can be changed or withdrawn when it doesn't work out if the uncertainty avoidance index is low. Higher uncertainty avoidance index, laws are seen as security, even though they might not be strictly followed. High uncertainty avoidance in business contexts, there are rules and procedures that provides more certainty and stability in terms of career (Deresky, 2011).

- Long term orientation versus short term normative orientation: Hofstede defined long term orientation as the definition given below. Long term orientation and short term normative orientation is related to economic growth. whereas, long term orientation can be characterized with word such as planning and saving, and short term orientation can be characterized as tradition and duties.

*“Long term orientation stands for the fostering of virtues oriented towards future rewards-in particular, perseverance and thrift. Its opposite pole, short term orientation, stands for the fostering of virtues related to the past and present-in particular, respect for tradition, preservation of “face”, and fulfilling social obligations.” (Hofstede et al., 2010, p.239)*

#### 2.3.4 THE LEWIS MODEL

The Lewis model is a helpful tool to define and ease the framework for cultural analysis. Moreover, the model also helps to describe the national culture (Lewis, 1996). Lewis, after been living in 20 countries and visited 135 countries, he came up with 3 categories that humans could be classified as, based on their behavior. The model focuses on communication and values, and how it impacts human behavior (Lewis, 2006). The model consists of three typologies, which are named linear-active, multi-active and reactive, which is illustrated and explained in figure

3. The figure categorizes different nations and cultures into one of the typologies. The model can be used on individuals and countries, and thus make it an adaptable and applicable tool for consultancy, cultural training and coaching.

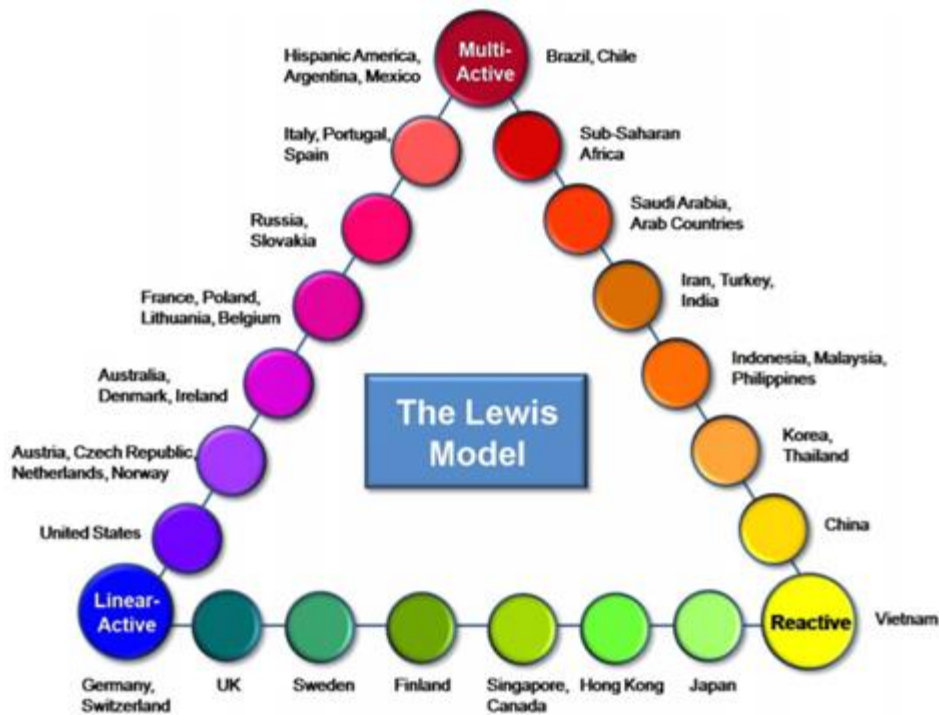


Figure 3. Lewis model (Lewis, 2002)

- Linear active

Linear-actives tend to be logical, task-oriented and structured, they would plan out everything thoroughly. They prefer doing only one task at a time and according to their schedule. Discussions are uncomplicated and direct and stand by being logical than letting emotions take overhand. They would not show their emotions and feelings and would rather have a clear amount of privacy. Connections or shortcuts are not preferable which makes the linear actives utilize official channels to achieve their goals and reach their targets. Achieving their goals gives them status and bosses are *discrete*. Money is significant for them. Specified contracts with deadlines are honored and followed, as well as payments never are delayed. In practice, in business relationships with others,

they are punctual, deliver quality and on the agreed date. Written communication is preferred to telephone communication where they would answer in short. Countries that are considered as linear-active are Britain, Australia, Germany, Scandinavian countries and Northern America.

- Multi-actives

Multi-active are characterized as emotional, talkative and spontaneous people. They value their family, feelings and relations with others. Multitasking, jumping from one task to another task and having many things to do at the same time is something multi-actives are comfortable with. Following schedules is not prioritized, they would rather decide which task to do first upon the urgency and what seems to be more appealing. A conversation with others is most likely an engagement where everyone is talking, listening and interrupting each other. In business relationships, the relations are valued more than the products, and prefer face to face communication over telephone or written correspondence. Multi-active people are not as good to follow rules and regulations, they are late in delivering on time, payments are often late, and deadlines are not held. Being punctual is unusual and would not understand the significance of timetables for linear actives. Multi actives have a nonlinear concept of time, hence they are flexible, easily change their plans, their strength is to handle challenging situations, as well as to improvise when needed. Multi actives like to be around other people rather than being alone. Charisma, rhetoric, manipulation and negotiated truth are even used in business settings. They tend to be tactful, timesavers, take shortcuts, be generous or undercover payments to ensure contracts. Areas such as South America, Southern Europe, Sub-Saharan Africa, India and Pakistan are considered to be Multi-active.

- Reactives

Reactives do not take initiative to start a conversation, they are good listeners and very rarely interrupt while someone is talking. Preferably, they would listen to everyone else's opinions, thereafter, react and show their own position in the end. While linear active and multi-active people prefer dialogue as communication mode, reactives prefer monologue-pause-reflection-monologue communication mode. They are introverted, distrustful and are experts on nonverbal communication and using body language. Avoiding eye contact is also normal and small talks are challenging for re actives.

Excluding India, the major Asian countries are considered to be reactive.

Behavior	Description	Requirement
Linear active	Follow schedules, like to be organized, and complete one task before they go over to the next one. They are task oriented.	Their requirements are organizing, planning and examine the situation. They follow rules and regulations. Stick to contracts, are rational.
Multi-active	Emotional and spontaneous persons. Family are important, as well as relations to people in general. They are comfortable doing many things at the same time and do not follow any plans or schedules.	Their requirement is to motivate people. Building a good social environment, access emotions and have dialogue as conversation mode.
Reactive	Listening to others, before giving their own opinion is normal. They do not often start a conversation, but on the other side they can initiate action.	Their requirement is being patient and see the whole picture, before they react. Harmonizing, empathizing and acting intuitively are other necessities.

*Table 4. Lewis model (Lewis, 2002)*

## **Trust**

Trust is a phenomenon which is argued that the role of trust makes humans capable of facing

challenges and uncertainties. High level of faith is essential when believing others, that they scrupulous and does their best to assure no harm. The trust can be separated into social and institutional trust (Luhmann, 1979). When two parties join forces in order to do business, both parties become worried about the other party taking advantage of the trust related to sharing information and resources. Trust is present when one party in the business relationship have belief in the other parties' reliability and integrity (Morgan and Hunt, 1994). Bachmann and Inkpen (2011) argues that it is significant with direct interaction between the people being the face of the company, which helps reinforce the trust between the companies (Bachmann and Inkpen, 2011). This helps them build a stronger connection. Increased mutual interaction, knowledge about each other and greater understanding makes it easier to see that if the other party is reliable and recognize situations and moments where trust is identified as safe (Blois, 1999).

There is not a facile answer for how to gain trust, and it is even harder to gain trust of people that has different values, beliefs, perceptions, laws and attitude. Lewis (2006) describes culture by dividing it into high-trust-culture and low-trust-culture.

- **High- trust culture:** In high trust culture, people tend to trust a fellow citizen or national of a country. High trust societies are linear active and believe that their contractual partner will adhere the rules.
- **Low- trust culture:** In low trust cultures, members tend to be multi-active and are distrustful to their fellow citizens or nationals of a country. They take time to develop trust, and are more flexible towards rules and regulations.

In cross-cultural relationships and interactions, the development of trust is impacted by the individuals belonging to either high- or low-trust cultures, as well as their cultural category. Institutions in linear-active cultures are effective, banks and schools are seen as such institutions individuals trust. Contrary, this is the opposite for multi-actives because of lack of faith and bureaucracy in such institutions. They rather trust families and close friends whos show them understanding, empathy and protect their vulnerabilities. In reactive cultures trust is built upon respect, favors and in showing kindness. It is easier to trust people that you know, as the trust is built on referencing to common friends and shared experiences.

### 2.3.5 TROMPENAARS SEVEN DIMENSIONS OF CULTURE

Fons Trompenaars is a researcher who spent many years researching on 46 000 managers in 40 countries. He and Charles Hampden-Turner developed seven dimensions, where their focus was on cultural dimensions alongside management related topics. Their approach for developing the seven dimensions was putting the participants in dilemmas, which appears from universal problems. The dilemmas approach relationships towards time and people (Trompenaars, 1996). The outcome of their study is helpful for researchers and businesspeople to interpret the differences. Trompenaars and Hampden-Turner cultural dimensions are given below:

- **Universalism versus Particularism:** The dimension of universalism and particularism measures the inclination of individuals towards general or specific orientation. Universalism is related to modern values and impersonal rules regulate society and are the faith that concepts and practices can be carried out and implemented without being modified and changed. Particularism is related to traditional values, where the relationships have an influence on the inference of rules, is the faith that the situation dictate how concepts and practices should be carried out. Formal rules have a major role than relationships in highly universalism culture, where people stick to business contracts. Contrary, people rely more on relationships in highly particularism culture. Moreover, rules are not so important in this culture, the contracts can be modified. The closer relationship people get, it results in change and modified deals and formal rules. When a particularist culture is doing business in a universalist country, there are going to be arguments about contracts and deals according to Trompenaars. On the other side, universalistic culture doing business in a particularist country, one should be knowledgeable about personal winding, willing to get to know each other and be comfortable with impersonal small talks (Hodgetts and Luthans, 1999).
- **Achievement vs Ascription:** In an achievement-oriented culture, individuals are given respect and status premised on their performances. In ascription-oriented cultures status is obtained on the basis of who the person is, depending upon gender, age, career and social connections. Trompenaars propose that when a company from achievement-oriented culture have a business relationship in an ascription-oriented culture, it is preferable to have formal positions to make an impact on the other party in the business relation. Conversely, he proposed that when a company from an ascription-oriented culture have a business relationship in an achievement-oriented culture, it is suitable and better to have a well-

knowledge people to reassure the other party that they are competent and qualified, and thus be honored due to their skills and information (Hodgetts and Luthans, 1999).

