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TITLE:

**Exploring the role of cultural differences in Norwegian-Brazilian business relationships**

| AUTHOR(S) | | SUPERVISOR: |
|---|---|---|
| **Shima Souraki** | | **Terje Ingebrigt Våland** |
| Candidate number: | Name: | |
| **4116** | **Shima Souraki** | |

**Abstract**

In order to be successful in an international market, it is important to build and maintain a good business relationship. One of the key challenges of international business relationships is the cultural differences that exist around the world.

This thesis is aimed to explore the role of cultural differences in Norwegian-Brazilian business relationships.

The research method is a qualitative, exploratory study and data collection took place in Rio de Janeiro and Stavanger, over a period of one month. Semi-structured interviews were conducted with ten informants to find out the role of cultural on the Norwegian-Brazilian business relationships. The data analysis was through an interpretive method. The results of the interviews and analysis show that the elements of power distance, uncertainty avoidance, communication, orientation to time and trust may cause challenges for Norwegian business in Brazil. The challenges can be listed as misinterpretation, frustrations, financial loss and etc.

**Acknowledgment**

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# 1. Introduction

> *"I arrived in Berlin, tape recorder in hand. But there was that one problem. I couldn't speak the language ... While I cannot claim that this came as a surprise, I hadn't fully anticipated the ways in which this would impact upon the research. Perhaps that was lucky, for had I known in advance what awaited me, I probably wouldn't have persevered. And then I might have missed out on one of the most critical experiences of my life." (Andrews 1995, p. 78)*

In this chapter I present the research background of this thesis and how I construct the research problem. I start with a short literature review about the background of this study, and then the research objective, questions, the scope and the structure of the study is presented.

## 1.1 Research Background

In 1960, Hall introduced "*culture as the silent language in overseas business",* since then scholars have been involved in the study of culture for decades. Lee (1966) and Hall (1970) were among the pioneer scholars who studied culture in businesses (Yaprak, 2015). However, studies extensively about culture in international business started in 1980s after Hofstede's (1980, 1983) work in identifying and understanding the dimensions of natural culture. Schwartz and Bislky (1990) expanded their culture study and include the concept of human values, Inglehart and Baker (2000) based their culture study in anthropology and sociology.

In the context of globalization, the national culture is becoming more and more important. Understanding culture can equip individuals for the challenges of international businesses. Though, realizing the importance of cultural differences help managers understand their international partners and help them improve their managerial skills. (Dabić, Tipurić & Podrug 2015)

One of the key challenges of international businesses is the cultural differences that exist around the world. Scholars in the field of international business recognize culture as an important element which need additional understanding (Lenartowicz and Roth, 1999). Cultural differences exist in a wide range such as how big or small is an individual's privacy distance, or how close or far people stand, hesitancy to talk directly and say no to requests, how flexible a country's legal system is etc. When a firm is operating in a single country and has business relationships with the partners in its own country then it has to deal with just one culture (although in some countries there are different belief, attitudes, languages and generally different cultures). But when a company decides to expand to other countries, cultural differences should be taken into account and the company should commit itself to look for growth opportunities beyond the borders. (Sousa & Bradley, 2006) and cultural understanding is very important because all the business activities are related to people. They can be customers, entrepreneurs, managers or employees of big or small firms. When these people from different countries get together to do business, they bring different backgrounds and ideas and beliefs, expectation and also different ways of communication, commonly defines as culture.

Many scholars have done different studies about the firms' entry to international markets. The general idea of the studies is that firms should be prepared for different challenges that are caused by the foreign national culture, differences such as language, social norms, consumer preferences (Pornpitakan,1999; Lu and Beamish, 2001; Albaum and Tse, 2001; Soausa and Bradley, 2005). Cultural distance is a concept that is used in the literature concerning the challenges of entering into a foreign market (Grosse and Trevino, 1996; Eriksson, Majkgard and Sharma, 2000). Cultural distance is one of the distances between business partners that together with physical distance, economic distance and educational distance play an important role in the business relationships.

When businesses negotiate in an international environment and do business internationally, knowledge of the culture and skills in cross cultural communication is very important. They need to negotiate, write and sign many agreements such as sales contracts, partnerships, licensing agreements, etc. Their negotiations are not only about legal and business areas, the quality of human and social interactions is also important. (Ghauri & Usunier, 1996)
CAGE framework which was introduced by Ghemawat, measures how companies and countries match according to four dimensions of distance, such as cultural distance, administrative and political distance, geographical 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 distance adds complexity to business relationships in many ways. Because individuals need to learn with their business partners who have different values and belief system and act differently from them. While examining the role of culture on the business relationships, most studies say that the cultural distance between the home country and the host country have negative affect on their relationships. However, Tihanyi, Griffith and Russell (2005) argue that there is no evidence of negative relationships. In their research, they found that high cultural distance may stimulate innovation and creativity.

One can conclude that globalization demands business people to understand other culture and their differences in order to not being blinded by ethnocentricity. (Wild and Wild and Han, 2003). Dunning (1993) insists on the role of culture as a central element of international business research and says that "firms are best able to identify and reconcile cultural differences, or even exploit them to their gain, are likely to acquire noticeable competitive advantage in the marketplace." His view encourages researchers to study on explain business relationships between and across cultures. This study is a limited to business to business context, therefore the term business relationships is referred to industrial and business to business relationships and should not be confused with business o consumer relationships.

## 1.2 Norwegian Businesses in Brazil

When Brazil opened up its economy to the international companies in the 80s, the country experienced a vast increase in foreign investment. During that time, a few Norwegian companies entered the Brazilian market, but the bigger number of Norwegian companies which are now operating in Brazil have entered the Brazilian market during the last decade. According to statistics in 2006, there were about 60 Norwegian companies in Brazil, and today the number is around 100. The Norwegian-Brazilian context has been chosen for this study because of different factors. Norway and Brazil have been business partners for more than 170 years. Brazil is Norway's third largest export market after EU and the US and Norway was the seventh largest foreign investor in Brazil in 2010.

Brazil is now considered the world's most attractive area for offshore oil exploration, and Norwegian companies in the oil & gas and maritime sectors have been flocking to Brazil in the last few years. The Norwegian Ministry of Foreign Affairs also encourages the business relationships between Norway and Brazil by supporting, smoothing dialogue, and promoting collaboration between organizations in the two countries.

"The government wants to increase awareness of the importance of Brazil in Norway and to understand in which specific areas Norway could contribute and be a valuable partner to Brazil.

We want to take a fresh look at our relations and to take them a step further." (Norwegian Ministry of Foreign Affair, 2011) Therefore it is important to investigate the business relationships.

In spite of many opportunities presented in Brazil market, doing business in Brazil can bring many challenges for Norwegians. Research shows that businesses try to gain knowledge on institutional and legal systems of the host countries, but it goes without saying that understanding of cultural differences between Brazil and Norway could be essential.

## 1.3 Research Objective

As Remenyi et al. (1998) pointed out in their book, the starting point of all research studies is to focus on the fact that the ultimate goal of it is to add something valuable to the body of knowledge. In the era of globalization, people who are involved in international businesses are demanded to have a minimum of cultural literacy. Cultural literacy is defined by Wild et al. (2003) as "detailed knowledge about a culture that enables a person to function effectively within it". It can improve the managerial ability, communication and negotiation and business relationships. When a firm moves from its domestic market to international market, it is faced with different business arenas. The country it expands to might be different in consumer behavior, language legal system, technology, education and political system, business culture and many other aspects. (De Wit, 2017) Culture has a broad impact on organizations and businesses, it can affect different areas of management of a firm such as hiring, evaluation of performance, promotion, negotiations with people who may not think the same as him or her, and its relationships with other firms. Typically, every time there is an interaction between people from different countries, one encounters differences in culture (Daniels, Radebaugh & Sullivan, 2002).

The entrance of so many Norwegian companies in Brazil during a relatively short period of time and the rapid growth of Norwegian investments in Brazil creates a demand for understanding the Brazilian business and work culture and make different issues of business relationships extremely important, both for the companies and the people that work in them. It is natural to assume that Norwegian companies will first and foremost seek to adapt to differences that actually pose a challenge to the companies, but according to Ritter (2007) relationships are different in strength and all relationships are not cooperative.

Although the analysis of the impact of national culture on international business relationships has emerged as a central topic, there are only a few studies aimed at reviewing the existent literature dealing with this issue.

This study focuses on national cultures and how they impact business relationships between different countries and cultures. Culture has many clusters and it is impossible to learn all of them, in this study I try to focus on those clusters of culture that are important when establishing business relationships. While studying the existing research and previous studies of challenges within the business relationships, it is arguable that many of the earlier studies have focused on buyer-seller business relationships. Furthermore, the studies have not methodically explored challenges, they only recognized it on a superficial level that challenges exists within business relationships. This research will also be part of an ongoing project by International Cooperation in Education (SIU), where the data collected will be also be used, on a dissertation by a PhD candidate at Coppead UFRJ Business School in Rio, implying it has both theoretical and practical value.

## 1.4 Research Question

Research questions are important parts of a research because every decision in the research study such as choosing the research design and methods is made in order to answer the research question (Bryman, 2007). Mason (2002) wrote:

> *"You will start to make strategic choices about which methods and sources are the most appropriate for answering your research questions. It is useful to engage directly with questions about how and why particular methods and sources might yield data which will help you to answer your questions …" (2002)*

In order to explore the role of cultural differences in Norwegian-Brazilian business relationships, it is important to understand characteristics of cultures in both countries specially those values and norms and attitude of the culture that can affect business practices. Therefore, theories of national cultures and their elements which I reviewed played important roles to define my research problem as :

To explore the role of cultural differences in Norwegian-Brazilian business relationships

In order to solve the research problem

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

## 1.5 Methodological Choices of the Study

The overview of the methodological choices of this study is presented as following:

• research strategy - the plan for reaching the objectives outlined;
• research design - in what form the particular plan is executed and presented;
• data collection method - how the data is being obtained;
• analysis method – how the data is analyzed and processed.

| | |
|---|---|
| Reserach strategy | • Qualitative research |
| Research design | • Interview study |
| Data collection method | • Semi-structured in-depth interviews |
| Analysis methods | • Structural analysis with the use of theoretically informed reading |

*Table 1. Methodological choices of the study*

## 1.6 Thesis Structure

This thesis is structures in following seven chapters:

**Chapter 1:** Introduction. The chapter includes research background, the objective of the research and the research question.

**Chapter 2:** Theory. This chapter is a review of the related theories and previous research and provides relevant in this research and aligns the study with existing theories in the discipline of cultural distance in business relationships.

**Chapter 3:** Methodology. This chapter presents a detailed description of how the research and analysis is to be conducted, including analysis tools to be applied during the data analysis and justifies the research design and strategy, techniques for data collection, presentation and analysis.

**Chapter 4:** Empirical findings. This chapter presents results of the study in different formats such as tables and a narrative of the findings.

**Chapter 5:** Discussion of findings. This chapter discusses the findings of the research and relate hem to the literature review and the research problem.

**Chapter 6:** Limitations and further research. This chapter highlights areas where the research is limited and gives suggestions for further research.

**Chapter 7**: Implication. This chapter presents managerial implications of the study and gives recommendations on actions which can be taken to improve business relationships.

**Chapter 8:** Conclusion.

# 2. Theory

*"For a German and a Finn, the truth is truth. In Japan and Britain, it is all right if it doesn't rock the boat. In China, there is no absolute truth. In Italy, it is negotiable".*
*Lewis, R*

In this chapter I will give a general overview of the theories this study is built on. I will define business relationship and culture separately. Then I will discuss about dimensions of culture and their effect on business relationships using existing theories and knowledge about cultural distance and business relationships.

## 2.1 Business Relationships

In business studies, there is a great emphasis on business relationships, but defining the concept of relationship is a challenging task. Seeing the world as a series of entities prove that no entity can act alone and it is vital for the existence of an entity to be in a business relationship with other entities and not to be isolated from the world of businesses. Comprehensive research has been done on building business relationships, the most research is in particular in the area of marketing relationship (Dwyer et al., 1987; Arias 1998). Marketing relationships is usually the universal concept in the study of business relationship-building. Nevertheless, when it comes to build a specific relationship in a new culture business people should resort to cultural values and communication strategies (Zhu et al., 2006).

The concept of "business relationship" was first introduced to the industrial market by IMP group which was an Industrial Marketing and Purchasing group and "*was formed in 1976 to develop and carry out cooperative research into the nature of the relationships between companies in these complex markets."* (Turnbull, Ford & Cunningham, 1995, p.45; Ivanova-Gongne, 2015).

Business relationship can be defined as a pattern of interactions and mutual conditioning of behaviors between two organizations. (Ford, Gadde, Håkansson and Snheota, 2003). It is a must for companies to be involved in a business relationships if they want to stay in the competitive markets, because research show that they can be more effective by working together and adding some functions that they had previously done them inside the firm. (Håkansson, Anderson and Johanson, 1994)

IMP group had two approaches to business relationships in industrial market: 1) the interaction approach, 2) the network approach. The core concept of these two approaches was interaction, which IMP believed that is the prerequisite for business relationships between different parties. (Håkansson, 1982; Håkansson and Snehota, 1995; Ivanova-Gongne, 2015).
Merriam Webster dictionary defines "interaction" as "a mutual or reciprocal action" where "action" is defined as "the manner or method of performing an actor\s deportment or expression by means of attitude, voice, ad gesture", thus, the concept of interaction is related to human. Håkansson and Snehota (2002) also believe that when individuals engage in interpersonal interactions, it may affect or change the strength of a relationship.

In international business relationships, the interaction of counterparts are most individual encounters, because when individuals do business in another culture, they bring their own cultural background with them, therefore culture has an important role on their interactions. Business relationships are complex and have many different aspects and features.

Researchers have discussed about the characteristics of business relationships such as trust, commitment, communication, cultural norms and opportunistic behaviors. (Zaefarian 1t al, 2017). However, according to Palmatier et al. (2006), a business relationship is two sided by its very nature and both parties share the benefits of a good relationship. This study does not focus on any specific approach to business relationships.