- Neutral versus Emotional: This dimension pays attention to the significance of emotions in relations and engagements. In a neutral-oriented culture, the emotions are controlled and restrained, while in an emotional-oriented culture the emotions are expressed freely. People from a emotional oriented culture tends to be loud, being enthusiastically welcoming and smiling. When neutral cultures do business in emotional cultures, they should attempt to react emotionally to the other party's affection. On the other hand, when an emotional culture does business in a neutral culture, they should not look at lack of emotions in their business partner as disaffection or lack of interest, but they should be aware of that people from neutral culture avoid showing emotions (Hodgetts and Luthans, 1999).
- Individualism versus Communitarianism: Hofstede also describes this dimension, but Trompenaars derive the dimension as following; Individualism looks at human beings as individuals, while communitarianism relates to people that consider themselves as a part of a group. Trompenaars suggest the following definition for what he believe individualism and communitarianism as, "The conflict between what each of us wants as an individual and the interests of the group we belong to" (Trompenaars, 1996). He further suggests that people from individualistic cultures are connected to concepts from the western world, whereas people from communitarian-oriented culture is connected to countries such as Latin- America, Africa and Japan (Hodgetts and Luthans, 1999).
- Specific versus Diffuse: This dimension is the distinction between work life and private life. People that have large public space, which is easy to enter belong to a specific culture. In addition, they also have a small intimate private space, which is carefully guarded and only shared and entered by close family and friends. These people can be invited into other public places, they are extrovert people, and keep work life and private life apart from each other. On the other side, the scope of public and private space is alike in size, which are carefully guarded by individuals. Since there is missing a clear differentiation between public space and private space, people are not as easily invited to each other's public space. In this culture, people are introverted and indirect. A concept of losing face does also exist in this culture, and work and private life are closely connected. When individuals from diffuse cultures do business in specific culture, Trompenaars explains that it is positive to be



efficient and get straight to the point and avoid use titles that are inappropriate to the topic of the discussion. In contrast, when people from specific cultures do business in diffuse culture, showing respect to their counterparts' title, age and background and get impatient when people are indirect or tortuous in their approach or engagements (Hodgetts and Luthans, 1999).

- Sequential time versus Synchronic time: The concept of time is understood differently in different cultures. The sequential approach towards time is that people prefer doing one task at the time, appointments and agendas are strictly followed. In synchronic approach towards time people are comfortable doing more than only one task at the same time, appointments and agendas are not as strictly followed, and could be easily changed at the moment. People in this culture are very welcoming and greet to everyone, and they would not mind interrupting or stop an important meeting in order to greet with the ones that come into their office (Hodgetts and Luthans, 1999).

## 2.4 CRITICAL REFLECTION ON EXISTING THEORIES

In the proceeding of finding suitable literature and theory about the topic, cultural differences has been challenging. In the thesis, the main attention has therefore been on theories published well know publishers, scholars and researchers. Also, in such theories there are limitations, and in this section, I attempt to reflect on that.

My consideration about the frameworks given above is in the present global business the engagement tends to find place across borders. The theories could be altered into a modern version. Culture is dynamic and could be influenced by new methods of communicating and development of internet. Cultures redesigns alongside changes in an individual's perception and behaviors seen according to global change it could be seen as permanent assumptions. Such an assumption does not change easily since factors as demographics, technology, environment and population can contribute to influence categorizations of cultures.

Furthermore, I have made an attempt to find similarities and dissimilarities in the different theories and frameworks of the cultural dimensions. Comparing Hofstede and Trompenaars dimensions can be challenging, because both examine different cultural dimensions, excluding Trompenaars dimension of individualism and communitarianism and Hofstede's dimension of

individualism and collectivism. The differences in these two dimensions might occur because of the time frames and could be highlighting the fact that culture doesn't stand still or remain the same and that there will occur changes over time.

Hofstede's theory is very fixed and comprehensive on cross-cultural business and communication. The cultural dimensions presented by Hofstede allows to draw parallels amongst national cultures, but I believe that it does not deal with subcultures within a society. I also think that the younger generations attitude could be a critique of Hofstede's framework. The reason behind that is the globalization, the use of internet, and that the youth or the younger generation is coming together to a mutual set of cultural norms. Hofstede's model did not examine subcultures in a country. Moreover, this is a critique argued by experts, as countries are used as substitutes of national cultures.

Lewis model is a great model to use when comprehending individuals doing business as it was born in the era of globalization. Trompenaar's seven dimensions on the other side is extensive. The data bolsters the model, thus very important. At last, Edward Hall's theory is actively used in academic research on cross-cultural business and communication.

Furthermore, cultural bias is also considered as critique. Hofstede argued, among other things that culture "are wholes, and their internal logic cannot be understood in terms used for the personality dynamics of individuals" (Hofstede, 2001, p17). In Hofstede's, Lewis, Trompenaars and Edward Hall's frameworks, culture is looked at as consistent and coherent dimensions. But people perceive and respond differently to situations that occur in society. This means that context is significant, as well as the implementation of these frameworks might lead to stereotyping that is not adequate in getting an insight in cultures (Osland and Bird, 2000 and Nakata, 2003).

In the framework utilized in this thesis, culture is confined to the national border, this assumption is also relevant for many cases. There are numerous countries that have various subcultures that engage and compete with each other, which in return indicates that it is sensible to study subcultures within than national cultures due to conceive a better understanding of a culture.

## 2.5 CULTURE IN BUSINESS RELATIONSHIPS

### 2.5.1 WHEN CULTURE AFFECT THE BUSINESS RELATIONSHIPS

Each and every organization is surrounded by relationships, except if there is an adverse definition for relationships that is made use of (Anderson & Narus, 1991), but the extent of the relationships differ amongst organizations. The fundamental guiding principle would be sustaining the goal interdependence of both parties. It is significant to remark that the decision-making process in a business relationship is made by people on behalf of the organization. It is not the organization itself who actively takes part in the decision-making process, and thus a significant aspect to recognize when businesses enter a relationship. The engagement of the cultures of two individuals has an impact on the business relationship (Blois, 1991).

In this research, I concentrate on culture on individual level to see how different cultures influences business relationships. “Gibson et al. identified a set of moderating conditions operating across three different categories- individual, group, and situational characteristics, that serve to moderate the impact of national culture on individual perceptions, beliefs and behavior. Understanding the extent to which factors are present in any given circumstance thus provides clues as to whether national culture will matter in those circumstances.” On the basis of social identity theory and theories of the self-concept, the national culture will have a huge impact on a person’s beliefs and behavior. Moreover, one might assume that culture matters more to a person who is identified with a specific culture, culture is not a predictor of a person’s values for those who do not. (Turner, 1987; Markus and Kitayama, 1991; Leung Bhagat, Buchan, Erez & Gibson, 2005).

Aside from the individual level, national culture does have a strong impact on group member behaviors in the early phase when the group is starting to take shape (Leung et al, 2005). Apart from individual and group characteristics, there are other characteristics that influences culture moderately by some situations. Such as uncertainty and ambiguity under some conditions. Simply because people tend to act and react in accordance with their cultural description and culture is typically to be the default (Meglino, Ravlin & Adkins,1989; Ravlin, Thomas & Ilsev, 2000). Human engagement implies in business relationships, different cultures will, therefore, play a huge part in those engagements and relationships (Houjeir and Brannan, 2016). In this thesis, it is possible to differentiate the parties of the relationship from their cultural background (Zhu et al.,2006).

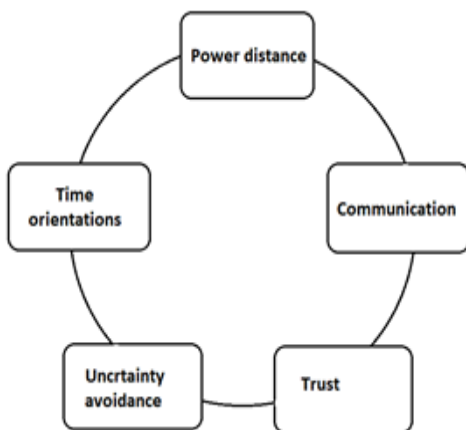
## 2.5.2 CROSS-CULTURAL COMMUNICATION BARRIERS IN BUSINESS RELATIONSHIPS

Discussing cross-cultural communication barriers in business relationships, there are five areas to look into. To conquer these barriers it is significant not to make any interpretations when there is lack of knowledge about the other culture (Barna 1982) (Hofstede 2002).

1. **Language:** In cross-cultural communication, differences in language are the main barriers. The term language is more than just vocabulary and grammar, it also involves cultural competence. Cultural competence consists of insight into how, when, where, what to say and why to say it. There are three practices to avoid language barriers, such as learn the language, ask for clarifications if something is unclear and find someone that speaks the language as an interpreter.
2. **Nonverbal communication:** This is an area for gesture, posture, body language and other ways of communicating without doing it verbally. There are three practices to avoid nonverbal communication barriers, such as not assuming to understand signals or behavior as long as you are unfamiliar with the culture, do not take nonverbal signals as personally, and take care of own nonverbal communication so you do not offend anyone or their culture.
3. **Stereotypes:** we tend to categorize people into patterns on the basis of earlier experiences, whereas we see what we expect and reject interpretations that are unexpected. There are three practices to avoid such barriers. One can increase awareness of own preconceptions and stereotypes of cultures you encounter, try to discover other cultures and implement own stereotypes to fit new experiences.
4. **The tendency:** We make judgments and evaluate behavior from other cultures as good or bad, based on our own culture. There are three ways to avoid evaluating, which are holding the right distance, be aware of that one cannot change culture and do not judge someone from different culture by your own culture without knowing them or their cultures.
5. **High level of stress:** Intercultural contact does consist of some stress. There are three ways to avoid or reduce the level of stress: allow ambiguity of events that takes place in cross-culturally, decrease intercultural barriers and be forgiving of others, giving both parts benefits of doubt.

## 2.6 CONCEPTUAL FRAMEWORK

The conceptual framework presents the researcher's overview of the literature utilized as theories in this research. Miles and Huberman define conceptual framework as “visual or written product, one that explains, either graphically or in narrative form, the main things to be studied- the key factors, concepts, or variables- and the presumed relationships among them” (Miles and Huberman, 1994.p.18). There are five factors in the conceptual framework that are considered due to answer the research questions in this thesis. Moreover, I describe the framework to comprehend the differences between Indian and Norwegian firms. The interview questions were created based on the five factors: power distance, communication, trust, uncertainty and time orientation. The questions were formulated as openly in order to obtain reliable answers from the respondents.



*Figure 4. Conceptual framework.*

- **Powerdistance:**

Hofstede (1991) described power distance as inequality between people, whereas the main issue is culture. Therefore, a different perspective on how a society deals with the differences in social hierarchies, social status and inequality.

- **Communication:**

The language of any host countries are challenging but is a significant element when doing business with other countries. Verbal and nonverbal communication varies from culture to culture.

- **Uncertainty avoidance:**

The view on uncertainty avoidance is crucial in international business management (Shenkar 2001, Hofstede 2001), I therefore find it important to include uncertainty avoidance as an element in the conceptual framework.

- **Trust:**

Is the reliance that the partners in a relationship where they perform their responsibilities and behave as expected.

- **Timeorientation:**

The lead time for each task such as how good time in advance a meeting should be scheduled, book an appointment or the time it takes to prepare a report of any kind. Thus, significant to understand the lead time in order to have successful business relationships across cultures.

## 2.6.1 SELF-REFLECTION ON THE CONCEPTUAL FRAMEWORK

A conceptual framework could be used in order to simplify thinking, structure work and classify issues, and can be seen as the only option to ease the complex topic of culture. The framework allows to figure out the cultural differences, look at its impact on business relationship while being knowledgeable about the limits of this concept.