## 2.2 Culture

The word culture comes from the Latin "cultura" which means cut or worship and refers to human interactions. There are numerous definitions of culture such as:

1. *"Culture is the set of important understandings (often unstated) that members of a community share in common" (Sathe, 1985, p.6)*
2. *"Culture is a set of understandings or meanings shared by a group of people. The meanings are largely tacit among the members, are clearly relevant to a particular group, and are distinctive to the group" (Louis, 1985, p.74)*

3. *“A group’s culture is the set of unique characteristics that distinguishes its members from another group.” (Rosinski, 2010)*
4. *"acquired knowledge that people use to interpret experience and generate social behavior"*
5. *“that complex whole which includes knowledge, belief, morals, law, customs and other capabilities acquires by man as a member of society” (Edward Talor)*
6. *“The collective programming of the mind which distinguishes the members of one human group from another” (Geert Hofstede)*

The role of culture in business relationships is the underlying concept of this research, therefore definition of culture is very important Although it is quite difficult to choose a definition that can satisfy everyone, for the purpose of this study Hofstede’s definition of culture will be used. There are some characteristics of culture such as learned, shared, transgenerational, symbolic, patterned and adaptive that most scholars agree on. Due to existence of variety of cultures in the world, it is important to learn about the impact of cultures on business relationships (Hodgetts and Luthans, 1999)

“The essence of culture is not what is visible on the surface, it is the shared ways groups pf people understand and interpret the world.” (Trompenaars and Hampden-Turner, 2011, p.3) Therefore if business people want to understand their partners’ goals and policies in other cultures, they should those different layers in different cultures.

### 2.2.1 National or Organizational Culture

While exploring the effect of culture on business relationships, I came across this question that which has more influence on the employees and members of an organization, the national culture or the organizational culture? It’s important to decide at what level we want to discuss about the concept. In international business people always invoke the concept of nation-state when they want to speak about culture and discuss culture at national level. Organizational culture refers to “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). Hofstede et al. (1990), suggest that organizational cultures are different from national cultures. National cultures can be measured through a set of values while organizational cultures are measured through a set of practices. Mead (2005) argue that national culture has a greater influence on the employees, because they are learned from the first week of life and this learning is mostly unconscious. It goes in the deep level on the mind which shapes the values and attitudes of the individuals. Individuals usually join the organizations freely and they are free to quit, meanwhile, one cannot easily change their perceptions and behaviors at each stage of life.

If we agree that culture is *“The collective programming of the mind which distinguishes the members of one human group from another”* (Hofstede, 1980), then we need to consider that this term can be ascribed to different collectives, such as nations, ethnic, tribal groups, organizations, genders and even age units. In this study, I focus on national culture which is defined as *“that component of our mental programming which we share with more of our compatriots as opposed to most other world citizens.”* (Ghauri & Usunier, 1996, p.119) as a unit of culture in this thesis and national culture is

It is important to reflect that although country(nation) may not necessarily a good representation for culture, it is highly used as because of its convenience in researching and explaining this phenomenon. (Vaiman and Brewster, 2015).

### 2.2.2 Elements of national culture

Every culture functions according to its own laws, and principle which can be written or unwritten and are unique to every culture. (Hall & Hall, 1990). Ghauri and Usunier (1996) identify the most significant elements of national culture that have an impact on international businesses which is the subject of this study:

- **Language and communication:** People’s way of communication, their attitudes and the extent to which they use their native language affect international business relationships and negotiations.
- **Institutional and legal system:** Differences in legal and contractual systems express how societies are organized according to their rules and decision-making systems.
- **Value systems:** The extent to which the prevailing values are respected in a society is important.

- **Time orientations:** People's attitudes toward time and how their structure their actions according to their attitudes towards time have an invisible influence such as differences in punctuality or time orientation.
- **Mindsets:** Mindsets influence how people address issues, collect information, choose a relevant piece of information and assess its truthfulness which will finally influence the resulting decisions of a business relationship.
- **Relationships:** How the individuals relate to groups and how their relationships are framed in a group affect international businesses through the style of interaction with people and the way in which human relationships and business matters are mixed.

## 2.3 The categorization of cultures

Taking into consideration than there more than two hundred recognized nation states or countries in the world, the number of cultures should be much greater than that. For example, in a country as big as the USA or China differences in values and behaviors are easily observable in the north and south. As an alternative to in depth study of single country's culture. Some scholars tried to classify cultures according to some broad and fundamental dimensions that covers important elements of national cultures. They attempted to plot national cultures along those dimensions and measure the degree of cultural distance between different clusters. However, one should pay attention to the point that although national culture is a precise conceptualization and measurement of national culture is still "hotly debated" (Gooderham, Grøgaard & Nordhaug 2013; Stephan and Uhlaner, 2010).

| Author | Year | Dimensions |
|---|---|---|
| Theory approach | | |
| Aberle, Cohen, Davis, Levy and Sutton | 1950 | adequate physical and social relationships with the environment, (2) role differentiation according to age, gender and hierarchy, (3) communication, (4) shared knowledge, beliefs, and rules of logic thinking, (5) shared goals, (6) normative regulation of means towards these goals, (7) regulation of affective expression; (8) socialization of new members, (9) effective control of disruptive forms of behaviour |
| Parsons and Shils | 1951 | affectivity versus affective neutrality, (2) self-orientation versus collectivity-orientation, (3) universalism versus particularism, (4) ascription versus achievement, (5) specificity versus diffuseness |
| Inkeles and Levinson | 1954 | relation to authority, (2) conception of self, including individual's concept if masculinity and femininity, (3) primary dilemmas or conflicts and ways of deling with them, including control of aggression and the expression versus inhibition of affect |
| Kluckhohn and Strodtbeck | 1961 | (1) an evaluation of human nature, (2) the relationship of man to the surrounding natural environment, (3) the orientation in time, (4) the orientation toward activity and (5) relationship among people |
| Douglas | 1973 | two-dimensional ordering of "cosmologies": (1) "group" or inclusion and (2) "grid" or classification |
| Hall | | (1) way of communication |
| Fiske | 1992 | communal sharing, (2) authority ranking, (3) equality matching, (4) market pricing |
| Empiricial based | | |
| Hofstede | 1980 | (1) power distance, (2) uncertainty avoidance, (3) individualism/ collectivism, (4) masculinity/femininity, (5) long-term versus short-term orientation |
| Lynn and Hampson | 1975 | neuroticism, (2) "extraversion" |
| Inglehart | 1997 | "well-being versus survival", (2) "secular-rational versus traditional authority" |
| Schwartz | 1999 | (1) conservatism, (2) hierarchy, (3) mastery, (4) affective autonomy, (5) intellectual autonomy, (6) egalitarian commitment, (7) harmony |
| Trompenaars and Hampden-Turner | 2000 | universalism versus particularism, (2) individualism versus collectivism, (3) affectivity versus neutrality, (4) specificity versus diffuseness, (5) achievement versus ascription, (6) time orientation and (7) relation to nature |
| House, Javidan, Hanges, and Dorfman | 2002 | power distance, (2) uncertainty avoidance, (3) social collectivism, (4) in-group collectivism, (5) gender egalitarianism, (6) assertiveness, (7) future orientation, (8) performance orientation and (9) humane orientation |
| Nisbett, Peng, Choi and Norenzayan | 2001 | holistic versus analytic cognition |

*Table 2. Overview of national culture's dimensions: theory and empirical based*

*(Dabić, et al. 2015)*

Among different categorization of national cultures, I have chosen five frameworks that I will discuss in next part:

- Hofstede's four dimensions are power distance, collectivism/individualism, femininity/masculinity and uncertainty avoidance. He later added long term/short term as a fifth dimension.
- Edward T. Hall divides groups and cultures in monochromic/polychromic, high/low context and past/future oriented.
- Fons Trompenaars classified cultures as universalist/particularist, individualist/collectivist, specific/diffuse, achievement-/ascription-oriented and neutral/emotional or affective.
- Florence Kluchhon's five dimensions are: time, person-nature, human nature, form of activity and relation to one's cultural compatriots.
- Richard Lewis believes in classifying the cultures in three categories: linear active, multi active and reactive organizations.

In studying international business, it is crucial to know that culture has a significant role, and without knowing culture of the partner businesses a lot of mistakes can be made.
In this part I try to present different framework which are useful for understanding culture and cultural differences. Each framework is useful in different contexts according to its characteristics.

### 2.3.1 Kluckhohn and Strodtbeck's Value Orientations

Kluckhohn and Strodtbeck worked on a framework which consisted of six dimensions and called it dimensions of value orientation (Wild et. Al, 2003; Ahlstrom and Bruton, 2010). This frame work compares culture by asking each of the following questions:

1. **Relationship to nature:** Do people think that the environment controls them, they control the environment or they are part of the environment? The concern is if space is viewed as a public good. In more crowded part of the world such as Japan and Hong Kong space is considered as public good.

2. **Orientation to time:** Do people focus on the past, present or future implications of their actions?
    - Past orientation: past orientated cultures believes in the significance of the events in the history, religions and tradition, and also believe that the past should be their guide for making decisions and determining truth (Samovar, Porter and McDaniel, 2007). The implication can be the US which is a country with less orientation toward history and tradition compare to countries in Asia or the Middle East. While doing business with people of this culture, it is recommended to talk about history and respect their ancestors and old people.
    - Present orientation: present oriented cultures has a strong belief in significance of the moment and believe that the future is vague and unknown. People in these cultures prefer to fully experience life and people around them in the present (Samovar et al., 2007)
    - Future orientation: Future-oriented cultures emphasize the future and believe it is grander than the present. The greatest attraction for the people in culture is the future, and most of them look to the future in their thoughts and actions. (Samovar et al., 2007)

3. **Beliefs about human nature:** Are people not to be trusted and they are easily controlled or can they be trusted to act freely?

    It is about the proactivity of individuals in the society. In some societies individuals are deterministic, they believe that with little effort they can change their faith. Conversely, in some societies people think that there is little that can be done to change the situation therefore they put no effort to do so.
4. **Nature of human activity:** Do people desire accomplishment in life, carefree lives or spiritual lives?
5. **Relationships among people:** Do people believe that each person's welfare responsibility is on individuals or groups?
6. **Conception of space:** Do people want to do most activities on in private or in public?

| | Variations |
|---|---|
| Environment | Domination Harmony Subjugation |
| Time Orientation | Past Present Future |
| Nature of People | Good Mixed Evil |
| Activity Orientation | Being Controlling Doing |
| Responsibility | Individualistic Group Hierarchical |
| Conception of Space | Private Mixed Public |

*Table 3. Cultural variation in value orientations*

*Source: adopted from Kluckhohn and Strodtbeck, 1961*

### 2.3.2 Edward Hall's Framework

#### 2.3.2.1 High and low context culture

Context is referred to the information surrounding an event which are bound up with the meaning of that event. In each culture, events and context vary in proportions and the world cultures are measured on a scale from low to high context. (Hall & Hall, 1990). Edward Hall's framework of culture can be categorized according to the communication pattern; High-context and Low context cultures. In high-context cultures, the context of the speech, the status of the person speaking, the reason of why the person is speaking, impact the way of communication; whilst in low-context culture, the communication is very straightforward, the context and the status has less impact on the communication. (Ahlstrom & Bruton, 2010). "A high context culture is one in which most of the information is already in the person, while very little is coded, explicit or transmitted. A low context culture is just the opposite; i.e., the mass of the information is vested in explicit code." (Hall, 1976)

| High Context Culture | Low context culture |
|---|---|
| Communication is usually not direct | Lack of clarity is considered as a negative characteristic |
| Speech is unhurried | The listener wants to get a lot of information |
| Emphasis is more on the context and less on the actual information | Emphasis is more on the information and less on the context |

| | |
|---|---|
| Interpretation is looser | Interpretation is obvious |
| Face saving is very important; direct and embarrassing questions and statements should be avoided, or asked very modestly | Face saving is not very important; direct and embarrassing questions can be easily asked |

*Table 4. High/Low context cultures (Ahlstrom and Bruton, 2010)*

#### 2.3.2.2 Orientation to Time

Each of the world's culture has its own spoken language, furthermore, its own language of time. For some culture, how people use appointment-schedule time shows how they feel about each other, how significant their business is and what their status is in the system. Therefore, it is important to know the messages related to time in other cultures.

Human beings body work accordingly with their biological body clocks and these body clocks regulate most functions of our bodies especially the psychological functions. Therefore, human concept of time is associated with daily, monthly and annual cycles. According to the definition of time, Hall & Hall (1990) wrote about two different time systems, one is related to our body clock and the other one related to solar, lunar and annual cycles. Based on these two perceptions of time, there are many kinds of time system in the world but *monochromic* and *polychromic* times are most important to international businesses.

*Monochronic time* concerns with doing only one thing at the time, however, *polychromic time* concerns with doing many things at once. These two systems never mix, and different cultures can be divided in two groups:

- **Monochronic culture:** In this culture, time is used in experienced as a road from the past into the future and is used in a linear way. In this culture, using monochronic time let people focus on one thing at a time, and schedule and time tables are the priorities and considered as sacred. Most businesses in the Northern Europe and the USA are dominated by monochromic time, as researchers say it is an artifact of industrial revolution in the UK.

- **Polychronic culture:** It is the antithesis of monochromic culture. Polychronic culture concerns with occurrence of many things at the same time and high involvement of people. The emphasis in this culture is on human transactions rather than on schedules. For instance, two people from Latin countries (which is characterized by polychromic culture) are talking in the corner of a street, they prefer to be late than to terminate their conversation before it naturally finishes. Opposite to the monochromic culture, time is less tangible and is referred to a single point than to a road.

Despite the fact that generalization may not apply equally to all people of a culture, but understanding the differences would be helpful in dealing with people from monochromic or polychromic cultures. (Hall & Hall, 1990).

| **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 5. Monochronic/Polychronic cultures Hall & Hall (1990)*

### 2.3.3 Hofstede's dimensions of culture

Hofstede's dimensions of culture are widely used in cross-cultural research, four of his five cultural dimensions were developed between 1968 and 1972 and the others were developed in 2001. These dimensions were formulated by surveying the staff of IBM in more than 72 countries.