The main element in this study is national culture, which is exploited to research on national Norwegian and national Indian culture. With India being the seventh largest country in the world, there are many different ethnic groups.

Further thoughts on the choices I have made in this study is a concrete definition of trust. Trust is a word which is difficult to define, *“trust is a term with many meanings”* (Williamson, 1993: 453). Thus, I found the term ambiguous, however, in economical context, Kenneth Arrow (1972) defined trust as “virtually every commercial transaction has within itself an element of trust, certainly any transaction conducted over a period of time. It can be plausibly argued that much of the economic backwardness in the world can be explained by the lack of mutual confidence (p.367).

The conceptualization of trust varies to a large extent, but my conceptualization of the term is described by Zaheer et al., 1998 as “the extent of trust placed in the partner organization by the members of a focal organization” (p. 142).

## CHAPTER 3: METHODOLOGY

Smith and Dainty, (1991) defined research methodology as the strategy or architectural design by which the researcher maps out an approach to problem finding or problem-solving.

In the following chapter, I want to discuss, explain and justify the methodological choices that I have made. Thereafter, provide an explanation of the data collection process and research design. In the end, I will review and discuss credibility, transferability, external validity, generalizability and reliability, as well as my research method.

### 3.1 PHILOSOPHICAL CONSIDERATION

Before looking into any research, some essential philosophical views need to be taken into consideration. Moreover, it is important to clarify what the paradigm instructs and guides the researchers' approach. Guba (1990) classifies the paradigms, and the most common paradigms are positivism, postpositivism, critical theory and constructivism. Scholars tend to apply the positivist approach the most, and this approach pays attention towards the scientific researchers to concentrate on observable facts (Flick, 2015).

Knowledge built by the application of positivist approach is both context-independent and time-free (Guba and Lincoln, 1994). I, therefore, believe that the application of this approach is inconvenient when studying intercultural business relationships. However, the context-independent and time-free are essential because of three reasons; Firstly, there is a holistic and overall nature towards business relationships. Secondly, business relationships are formed over time. Thirdly, the reality can not be an objective, simply because all the parties in a business relationship have made up their own views. It is essential to comprehend subjective views and interpret it as a researcher. That is the reason why I have chosen interpretivism to evolve this

research, and according to Savin- Baden and Major (2013), the knowledge is located in the individuals mind and makes construction upon experiences of their own. The proceeding of building knowledge, is an operative process and knowledge is created, in this thesis it, therefore, becomes significant to comprehend how individuals meanings are built. Moreover, interpretive research should concentrate on experiences are interpreted and perceived by individuals (Smircich, 1983), and qualitative research methods are often used in such researches.

## 3.2 RESEARCH STRATEGY AND DESIGN

Research strategy is perceived as being the total path of the research, and also consist of procedure in which the research is performed (Howell, 2013). The research design is a framework utilized for the collection of data and the analysis (Bryman, 2011). The main purpose with this research is to increase the understanding of cultural variations in business relationships. Cross-cultural business relationships have been reviewed, but the role of cultural variations have not been reviewed as much. The research designs tend to be flexible in qualitative research, as well as it should be a reflexive process in all of the stages in the project (Hammersley & Atkinson, 1995, p.24).

### 3.2.1 QUALITATIVE RESEARCH

Qualitative research concentrates on people's experiences and the individual's stressing uniqueness (Parahoo, 1997). The data collections in such researches is open, and the objective is to make an understandable illustration with the help of the case. Thus, the questions are more open, as well as the participants are asked fewer questions. They are expected and asked to answer based on their instincts (Flick, 2015). The benefit of using qualitative research method is that the relevant information can be given in its context, moreover, the constructed analyses can be more specific and detailed (Flick, 2015). The inconvenience of using this research method is that it can be generalized in a limited manner and it is a time-consuming process. The design decision might be modified as a reaction to changes due to aspects of the design.

According to Holloway and Wheeler (2002) the qualitative research method is used to examine behavior, perspectives, feelings and experiences, and comprehend these elements. This research approach makes it possible to study the phenomenon of conflict and other inherent factors.



Moreover, it makes it easier to perceive how the respondents understand or interpret cultural variations as a underlying factor in their business relationship. The interviewing process can preserve the necessity of being sensitive, because the outcome from the interviews may be consistent with a third-parties interest (Shields & Rangarajan, 2013).

Qualitative research has a relatively subjective and personal orientation (Savin-Baden and major, 2013). Different interpretations from the same interview can be done by different researchers. This means that people have different point of view and perceive things differently, it does not mean that this is a weakness to this research method. The number of respondents is limited in qualitative research compared to many respondents in quantitative research. In most cases, qualitative research is utilized in exploratory designs. This research is inherently subjective, and judgment such as what to study, where to study and the selection of respondents links my research in a particular manner, as well as my values are apparent in the way the questionnaires are done and in how the results are perceived and further interpreted.

### 3.3 RESEARCH PHENOMENA

Some researchers in qualitative research do research individual perceptions and others research culture of groups or members of a society. Universities, schools, college and government are large organizations that some researchers focus on, some rather focus on marriage, divorce and typical family-related cases, while some focus on artefact (an object given shape by humans), process and structures. In this qualitative research, the individuals are chosen as a unit to study that also contains individual employees of companies. The data is collected straight from the individuals through in-depth interviews over email. Savin-Baden and Major (2013) describe individual phenomena, where the data does not show are in aggregate and the outcome does not display emotions of a group, but rather illustrates the similarities amongst the individuals, how they think and what they believe. Flick (2015) meant that research should be performed on the ideal of objectivity, thus, it should be self- reliant of the researcher's perspective and values.

### 3.4 RESEARCH SAMPLE

The approach used to choose cross-cultural sample groups is crucial, which shows the validity of qualitative research. In this rapport the sample is selected by the recommendation of my supervisor about the established Norwegian companies in India. The population sample

contains 9 respondents with different backgrounds and different sectors. The informants belong to sectors such as banking, legal and insurance, IT and oil and gas. All of them have various educational fundamentals and they all have different positions within the companies. The number of interviews were restrained due to difficulty in discovering and finding informants working for Indian and Norwegian companies and willing to be interviewed. I did not have the chance to travel down to India, so I had to contact all the informants on email. In the last couple of years, there have been many scandal cases in India, especially when it comes to money laundering and corruption. In 2016, the Indian government disclosed a demonetization of almost all banknotes, and new banknotes were issued instead. The measure was implemented in order to prevent black money and terror funding. The demonetization, money laundering and corruption may have caused tension and uncertainty due to sharing information with “outsiders”, as Indian businesses seems to be very careful with sharing facts and somehow prevent them from giving away facts that might be relevant for a research study like this one.

The respondents are in different positions, has various years of experience, varied educational background. There is one common factor which is that the respondents somehow have relations to Norwegian-Indian business culture. Both, men and women were interviewed, there was neither gender nor nationality inequalities or discrimination. They are Norwegian and Indian by origin. Values, behaviors, attitude and perceptions tend to change over time I believe. A person with Norwegian nationality or a person with Indian nationality can act like an Indian or Norwegian after couple of years. One starts to inherent the new culture and environment. For that reason, I choose to characterize the respondents of the interviews according to mindset, instead of their country of origin or nationality. An overview is illustrated in the table below.

Category	Data code	Number of informants
Norwegian mindset	NMS	3
Indian mindset	IMS1	3
International mindset	IMS2	3

Table 5- Categorization of informants

- **Norwegian mindset:** Respondents characterized in this category are living or working in India, but behave and have a mentality like a Norwegian individual. They have Norwegian values and perceptions and have not implemented the Indian culture.
- **Indian mindset:** Respondents characterized in this category are living and working in India, and they behave and have a mentality like an Indian individual. They have the Indian values and perceptions shapes by the Indian culture.
- **International mindset:** Respondents characterized in this category have a diverse mentality and are open to implement practices from both Norwegian and Indian culture. The respondents in this category have an international perspective which broadens this research.

International mindset category may seem less relevant than the two others, it is still a very interesting category. All the interviews were very interesting as there are various mindsets.

### 3.5 DATA COLLECTION METHOD

There are different methods of collecting data. The two main categories are primary data and secondary data (Douglas, 2015). The method for this data collections relies on primary data.

#### 3.5.1 PRIMARY DATA

“Interchange in which one person... attempts to elicit information or expressions of opinion or belief from another person or persons.” (Maccoby and Maccoby, 1954, p.449).

In qualitative research, interviews are commonly used as a method for the collection of data. Interviews require time and effort, as the questions need to be relevant. The term depends upon an interactive method, where learning takes place amongst the involved ones. An interview process is also a way to fill the knowledge gap, especially if challenging behaviors are being looked into. (Minichiello, Aroni, Timewell, and Alexander, 1995)

Structured, semi-structured, unstructured and informal are primary types of qualitative interviews. The semi-structured type is utilized in this thesis. The questions are designed in a manner so their response and reactions of the respondents can be captured as best as possible.

The reason why semi-structured interviews are the best option, in this case, is that the technique is useful and helpful to conduct at an individual level. Instead of just answering a set of questions in an interview guide, it gives the respondents a possibility to appear like a knowledge producer (Brinkman, 2013). Furthermore, I believe that talking and listening is the only solution that yields the desired data. It also allows to ask follow-up questions if necessary (Longhurst, 2016). The questions in the interview were “open-ended” and made the respondents able to incorporate their aspects on the topic. Some of the questions were general, while others were more specific and extensive. The semi-structured interviews were easier to use due to the time limitations and to keep a focused engagement with the respondents. In-depth interviewing can be defined as “conversation with a purpose” (Webb and Webb, 1932: 130). An in-depth interview will come out as naturalistic, it is somehow similar to an everyday conversation.

There are disadvantages and advantages with interviewing. One of the disadvantages with semi-structured interviews is that even though the questions are open-ended they are more or less “set”, which means that the respondents do not have the opportunity to present their perspectives and perceptions. Thus, the respondents might be averse of sharing information with the interviewers. Another challenge can be the language, as one can be unfamiliar with languages. Questions that evoke long narratives from respondents are therefore not asked (Marshall & Rossman, 2014). Yin 2009 thinks that information provided by the respondents is information that researchers want to hear, so the quality of the questions and reliance on the respondent’s answers are significant and vital.

Some of the respondents might be reluctant and unpleasant to share information. They might also be unprepared on the topic the interviewer wants to investigate. The interviewers are hesitant to ask questions which provokes narratives from the participants, there can be lack in the interviewer’s expertise or missing the skills required. There is also a possibility that the respondent misinterprets the question asked by the interviewer (Marshall & Rossmann, 2014). Respondents do not always have great reasons to answer the questions truthfully (Douglas 1985).

### *3.5.1.1 Developing interview guide*

The interview template (appendix 1) used for this research is predicated upon the literature review and on the conceptual framework to answer the research questions in the best manner possible. To begin with there were many questions, but the number of questions decreased, which was healthy considering the time limitations and it also caused that only the important

questions were left to answer. To explain further, I have decided to look at initial questions, in-depth questions and follow questions:

- Initial questions:** These kinds of questions were asked in order to acquire fundamental information to construct a base for later probing questions. Also, it makes it easier for the respondents to answer more comfortably as they do not give away precious information.