- **Power Distance Index (PDI):"** The extent to which the less powerful members of organizations and institutions (like the family) expect and accept that power is distributed unequally" (Hofstede, 1991, p.28; Hofstede and Peterson, 2000, P.401)
  This dimension shows the degree of unequal distribution of power that is expected and accepted in a society. A high score of PDI in a workplace indicates more hierarchy in the organization and a centralized decision-making process (Hofstede et al, 2010)
  In countries with small power distance, the dependence of subordinates on bosses is very limited and subordinates prefer to approach and contradict their bosses. In countries with larger power distance, subordinates are more dependent on bosses. This dependency can be positive, which means they prefer such dependence, or negative that is called counter dependence, that is dependence with negative sign. In these countries, the distance between subordinate and the boss is large, and the subordinate rarely approaches or contradicts the boss.

| **Small Power Distance** | **Large Power Distance** |
|---|---|
| Hierarchy in organizations means an inequality of roles, established for convenience | Hierarchy in organizations shows existential inequality between higher and lower levels |
| Decentralization is popular | Centralization is popular |
| Less supervision | More supervision |
| Narrow salary range between top and bottom of the organization | Wide salary range between top and bottom of the organization |
| Managers rely on their own experience and on subordinates | Managers rely on formal rules and superiors |
| Subordinates expect to be consulted | Subordinates expect to be told what to do |
| The ideal boss is a resourceful democrat | The ideal boss is an autocrat or a god father |
| Subordinate-boss relations are pragmatic | Subordinate-boss relations are emotional |
| Privileges and status symbols are not popular nor normal | Privileges and status symbols are normal and popular |
| Manual work has the same status as office work | White collar jobs are valued the most |

*Table 6. Key differences between small and large power distance societies at The Workplace (Hofstede et al., 2010)*

- **Individualism Versus Collectivism (IDV):** "the extent to which individuals are integrated into groups" (Hofstede, 1991, p.51; Hofstede and Peterson, 2000, P.401).
  In an individualist society, individual's interest succeeds the group's interest and everyone should be treated alike. On the other hand, in a collectivist society, individuals are expected to care for their relatives and other family members, embers of this tightly-knit social framework should be given preferential treatment. There are some indicators that show the differences between individualistic and collectivist cultures, for example, importance of personal time, freedom and personal challenges are associate with individualistic culture, whilst the importance of training, physical conditions and skills are related to collectivist culture.

| **Collectivist** | **Individualist** |
|---|---|
| Employees are members of in-groups and pursue in-group interests | Employees are economic persons and pursue the employer's interest, in case it coincides with employee's self interest |
| Employer-employee relationship is moral, like a family relationship | Employer-employee relationship is a contract in a labor market |
| Management is management of groups. | Management is management of individuals |
| In-group customers get better treatment | Every customer gets the same treatment. |
| Relationships prevail over tasks | Tasks prevail over relationships. |
| The internet and emails are less attractive and less frequently used | The internet and emails are used more frequently to link individuals. |
| Occupational mobility is lower. | Occupational mobility is higher. |

*Table 7. Key differences between collectivist and individualist countries at workplace (Hofstede et al., 2010)*

- **Masculinity Versus Femininity (MAS):** "assertiveness and competitiveness versus modesty and caring" (Hofstede, 1991, p.82; Hofstede and Peterson, 2000, P.401). According to Hofstede masculine values are values such as achievement and assertiveness and the characteristic of a masculine society is oriented towards competition. However, the feminine values are such as cooperation and modesty, and the feminine society is consensus-oriented. Although the behaviors that are considered as feminine or masculine are different among different cultures and societies, there is a trend among them, for example, men are expected to be more assertive, competitive and tough, while women are expected to be more caretakers of home, children and in general other people. In a masculine culture, earning, recognition, advancement and challenge are work goal items. For the opposite, in a feminine culture, the manager, cooperation, living area and employment security are important.

  **"***A society is called masculine when emotional gender roles are clearly distinct: men are supposed to be assertive, tough, and focused on material success, whereas women are supposed to be more modest, tender, and concerned with the quality of life.*
  *A society is called feminine when emotional gender roles overlap: both men and women are supposed to be modest, tender, and concerned with the quality of life."* (Hofstede et al., 2010, p.140)

| Feminine | Masculine |
|---|---|
| Management as intuition and consensus | Management as decisive and aggressive |
| Resolutions of conflicts by compromise and negotiation | Resolution of conflicts by letting the strongest wins |
| Rewards are based on equality | Rewards are based on equity |
| Preferences for smaller organizations | Preference for larger organization |
| People work in order to live. | People live in order to work. |
| Leisure time is preferred to money | Money is preferred to leisure time. |
| Careers are optional regardless of gender | Careers are mandatory for men but optional for women |
| Higher number of women work as professionals | Lower number of women work as professionals |

| | |
|---|---|
| Humanization of work by contact and cooperation | Humanization of work by job enrichment |

*Table 8. Key differences between feminine and masculine countries at Workplace (Hofstede et al., 2010)*

**Uncertainty Avoidance Index (UAI):** Uncertainty avoidance index id the fourth dimension of IBM research and according to Hofstede et al. (2010) is a byproduct of power distance. It can be defined as:

> *"The extent to which the members of a culture feel threatened by ambiguous or unknown situations."* (Hofstede et al., 2010, p.191)

The fact is that all human beings do not know what will happen tomorrow and the future is uncertain for them. This high level of ambiguity causes anxiety; therefore, all human beings try to find a way to lessen this anxiety. Technology, law and religion are some ways that help human beings avoid uncertainties and alleviate anxiety. Regulations and laws help people to avoid uncertainties in another people's behavior. Technology helps to prevent uncertainties triggered by nature. Religion helps followers to accept uncertainties as they do not have control on and cannot defend themselves.

Uncertainty is a feeling and therefore, a subjective experience and also it is acquired and learned. The feeling of uncertainty and how to cope with it comes from the culture of the society. The index varies from 0 to 100, 0 for the country with lowest uncertainty avoidance and 100 for the strongest. In countries with strong uncertainty avoidance, the number of laws are more and the laws are more precise than the countries with weak uncertainty avoidance. If the uncertainty avoidance index is low, when laws do not work they can be withdrawn or changed. Conversely, in a country with higher uncertainty avoidance index, laws are important to fulfill a need for security, although they might not be followed. In business context, countries with high uncertainty avoidance have formal rules and procedures which are designed to provide more security and career stability. (Deresky, 2011)

| **Weak Uncertainty Avoidance** | **Strong Uncertainty Avoidance** |
|---|---|
| More changes of employer, shorter service and easier work-life balance | Fewer changes of employer, longer service and more difficult work-life balance |
| The rules are not more than strictly necessary | There is an emotional need for rules, even if they do not work or are not necessary |
| Work hard only when needed | There is an inner urge to work hard and an emotional need to be busy |
| Time is a framework for orientation | Time is money |
| Tolerance for ambiguity and chaos | Need for precision and formalization |
| Belief in generalist and common sense | Belief in experts and technical solutions |
| Top managers are concerned with strategy | Top managers are concerned with daily operations |
| More new trademarks | Fewer new trademarks |
| Focus on decision process | Focus on decision content |
| Entrepreneurs are almost free from rules | Entrepreneurs are constrained by rules |
| There are fewer self-employed people | There are more self-employed people |
| Better at invention, worse at implementation | Worse at invention, better at implementation |
| Motivation by achievement and esteem or belonging | Motivation by security and esteem or belonging |
| Few general laws and unwritten rules | Many general laws and unwritten rules |
| If laws cannot be respected, they should be changed | Laws are necessary, even if they cannot be respected |
| Fast results in case of appeal to justice | Slow results in case of appeal to justice |
| Citizens are competent toward authorities | Citizens are incompetent toward authorities |
| Outside observers perceive less corruption | Outside observers perceive more corruption |

*Table 9. Key differences between weak and Strong uncertainty avoidance cultures in Work, Organization, Motivation, The Citizen and The States*

*(Hofstede et al., 2010)*

- **Long Term Orientation versus Short Term Normative Orientation (LTO):** In addition to four already mentioned dimensions, Hofstede developed the fifth dimension to show how culture relates to time. Long-term is described as saving, perseverance and planning, while short-term is identified as tradition and duties which need more immediate attention. This dimension is correlated with economic growth, therefore, Hofstede considered it as an essential addition to the dimensions of culture and defined it as:

  *"Long term orientation sands 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)*

| **Short-term Orientation** | **Long-term Orientation** |
|---|---|
| Freedom, rights, achievement and thinking for oneself are main values at work | Learning, honesty, adaptiveness, accountability and self-discipline are main values at work |
| Leisure time is important. | Leisure time is not important. |
| Focus is on the bottom line. | Focus is on market position. |
| This year's profit is important. | Profits ten years from now is important. |
| Personal loyalties vary with business needs. | Investment in lifelong personal networks |
| Analytical thinking | Synthetic thinking |
| Managers and workers are psychologically in two camps | Managers and workers have the same aspirations |
| Meritocracy (rewards by abilities) | Social and economic differences are not desirable |
| There is a need for cognitive consistency. | Disagreement does not hurt. |

*Table 10. Key differences between short term and long-term orientation societies based on business and ways of thinking (Hofstede et al., 2010)*

### 2.3.4 The Lewis Model

Richard Lewis in his book when cultures collide (1996) developed a model which gained worldwide recognition. He, after living in 20 countries and visiting 135 countries, made a conclusion about human behavior and divided humans into 3 categories based on their behavior (Linear Active, Multi active and Reacrive). According to Lewis (2002):

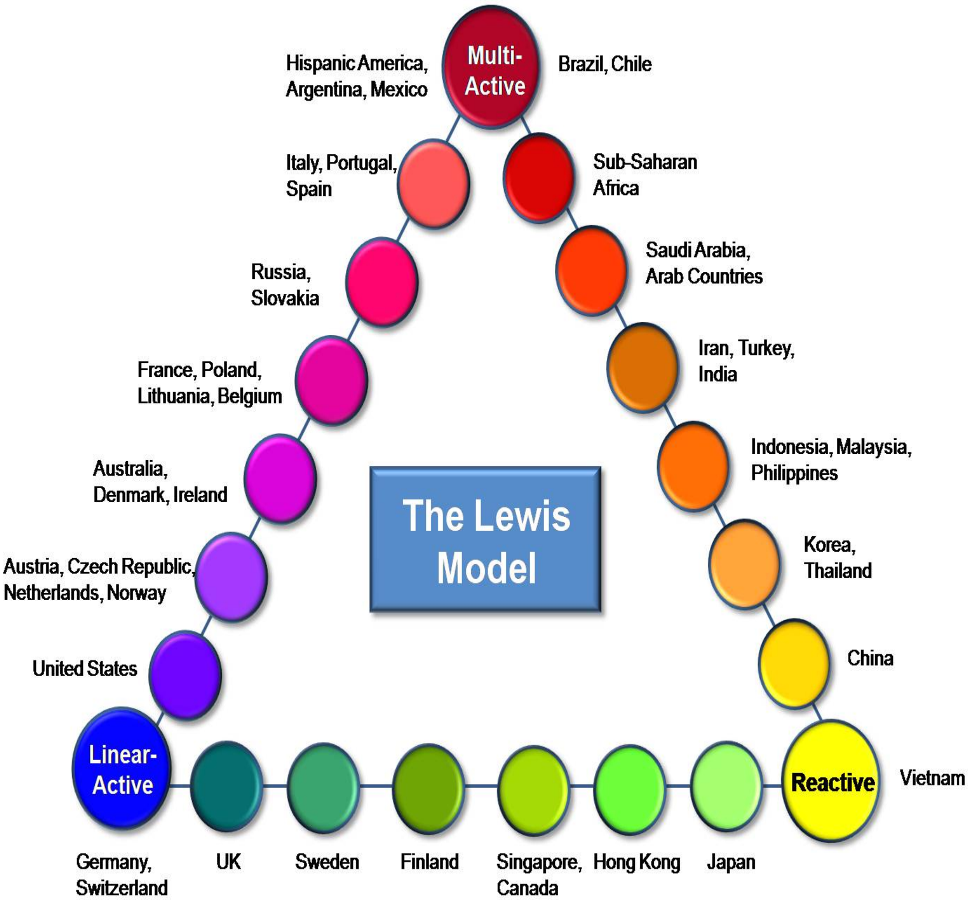


*Figure 1. Lewis model*

(Lewis, 2002)

- **Linear active:**

  Liner active people have a propensity to be task-oriented and highly organized. They usually complete actions by doing one task at a time and in accordance with a linear schedule. Their discussion is straightforward and direct, and they adhere to logic rather than emotions. They partly conceal their feelings and prefer to have a definite amount of privacy. Linear actives usually use official channels to hunt their goals and not a fan of using connections or shortcuts, that is to say linear actives believe in rules and regulations to guide their conduct. They also honor written contracts and stick to deadlines and do not delay in payments unduly. In business relationships, linear actives are profound in punctuality, quality and reliable delivery dates. They respond fast to the written communications while they are brief on the telephone. Money is important for linear actives; their statuses are gained through achievement and bosses are low-key. The English-speaking world- North America, Britain, Australia and New Zealand, Northern Europe-Scandinavia and Germanic countries are considered as Linear active.

- **Multi-actives**

  Multi actives are emotional, talkative and impulsive people. People in general and particularly family, feelings and relationships are of great importance to them. They like to do many things at the same time and not good followers of schedules and agenda. In a multi active group, everyone talks and listens at the same time and there are frequent interruptions and pauses in conversations. In business relationships, the connections are more important than the products. The best relationships for multi actives are face to face and they can hardly maintain the relationships through telephone or by written correspondence. Multi active people show less respect to rules and regulations, every employee has a place in their own company hierarchy and the strong boss is expected to protect the employees. Multi active people are often late in delivery dates and payments, they do not pay attention to deadlines and often move when they are ready. Punctuality is rare and procrastination is common among multi actives, therefore their concepts of time is nonlinear. They hardly understand how important timetables are for linear active people. When it comes to flexibility, multi actives are flexible and can frequently change plans, their strong points are improvisation and handling chaos.

  They value privacy less than company. Even in business they use charisma, rhetoric, manipulation and negotiated truth. They are diplomatic and tactful, take shortcuts, entertain lavishly, give presents or undercover payments to secure deals and contracts.

  Southern Europe, Mediterranean countries, South America, Sub-Saharan Africa, Aram and other middle eastern cultures. Slavs, India and Pakistan are considered as Multi active.

- **Reactives**

  Reactive people are good listeners, they rarely start a conversation or action. They prefer to first listen to other people's opinions and positions and then react to it and show their own position. They rarely interrupt others during a speech or presentation.

  Reactives are introvert, distrustful of s overabundance of word and are skilled at nonverbal communications and using body language. Monologue-pause-reflection-monologue is the preferred way of communication for reactive people, while for linear active and multi active people the preferred mode of communication is dialogue.

  Lack of eye contact is very common for the reactives. Small talks are not easy for them. All major countries in Asia, except India are considered as Re active.

| **Description** | **Behavior** | **Requirement** |
|---|---|---|
| Task oriented, highly organized planers and are able to complete chain tasks by doing one thing at a time according to linear agenda | Linear Active | They need to organize, plan, analyze situations. Follow policies, have rational thoughts and generate data |
| Emotional and impulsive people who give special attention to family, relationships and other people in general. They like to do many things at the same time and are not good followers of agendas | Multi Active | They need to generate enthusiasm, motivate people. Persuade, create positive social atmosphere, access emotions and generate dialogue |
| They are good listeners and initiate action or discussion. They first listen to others and then react to it and form their own opinion | Reactive | They need to harmonize, act intuitively, be patient and see the big picture, think and act long term, access feelings, listen and empathize |

*Table 11. Lewis model*

*(Lewis, 2002)*

**Trust**

*"Trust is an essential aspect of relationships, business and politics"* (Solmon and Flores, 2003). Morgan and Hunt (1994) argue that commitment and trust are key to a successful business relationship because they directly result in cooperative behaviors. They believe trust exists when one party in a business relationship has confidence in the other partner's reliability and integrity. Their definition of trust is similar to Moorman, Deshpande and Zaltman (1993, P.82) which say, "Trust is defined as a willingness to rely on an exchange partner in whom one has confidence.". Trust can be based on "a belief, sentiment, or an expectation about an exchange partner that results from the partner's expertise, reliability, and intentionality" (Ganesan, 1994).

There is no formula for gaining trust, however, gaining the rust of people who do not share the same values, beliefs, perceptions, laws and behavior is more difficult. Lewis (2006) recommends that in order to build trust in an international business relationship, one should keep natural traits in mind. He divides cultures into high-trust and low-trust categories and defined them as:

- **High-trust culture:** people from a high trust culture are often ready to trust their compatriots. They tend to be linear-active and believe that their counterparts follow the rules, that is, they trust individuals unless they prove untrustworthy.

- **Low-trust culture:** in a low-trust culture, people are usually suspicious of their compatriots. Individuals are often multi-actives or reactives and are not strict followers of regulations and laws.

Lewis (2006) believes that in an international business interactions, building trust is affected by individual's cultural category and their belonging to high-trust or low-trust cultures. If a person always and on a constant basis does what he or she has said is going to do, the trust is built. In linear-active cultures institutions are efficient and almost speedy, therefore individuals trust in those institutions such as banks, schools, etc. This kind of trust is rare among multi actives, because their bureaucracy is slower and their faith in institutions is less firm, they prefer to trust their families and close friends who show them compassion and protect their vulnerabilities. Their trust is stronger than linear actives trust in officials and institutions. In reactive cultures trust is gained through respectful behaviors, returning favors, showing courtesies. Compassion and closeness are not prerequisites to build trust but flattery and referencing to common friends and shared experience are. For example, in these cultures trust is given to schoolmates, former teachers and tutors.

### 2.3.5 Trompenaars seven dimensions of culture

Fons Trompenaars is a Dutch researcher who conducted a research over a 10 years period to over 45000 managers from 40 countries. His research was built on value and relational orientations of Talcott Parsons, and found five relationships orientations that can be used when analyzing the way people deal with each other in different societies. (Hodgetts and Luthans, 1999). In addition to those five dimensions, he also looked at attitudes towards time and environment. The result of his research help researchers and business people to explain cultural differences. According to Trompenaars and Hampden-Turner (2011;1993) the dimensions of culture are:

- **Universalism versus Particularism:** In Trompenaars and Hampden-Turner's research society has a tendency towards either universalism or Particularism. Universalism view is associated with modern values and impersonal rules govern the society and is the belief that ideas and practices can be applied everywhere without modification, while particularism is associated with traditional values and the relationships affect the implication of rules, it is the belief that circumstances dictate how ideas and beliefs should be applied. In high Universalism cultures, formal rules play more important roles than relationships, people adhere to business contracts and they believe that "a deal is a deal". On the other hand, in high Particularism cultures, people trust each other and their relationships and formal rules are not very important, the contracts can be modified and as people get closer and build a tighter relationship, they modify the deals and formal rules.

  Based on his findings Trompenaars suggests that when an individual from a particularist culture does business in a universalist culture, he or she should be ready for professional arguments and rigid views regarding contracts and deals. Oppositely, when a person from universalist country does business in a particularist country she should be aware of personal winding and get-to-know-you attitudes and small talks which might not be personal (Hodgetts and Luthans, 1999).

- **Achievement vs Ascription:** Their analysis is based on how differences in status is legitimized. In the cultures where the tendency is towards achievement, the individuals are given privileged status based on their performance. In an ascription culture, the status is gained based on who or what a person is, his or her age, gender or social connections. For example, an individual with older age and bigger network of friends can gain more respect in an ascription culture. Trompenaars suggests than when a company from an achievement culture wants to have a business relationships in an ascription culture it's better to older, senior and more formal positions to influence the other party in the business relationship. On the other hand, he suggests that when a company from an ascription culture does business in an achievement culture, it's better to have sufficient knowledgeable people to convince the other party that they are proficient and should be respected because of their knowledge an information. (Hodgetts and Luthans, 1999).

- **Neutral versus Emotional:** This dimension focuses on the importance of feelings in interactions. In a neutral society feelings are considered to be controlled and people try not to show their feelings, however, in an emotional society, people are looking for an outlet for their feelings and emotions are openly expressed, people of this culture often smiles, talk loudly and greet each other with enthusiasm.
  Trompenaars suggests that when a company from a neutral culture wants to do business in an emotional culture they should try to respond emotionally to other party's affections. Oppositely, when a company from an emotional culture wants to do business in a neutral culture, they should not consider the lack of emotion in their counterpart as disinterest, but rather they should know that people from neutral culture do not like to show their emotions (Hodgetts and Luthans, 1999).

- **Individualism versus Communitarianism:** These two dimensions, Individualism and Communitarianism, are important dimensions of Hofstede's research, however, Trompenaars derive them in different ways. For Trompenaars Individualism is applied to people who regard themselves as individuals while Communitarianism refers to people who regard themselves a part of a group. The result of Trompenaars' findings are different from Hofstede's, for example in Hofstede's findings Mexico and Argentina are collectivist but individualistic in Trompenaars' research. As it was discussed earlier, culture has a complex and dynamic nature and cultural values can change in long term which can lead to the danger of overgeneralization (Hodgetts and Luthans, 1999).

- **Specific versus Diffuse:** In a specific culture, people have a large public space and other can easily enter, they also have a small private space which they guard closely and share it with close friends. People can be invited to other's public space, and individuals are often open and extroverted the work and private life is also separated. In a diffuse culture public and private space are similar in size and individuals guard them closely, people are not easily invited into each other's public space because the line between private and public life is not clear. Individuals in this culture are often introverted and indirect. The work and the private life are closely linked.

  Trompenaars says that when an individual from diffuse culture do business in specific culture, it is recommended to be efficient and get to the point, and not to use the titles or acknowledge achievements that are irrelevant to the subject of discussions. Conversely, when people from specific cultures do business in diffuse culture, they should respect their counterpart's title, age and background and not get intolerant when people are indirect or tortuous (Hodgetts and Luthans, 1999).

- **Sequential Time versus Synchronic Time:** People in different cultures have different understanding of the concept of time. In a culture with a sequential approach towards time, people usually do one activity at a time, keep appointments and follow agendas strictly. Contrariwise, in culture with synchronic approach towards time, people are likely to do more than one activity at a time, appointments and schedules are not strict and may be changed at a moment's notice. People in synchronic culture may stop their meeting and what they are doing in order to greet with other individuals coming into their office (Hodgetts and Luthans, 1999).

## 2.4 Critical reflection on existing theories

The process of searching for literature and theories about the cultural differences has been as complicated as the subject of culture. In this thesis, I focus on the widely accepted and highly recognized theories published by famous researchers. However, those well-known frameworks have their limitations as well and I try to reflect upon the limitations in this section.

My observation about the above models is that with today's global businesses and transnational firms and the most of interactions that happen across borders, theories could be modified. I also argue that culture is dynamic and could be affected by new means of communication and internet development. When individuals modify their perceptions, attitudes, values and behaviors in the era of global change, cultures also construct, reconstruct and deconstruct accordingly and should be assumed to be permanent.
Although I am aware that the basic assumptions in a culture do not easily change, changes demographics of a society as well as changes in technology, environment and population can affect categorization of cultures.

I also try to compare different theories of cultural dimensions. For instance, it can be problematic to compare Hofstede and Trompenaars dimensions of natural culture, because they are mostly exploring different cultural dimensions except Trompenaars' Individualism vs Communitarianism dimension which is relatively similar to Hofstede's Individualism vs Collectivism dimension. As Gooderham, *et al*. (2013) suggests, it is better to regard them as two complementary models rather than duplicating ones. Their differences might be due to time frames of their studies which show that culture does not stand still and cultural changes happen over time.

- Hofstede: The works of Hofstede is quite fixed and favored in every academic research on cross-cultural business and communication and as of July 2007, Hofstede has been cited over 6,100 times. (Cardon, 2008). Hofstede's cultural dimensions enable a comparison between natural cultures, but I think it does not cope well with the subcultures within a society. I also agree with Gooderham et al. (2013) that its sample is not representative of the whole society, because it is from one single company with middle-class employees. Another critique to Hofstede's framework can be today's younger generation's attitude. Because of the globalization and use of the internet, the younger generation are converging to a common set of cultural norms which Hofstede did not consider. Another critique to Hofstede's model is its use of countries as substitutes of national cultures. Experts argue that there are subcultures in a country that Hofstede's model did not consider.

- Lewis Model: I believe that Lewis model is a good model to understand individual's in businesses because it was born in the era of globalization.
- Trompenaars seven dimensions of culture: The model is very comprehensive; the data is significant which backs the model up.
- Edward Hall: Like Hofstede, Hall is also fixed in every academic research on cross-cultural business and communication. As of July 2007, Hall has been cited over 3,300 times for its framework. (Cardon, 2008)

Some critiques concern about cultural biases. Hofstede argues that "no professional analysis can correct its evident lack of content validity" (Hofstede, 1996, p.197) Hofstede argued that cultures "are wholes, and their internal logic cannot be understood in terms used for the personality dynamics of individuals" (Hofstede ,2001, p. 17).

In those frameworks culture is considered as consistent with coherent dimensions; however, it may seem that the societies have collective conscience, people may respond differently to events in various circumstances in a society. In other words, context matters and application of these frameworks sometimes lead to sophisticated stereotyping that are not sufficient in understanding a culture. Osland and Bird (2000) and Nakata (2003)

In the frameworks used in this study, culture is considered to be bounded in the national border, although this assumption is reasonable in most cases, many countries have different sub-cultures that interact and compete with one another, which shows that it makes more sense to study subcultures within national cultures in order to get a better understanding of a culture.

## 2.5 Culture in business relationships

### 2.5.1 When culture affect the business relationships

All organizations have relationships, unless an opposite definition of "relationships" is used (Anderson & Narus, 1991), however the depth of the relationships vary between different organizations. In a business relationship, the fundamental guiding principle would be maintenance of the two parties' goal interdependence (Blois, 1991). In every decision-making process in a business relationship, we should notice that organizations do not make decisions, people do in the name of organizations. Therefore, it is important to recognize that when two organizations have established a relationship, the interaction of the cultures of two individuals effect on the relationships (Blois, 1991).

In this study, I focus on the culture at individual level to see how the differences of the cultures can affect business relationships. Gibsen et al. identified individual, group and situational characteristics that can serve to moderate the impact of natural culture on individual perception, beliefs and behaviors. Based on social identity theory and theories of the self-concept, when a person views him or herself as a member of a national culture and that culture is a big part of his or her self-concept, culture will have a strong impact on his or her beliefs. Therefore, one can say that culture matters more when a person identifies with a culture, for those who don't, culture is not a predictor of their values. (Turner, 1987; Markus and Kitayama, 1991; Leung Bhagat, Buchan, Erez & Gibson, 2005).

Beyond individual level, Leung et al. (2005) argue that national culture strongly effects on group member behaviours when the group is beginning to take shape and is in its early stages. Lastly, in addition to individual and group characteristics, there are some situations characteristics that moderate the impact of culture. For instance, under some conditions of uncertainty and ambiguity, people tend to respond according to their cultural prescriptions and culture is more likely to be the default (Meglino, Ravlin & Adkins,1989; Ravlin, Thomas & Ilsev, 2000).