Type of questions	Purpose	Example
Descriptive	Such questions are preliminary and general	About yourself and your educational and working background
Narrative	Prompt respondents to open up and tell stories	Tell about an incident at work
Structural	Discover the fundamental processes	About main business partners

*Table 6 Initial questions*

- In-depth questions:** After the previous part of asking initial questions, this step is about the main questions that gives the researcher answer to their research questions. Where one is seeking answers where the respondents share their relevant experiences and life events inside the business.

Type of questions	Purpose

Contrast questions	Make the respondents to pay attention to dramatic situations
Evaluative questions	Enable judgment
Comparative questions	Make the respondents speak about their own experience

*Table 7. In-depth questions*

- **Follow up- questions:** In the interview template, follow- up questions were also included. This gives the participants opportunities and inspires them to elaborate and confirm what they have already said or add something new which they find important. The following questions help the interviewer to assure that they have understood the information the respondents wanted to convey, it also gives them the chance to share their aspects and opinions.

### *3.5.1.2 interviewing process*

Fieldwork can be described as “primary research that transpires in the field that is, outside the controlled settings of the library or laboratory” (Hobbs and Wright, 2006). Moreover, it is a research practice of interacting with others, due to outline cultural practices. These practices take many forms and are driven in a large number of settings by social scientists. The desire and purpose are to attain an understanding of the social worlds inhabited by others which is ascribed to their actions and experience. Fieldwork necessitates insight into the lives of others. It occurs frequently on unfamiliar ground and unforeseeable contingencies that portray any human connection. Such research is different from other kinds of research, since the collection of data in a field setting varies from research to design and analysis. (Hobbs and Wright, 2006).

Collection of data found place in the period of February and March 2020. The data collection took two months altogether, some delayance did occur due to COVID19. Email and social

media were the only solutions for collecting data in this research. Major and Savin-Baden (2010) came with a framework for the process and makes it easier for researchers to engage in synthesis. Their suggestions were in mind, even though the interviews were conducted over social media.

### *3.5.1.3 Language in qualitative research interviews*

Language is not only communication, it is a medium for creating social interactions. International data collection such as qualitative research interviews is frequent in research, especially involving foreign language (Welch and Piekkari, 2006). Neopositivist, romantic and localist is three ways to approach qualitative research interviews, which are explained below.

Neopositivist is a view that breeds the interview as a mission of disclosing something, whereas the intention of the interview is to concentrate the exact information the respondents and the interviewer need to conduct the interview in an unbiased way. In this view, objectivity, reliability, repeatability and validity are significant measurement on the interview and its quality. Language is used as a transformation instrument to convey a message from the respondents to the interviewer. The challenging part for the interviewer is to phrase the questions, and prevent the questions to be misinterpreted by the respondents. (Welch and Piekkari, 2006; Janssens, Lambert & Steyaert, 2004; Alvesson, 2003; Silverman, 2001; Fontana and Freg, 2000; Holstein and Gubrium, 1995).

Romantic is a view believes that declines the neopositivist view, as well as the researcher should be neutral when interviewing. The interviewers should interact with the counterpart on a personal level, and should appear as social interaction. This can result in a calm, comfortable and credible atmosphere, thus have more honest answers from the respondents. So, the challenge in this view is to create a friendly tone with the interviewee. The reason is simple, better interaction result in better responses and outcomes. Language is an instrument between both parts, finding the accurate language for genuine responses becomes crucial. The native language is argued to be the best choice by researchers. (Welch and Piekkari, 2006; Rubbin and Rubbin, 1995; Douglas, 1985).

Localist is a view that has the same stance on social and interactional nature of an interview as the romantic view. The findings, answers and data obtained from the interviews is inter-rational

and on contextually grounded by both parts in exact time and place. Language is a construction and does not disclose or reflect reality. The essential parts from the interview which is a part of the analysis is the form instead of the content. (Kvale, 1996; Mishler, 1991; Alvesson, 2003; Silverman, 2001; Welch and Piekkari, 2006)

### 3.5.2 SECONDARY DATA

In this thesis, secondary data is used to get an expanded comprehension of the topic. This data can be both qualitative and quantitative. Qualitative data can be found in newspapers, interviews, diaries and transcripts. Whereas the quantitative data can be found in financial statements, statistics and surveys. The advantage of using secondary data is that it is easily accessible, it is less time consuming and expensive to gather the information required. The data is collected from sources that deals indirectly with the research problems of a thesis or paper, but it gives useful and precious insight (yin, 2014). There are disadvantages working with secondary data. One of the drawbacks is that the secondary data collected might not fit the research problem. It is therefore important to be critical and careful when using such data. Moreover, it is important to determine the knowledge the one already has, what to study, study material, the topic thoroughly and other information which is relevant further on (Ghauri & Grønhaug, 2010; Zikmund, Babin, Carr, & Griffin, 2013).

The literature is collected from various articles that are published online (insert websites) which leads to all the major journals. In addition, rapports from innovation Norway and Norwegian Indian chamber of commerce (NICC) to increase the understanding of India, and its relations with Norway.

Unfortunately, traveling to India was not suitable, but I interviewed Indians with experience in both Norway and India. The aim was to obtain essential knowledge about the culture and business is conducted in India. Some of the answers from these interviews will be utilized in the analysis, and gives a fundamental understanding.



### 3.6 ETHICS IN QUALITATIVE RESEARCH

Ethics is connected to social norms and philosophy, and is about how people ought to act, the term comprises so much, there is therefore not an agreement amongst philosophers to respond to questions that involve ethics. Issues related to ethics exist in a research. It can also result in tension amongst the intent of the research to make generalization for good of others, and the respondents right to uphold their privacy. The idea behind ethics is to prevent harm, which can be done by applying appropriate principles. Ethical problems that occur in qualitative research is various from problems that occur in quantitative research. In qualitative research, the researcher tends to concentrate on exploring, examining, identify people and their environments. Moreover, the participants wish to be a part of a research study rely upon their willingness to share information and experiences.

The quality of social interactions amongst the interviewer and interviewee may facilitate or prohibit approach towards information. Ramos (1989), outlined 3 ethical issues that might have an impact on qualitative research. The first issue is the relationship between the researcher and participant. The second issue is the researchers subjective understanding of the data. The third issue is the design itself. Streubert and Carpenter (1999) meant that such research was challenging to foresee how the data is supposed to be collected or observed. Thus, the researcher is obliged to predict the outcomes of an interview process and then consider the benefits and harms. The exact ethical dilemmas caused by interviews are challenging to anticipate, but it is beneficial for the researcher to act appropriately, be aware of sensitive issues, as well as potential conflicts of interest.

Ethics in general and in qualitative research is and extensive subject, but there are some principles which are essential for the ethical choices made. The principles are informed consent, privacy and confidentiality and anonymity.

- **Informed consent:** This principle is based on the researcher being obliged to notify the respondents about the nature of the data collection and the aim of the research. The aim of this principle is to guarantee the respondents that the situation they are situated in is optional in terms, and it is optional if they want to participate or not. In other words, the respondents have the right to be aware of what they are being researched for, thus it is important to have their consent. For this research, all of respondents were informed and explained about the research before asking them for an interview.

- **Privacy:** This principle is all upon the respondents, they decide if they want to provide information, and whom they provide it to. The researchers can not pass on the information to others. The researcher, Zikmund (2003) discuss that researchers tends to assume that respondents make informed choices. It is not always that the respondents know about their rights, hence it is advised to inform the respondents about their rights beforehand. All the respondents participating in this research were informed about their rights about taking breaks whenever wanted in the interview, even though the respondents in this research were highly educated.
- **Confidentiality and anonymity:** This principle is about concern data, that includes records, notes, transcripts and agreements about how to secure the privacy of the participants. Thus, the first principle, informed consent is significant to make clear what is admissible and possible to do with the data. Both the terms, confidentiality and anonymity are connected, so the names of the participants are not enclosed to the data. That is why the respondents are identified by using codes instead of names.

## 3.7 TRUSTWORTHINESS

### 3.7.1 CREDIBILITY

A combination of believability and trustworthiness of the data which has been gathered and the data analysis period is what credibility can be defined as. Credibility is significant in qualitative research, because the researchers become able to illustrate the actuality of the respondents by using a specific explanation of the discussion. Many empiricists argue that there is not only one unique outcome or reality to be observed, as every single individual design their own personal reality (Smith& Ragan, 2005). The following strategies helps enhance credibility:

- 1) **Rich data:** Long term engagement and in-depth interviews allows the researcher to gather “rich” data. Which is very detailed and diverse data that gives a big and enlightening picture of a situation (Becker, 1970). Data related to interview studies are necessitated a verbatim transcript of the process (Maxwell, 2005). Thus, I consider this way of gathering “rich” data as a good method to increase credibility.

- 2) Triangulation of data: observation, interview and document analysis are among various methods to gather information from individuals (Maxwell, 2005). That way it is possible to look at different perspectives on the same topic and gain a better understanding of the phenomena. In return, this strategy gives a superior judgment of the generality of developed interpretation. It also decreases the threat of chance associations and of systematic biases caused by the usage of one method. Moreover, it is the most vital method to bolster the confidence and the trustworthiness of qualitative research findings. Data was gathered through in-depth interviews, by answering interview questions and documenting analysis. The intention with “more” open-ended questions is to make the participants more comfortable, to be honest about their thoughts of the phenomenon. Member checking and document analysis are other methods that were utilized. Which allows the usage of multiple referents to draw a conclusion. Triangulation of the data strengthens the credibility in this thesis.

### 3.7.2 TRANSFERABILITY

Transferability concerns the degree to the output of qualitative research can be generalized or transferred on to other contextual frameworks. In qualitative research, transferability can be improved by doing a careful and comprehensive job of explaining the research context and premises or assumptions that were taken due to the research. When transferring such data or results from one research to a different context, one is self in charge of the transfer and to judge whether the data is sensible and legit (Bryman, 2016).

### 3.7.3 EXTERNAL VALIDITY AND GENERALIZABILITY

In qualitative studies, validity and generalizability are both challenging and critical subjects. As an effect, it shows that it is possible to generalize the outcome of the study beyond the research substance. A valid research makes the results applicable for others (Bryman, 2008; Boeije, 2010). Patton (1999) claims that the data are context and case dependent, whereas the aim is to perceive the significance of the case instead of generalizing the data from the sample to a population. He further meant that researchers should be thoughtful about not to overgeneralize the data and use limitations. In this research, I highlight the significance of culture on business relationships.

## 3.8 NARRATIVE ANALYSIS

The narrative analysis process qualitative data, this analysis has aroused great interest among social scientists (Holter 1996). It is an ongoing process that takes place in the lifecycle of the project (Boeji, 2010). The narrative analysis concentrates on what's, typically a story, told in the interview and thereafter figure out structure and plots. The interviewer may frame a coherent narrative from other incidents or experiences from the interview if it is impossible to find a story. In a linguistic framework of the analysis, the narrative can be broken into attached components to emphasize the structure of analysis by the researcher (Kvale & Brinkmann, 2009). The outcome from the results are analyzed predicated on the earlier presented conceptual framework.

### 3.8.1 DESCRIPTION

In the analysis phase of the research, the primary mission is to explain the obtained material through the interviews. Thereafter, questions and answers from the interviewees. The essential personal information of the interviewee was reported.