Every business relationship involves several human interactions, the cultural aspects of individual's behaviors will become apparent in those interactions. (Houjeir and Brannan, 2016). In this study, the parties of the relationships are distinguishable in terms of their cultural background. (Zhu et al., 2006)

### 2.5.2 Cross-Cultural communication barriers in business relationships

When it comes to cross cultural communication barriers, Barna (1982) and Hofstede, Pedersen and Hofstede (2002) mention five areas to consider:

1. Language: One of the most obvious barriers in cross cultural communication is language differences. Language is not just the vocabularies and grammar; the more important part of the language is its cultural competence which includes knowledge of what to say and how, where and when to say it.
2. Nonverbal communication: It includes gestures, postures and everything we show while we want to make communicate with others without speaking.
3. Stereotypes: They are considered as a major barrier in cross cultural communication when people try to fit others into some patterns according to their previous experiences. They usually see what they want to see and ignore those interpretations which do not fit their expectations.
4. The tendency to evaluate behavior from the other culture as good or bad and make a judgment based on our own culture: In order to attribute meanings, we first observe and then interpret. Evaluation is the third stage towards attribution of meanings.
5. High level of stress which accompanies intercultural interactions: Intercultural communication like other new experiences usually involves some stress.

## 2.6 Conceptual Framework

A conceptual framework is a collection of related concepts that derived from the literature that I used as theories and backgrounds of this research. According to Miles and Huberman (1994, P.20) the conceptual framework is "the current version of researcher's map of the territory being investigated". It helps to relate to the focus of the study and can guide the design of the whole study (Savin-Baden and Major, 2013). In the process of studying theories and literature about cultural difference, I present a conceptual framework for interpreting the main cultural differences that Norwegian firms encounter in Brazil. In that framework, there are five factors to consider answering the research questions. My interview questions were developed based on these five factors and they were as open as possible to lead the respondents answer the questions.

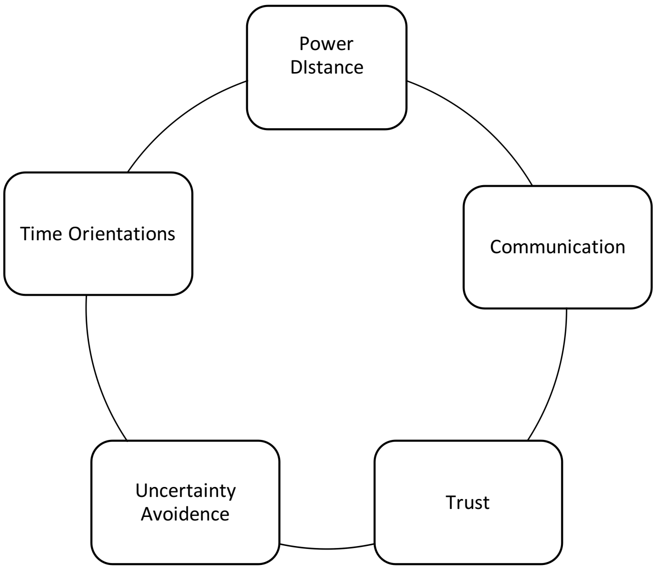


*Figure 1. Conceptual framework*

- **Power distance:**

According to Hofstede (1991), power distance reflects a culture's approach towards human inequality. Cultures are different in the ways they view inequality, social status differences and social hierarchies.

- **Communication**:

Among all the cultural elements that is important for doing business in an international market, the language of the host country is the most difficult to manage. Different cultures have different verbal and nonverbal communication systems. In the countries where English is not spoken, managers usually have interpreters that in some cases might not be capable of inferring the full intention of the message (Bonvillian and Nowlin, 1994).

- **Uncertainty avoidance:**

Williamson (1985) in transaction cost theory, identify uncertainty as one of the key determinants of transactions between firms and believes that it can play a critical role in businesses and in particularly international business decisions. I have chosen uncertainty avoidance as an element of my conceptual framework because of its importance in international business management, as already stated by different scholars (Shenkar, 2001; Hofstede. 2001)

- **Trust:**

*The Academy of Management Journal* (1995) noted the role of trust in cooperative relationships is of fundamental importance and that "the study of trust and its impact on cooperative relationships at all levels may be a particularly fruitful area of future research" (Smith et al. 1995, p. 15)

- **Time Orientation:**

To have a successful business relationships across cultures, it is crucial to learn about the lead time for each task; to know how far ahead to schedule a meeting or book an appointment or to know how much is needed to prepare a report.

### 2.6.1 Self-reflection on the conceptual framework

A conceptual framework would be the only way to simplify the complex matter of culture. The concepts will actually help me to determine the cultural differences and analyze their effects on business relationships, though I am aware of the limitations of this concept.

I have chosen to use national culture as a unit of study, to study national Norwegian culture with National Brazilian culture. However, I am aware that Brazil is the fifth largest country in the world and occupies half of south America. According to Hofstede et al (2010) there are different ethnic group with different cultures such as Portuguese, Africans, European immigrants (Germans, Italians, Spaniards) and Asia immigrants (Japanese, Lebanese and Syrians).

Another reflection to my choices this study is the definition of trust. I found ambiguity in the literature about how one can translate trust from individual to organization level. The term *interpersonal trust* is defined as “the extent of a boundary-spanning agent’s trust in his or her counterpart in the partner organization” or “the trust placed by individual boundary spanner in his or her individual opposite member”. The other term, *organization trust*, refers to “the extent of trust placed in the partner organization by the members of a focal organization”
(Zaheer et al.,1998, p.142)

My conceptualization of trust is according to Oxford English dictionary what defines trust as “confidence in or reliance on some quality or attribute or thing”. The reference of trust can be another individual or a group of individuals such as a business partner.

# 3. Methodology

*"Research methodology is the procedural framework in which the research is conducted. This framework describes an approach to put the problem into practice in a research process." (Remenyi, Williams, Money & Swartz, 1998)*

In this chapter I discuss the method I used to answer the research question and tries to justify my methodological choices. I will also describe the background and reasoning for my choices of research approach, design and strategy.

## 3.1 Philosophical consideration

Thera are some important philosophical questions that need to be addressed before undertaking any research. Every researcher should clarify "what paradigm informs and guides his or her approach". Guba and Lincoln (1994) classify positivism, postpositivism, critical theory and constructivism as the main research paradigms in qualitative research. In International business research, scholars mostly apply positivist approach. Positivism is an epistemological program that is introduced by August Comte, it emphasizes that researchers in the sciences should avoid speculative and metaphysical approaches and focus on observable facts ('positiva'). (Flick, 2015).

Assumptions of positivism are summarized by Bryman (2016, p.13) as followings:

- *Only phenomena confirmed by the senses can be warranted as knowledge (phenomenalism)*
- *Theories are used to generate hypotheses that can be tested and allow explanations of laws to be addresses (deductivism)*
- *Knowledge can be produced by collecting facts that provide the basis for laws (inductivism)*
- *Science must and can be conducted in a way that is value free and thus objective*
- *There is a clear distinction between scientific and normative statements.*

However, I think positivist approach may have some disadvantages for a study on intercultural business relationships, because as Guba and Lincoln (1994) have mentioned, the knowledge that is developed by applying a positivist approach is context-independent and time-free. But these two aspects are important first, because business relationships have holistic nature and second they are shaped over a period of time and third, every party in a business relationship has its own views therefore the reality cannot be objective. I believe in business relationships, the role of the researcher is to understand each party's subjective views and interpret it, therefore I chose constructivism(interpretivism) to develop my research, According to Savin-Baden and Major (2013) constructivism is a notion that knowledge lies in the minds of individuals and they construct what they know based on their own experience. This process of knowledge construction is an active process and knowledge is created rather than constructed, therefore in my research, it is my role to understand the ways that individuals construct meanings. Since reality and knowledge are not separated, subjectivity and objectivity are fairly united. Smircich (1983) believes that the focus of interpretive studies should be on the ways individuals interpret and understand their experience. Interpretivists usually use qualitative methods to conduct their research.

## 3.2 Research strategy and design

Research strategy is considered as the overall direction of the research and also includes the process in which the research is conducted. The main objective of this research is to gain greater understanding of the role of cultural differences in business relationships. Although much research has been done to examine cross cultural business relationships, little has examined the role of cultural differences. According to Bryman (2011), a research design is a framework to use for data collection and analysis. In qualitative research designs are flexible rather than fixed, it is also a reflexive process which operates through different stages of a project. (Robson, 2011; Maxwell, 2012)

### 3.2.1 Qualitative Research

In the field of international business (IB), qualitative research method has always had a very important place. Although many qualitative researchers have to argue and fight for their recognition, one can find growing amount of research using qualitative methods in the last 20 years. (Marscha-Piekkari & Welch, 2004). In qualitative research participants are selected purposively and small numbers of cases are integrated according to their relevance. Data collection is more open and the purpose is to make a comprehensive picture with the use of the case under study. Therefore, fewer questions are asked which are usually open questions. The participants are asked to answer the questions instinctively. (Flick, 2015). According to Flick

(2015) one of the advantages of qualitative research is that participate have more freedom to present the relevant information in its contexts, therefore a detailed and exact analyses can be produced. A disadvantage is that it takes a lot of time to generate results and the results can only be generalized in a very limited way.

In social science, there is always a discussion about superiority of qualitative research over quantitative. I believe that with doing a qualitative research one can reach some objectives that could not be reached by quantitative method and vice versa. For the objective of my research depth understanding of the problems are needed so qualitative method is suitable, because the topic needs more observing, listening and interpreting. As other qualitative researchers, I have been involved in every stage of the research process. The qualitative research is relatively subjective and the results are dependent on the researchers. Different researchers may conclude differently from the same interviews which is not a weakness of qualitative research but it is just a matter of different insights.In qualitative research, there are not hundreds of respondents as it is in quantitative one. Most of the time, the number of respondents are not more than a handful of people. Qualitative research is mostly used in exploratory designs. In this study, it is also used to develop a deeper understanding of how business relationships are impacted by cultural differences and investigating how people with these differences while conducting a business with their partner from a different culture.

According to Savin-Baden and Major (2013) qualitative research has a relatively subjective and personal orientation. I am aware that my research is also inherently subjective, and all my decisions such as what to study, where to study, my participants selections and etc. bound my research in specific ways and my values are evident in the ways I ask questions and interpret the results. According to Mason(2002) a qualitative method is used when the object of study is a social process or experience and the decisions about whether or not the right number of participants are included depend on the extent to which the generated sample enable us to generate appropriate explanation for the research questions

## 3.3 Research phenomena

In some qualitative research people and culture is being investigated, in order to doing so some researchers, study individual perceptions and others study culture of groups or members of a society. Some researchers choose to study large organizations such as universities, schools and governments and examine organizational culture while some others study family units and examine marriage, divorce and other aspects. Processes, structures and artefacts are other phenomenon that researchers most often give their attention.  In this study, I choose individuals as a unit to investigate which includes individual employees of companies and the data is gather directly from individuals through one-to-one interviews. In individual phenomena, the data presented does not show are in aggregate and the result does not show the feeling of a group but it portrays what individuals have in common, how they think and what they believe (Savin-Baden & Major, 2013). According to Flick (2015), research should be conducted on the ideal of objectivity, therefore, it should be independent of the researcher's points of view and free of their values

## 3.4 Research Sample

One of the crucial factors that also shows validity of a qualitative research is how the sample is selected, in this thesis the sample is selected by a suggestion from my advisor about the established Norwegian companies in Brazil and by the help of one of our team member who was a PhD students in Rio, Brazil. He made initial contacts with some companies and we interviewed the interested individuals. The population sample of this research consists of 10 respondents from different industries such as oil and gas, ship broking, legal and insurance. The respondents have different positions in companies and different educational background with one common factor that they needed to be working for Norwegian companies who has established relationships with Brazilian counterparts. There was no gender or nationality discrimination in choosing respondents and the interviews were done with both men and women. They are Norwegian, Brazilian and German by origin, but they have not been categorized by their country of origin. I believe that values, behaviors and perceptions of people are not steady over time and they are subject to change. Therefor a Norwegian national can act like a Brazilian after some years of living in Brazil and adopting to the Brazilian culture. Therefore, I have categorized the respondents of our interviews according to their mindset rather that their country of origin or nationality.

- **Norwegian Mindset:** respondents who are classified in this category are individuals who live and work in Brazil but they have Norwegian values, perceptions and behaviors and have not adopted to the Brazilian culture.

- **Brazilian Mindset:** respondents in this category are individuals who live and work in Brazil and represent Brazilian culture. Their values, behaviors and perceptions are shaped by Brazilian culture.
- **International Mindset:** respondents in this category are individuals with open and diverse mindset who try to adopt selective ideas and practices from both Norwegian and Brazilian culture. They have an international perspective which helps to widen up this research.
-

Eventually, 3 respondents had a Norwegian mindset, 4 respondents had a Brazilian mindset and 3 respondents had an international mindset.

## 3.5 Data collection method

### 3.5.1 Primary data

Interviews are the central method of data collection in various approaches in qualitative research and designing an interview requires time and effort. Maccoby and Maccoby define interview as "a face to face verbal exchange, in which one person, the interviewer, attempts to elicit information or expressions of opinion or belief from another person or persons" (Maccoby and Maccoby, 1954, p.449). This definition is interpreted and modified in many different ways but the in general it is a conversation with a purpose between two individuals where the interviewer asks questions and interviewees answers. An interview is a useful way to get a great amount of information quickly. (Marshall & Rossman, 2014) According to Rapely (2004) there are a range of interview types that interviewer can select one according to the research approach.

The primary types of qualitative interviews are: structured, semi structured, unstructured and informal. In this research, I chose semi structured interview method, which I follow some pre-set questions and also include some additional questions in response to the respondent's answers and their reactions. In a semi structured interview, the questions are not as organized as structured interview and not as broad as other forms of interview. This technique is useful when the research is being conducted at individual level, it gives the interviewees a chance to become visible as a knowledge-producer., rather than hiding behind a set of questions in an interview guide (Brinkmann, 2013). According to Mason (2002) the qualitative interviewing is used because "the data you want may not be feasibly be available in any other forms". I believe that for the purpose of this study, talking and listening to the people is the only way I can generate the data that I want.

The questions were open-ended to allow the respondents to express their points of view on the topic and also allow the interviewers to compare their responses with other respondents.
In our interviews, we had a tendency to start with a general and then move to the specific and more detailed questions. I chose semi structures interviews because my time was limited and it allowed me to best use of the available time and keep a concentrated interaction with respondents. In-depth interviewing which is defined as "a conversation with a purpose" (Kahn and CAnnell, 1957, p.149) is one of the several methods of qualitative interviewing.

Interviewing has strength and weaknesses; one weakness of semi structured interview is that it sometimes does not give the opportunity to the respondent to talk about his or her own perspectives. Interviewees might be reluctant to share all their information to the interviewers. There is also a challenge of language in interviews, sometimes because of lack of familiarity with local languages, interviewers do not ask questions that evoke long narratives. (Marshall & Rossman, 2014). Although there are any advantages for doing a qualitative research, Yin (2009) mentions several advantages as they might be time consuming and intensive. Quality of the questions and the honesty of the participants are very important and critical. He believes that the information provided by the participants might be the information the researchers want to hear rather than being the accurate information.

Another challenge is that interviewees might be unwilling or uncomfortable to share their information with the interviewers, or they might be unaware of the subject the interviewer wants to explore. The interviewers may not ask the kind of questions that evoke proper narratives from the participants, or the interviewers might not have the required skill and expertise or might be unfamiliar with the interview language. another challenge is that the answers provided by the interviewees might not be correctly understood by the interviewers (Marshall and Rossman, 2002). Douglas (1985) argue that in some cases the interviewees might have good reasons not to be truthful.

### 3.5.1.1 Developing Interview Guide

The interview guide (Appendix 1) was developed based on the literature review and the conceptual framework to answer the research questions. The first interview worked as a pilot interview, it helped the group to modify the interview guide and focus on the most important questions due to the limited time.

- **Initial questions:** Some initial questions were asked in order to obtain background information and to build a foundation for later probing questions. The questions help respondents to provide less risky information.

| Type | Purpose | Example |
|---|---|---|
| Direct/descriptive questions | To elicit general information which is mostly introductory | Could you tell me about yourself and your background? |
| Narrative questions | To elicit stories | How did you get the job? |
| Structural questions | To learn about some basic processes | Who are your main business partners in Brazil? |

*Table 12, Initial questions*

- **In-depth questions:** After asking initial questions, core questions of the research were asked to provide opportunities for the respondents to share their relevant experiences.

| Type | Purpose |
|---|---|
| Contrast questions | To make respondents focus on extreme cases |
| Evaluative questions | To enable judgment |
| Comparative questions | To enable them talk about their own experience |

*Table 13. In-depth questions*

- **Follow-up questions:** throughout the interview some follow up questions were asked to encourage participants a more detail explanation or verify what they have already said. These questions helped us to make sure that we understood the information correctly and also gave the interviewees opportunities to share their perspective.

While there were many questions to ask I also paid attention to avoid problematic questions such as:

- Over-empathic questions: These questions usually end up leading the interviewees in a way to relate something no relatable that they would not do otherwise.
- Manipulative questions: They lead the respondents to some conclusions that might not have come to
- Leading questions: They put words in the respondent mouth
- Why questions: They might be threatening and also encourage intellectualization

#### 3.5.1.2 Interviewing Process

Fieldwork generally refers to "the primary researches the transpires in the field that is outside the controlled settings of library or laboratory." A fieldwork distinguishes itself from other forms of research because the period of data collection takes place in a field setting is different from other phases of the research such as design and analysis. Another distinguishing character of a field work is the inclusion of the observer in the process of data collection, which is defined as reflexiveness and is quite inevitable. (Hobbs and Wright, 2006)

The data collection was conducted in Jan-Feb 2018 in Rio de Janeiro, Brazil and in Stavanger Norway. The entire period for the data collection was about 3 weeks. For this research face-face interviews have been chosen because our research was part of a big project that was meant to be in Rio, Brazil. Most of the interviews had been done in the respondent's work premises and lasted up to 1 hour.

I followed Savin-Baden and Major's suggestions while interviewing, and in addition to asking questions and keeping the conversation going, I tried to be a good listener and avoid talking too much, I encouraged the respondents to speak and I also had prepared some follow up questions to ask them when they comment.

#### 3.5.1.3 Language in qualitative research interviews

Language is not only a medium for communication, it is a cultural resource which produces the social interactions. Much research today involves international data collection like a qualitative interviewing where a foreign language is used for interviewing (Welch and Piekkari, 2006).

There are three approached to qualitative research interviews, *neopositivist*, *romantic* and *localist*. Each of these groups has different notion about the role of the language in a n interview. A *neopositivist* view conceives the interview as a search and discovery mission and believes that the objective of the interview is to extract the precise information from the interviewees and the interviewers need to conduct the interview in a neutral way to minimize biases. In this perspective, traditional standards of objectivity, reliability, repeatability and validity are the important measures of the quality of the interview. Language is seen as an instrument to mechanically transfer information between interviewers and interviewees. The interviewer's challenge is to word the question accurately and reduce the possible misunderstandings (Welch and Piekkari, 2006; Janssens, Lambert & Steyaert, 2004; Alvesson, 2003; Silverman, 2001; Fontana and Freg, 2000; Holstein and Gubrium, 1995).

A *romantic* approach for interviews reject neopositivism which believes that the researchers should remain neutral in an interview. In this approach interview is recognized as a social interaction and interviewers should engage with interviewees on a personal level, in order to create an atmosphere of trust to have more genuine responses from the interviewees. The interviewer's challenge is to create a situated friendship with the interviewee, because higher the quality of interactions higher the quality of findings. In romantic approaches language is considered as a tool for communion between interviewer and interviewee, therefore, selecting the right language is very important for authentic responses. Some researchers argue that in many cases the right language is the interviewee's native language (Welch and Piekkari, 2006; Rubbin and Rubbin, 1995; Douglas, 1985)

The third approach to interviewing is the localist approach which has the same position on social and interactional nature of the interview as the romantic approach. Furthermore, it relates the interviews to the social context where they place. According to this approach, the data generated from the interviews is inter-relational and contextually grounded by the interviewer and the interviewee in a specific time and place. Language from this perspective, is a form of construction not a mirror on reality. The important part of the interview which becomes part of the analysis is the from rather than the content of interview (Kvale, 1996; Mishler, 1991; Alvesson, 2003; Silverman, 2001; Welch and Piekkari, 2006)

### 3.5.2 Secondary data

> *"Begin with secondary data and only when they are exhausted proceed with primary data" (Ghauri & Grønhaug,2010).*

Secondary data is useful in better understanding and explaining the research problem and help us gain more information about it (Ghauri & Grønhaug,2010). In this research, I have started with a literature review, which was about the earlier studies on the topic of the research and I found them from books and journal articles. The advantages of using secondary data can be 1) saving money and time 2) facilitating cross cultural research 3) suggesting suitable methods to handle a particular question 4) being helpful in segmentation and sampling of the target group 5) availability. Therefore, many scholars recommend that all research should start with secondary data sources. However, there are some disadvantages in working with secondary data that every researcher should be careful in using them. One of the most important drawbacks is that some data are collected for a different study and a completely different research problem that may not fit our research problem, hence it is important to identify what we want to study, what we already know about it and what further information we need (Ghauri & Grønhaug,2010; Zikmund, Babin, Carr, & Griffin, 2013).

## 3.6 Ethics in qualitative research

Ethics is related to the philosophy and social norms therefore there is not a general agreement among philosophers to answer questions about ethics. Due to the nature of a qualitative research that in general is human practice, ethical principles are important to consider in order to avoid moral dilemmas. Each party of this human interaction expects certain rights from another party and also feel some obligations. Researchers happen to ask themselves if they are exploiting the respondents, or if they are deceiving them in some ways? Is the project worth doing? Who owns the data and is the researcher allowed to publish them? Who will benefit from the findings of the research and who will lose? Therefore, the entire research seems to have many ethical pitfalls. (Miles & Huberman, 1994; Zikmund, 2003; Boeije, 2010)

Although ethics is a broad topic in a scientific research but there are some common principles to guide ethical choices which are categorized in three groups, informed consent, privacy and confidentiality and anonymity.

- **Informed consent:** It is one of the important ethical consideration in qualitative research. Informed consent is the obligation to inform respondents about the nature of the data collection and the purpose of the research in a way that they can understand. The purpose of informed consent is to ensure respondents that they are in a situation that they can decide if they want to participate or not. That is to say, the interviewees have the right to know what they are being researched for and should give their consent. For this research, one of our team members who is a Brazilian PhD student explain our research before asking them for an interview meeting, in the beginning of every meeting we also explain the research again and make sure that they know what is going on.

- **Privacy:** It is about the interest of respondents to decide whether or not they want to give information and to whom they give their information. It also implies that the researchers should not give their information to others. Zikmund (2003) argues that traditionally, researchers assume that respondents make informed choices but in some cases such interviewees do not know about their rights, therefore it has been suggested the respondents be informed about their rights. Although respondents of this research are high educated and professional individuals, they were informed about their rights to be left alone or to break off the interview anytime.

- **Confidentiality and anonymity:** It is often dealt with both informed consent and privacy. Confidentiality and anonymity are concern data such as records, notes, transcripts and the agreements of how to use the data to ensure privacy of the respondent, therefore informed consent of the participants are important to clarify what the is allowed to be done with the data.

  Confidentiality is connected to anonymity which says that the names and other identifiers of the participants are not attached to the data. Only the research group can identify the participants, and not by names but by the use of codes which are given to every respondent. The code book and other material that might reveal respondent identity are protected.

## 3.7 Trustworthiness

- **Credibility:** This criterion of trustworthiness can determine the acceptability of the research. Establishment of credibility ensures that
    1. The research is conducted according to the canon of good practice
    2. The research is submitted to the respondents and they confirmed that the researcher has understood the social world correctly. (The latter is known as respondent's validation or member validation)
- **Transferability:** Qualitative research is usually an intensive study of a relatively small group of individuals that have some certain characteristics in common, therefore the findings (Bryman, 2016)

### 3.6.1 Credibility

| Criteria | Way of addressing |
|---|---|
| Prolonged engagement | • The researcher lived in Norway for a few years before starting this study and is quite knowledgably about Norwegian culture.<br>• The group of researchers in Brazil consists of one native Brazilian PhD researcher who has extensive knowledge of Brazilian culture<br>• The researcher of this thesis spent some amount of time with a Brazilian peer and shared views on the issues in focus. |
| Triangulation of Data | • All the field notes were made during the interviews.<br>• Previous literature and studies on Norwegian-Brazilian business relationships were considered before starting with collecting the primary data<br>• Multiple theories from different scholars were used |
| Negative cases | • The interviewees in the research varied in context. |
| Member checks | • The results of the interviews were sent to all the respondents. |

*Table 14. Credibility*

### 3.6.2 Transferability

| Criteria | Way of addressing |
|---|---|
| The extent to which the findings can be applied to other contexts | • The results and the contexts were described<br>• The results are individual cultural specific and not industry specific<br>• Due to the similarities in cultures, I believe the results can be transferred to the business relationships in the same categorization of cultures such as high context countries to low context, multi active to proactive. |

*Table 15. Transferability*

### 3.6.3 External validity and generalizability

One of the most important and difficult subjects in qualitative studies is the subject of external validity or generalizability whish shows is it is possible to generalize the results of the study beyond the research context. If a research is valid, then the results can be applied to others as well (Bryman, 2008; Boeije, 2010). Patton (1999) argues that in qualitative research, the findings are usually context and case dependent, and the purpose is to understand that important case rather that generalize the findings from sample to a population.

> *Findings, must be carefully limited, when reported to those situations and cases in the sample. The problem is not one of dealing with a distorted or biased sample, but rather one of clearly delineating the purpose and limitations of the sample studied- and therefore being extremely careful about extrapolating (much less generalizing) the findings to other situations, other time periods, and other people. (*Patton, 1999, p.1198)

Therefore, as Patton suggested, researchers should be careful not to over generalize the findings and use the restraints. In this study, I emphasize the importance of culture on business relationships

## 3.8 Narrative Analysis

Analyzing qualitative data is a kind of ongoing process which occurs during the lifecycle of the project (Boeije, 2010). For analyzing the results, I will use narrative analysis that focuses on the stories told during the interviews and finds out their structure and plots. If the interviewer did not find any story during the interview, he or she may construct a coherent narrative from the different episodes of the interview. In a linguistic framework of narrative analysis, the researcher can break the narrative into interconnected components to highlight the structure of the analysis (Kvale & Brinkmann, 2009). The interview results are analyzed based on the proposed conceptual framework at the end of chapter 2.

### 3.8.1 Description

Jacobson (2005) suggests that in the analysis phase of the research, the main task is to describe the acquired material through the interviews. At every interview session, two of the group members have the responsibility to take notes and one to ask the questions. After each interview, every information such as asked questions and answers from the interviewees together with the personal information of the interviewee were documented.

### 3.8.2 Categorization

In this step, the focus is on the reduction of the information according to basis of the research. In every qualitative research, researchers need to allocate the scope of the analysis with a data reduction plan (Guest and Macqueen, 2008). Therefore, the insignificant details of the interviews were set aside in order to make more applicable format of data to conduct the data analysis. According to Miles and Huberman (1994) data reduction "sharpens, sorts, focuses, discard and organizes data in such a way that final conclusions can be drawn and verified".

While reviewing interview transcripts, my focus was on the five elements in my conceptual framework (Power distance, communication uncertainty avoidance, time orientation and trust). Each applicable part of the transcripts was marked with a tag to describe what categories they were belonged to. Importance was also given to each categories of data as less significant, significant and more significant based on the extent they can be used in the analysis. When all the data were put into the relevant category and tagged, the analysis was started.

### 3.8.3 Combining

When the data has been categorized, the interpretation phase was started. First, I combine all the statements from different interviewees that represented the same element of the conceptual framework. The interviewees have different mindsets, nationalities and backgrounds therefore, their insights to the interview questions varied.

## 3.9 Reflection on my methodological choices

According to Alvesson (2003) one of the important practices for today's qualitative researchers is to be reflexive on their own research. Even though, I have already done some critical reflections on some of my methodological choices while describing them, it is important to have a separate part to raise the issues I have not written about yet.