### 3.8.2 CATEGORIZATION

Categorization focus on concentrating the information obtained. In qualitative research, the scope of the analysis is allocated by the researchers, whereas a data reduction plan is essential (Guest and Macqueen, 2008). Irrelevant information in the answers from the interviews was set apart with an effort to make an appropriate format of data to further conduct the analysis. Most importantly, a categorization tends to sharpen, sorts, focuses, discards and organizes data in a manner the concluding outcome is verifiable (Miles and Huberman, 1994).

Studying the interview, the main attention was paid on the conceptual framework, consisting of some of the dimensions mentioned in the literature review, such as power distance, uncertainty avoidance, communication, time orientation and trust. The transcripts were remarked with a label to get an overview over the categories they belong to. Alongside, there is relevance to give each category of data less significant, significant and more significant premised on the extent they can be utilized in the analysis part. Once all the data is categorized and labeled, the next step is to start working on the analysis.

### 3.8.3 COMBINING

After the categorization, the next step is interpretation. The statement from various interviewees that presented similar element of the conceptual framework will be combined. All the interviewees are different, such as mindsets, nationalities, backgrounds and most importantly perceptions, thus the dilemmas and questions are interpreted differently.

## 3.9 REFLECTION ON MY METHODOLOGICAL CHOICES

To reflect on own research is one significant practice for qualitative research (Alvesson 2003). Despite the fact that critical reflections of the methodological choices while explaining them. So, it is essential to discuss the issues that have not been looked into yet in a separate part.

Even though I can relate to both Norwegian and Indian culture, I have tried not to have biased assumptions while conducting the fieldwork. Since I have spent my whole life in Norway, there is a possibility that I have generalized or categorized about the alleged Norwegian behavior instead of explaining the individual behavior. By most historical accounts, ‘stereotype’ relates to associations that comes to mind when thinking about a particular social group (Lippmann, 1922).

Lincoln and Guba (1985) (Doyle, 2007), explains the term “member checks” as a participants validation involving validating data interpretation with the participants, and it assesses the trustworthiness of the qualitative results. While reflecting on my methodological choices, I recognized that there might be a general lack of member checks. A problem observed by Abrams is that the respondent validation is possible if the outcome from the analysis are consistent with the self- image of the participants. In this research, all of the participants were sent the transcripts of the interview individually. However, the Indian participants did not give any feedback, neither did they provide any extra information which could be used in this research. The Norwegian participants on the other side gave short feedbacks.

There is not a definite answer to qualitative research or interviews since it can be precepted in various ways. Moreover, everything relies upon the researcher, and his/her interpretation of the research project (Brinkman, 2013).

## CHAPTER 4, EMPIRICAL FINDINGS

This chapter will enlighten the empirical findings of the interviews and connect the findings from the interviews with the literature represented in chapter two. This chapter is structured with reflecting on the three main research questions of this thesis, which will be seen in consideration of the empirical findings as well as in relation to the theoretical framework. *Identifying the perceptual role of cultural distance in Norwegian- Indian business relation conflict*, is the main research problem, and in chapter 3 the research problem was described in light of the method utilized for collecting and analyzing the data. The research problem and the research questions will be dealt in conjunction with Hofstede's (1991) and Lewis (1996) suggestions. The results on cultural distances between Norway and India will be provided in this chapter, and the focus will be on power distance, uncertainty avoidance, communication, time orientation and trust, from the findings from the interviews. The demographics of the respondents will be represented first, and the representation thereafter.

### 4.1 DEMOGRAPHICS OF THE RESPONDENTS

Earlier in this thesis, it is mentioned that this study is qualitative research. The data is collected by doing interviews with people who somehow are engaged in Norwegian and Indian business relationship. 9 interviews have been conducted in total. These respondents come from industries such as engineering, business, banking and insurance. All of the companies participating in trade and investments varies in their activities, size and services increase the trustworthiness and credibility of this research. Some of the respondents have lived in both Norway and India, while others have never been to Norway, but they are regularly in touch with Norwegians. The respondents vary in their occupation, means there are managers and normal employees in their organization. Moreover, I believe that the diverse demographic enhances the credibility in this thesis.

## Demographics of the respondents

Code	Position	Degree	Years of experience	Mindset
R1C1	Telecom engineer	Master IT	2	Norwegian
R2C2	Senior Flow Assurance Engineer	Master Engineering	5	Norwegian
R3C3	Managing director	Master mechanical engineering	15	Indian
R4C4	Sr Manager – High Value Products	Master Risk management	12	Indian
R5C5	Sr Manager - HR	Master in management	12	Indian
R6C6	Business development manager	MBA	3	International
R7C7	Junior analyst	Master engineering	4	International
R8C8	Senior analyst	Master engineering	8	International
R9C9	Project manager	Bachelor Project management	7	Norwegian

Table 8. Demographics of the informants

## 4.2 PRESENTATION OF RESULTS

In the conceptual framework given in this thesis, there were five major elements, the results will be represented considering these five elements described in the literature review. A sequential order will be used, where the results of the interviews of the first to the last respondent.

### **Power distance**

One of the most recurring reasons that the respondents stated regarding presence of higher hierarchy in India. The first respondent, R1C1 stated that there were social inequalities in India, people that are poor, work hard, but are not always able to get the education they want. These differences in social inequalities are challenging to do something with as the distinction is huge. Somehow the unavailability of education for some people is an outcome of a hierarchical society that makes it hard for companies to find the right employees in the right positions.

*“I have been in situations where a subordinate has been completely overruled by his/her superior. In India it is expected that if you are at a higher level in the organization you are also the one who know best.” (R3C3)*

*“In India, inequality in power distribution is the reason why the side with better authority to construct the contract according to their own preferences.” (R8C8)*

*“The unequal power division is a constraint in a business relation between two parties as it makes is challenging to do business with Indian partners. Even the customer service becomes poor if they don't have any power. They think they rule everything because they have the power.” (R9C9)*

The management style and hierarchical structure is also perceived as different in India and Norway, and these differences was considered to cause problems for the relationship. The following statements were made:

*“In Norway there is no hierarchy, but hierarchy does exist in India. In Norway, you can freely ask questions without hesitating. Neither do you need to be worried about being judged, and it is fine to ask several times if a task is challenging to understand. In the meanwhile, that is not a normal practice in Indian companies, because people will be judging you as an incompetent employee. Thoughts and point of view are held back, because people are afraid of what others*



*will think or how it will be interpreted. In Norway, feelings are expressed openly, the boss will listen to you and most of the employees are consulted when a decision is made. In India, one will never express feeling and will not oppose their boss either.” (R2C2)*

*“The management style in Norway is decentralized. In India, there are high hierarchical structure and the power is very centralized. The relation with the government, bureaucracy, regulations, rules and its complexity, makes it challenging for Norwegians to connect with their Indian business partners due to things are dissimilar in Norway where the lines of communication are short and fluent.” (R4C4)*

*“The hierarchical structure in India is high and also consists of complex bureaucracy. Things said are taken in personal manner and workers are fearful of challenging management. This is completely opposite in Norway. The management is easily challenged when the employees are not satisfied with the decision making.” (R6C6)*

*“it is almost impossible to have a discussion or an argument with our boss in India. In Norway the employees are secured and are not afraid of letting know if there is a disagreement or a problem with the decision.” (R5C5)*

All of the informants noticed and perceived differences in hierarchical structures in Norway and India. The responses showed that it exists high power distance in India, the power is centralized, superiors value themselves as more important than subordinates and are supposed to obey what is told without any interruptions. The power distance is low in Norway and the hierarchical structure is flat, the power is decentralized, and everyone has the right to say something in a decision-making process. Attitude towards internal and external interactions and distinction in power distance strongly narrate as the main sources for disagreements and conflicts, as well as prevent deals and perceived as a hinder when entering a business relation with Indians.

### **Uncertainty avoidance**

The statements in differences in uncertainty avoidance indicate that there is a clear distinction in tolerance of adherence and implementation of practices between Indians and Norwegians. The respondents mentioned that there are dissimilarities in uncertainty avoidance between Norway and India. The statements made by the respondents have been very complex to understand and interpret while looking at Hofstede’s index for uncertainty avoidance for both

of the countries. The statements and the indexes may appear to be contradictions. Even though India has medium-low preference for avoiding uncertainty, they are very detailed when it comes to contracts in order to prevent uncertainty from others. Meanwhile, Norway were more flexible with the contracts than the Indians. The statements given below highlights it better:

*“Indians uses detailed contracts for pretty much everything. Contracts are less used in Norway, moreover because people trust each other. This is beneficial for Norwegian companies, as it is less time consuming and it is cost saving.” (R1C1)*

*“The negotiation part when it comes to contracts is challenging in India, because everything is more or less determined in advance. The specification of a contract can very rarely be changed.” (R2C2)*

*“Standardized contracts are usually utilized with India, everything is very detailed, they would tell you to add more details to be on the safe side.” (R5C5)*

*“Verbal agreements are equally important as written agreements in Norway, but in India, they have to cross check everything in the contract before an agreement is established. The contracts become so long and detailed, every specification about product, material, brand, etc. is written. The quality of a product or a performance might be different or not adhering according to the details.” (R8C8)*

*“Indians are willing to take risks when it comes to research, technology, innovation and development, but when it comes to contracts, they are very complex. They always try to put the risk on to the other party, so in case an unexpected problem occurs, it becomes easy for them to disclaim responsibility. Since there is a higher trust level in Norway, fewer things are written down, things are rather discussed orally. This makes the contracts in Norway clear and transactional. It is important that all the formalities with the contract is fulfilled before the work starts.” (R7C7)*

*“The contracts are complex, but yet not challenging to understand, they are usually prescriptive. Since the contracts are detailed, it is essential to be observant while reading it, if not you will face trouble due to being aware of all details and prevent misinterpretation.” (R6C6)*

*“The interpretation of a contract is done differently in India and Norway. Indians will hardly agree to negotiate, while Norwegians are more flexible towards negotiating. Contracts in India*

*are very detailed, and they have the expectation that the product/project is delivered according to the details in the contract. They use penalties if something is slightly different or if there are any delays. There is rarely any room for flexibility.” (R9C9)*

Other findings from the study disclose that the power distance and hierarchical structure in India is considered to allow the exercise of discretionary power in interpretation of contracts by the party with the highest power, in the attempt to prevent uncertainty. Sometimes the actual product or project varies from what was written in the contract or what was decided. Some of the respondents stated as following:

*“Indians expect others to stick to the contract, but they not always do the same, which disputes the accuracy of the contract.” (R4C4)*

*“The high power distance affects the portrayal of the contract in India. The contracts are very specified, so the interpretation of the contract is done upon interest. The ones with the most power will do their very best to make the contract in their own favor.” (R6C6)*

*“The willingness to negotiate on the contract in India depends on their relationship with the opposite part. There are room for changes if the relationship is good and if it is an important business partner. Sometimes Indians agree, promise to deliver, and sign a contract, but they later find out that they won't be able to deliver on time. In Norway, the contracts are short and precise, and they are more flexible towards negotiating. Once an agreement is made, they will stick to it and do their very best to fulfill the agreement.” (R2C2)*

*“In the worst case, the party with higher power can demand to change the contract/ agreement, and the other party don't have any other options then to agree with the new changes, if not they will struggle to get new contracts with them again. Power is used in order to negotiate, this makes companies hesitant to do business India.” (R7C7)*

*“Inequality in power distribution in India, makes the party with most power shape the contract in their own favor.” (R3C3)*

The statements above give the suggestion that India as a lower uncertainty culture than Norway, were considered disable to follow contracts than Indians, as well as they are highly impacted by power distance.

The respondents disclosed that the differences mentioned, in compliance and understanding of contracts, resulted in disagreements between the Indian and Norwegian business partner. The following statements indicate that:

*“To have easy access to a lawyer is very important in India, as the legislation there is complex and challenging to interpret.” (R6C6)*

*“Contract disputes is rarely a problem in Norway, while in India there are either lawyers or other highly educated employees that reads through the contract to make sure that everything is understood right, misconception often result in bad reputation and conflicts.” (R8C8)*

*“Having well educated staff to see the risk and how to deal with it. You need someone that understands the scope of the contract, this prevents misunderstandings and disagreements due to the contract.” (R3C3)*

*“Uncertainties are the reason why lawyers and highly educated staff is essential in India. Doing business India is challenging due to excessive bureaucracy or adherence to official rules and formalities. So the department which deals with legal advice will cross check the contracts to hinder problems.” (R4C4)*

### **Communication**

Some of the respondents mention the communication is clear, but misunderstandings might occur anyways. Indians for instance have an indirect communication style, whereas Norwegians tend to be more direct in their communication style. Due to this difference among other things caused misinterpretations and emerge unnecessary conflicts. The Indians indirect communication style was challenging to interpret for the Norwegians, as well as perceive the Indians intention of their communication, nor the true meaning of their message, which means it is easy to just read between lines and interpret what one wants to interpret and this results in conflicts. The statements given below illustrates the differences in communication pattern even better.

*“Sometimes it is difficult to rely on the feedbacks from the Indians, as they act in the opposite manner of what they really want. For instance, if an Indian shows interest in a product, they hesitate to show that interest openly or give an honest feedback about it.” (R1C1)*

*“Norwegians are very straight forward when they say something, they are very direct. Indians are very careful, they are confident, but will often come with statements that are morally right in order to avoid saying something inaccurate” (R6C6)*

*“Indians are perceived as being very talkative, but they would rarely talk about themselves and their feelings. When they talk, the content is very superficial. In serious business conversations, they would easily say “lets see or we will have a look”. They would not promise anything, but they would not say no either.” (R2C2)*

*“The engagement between Indians and Norwegians is affected by the Indians indirectness and politeness, as the things said is perceived differently”. (R7C7)*

*“Indians will always make all of their potential business partners welcome and will give the impression of very warm greetings. It might give the impression on them ready to start a partnership, but that is not always the case.” (R8C8)*

The language in itself is not a problem as English is both first and second language in India, and Norwegians speak English fairly well. However, there is still room for misinterpretations due to cultural distinction and different ways of perceiving a message. Thus, the language barrier was not a problem. One of the respondents said the following:

*“Most of the people working in big companies are able to communicate in English”.*

### **Time orientation**

The respondents said there was distinctions in time orientation between Norwegians and Indians. The differences which are worth mentioning according to the respondents are that Indians are flexible towards time, while Norwegians are rigid towards time. The respondents offered the coming comments:

*“Indians have their own timings, for small meetings they are always a couple of minutes late. For big and important meetings, they are more prepared and accurate. Norwegians find it bad mannered to be late.” (R1C1)*

*“In Norway everyone is always precise, never late. A meeting will start on time, even though someone is missing. In India, the ones in higher position are usually later for their meetings.”* (R2C2)

*“Norwegians have a set time of working hours, they will for instance start work at 8 am and finish at 4 pm. They would rarely work after these 8 hours. Indians are used to work longer in order to finish their work. Even business meetings can continue for many hours.”* (R3C3)

*“In India, the meeting starts, but never ends. Indians are very talkative and often forget the timing. Norwegians are more concise, and strict towards time.”* (R7C7)

*“Indian would rather be a little late to business meetings and social events, while Norwegians prefer to be prepared and show up a little early”.* (R9C9)

This distinction in time results in conflicts, as the ones being punctual towards time gets disappointed when they unnecessarily must wait. The punctual party that must wait for the others, are already disappointed, which can impact their attitude throughout the business meeting, thus a higher potential for misunderstandings, and again rises the risk of conflicts and wrong perception of the objectivity.

*“Time is perceived different by Norwegians, and they expect meetings to start on time, Indians do not realize their frustration”.* (R8C8)

Furthermore, the respondents also stated that Indians tend to be a little late with deliveries, in fulfilling contracts, which rises higher costs and causes other challenges for the Norwegians and their other business partners. This can be seen in the following remarks:

*“The outcome from a project may seem like to be more important to Indians than delivering on time. They are hardworking and desire for the best results.”* (R7C7)

*“Delay means loss of income/profit to the company. And a company sees it negatively. That is why it is easier to work overtime in Norway and get paid for it if a deadline is fast approaching. The same goes in India where one is supposed to work overtime to finish the task within the deadline but does not get paid for it (this one is a cultural difference).”* (R5C5)

*“As far as acceptance of delays are concerned, a delay occurred due to a genuine problem was accepted, with only a consequence of extending the submission date for that particular project,*

*in Norway. However in India, the same employee will be directed with more stress (in some extreme cases termination) and some additional consequences such as working overtime - without additional salary". (R4C4)*

*"Sometimes priorities are changed based on the significance of the meeting or appointment. It is hard to cope with doing business in India. Even though cultural awareness helps understanding their concepts of time, it is still very frustrating for the Norwegians to deal with them". (R6C6)*

*"Giving a very definite deadline to someone in India can be seen as rude, as Indians dislike to be told what to do or relate to deadlines". (R7C7)*

*"Delayed shipments are common in India, and will most likely exceed their scheduled delivery date. The real expectations are not met. This gives consequences that leads to financial loss" (R8C8)*

*"India somehow have the reputation of being late with their deliveries. They would rarely deliver on time and would either do their chores very last minute or ask/ apply for extended time to complete ad fulfill the work. It is therefore challenging to do business with Indian based companies." (R9C9)*

These statements disclose the challenges due to delayed shipments and unfulfilled deadlines, which is an essential argument why western businesses are careful and in doubt when tying a business relationship with Indian companies. They also hesitate when outsourcing to India, due to their delays. Indians tend to accuse on the intermediary in the supply chain for the delay.

High-power distance culture in India was also pointed out by some of the respondents. Business activities such as signing contracts, building a business and other significant activities can oftentimes and repeatedly be delayed. This leads to financial loss, as well as it rises more conflicts between the business partners. The statements given below emphasizes this:

*"The bigger the Indian company is, the more power they have. They are professional in their work and delivers quality, but their timings are not good at all. Norwegian companies are completely opposite in this aspect". (R3C3)*

*"Letting someone in a higher position wait in Indian business culture is not acceptable at all, the opposite scenario is totally fine. Letting someone in a lower position wait is acceptable in*

*India. The penalties are way stricter in India compared to Norway. For instance if a problem occurs to project, or something is out of place, it is difficult to figure out where the problem is and to be aware of that. Deadlines are hard and rarely meet. In Norway, these things are handled differently. The answers are very clear, the deadlines are held, and Norwegian companies will have a detailed, structured plan about the project in advance.” (R6C6)*

*“The hierarchical structure within Indian companies, the partiality because of the power distribution and intricacy of things. The timing that Indians in India relate to is very poor. To mention something, the timing of contracts and laws. Things does take time, Indians would not speed up their process in order to give good first impression or show that things happen immediately, it gives impression of a long-term relationship rather than a short-term relationship.” (R7C7)*

*“Decision making is time consuming since it is a very thoughtful process. In Norway the decision making takes shorter time. Indians also use a lot time on negotiating, and are very good at it as well, in Norway negotiating is not very normal. Norwegians are not used to very time consuming business activities, thus they get impatient when their Indian business partners does.” (R2C2)*

## **Trust**

Differences in the level of trust between the Norwegians and Indians are also identified from the findings. Some of the statements given by the respondents indicated that Indians hardly trust their business partners, while Norwegians easily trust their business partners. On the other hand, Norwegians are more trustworthy and are easy to rely on, while Indians are not reliable. The contrast in reliability and distinction in the level of trust is perceived to lead to conflicts in the relationship amongst both business partners. These differences are given below through statements by the respondents.

*“Indians would only trust their nearest friends and family, so trust becomes a huge challenge. Lack of trust leads to bureaucracy, and in the worst cases the lack of trust also leads to corruption and bribery. it is very normal in India to bribe to get things done. Since people are reluctant to wait for a signature, they would bribe with something to get it done faster.” (R3C3)*

*“For Indians to trust an outsider is very difficult, and they would hardly trust anyone unless they prove themselves. They will also do a thorough investigation before establishing a*



*relationship on both business level, but also on personal level. Indians look for a certain comfort level when it comes to trust, and before they decide to enter a relationship.” (R4C4)*

*“Norwegians are more easy going on this aspect than Indians. Indians expect the other part to prove themselves in order be trusted. It is easier for Indians to do business with friends, family or people they know. The process of building trust is time consuming and thus challenging. Norwegians are more to the point and wants to start right away. They do not prefer to use time on building trust, and believe that trust can be built on being persistent and reliable.” (R1C1)*

*“Norwegians can be trusted, but also easily trust others. Their trust and expectations are high in the starting and thereafter slowly goes down. Whilst the Indians operates in the opposite way, they slowly builds their trust with their partners. Since indians take much time building trust, the Norwegians start losing their trust towards the indians, which again turns into difficulties in the relationship.” (R2C2)*

*“For the indians, it is important that Norwegians prove excellence in their performance, so it is possible for them to trust their business partner. Trust and good faith involved in the manner in which business was conducted.” (R6C6)*

*“Since Norway is a smaller country than India, it is easier to build trust in Norway.” (R7C7)*

According to the respondents the relationship between Indians and Norwegians were impacted by Indians trust issues and that they do not occur as reliable. This was considered as a factor that rises conflicts and lead to a weaker relation.

*“There is lack of mutual trust between Indians and Norwegians. Sometimes, Indians easily change agreements on their own without asking about the opinion from their partners. Thus, lawyers are important.” (R6C6)*

*“Even when Indian companies hire their staff, one firstly prefer people that are known to others within the company, they work as a reference and would know how hardworking they are. Indian companies are also careful when hiring people because they are not comfortable with handing out confidential information about the company to complete strangers. ” (R3C3)*

*“It is challenging to trust and rely on Indian companies as they would say something and do something else. Suppliers keep promising to deliver products or services they are unable to*

*deliver. Something they deliver something else then what you asked for. Finding a trustworthy supplier is very challenging for companies.” (R8C8)*

Some of the statements given over are consistent with circumstances where reliability is a problem that is the reason behind the conflicts that occur in the relationship. One of the respondents described a situation where an Indian company was asked to make and ship a product in 6 weeks. The company said that it would not be a problem, and that everything could be done in 5 weeks. The Indians gave the Norwegian company their word and promised the shipment to be on time according to the contract. It took them 8 weeks to deliver the products, without having any good reasoning behind the delay. In this case, the Norwegian party already made their payment in advance, they did not receive any information during the process of producing the product. The Indian company exceeding the deadline with two weeks is not that bad, as some companies exceed even more. Delays like these cause additional costs and loss of reputation. The relationship between them did not get dissolved but was on the very edge to get dissolved. This is an example that demonstrates that Indians are unreliable, act unprofessionally when it comes to giving updates on status quo, hard to trust and thus rises conflicts and misunderstandings with their business partners.