As a third country national (non-Norwegian, non-Brazilian) I have tried not to have biased assumptions while conducting the fieldwork, however, due to 6 years' experience of living in Nordic countries I might have done generalizations or categorization about the claimed Norwegian behavioral rather than describing individual behavior. According to Adler (1997) "stereotyping involves a form of categorization that organizes our experience and guides our behavior towards others".

A shortcoming of my methodological groundwork might be the general lack of member checks. Lincoln and Guba (1985) describes "member checks" as respondent validation include testing or validating data interpretation with the respondents. However, this technique may work only if "the results of the analysis are compatible with the self-image of the respondents" (Silverman 2011, p.372). For this research, the transcripts of the interviews were sent to all the respondents individually. Nevertheless, no feedback or additional information or critique received from Brazilian interviewees. while all the Norwegian interviewees provided short feedbacks to the reports.

In a qualitative interviewing and in general in qualitative research there is never a correct way to understand the method, as Brinkmann (2013) mentions, everything depends on the researchers' intentions of conducting the research project.

The first interview has worked as a pilot interview, although the interviews were based on an interview guide but there is a possibility that the subsequent interviews had been adapted to the results of the former interviews and the group might have asked some leading follow-up questions.

# 4. Empirical findings

In this chapter, the empirical findings of the interviews are presented. It first starts with a demographic profile of the participants followed by the presentation of the results.

## 4.1 Demographics of the respondents

As stated before this study is a qualitative research and my major source of data is interviews with people who have involved in Norwegian-Brazilian business relationships. I have conducted 10 interviews (9 in Brazil and 1 in Norway). The companies are from different industries such as oil and gas, legal, insurance, ship broking and business involved in trade and investments and are different in size, activities ad product or services which may raise the credibility of this research. Some of them have experience of living in Norway, some have never traveled to Norway, but have frequent contacts with Norwegians. Their occupations are middle or senior managers in their organizations and I believe that this mixed demographic profile can raise the credibility of my research.

**Demographics of the respondents**

| Code | Position | Degree | Years of Experience | Mindset |
|---|---|---|---|---|
| R1C1 | Project Manager | Master in Political Science | 5 | International |
| R2C2 | Proposal Analyst | Master in Engineering | 10 | Brazilian |
| R3C2 | Business Development Manager | Master in Business Administration | 10 | Norwegian |
| R4C3 | Managing Director | Master in Engineering | 8 | Brazilian |
| R5C4 | Managing Director | Master in Mechanical Engineering | 25 | Brazilian |

| | | | | |
|---|---|---|---|---|
| R6C5 | Relationship Manager | Master in Anthropology | 4 | Norwegian |
| R7C6 | Managing Director | Master un Marine Engineering | 6 | International |
| R8C7 | Business Development Manager | Master in Risk Management | 11 | International |
| R9C8 | Project Manager | Bachelor in Project Management | 12 | Norwegian |
| R10C9 | Lawyer | Master in Law | 15 | Brazilian |

*Table 16. Demographics of the informants*

## 4.2 Presentation of results

The presentation of data is categorized in five major elements identified in the conceptual framework from ten qualitative interviews. The results are presented in sequential order and start from the result of interview from the respondent to the last.

- **Power distance**

Almost all the respondents made statements regarding the existence of higher hierarchy in Brazil, R1C1 said due to high degree of social inequality in Brazil, people of lower classes are not motivated to study, they think they can never improve in their social classes and be like people of the higher class. This lack of education that is the result of hierarchy in the society makes it difficult to companies to find the right well educated employees.

> *"Inequality in power distribution in Brazil makes it difficult for Norwegian partners to relate to them."(* R2C2)

According to R2C2 the Brazilian partners with more power, delay in every phase and it is very difficult to work with them. They do not give details about the delay nor deadlines.

*"In Brazil, it is acceptable to wait for a manager but it not acceptable to make the manager wait for you. If you miss an appointment with a manager, it is difficult to have another opportunity but in Norway you can explain the reason for your delay and reschedule another meeting."* (R3C2)

"*it is very easy in Norway to reach the boss, you only need to call him or her. But in Brazil the process is more formal and you need to go throw different bureaucratically phases to be able to talk to the boss*." (R3C2)

*"When a Brazilian company have more power, they think they are God."* (R4C3)

*R5C4* also affirms that power is centralized Brazil, the country has hierarchical structures with many roles and functions. R9C8 says that there is no job security in Brazil.

"*Employees have security in Norway, they can make mistakes and argue with the boss or make decisions with the help of others and ask help from their colleagues. However, in Brazil employees cannot argue with the boss or ask help from their colleagues."* (R9C8)

- **Uncertainty avoidance**

The informants indicated that the level of uncertainty avoidance in different between Norwegians and Brazilians.

*"Contracts are more important for Brazilians than for Norwegians." (*R1C1)
*"Norwegians are flexible with contracts, conversely Brazilians are very rigid."* (R2C2)

One informant with Norwegian mindset says that in Norway some tasks can be done by just emails and written communications while in Brazil doing those tasks need signed contracts. Another Norwegian respondent asserts that contracts in Brazil are very costly and time consuming, while in Norway the contracts are shorter and much simpler.

R2C2 believes that it is difficult to negotiate the contracts with Brazilians and both Norwegians and Brazilians will go to court if certain parts of the contract are not met.

> *"Contracts with Brazilians are standardized, everything has to be specific because otherwise, Brazilians will not do deliver the tasks."* (R3C2)

Some respondents relate the role of contract to trust and say that trust in businesses in Brazil is based on the contract.

> *"Brazilians easily change the contract, and the final contract is usually different from the original one."* (R4C3)

In Norway, many tasks are done just with verbal contracts. R4C3 also adds that a very detailed contract is needed before making an agreement. The details in the contracts in some cases makes it difficult for the partners to follow them, in some cases the company get penalized because the quality of the performance is affected by not adhering to the specifications in the contract. The respondent believes that negotiations with Brazilian is tough. Despite their interest in using contracts, when things do not go according to the contract, they might blacklist the company.

> *"Contracts are more complex in Brazil due to the culture. They follow the Roman law, and in the contracts, there are more law that is needed and people cannot be regulated accordingly."* (R5C4)

The respondent believes that due to the unstable political environment in Brazil, there are a lot of uncertainties and instabilities in rules and regulations, which force the companies to make very prescriptive contracts. The contracts are sometimes easy to understand but not easy to agree upon.

> *"In Brazil contracts are very complex and one-sided, which means that the powerful contract usually put the higher risks on the other party."* ( R6C5)

According to R6C5 contracts are clear and transactional in Norway but in Brazil it is on case by case basis and is open for negotiation which means things can be added or changed at any time of the project. This implies that things are very relational in Brazil and depends on the relationship with the client. In some situations when a Brazilian company realizes that it cannot fulfil the agreements in the contract, they start negotiating and if the company is the party with a higher power can change the contract, the less powerful side of the contract has no choice than to agree, otherwise they will not have future contracts. Oppositely, when a contract is made in Norway, parties stick to the agreement and it is unlikely that any changes happen in the contracts.

> *"contracts in Brazil are very complex and detailed, you have to be aware of every detail otherwise you will encounter many difficulties. In Norway, it is easier to understand and deal with the contracts."* (R7C6)

Contracts and rules are easily changed, there are many things written down in the contracts but not done practically which made a lot of uncertainties. New changes in the contracts may happen at any time without considering the other parties of the agreement.

> *"In Brazil contracts are usually standard, however the law is protective and more favorable to Brazilian parties."* (R8C7)

This interviewee believes that Norwegians are flexible but Brazilians are rigid and abide by law, things that re not written cannot be discussed.

> *"Although it seems that Brazilians are flexible with contracts, they expect the deliverable of the project exactly as it is written in the contract. In one case, Norwegian did not install the cables according to the contract, even though the one they made was better quality, Brazilians did not accept it and penalize them." (* R9C8)

Brazilians have the term "Act of God" in their contracts and is used to explain bad situations and delays. They actually use it to blame others for their delay.

- Role of lawyers:

R2C2 mentions that legislation in Brazil is very complex, therefore the lawyer's role is very important. Every company needs to have a lawyer to help with the problems.

*"There are hardly disputes over contracts in Norway and lawyers are only used as a bridge for contracts. But in Brazil lawyers are used for every task in business. One of the reasons according to R3C2 is the risk of misinterpretation which can damage reputation. Therefore, lawyers are very important in Brazil." (* R3C2)

R4C3 believes that because of the details needed to be written in the contracts in Brazil, finding a layer is important. Norwegians follow the contracts but Brazilians sometimes change the contracts and this causes dispute between business partners. The respondent says that once a Brazilian company that delays paying the supplier after the delivery of service and goods according the contract, therefore a good lawyer is needed to interpret the contract.

*"The role of lawyer is critical in Brazil, because of the complexity of projects, risks, roles and responsibilities are not usually very clear, or businesses need to have lawyer to interpret the contracts for them." (* R5C4)

According to R6C5 Lawyers are very important in Brazil because of the lack of transparency. The business environment is insecure in Brazil and Norwegians want to protect their investments therefore they need to have lawyers in Brazil.

*"the role of lawyer is very important in Brazil, because regulations and laws are ever changing, therefore layers are needed to be up to speed, otherwise, it could lead to loss of contract and the money." (*R8C7)

- **Communication**

**"***Brazilians are less direct compare to Norwegians; therefore, more follow ups and more attention is needed while establishing relationships with Brazilian partners"* (R1C1)

The respondent also adds that most Brazilians do not understand English nor Norwegian, so language is a big barrier for Norwegians in Brazil. According to R1C1, Norwegian expatriates do not put effort in learning Portuguese in order to have a better understanding of the place they live, they prefer to live in the expensive international areas with other expatriates from other countries, it makes the communication more difficult for them.

R2C2 asserts that Language barrier is problem, because not many Brazilians are able to speak English.

*"Once there was a technical problem and they needed to bring a Norwegian engineer to Brazil to fix it, it was a difficult situation for the engineer because none of the staff could speak English. However, the technical problem was resolved." (*R2C2)

R2C2 believes that challenges regarding language vary according to the size of the company. big companies do not find communication a problem, but in small companies, language is a barrier.

> "*Brazilians are afraid of saying what they feel as if it might be interpreted wrong, so even when given opportunities they would not speak about their feelings."* (R3C2)

R3C2 mentions that in some situations Brazilians would answer to an offer "Yeah, we will see" which should be interpreted as forget about it, but Norwegians interpret it as a highly probable situation which needs follow ups.

> *"It is hard to live in Brazil if you are not Brazilian"* (R3C2)

This respondent believes that in Norway it is common to talk about your personal life and people normally do it during coffee breaks or lunch breaks, but in Brazil the line between professional life and personal life is not clear.

> "*Language is a barrier because majority of Brazilians are not able to speak English or they are not comfortable with English. On the other hand, most of the contracts are in Portuguese and translations can cause misinterpretations." (*R3C2)

However, according to R4C3 Communication is not really a problem for Norwegian companies in Brazil, because their partners are big Brazilians business where language is not a barrier.

R5C4 think that Brazilians are not straightforward in their communication, on the contrary Norwegians are quite straightforward. The lack of being straightforward affect the communication because what is said might not be the same as what is interpreted. This also affects the business relationships, because right decisions cannot be made in many situations.

> *"Norwegian have a different way of thinking and communicating from Brazilians. Lack of transparency by Brazilians make it difficult to understand how things work in Brazil."* (R6C5)

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R6C5 believes that level of understanding English for most Brazilians is low, therefore a Norwegian partner cannot be sure what the Brazilian [partner is saying and this problem usually causes misunderstanding and misinterpretation of the situations.

Norwegian are not very easy in starting the conversations, R8C7 says that it takes time for Norwegian to break the ice and start communication, but they are straightforward. Oppositely, Brazilians are friendly but not straightforward and can easily mislead people with their friendliness. The interviewee adds that Norwegians find it difficult to persuade people and they take no for an answer, but Brazilians do not accept no and they keep trying until they get what they want.

> *"Personal connections and relationships has an important role in Brazilian businesses. Why should they buy the product from that specific supplier? Because he or she is somebody's sister, brother or cousin."* (R9C8)

According to R9C8 misunderstanding happens most of the time. Sometimes Norwegians assume that the Brazilian partner can understand English well, but at the end of the day they get very different results.

- **Time orientation**

> "*Brazilians are poor with timing. It is very common that they are more than 10 minutes for the meetings, while Norwegians find this disrespectful." (*R2C2)

However, the respondent added that it hardly causes problems because most Norwegian has adapted themselves to this. Delay is the main challenge you can face with Brazilians, meanwhile Norwegians are more punctual. Despite the common delay in Brazil, Brazilians focus on the result and try to deliver no matter the delay.

> *"Norwegians are very punctual with timing, but Brazilians are different and always need follow ups." (*R3C2)

Brazilians do not stick to schedules and agenda, therefore while doing a business in Brazil one should be prepared for delays and rescheduling. R3C2 adds that this difficulty in time management makes planning difficult in Brazil, so one should always plan for unforeseen circumstances when dealing with Brazilians.

*In Norway staff meetings start at the designated time even if all members are not present, in Brazil meetings barely start at the designated time because people are usually late and meetings should start when all the members are present.* In Brazil deadlines are difficult to meet, timing and planning for the projects are usually unstructured and there is always availability for black boxes For example if the pipeline of a project is out of place, you would not know what is happening, you just have to wait, follow ups and calls would not useful.

> *"Things take time in Brazil." (*R4C3)

The respondent also adds t delays are very common in Brazil, for example a Brazilian company tell you that something will be delivered in two days, but in some cases in might take 20 days. When you want to know about the exact delivery time, you will not find a proper answer and sometimes they even postpone the delivery further. Brazilians usually need follow ups and doing businesses in Brazil takes time, while Norwegian mostly finish their projects according to the schedule.