One of the respondents also stated that Indians find Norwegians trustworthy and reliable. Although Indians have a hard time trusting others, their reliability towards Norwegian companies have boosted their trust. Accordingly, Indians do not have as major trust issues with Norwegians as they would have with companies in other countries. Contrary, Norwegians find it hard to trust Indians as they are untrustworthy and unreliable, which can cause interruption of negotiations and rise contradictions.

*“Indians are at ease when they do business with Norwegians, they are pleasant and comfortable, but that is not the case the other way around”. (R3C3)*

These are the results from the interviews that were conducted. The statements indicate the cultural differences considered to cause challenges and misunderstanding in Norwegian-Indian business relationships.

## CHAPTER 5. DISCUSSION

The purpose of this research is to study the cultural differences between Indian and Norwegian business relationships, whereas this chapter discusses the results that were presented in chapter 4. This chapter is premised on aspects addressed as five categories as a framework consisting of the following major subjects: power distance, uncertainty avoidance, communication, trust and time orientation. The five categories were employed to formulate the interview question. By using the outcome from my findings and the theory from chapter 2, I seek to answer my research problem with the help of my research questions. As this thesis revolves around the perceptual role of cultural distance in Norwegian and Indian business relationships, I want to analyze the divergence in that area and the impact of conflicts in Norwegian-Indian business relationships.

### 5.1 POWER DISTANCE

The outcome from the response in the interviews, point out that there are differences in power distance between the two countries. Moreover, it underlines and proves Hofstede's (1984, 2001) outcome shown in chapter 3.6.2. Furthermore, Hofstede characterizes Norway as a country with a low power distance index. In countries with low power distance equality and democracy are highly appreciated and valued. Norwegian society does not accept partiality in the behavior, and opinions are openly expressed. Whereas India is quite the opposite in this aspect, they score very high on the power distance compared to Norway. That means there are high hierarchical structures and power is centralized. In Norway, there are flat and leveled hierarchical structures with equal rights, decentralized power system, superior accessibility, independence, forthright communication and consensus-oriented decision making where everyone is included. This description of Norwegian companies proves the literature that explains that Norway is a low power distance culture, as well as India being a high-power distance culture (Hofstede, 1984, 2001, 2010).

In Norway, bosses are easily accessible for the staff, the boss is also in the center of business-related discussions. In the interview process, it came forward that families from the upper class in India tended to come from well-educated families, that confirms Lewis (2002) study of India being free from racial intolerance, even though coming from well-educated and wealthy

families is significant. The societies are formed to be a class society and is easy to understand from the composition of government bodies.

Further, the results disclose that the distinctions in power distance between Norway and India, can be the amount of conflicts in their relationship. Conflicts are claimed to occur as a consequence of power distance amongst business partners (Vaaland, 2004). Indian companies draft their contracts in their favor, on the expenses of the company with the lowest power. Agreements are easily changed at any time, without taking the consequences into account for the parties involved. This will in return lead to losses, delays, dissatisfaction and misunderstandings in communication. As a result, the differences in power distance amongst businesses can diminish the strength of the business relationship and can also increase the chance for conflicts. All of these classifications are coherent with the literature about power distance being a factor for enhancing conflicts between the business parties (Vaaland, 2004; Halinen & Tähtinen, 2002; Barkema & Vermeulen, 1997)).

Dimension	Norway	India
Power distance	31	77

*Table 9. Power distance index*

## 5.2 UNCERTAINTY AVOIDANCE

Uncertainty avoidance deals with tolerance toward ambiguity. Comprehending these kinds of differences is essential when trading internationally. According to the literature uncertainty avoidance varies a lot from country to country. High uncertainty avoidance societies show the need for rules and legal systems to avoid uncertainties, while weak uncertainty avoidance societies show tolerance for uncertainties and there is little need for rules (Hofstede, 1991, 2001). The results from the interviews show that there is a distinction between Indians and Norwegians. The Norwegians are considered as more adjustable, with less attention towards a very specific legal contract. Meanwhile, India is more patient, and has more tolerance for unexpected events to occur, and rules are taken place to be circumvented. The outcome proves the earlier study that India has a medium-low preference for avoiding uncertainty, whilst Norway is a medium uncertainty avoidance society (Hofstede, 2015).

Moreover, differences in uncertainty avoidance can create conflicts between business partners (Vaaland, 2004; Halinen & Tähtinen, 2002; Barkema & Vermeulen, 1997). The output further reveals that these conflicts cause disputes, as well as raises the risk of more disagreements in their relationship. It is clear that there exists uncertainty avoidance and power distance between Indians and Norwegians. That eventually can enhance and raise the level of conflicts, and thus weaken the business relation between them. The outcome from the interviews are coherent with the literature that says that cultural distance due to uncertainty avoidance and power distance, can rise conflicts between the business partners (Vaaland, 2004).

Dimension	Norway	India
Uncertainty avoidance	50	40

*Table 10. Uncertainty avoidance index*

### 5.3 COMMUNICATION

When two persons from different businesses across cultures interact in a business relationship, the communication becomes very significant. Communication can be seen as a demanding process, where one can easily misinterpret the message conveyed from the opposite party. Moreover, I try to discuss the communication founded on theories, as given below:

#### **Low context- high context cultures**

In low context cultures people tend to use very direct language, Norway is considered as one of them. While India is the opposite, they would rather use indirect and imprecise language. According to Hall's theory distinction in language will affect the business relationship between Norway and India, this is also something which is underlined in the interviews. As the language is a bit unclear in India, it is challenging to understand how things work in India compared to Norway, mentioned by one of the interviewees. Indians rarely respond negatively, one of the respondents said that Indians more preferably would respond to a request with something like "we will try", which occurs as a "yes" to their business partners in Europe. The communication between low context cultures and high context cultures can be complex and challenging, as their interpretation relies upon their own cultural norms (Ahlstrom and Bruton, 2010).

One of the respondents said that Indians are hesitant to express their meanings and are careful when expressing their own opinions, as they avoid being in disagreement with their business partners or superiors. This might be a threat to their jobs or that their message is interpreted in a wrong manner. The interviews further reveal that Norway is contrary, as they are more direct in their way of communication.

### **Language**

One of the interviewees reveal that most of the Indians who lives in the big cities, have an education and have a job where they are able to communicate in english, as english is one of the official languages alongside hindi. Contracts and negotiations are easily understood as everything is written in english. Both countries benefit from having a common language they can use when communicating, because it gives the partners the potential of improving their relationship, but also be successful in the relationship. It is still significant to have mutual respect for different cultures have various methods and ways to express themselves.

## **5.4 TRUST**

As many researchers have discovered, trust is highly significant in trading and while doing business internationally (Granovetter, 1985; Macauley, 1963). Trust stays alive in a business relationship when one party is confident in the other parties reliability and integrity, trust is the key to a successful partnership (Morgan & Hunt, 1994).

In countries where the trust is low, including India, it is typical that family and friends have a huge impact, as well as they are a huge part of an individual's free time. The findings reveals that trust in India is build over a period of time, and it takes time to trust unknown people. In Norway, which is a high trust culture is abundance as family and state do not have as much influence on an individual's free time. Indians often tend to promise that they can deliver things that they are unable to deliver. In the previous chapter, one of the respondents made an example on Indians not delivering their products on time, when they said to their Norwegian business partner that they were able to do so. After being in business relationships for a while, Indians do feel that Norwegians are reliable, because they more or less show that they are trustworthy. According to one of the respondents, that is not the case other way around, Norwegians do not feel as pleasant doing business with Indians, and the reason behind that could be the credibility of the partner, as well as to what extent the partners are concerned about each others welfare

and driven to develop a business relationship (Linskold, 1978). The reason why Norwegians struggle to trust Indians can be the betrayal they have experienced in the relation.

The outcome indicates that the absence of mutual trust between Norwegian and Indian business relationships can result in challenges for the parties. Lack in trust can cause bureaucracy, moreover it rises trust issues. One of the interviewees mention that the extent of the bureaucracy might cause corruption and bribery at the workplace. Firm does face challenges while hiring the right staff as trust issues can play in.

## 5.5 TIME ORIENTATION

As mentioned in chapter 2, there are many scholars that meant that time is perceived differently in different cultures (Gesteland, 2012. Lewis, 2010. Hall, 1991). Businesses around the globe framed according to their own conception of time, and when the conception of time varies in different organizations, there is chance of confusion. Looking at time orientation and compare the Indian mindset with Norwegian mindset is very interesting, as the both countries have totally different conception of time. Orientation towards time is not as important for Indians as it is for Norwegians. Norwegians are very strict towards time, while Indians use time as a guideline, but they do not always stick to deadlines anyways. One of the respondents also mentioned that things does take time in India and are easily done if one has contacts around. This occurs as a challenge in the interviews. Due to this challenge one will encounter problems such as delays, rearrangements, difficulties in planning something concrete and deadlines are not held the way they should. This can also be seen in context to theories about timing:

### **Monochronic vs polychronic culture**

The outcome from the interviews expose that Norwegians are considered as monochronic culture, they value schedules and are unbending when it comes to time, plans and meetings. Contrary, Indians are considered as polychronic culture, who are flexible towards time. The Norwegians tend to be punctual to meetings, and Indians are often a bit late. These results match Hall's (1993) findings that people from monochronic cultures prefer to do one task at the time, comply to plans, and start and finish meeting for instance to scheduled time (Ghauri and Usunier, 1996). This emphasizes what one of the respondents described about Indians having a start time for their meetings, but since Indians are very talkative, they usually do not finish their meeting on time. People from polychronic cultures tend to like to numerous things at the same

time and will easily change set schedules without any hesitation. The researchers Ghauri and Usunier (1996) described that polychronic time might be perceived as chaotic and hectic to monochronic people. Furthermore, they stated that polychronic people are more attached and devoted towards people over schedules, this is also something which one of the respondents meant as Indian have different priorities than Norwegians, as Indians value personal relationships over plans and schedules. The differences amongst monochronic time and polychronic time is significant when doing international business because it can emerge issues. India are oriented towards polychronic time system and find flexible management of time, which might create difficulties for Norwegians business partners, and makes it challenging for them to distribute their time.

### **Linear active vs multi active**

People that are linear active would rather do one thing at the time and would also follow their schedules strictly in an effort to be more effective (Lewis, 2010). The outcome from the interviews verifies that Norwegians and also others linear active people only like to pay full attention to that one task that is in the planned agenda. Contrary, multi active people do not follow schedules, and are not punctual either, they rather believe that actuality and reality is way more essential than having an agenda. They are comfortable doing numerous activities at the time, which result in them feeling more satisfied. When linear active people work together with people from multi active culture, it can result in moments of annoyance between the parties. The best solution to handle a situation like this is to adjust to the other parts habit. Indians are often very rich when it comes to time, which could be interpreted for them to like to concentrate on the process rather than the products and makes them lose the view on the objective (Lewis, 2006). From the interviews it is clear that Norwegians like to be prepared for their meetings before hand, which is an attribute of the linear active culture. Punctuality is significant for Norwegians, they would very rarely deviate from their schedules caused by personal relationships.

Some of the respondents mentioned something about differences in time in India versus time in Norway has been challenging and hard to adapt to. In India business meetings and other business-related agendas are loosely structured compared to Norway, thus the understanding of how to distribute time for a business meeting or other business events or activities are challenging. Challenges due to time make it hard to allocate resources, cost money and hinder the supply chain. In the worst-case regarding differentiation in time orientations, one of the



consequences could be due to delays of projects or deals, which can incur fines or they might lose their customers. Since Indians have a habit of being late, Norway might be the counterpart that suffers from this consequence. Orientations such as present, past and future might be attracted by people in different cultures, as some to live in the present. Some people want to forget the past, others live in a nostalgic past and while others believe that they should define the future. Orientation towards time varies a lot in different organizations, and it may cause confusion and issues (Trompenaars and Hampden- Turner, 2011).

For a business relationship to be successful across borders and cultures, learning about different attitudes towards time orientation becomes essential. Different cultures can have different lead time for various tasks, such as preparing business reports, how many days I advance to book a meeting or an appointment. Short lead time can indicate and give impression of less of a important business, while the opposite indicates value and importance of the business, in US plans are time honored. Planning the end date of a project is also an example (Hall & Hall, 1990). Countries that have monochronic culture, time is more valued, as well as the message has more weight than countries with polychronic culture. Norway as a monochronic culture believe that keeping someone waiting in a business relationship expresses a deliberate a put down or can be perceived as signals of disorganization. India as a polychronic culture, messages like that are not intended. In other words, messages or signals related to time should not be interpreted in own ways, it should rather be read or seen in a manner of the other culture and should be treated by the reality of the circumstances. Monochronic cultures have definitely more tensed conversations, unless they comprehend and decode the signals behind one another interpretation of time (hall & hall, 1990).

## CHAPTER 6. LIMITATION AND FURTHER RESEARCH

While carrying out this research, I faced some limitations. First and foremost, the number of interviewees is limited. It is challenging to get in touch with businesspeople across borders as the time frame has been restricted, due to their busy schedules, difficult to approach and difficult times due to COVID19. This is however an issue common for cross cultural studies.

This research involves development of the function of cultural distinctions as well as examine its role on cultural business relationships. This research is premised upon interview, there was no hypothesis, or a probability sample given in advance to this qualitative research in order to obtain, generalize the results or findings. The responses from the interviewees might be impacted by their personalities, their workplace attitude or attributes from the industry they work for. Differences in gender is not considered even though there were male and female respondents. However, these differences could be moderating effect and is a potential for further studies.

The reason why the subject for this research was chosen is simply because it was considered as the one and only examination of the function of cultural distinction between Norwegian and Indian business relationships. In the areas where the cultural distinctions are visible, the role of cultural distinctions is more apparent, which is the reasoning behind conducting this research without dominant local cultures. The attention of this study of cultural differences between Norway and India. Theories utilized to compare Norwegian and Indian business relation with culture as an underlying factor tends to presumption that cultures can be classified by identify differences, although these differences somehow neglect the specific communication strategies that the cultures apply. Not all countries have homogenous culture and united cultures, thus the inferences of national culture rely upon subgroup studies.

The respondents who participated for this study, all had higher education in fields of engineering and business administration. Their educational fields and familiarity to the topic of this study can have influences on their point of view in their responses throughout the interviews.

## CHAPTER 7. IMPLICATIONS

There are implications in the results for doing business across cultures, these implications can lead to challenges in terms of conflicts between Norwegian-Indian business relationships. The findings have following implications for Norwegian businesses in India:

The key to have an efficient relationship, it is essential to identify the role of national culture and have incentives to learn about Indian culture and adjustment according to that. Comprehending culture helps getting a better understanding of why people often think, act, and communicate the way they do. It is however very easy to classify or stereotype various cultures, which should be prevented as that could limit the sensitivity and knowledge towards other cultures.

Ethnocentricity occurs when people of a group or culture considers that their group or culture is superior to others. Ethnocentricity can be a danger in international businesses, as it is easy to go wrong due to being unknowledgeable about the host country's culture. Mutual respect is therefore essential between business partners in a business relationship and the existence of ethnocentrism should not be existing in an international business relationship.

An insight into the economic and social situations and difficulties is crucial, which is something that can be seen or is incorporated in people's attitudes or their way to interact. In India, the economy is doing well overall, but they have faced challenges in the past by high inflation rate, high unemployment, poorness and thus lack of trust at macro level. All these factors can cause instability and uncertainty towards the future. Even though Indians tends to be a patient country with tolerance for unexpected incidents to occur, it can lead to conservative attitudes towards uncertainty and risk in some areas.

Developing a network of relationships with Indian partners is the most significant factor to succeed in India. It limits the jeopardy, strengthen trust between the parties and creates a trustworthy business relationship.

Although India speak English extremely well, it is anyways a great idea to have a linguistic to understand cultural and ethical attitude of the other party to make a meaningful and understandable interpretation. This will prevent conflicts regarding misunderstandings and misinterpretations.

The findings could also be suitable of general interest to other Scandinavian and North European countries. The general empirical contribution of this research amplifies awareness to understanding of international relationships of Norwegian firms. The theoretical contribution on the other hand, is that the paper describes the value of bringing theories of cultural distinction and apply it in international businesses and create a debate upon the role of cultural differences in international business relationships.

For further studies to be conducted to recognize if the cultural differences to be examined in this research employ to other cultures. Hopefully, my research will stimulate others, both researchers and students to concentrate more on cultural issues in business relationships and establish an interpretive study on this subject.

## CHAPTER 8. CONCLUSION

The subject for this study was to investigate the role of cultural distances in Norwegian-Indian business relationship and in addition answer to the following research questions:

- What are the main cultural differences between Norway and India?
  - What are the cultural differences that Norwegian companies encounter with their Indian partners?
  - What challenges do cultural differences pose to Norwegian companies in India?

The aim of this chapter is to sum up all the results, findings and outcomes that have been obtained founded upon literature and interviews based on five research topics: power distance, uncertainty avoidance, communication, trust and time orientation. I believe that comprehending major cultural attributes of Norway and India and the distinctions amongst Norwegian and Indian cultures, organizations can be cognizant of some factors to look at for a healthy business relationship.

This study is a qualitative approach and an explorative study. 9 semi- structured interviews were conducted in order to collect data. These semi-structured interviews were done with Indian, Norwegian and peoples with international mindsets. Nearly all of the respondents were employees with some kind of responsibilities with the background from engineering and business administration. Oil and gas, IT and Bank are the industries where the respondents work. Some of the respondents only have experience from working in India, while others have work experience from both India and Norway. Secondary data was also utilized regarding Norwegian and Indian cultures and business relationship from famous and well-known academic journals.

This research has provided insight about Norwegian and Indian business cultures and the role of cultural distinctions in business relationship. The main findings in this thesis are represented and given below.

- The hierarchical structure and power distance are the very first finding concerning the role of cultural distinctions in Norwegian and Indian business relationship. The Norwegian society and Norwegian companies have a very flat structure in general. Moreover, they are not very hierarchical, and the relationship amongst superiors and subordinates are egalitarian. In Norwegian companies, the heads are democratic and the

ones who shares responsibilities, which means that the employees are independent when it comes to the responsibilities they have, and maybe less frightened to make mistakes as there is room for trails and fails. In the Indian society there are huge distances between superiors and subordinates as the distance in power is classified as higher. The head of an Indian company is the one who delegates tasks and is more so like an authoritarian person with power. Power is however focused in the upper part to the employees with higher status. Even though an Indian boss will appear as undemocratic to Norwegians, it is totally fine for Indians.

- Communication is very significant when it comes to sustaining a business relationship, but the cultural distinctions can result in difficulties in communication amongst business partners. Various native languages such as in Norwegian and Indian business culture, it might be useful with an interpreter or a person who is familiar with both business cultures. This can prevent misunderstandings due to language and communication. To conquer these cross-culture barriers, it recommended to broaden the range of our perception when communicating, to suspend our interpretations and to ask enlightenment if something seems to be unclear or do not understand what is communicated (Hofstede et. Al 2002).
- Trust has various meanings in different cultures. In Norway trust is all about mutual respect, and not about respecting someone because of personal relationships, friendships or their position and status. Trust is an issue between Norwegian-Indian business relationship. Lack of trust makes it challenging for Norwegian companies to do business in India.
- Another finding is the distinction when it comes to time orientation. Agenda and schedules are strictly followed in Norway, and in India agendas, planning and schedules are less crucial. Slack in schedules, flexible plans and changes are quite common in India, and perceived as distressing for Norwegians. Misunderstanding due to time happens often in international businesses relationships and has drawn much attention. The misconceptions in India are mainly due to punctuality when it comes to schedules and appointments.

- The interpretation of contracts is another finding which is important and worth mentioning. The rules in a contract is perceived differently, because of differences in uncertainty avoidance index. Even though the contracts in India are very detailed compared to Norway, there is also more room for changes to occur. Moreover, in Norway, all regulations and rules are equally implemented no matter status, personal relationship, or positions. In India personal relationships are highly valued, and rules can easily be changed depending on the relationship between the partners. Thus, Norwegian businesses find the need to improve their personal views of their relationships with their Indian business partners. High power distance and uncertainty avoidance gives the outcome of rigid bureaucracy and social classes and differences in the Indian society.

Some of the respondents for this research were Norwegians who has lived in India for a short period, others had stayed for a longer time, some of them were Indians who have lived in India for most of their life and thereafter moved to Norway because of better work opportunities, they therefore have a an international oriented mindset because of the time spent abroad. Despite the company being Norwegian in India, the company is dominated by the Indian environment. An assumption is that people who decides to stay in India for a longer time can make adaptations for Norwegian business people, moreover people who cannot adapt to the Indian culture will most likely return back to their work in Norway as that is what they are used to and familiar with.

To summarize, this thesis discloses that even though cultural distinctions and different aspects due to business practices exists and personal relations. India and Norway have succeeded to maintain an efficient and a long term business relationship that have lasted them over decades.

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# APPENDIX 1

## TEMPLTE INTERVEIW

Date:

Name:

Company name:

Name of position:

Experience:

Introduction:

Nowadays, many companies want to become international, Norway included. To do that, one needs to understand cross cultural business relationships. Cultures can be complicated, and probably has made many companies to withdraw from the relation/ contract. So, it is crucial to have an understanding for business cultures and relations. The business relationships need to be classified, however, it is quite difficult.

1. What do you consider as main cultural difference between India and Norway? looking at these differences, keeping them in mind, what do you see as main challenges?
2. What are the main challenges that you face in Norway compared to India? What are the main challenges that you face working with business partners and how are your relations with them? (who are they, from which country if any)
3. Can the role or importance of a contract be interpreted variously amongst other business partners/ locations? Are the details less or more specified? are there flexibility around the details and routines in the contract or are they strictly followed? How are the tasks carried out?
4. How do you find it to communicate with Norwegians/ department in Norway? how do you like to communicate? (digital platforms, face to face, language).
5. Do you use legal advice to solve problems that might occur, to what extent? Do you or your Indian partner tend to use legal advice more? have you been to court because of a business relation problem?
6. Do find any trust issues with your co-workers? How is the trust and understanding built between you?
7. Do you face challenges when it comes to being flexible with timing (being late for a meeting, deadlines for work for instance). Are delays accepted? (feel free to write about an incidence if occurred, and what the consequences were, in Norway and India)
8. What have you learned about Norwegian business culture/ work ethics. What do you do different now versus when you just came to Norway

9. Anything which should be emphasized when studying this topic?

10. Any questions that I should have included? (or anything you would like to add)