Sometimes the delay is because of the bureaucratic system in Brazil. For example, R5C4 says that inn Brazil the timing for the contracts, approval and laws of the projects which are done by state companies is very difficult because of the bureaucratic of the state's companies.
One cannot expect thing to happen fats in Brazil, everything takes time and the foreign partners should look at their businesses in a long term otherwise they cannot be successful

> "*a meeting can go on forever in Brazil and there is always negotiations back and forth.*" *(*R6C5)

R6C5 believes that Brazilians are opportunistic, they accept the offers in some cases that they know they are not able to fulfil the task. But when the deadline reaches they will not deliver. According to this respondent "*you don't get the bad news but when you do it is too late*"

R7C6 also agree that delays in delivery of the projects is a common issue in business relationships from the Brazilian partner which causes difficulties. On reason can be the perception of time in Brazilian mindset where many people do not respect time in Brazil. While Norwegians are very time conscious, Brazilians do not care about time. For instance, you could have a starting time for a meeting but not a finishing time because people can talk for a long time.

According to R8C7 Brazilians hardly deliver on time, they leave things for the last minute and usually ask for extension. As an example, R8C7 mentions there was a case that the payment was due on the 31st and the Brazilian partner had difficulties with paying that, they did not tell their Norwegian partner until the deadline.

> *"Bureaucracy and delays lead to financial loss." (R9C8)*

*Brazilians always say if not today then tomorrow, they also say the time is coming and it is not going.* According to this R9C8 Brazilians does not respect time as Norwegian do, and they have different ideas about time.

> *"It is normal to be late in Brazil, but it is not normal in Norway." (R9C8)*

- **Trust**

  *"Bureaucracy is caused by lack of trust, moreover it increases the problem of trust"* (R1C1)

High level of bureaucracy in Brazil causes lack of trust and results in corruption and bribery. According to this respondent Brazilians mostly trust their inner circles and families.
Once they went to a company to market a product, the Brazilian partner showed interest but they never called back, it is difficult to trust feedbacks.

*"it is difficult to trust Brazilians because they can easily change an initial agreement without counseling their partner."* (R2C2)

Although there is no mutual trust according to R2C2, Brazilians can accept inefficiencies to a higher extent than the Norwegians.

*"there are usually lots of delay leading to increased cost and cash flow problems, this timing differences makes it difficult for Norwegians to anticipate cash flows when trying to bring goods into Brazil."* ( R3C2)

R3C2 believes that trust in Brazil is based on individual perception, but when it comes to businesses they need to show reliability in order to gain trust. In other words, people in Brazil tend to distrust the business unless they prove themselves. In order to build trust, Brazilians check everything about the company to make sure, therefore it takes time. But Norwegian trust their partner from the starting point of the relationship unless something happens to break their trust.

*"Brazilians trust Norwegians and feel comfortable with them, whilst Norwegians are not very comfortable with Brazilians.*" (R5C4)

Norwegians trust easily. They usually trust their partners in high level, however it deteriorates gradually. Meanwhile, Brazilians start with low level of trust and build it up gradually.

*"Trust is like a diamond. Some issues happen in Brazil with one of the most powerful companies that destroyed trust between companies."* (R7C6)

In Brazil trust is made by time and relationships. It is easier to build trust in Norway because the country is smaller and people easily know each other.

R8C7 believes that Norwegians trust for good faith, but it is hard for Brazilians to trust because the system does not allow hem and they cannot guarantee the outcome.

It is hard to trust Brazilians according to R9C8. the interviewee has seen suppliers that they knew they could not deliver the product but they said they could and finally they delivered something that was not acceptable.

# 5. Discussion

The subject of this study is the role of cultural differences in Norwegian-Brazilian business relationships. However, Norway and Brazil both belong to the West and have some similarities. Da Matta (1991) states, Brazil is a society that is “at the borderlands of the Western world”, Norway is at the very northern border of the West. Therefore, as they are at different borders of the West, they possess many cultural differences.

After analyzing the existing theories and research I presented five categories as a framework to explore the role of culture on Norwegian-Brazilian business relationships. There categories were used to develop interview questions. The questions are based on the issues in business relationships, however they might be relevant in other business categories.

The discussion part is based on the conceptual framework developed in chapter 2. I try to compare the statements from the interviewees with theories I have used to develop my framework in order to answer the research questions. Therefore, the focus of the discussions is on the main factors of cultural differences that affect the Norwegian-Brazilian business relationships and the challenges they can make.

## 5.1 Power distance

The results of the interviews show a significant difference in power distance between Norwegian and Brazilians and confirms Hofstede (1984, 1991, 2001)’s findings which is shown in table.15. According to Hofstede, Norway is characterized with low power distance index, this implies that less powerful members of the Norwegian society do not accept the unequal distribution of power. The central value concept in Norway is *likhet*, meaning not only equality, but also likeness, similarity, identity, or sameness (Damman, 2008), social actors should consider themselves the same to feel that they are of equal value. On the other hand, Brazil scores higher in power distance index, which shows that in brazil power concentrates in the hands of few privileged ones. The existence of hierarchy was emphasized by almost all the respondents.

| Dimension | Norway | Brazil |
|---|---|---|
| Power Distance Index | 31 | 69 |

*Table 17. Power distance index*

In Brazil decisions are centralized at superior hierarchical levels, with clear incompatibility between responsibility and authority. (Amado & Vinagre Brasil, 1991) The results of the interviews confirm the existence of hierarchy and a centralized decision-making process in Brazil. A respondent state that the decision makers in Brazil are often the owners or directors of the larger companies which confirms Amado and VIngre Brasil (1991).

Hamedan-Turner and Trompenaars (1996) find that Nordic managers delegate decisions to employees to a much greater degree than the managers in other countries which illustrates a less centralized decision-making process. This fact was confirmed by the results of the interview. One interviewee states that in Brazil opposed to Norway the manager makes the decision and the employees are afraid of challenging the manager even when the manager is wrong.

According to the interviewees, Brazil is a society where hierarchy exists and is accepted They also confirm that the inequalities between people are acceptable. We can also see that in Brazilian organizations where the boss takes complete responsibility, there is inequality between superiors and subordinates and there are high hierarchical structures and power is centralized. On the other hand, Norwegian companies are found to have flat hierarchical structure, the power system is decentralized with consensus-oriented decision-making processes. Lewis (2002) argues that in Norway, boss is mostly in the center of things and staff can easily reach him or her most of the time. One interviewee states that the educated people usually come from a good family and a higher class, which confirms Lewis (2002) that Brazil seems to be free from racial intolerance, but is still very important to “come from a good family”. The society is still a class society and it can be clearly understood from the composition of governmental bodies.

The results from the interviews show that the differences in power distance between Norwegians and Brazilians, can cause some challenges. Boss in Brazil has higher level of responsibility than in Norway, therefore Norwegians might assume Brazilian managers as over-authoritarian figures because they do not usually delegate the tasks, while in Norway, delegation of responsibilities is considered as a motivational tool. In Brazil, employees expect closer supervisions and that might cause some challenges for Norwegians.

## 5.2 Uncertainty Avoidance

Hofstede (2001) describes uncertainty avoidance as "on the national cultural level, tendencies toward prejudice, rigidity and dogmatism, intolerance of different opinions, traditionalism, superstition, racism, and ethnocentrism all relate to a norm for intolerance of ambiguity that I have measured and expressed in a national Uncertainty Avoidance Index" (p.146)

| Dimension | Norway | Brazil |
|---|---|---|
| Uncertainty Avoidance | 50 | 76 |

*Table 18. Uncertainty avoidance index*

Brazilian culture is characterized by high uncertainty avoidance, which reflects the society's need for security and predictability. The countries that score higher in uncertainty avoidance show a strong need for rules and legal systems so that they can structure life in the societies. In Brazil like other high uncertainty avoidance countries, laws and contracts are very important. The interview results indicate that Brazil has rigid culture with high level of bureaucracy which can be solved by establishing personal relationships. "Brazilians cannot depend on a legal system to iron out conflicts, so they depend on personal relationships" (Graham and Herberger, 1983) The contracts are long and very detailed to show the rights and obligations of each party in a business relationship. The higher score on uncertainty avoidance can be due to the several economic crises, lack of stability and hyperinflation in Brazil, that make the future uncertain. According to Transparency International (2010) Brazil ranked 69$^{th}$ out of 180 in International Corruption Perception Index where rank 1 is considered as a very low level of corruption. This great demand of documentation and bureaucracy in Brazil was also shown in the case of Brazilian coffee exporters (Rosenn, 1971) who had to fill out 38 different forms with several copies only for a single shipment of coffee. The findings confirm Rosenn (1971) arguments that from a Brazilian perspective, the laws are considered as inoculations, you can choose to take them or not. Bisseling and Sobral (2011) claim high uncertainty avoidance may highlight the effects of the high hierarchical distance, by concentrating the complex decision at higher hierarchical levels, because they are supposedly the most qualified professionals. Brazilian "*jeitinho*"— "a special way of managing obstacles in order to find a way out of bureaucracy" (Amado & Vinagre Brasil, 1991)

On the other hand, Norwegian culture is characterized by low to medium uncertainty avoidance, which shows a certain degree of acceptance for different ideas and behaviors. Norway is perceived as a flexible society where there is less focus on legal contracts. The results from the interviews indicate that there is not much bureaucracy in Norway regarding contracts. According to Norwegian interviewees in some cases a verbal agreement is enough to make a deal in Norway, however in Brazil it is not. The findings confirm the literature.

## 5.3 Communication

When representatives of two business from different cultures engage in a business relationships, they need to be able to communicate effectively. The process of communication in a business context is very demanding and has a potential for misunderstanding. I try to discuss the communication process based on different theories as following:

- **Low context-high context cultures**

According to Hall (1990), Norway is considered as a low context culture where people are likely to use direct language, on the other hand, in Brazil as a high-context culture people often use indirect and vague language. The results of the interviews confirm Halls' theory that these differences can cause much misunderstanding in communication between Norwegian and Brazilians specially when it comes to business relationships. One Norwegian interviewee says that lack of transparency by Brazilians make it difficult to understand how things work in Brazil. Lewis argues that Brazilian Portuguese with its diminutive endings, is suitable for expressing emotions and making a harsh statement appear milder. This is confirmed by one of the respondent that says when a Brazilian answers a request with “yes, we will see”, he or she tries to say “no” in a statement which seems mild but it is considered as” yes” to Norwegian partners. Communication between people from low context and high context cultures can sometimes be problematic, because they interpret communication on the basis of their own culture norms. (Ahlstrom and Bruton, 2010)

Lewis argues that Brazilians ae reluctant to express their own opinions when they are afraid that the view might be opposite to the those of the superiors and eventually they might lose their jobs. This is confirmed by an interviewee that says Brazilians are afraid of saying what they fell because they think it might be interpreted as wrong, so they would not speak about their feelings even when given opportunities." The results of the interview also reveal that in comparison to Norwegian culture that emphasizes direct methods of communication, Brazilians prefer to use indirect ways to keep a good relationship with their counterparts. According to the interviewees, in Brazilian culture it is considered as disrespectful to act directly in a business context.

- **Language:**

A Brazilian interviewee says that Brazil is a very big country compare to Norway and its language(Portuguese) keeps the country united, therefore it is better for people of the country to stick to one language. Another Brazilian interviewee believes that Norwegian companies never have problems with language in Brazil, because they are usually big companies and in big companies you can find people who know English well. But all other employees confirm that Language is a big challenge for Norwegian companies in Brazil which is consistent with the literature. Literature on communication confirm that language has an important role on intercultural communication and is closely related to people's identity (Martins & Nakayama, 2010). Speaking the same language with the partner in a business relationships will improve the chance of success in that relationship, however "It is important to have respect for language difference. One thing I think lots of Western companies and institutions do not pay a sufficient attention to is to make sure that communication is not hampered by bad translations, by bad misinterpretation of concepts" Swahn (2001).

The interview results reveal that most Brazilians are not able to speak English and most of the Norwegians are unable to speak Portuguese. The challenges are usually in the negotiations and contracts, because contracts in Brazil are mostly written in Portuguese, therefore Norwegian partners need to hire a lawyer and an interpreter to interpret the contracts. Swahn (2001) believes that using an interpreter may not certainly improve the situations, even if the interpreter has a good knowledge of the languages of different parties in the negotiations. Which is confirmed by the interviewees that misunderstanding happens as the result of Brazilian not knowing proper English and because of misunderstanding and misinterpretation of the information. On the other hand, Norwegians assume that Brazilians understand English well but at the end of the day they get irritated with the results. The contracts they sign might not be the one they have agreed to, or because of misinterpretation one party may misunderstand the specifications of the contract. This usually lessen the quality of the relationship, causes financial loss and in some cases loss of future contracts.

## 5.4 Time orientation

Literature shows that time is valued differently in different cultures (Hall. 1991; Lewis, 2010; Gesteland 2012). Organizations are structured according to their perception of time, different departments are responsible for planning, getting faster production and reduce the time to market their products. When orientation to time differ between different organizations, there is a possibility of confusion. It is interesting to compare the respondents with Norwegian mindsets and Brazilian mindsets about their orientation to time. The findings show that the concept of time is markedly different in Norwegian and Brazilian culture. For Norwegians time is a gem, while for Brazilians time is not important. Brazilians see the clock time and deadlines as a guideline but not necessarily obligatory, while Norwegians are completely focused on time.

As one of the respondent stated, "Things take time in Brazil". This is a challenge that frequently mentioned in the interviews. All the interviewees agree that delays are very common in Brazil and you should be prepared for delays and rescheduling, which means planning is difficult and people do not stick to times nor deadlines. This difference in orientation to time can be analyzed by different theories about timing:

- **Monochronic vs Polychronic culture**

Norwegian are considered as Monochronic people which means they are rigid with time or on other words they worship time, oppositely Brazilians are polychronic that means they are more relaxed and fluid with time. The results of the interviews reveal that Norwegians are punctual for the meetings, meanwhile Brazilians are often late.  a Brazilian interviewee said that in most of the meetings Norwegians were 15 minutes early whilst Brazilians were about 30 minutes late which confirm that Norway has a monochronic culture and Brazil has polychronic. The results also confirm Hall (1983) that individuals working under monochronic time do one thing at a time and adhere to preset schedules. In a monochronic culture opposite to a polychronic, not only start of a meeting but also its finishing time is planned. (Ghauri and Usunier, 1996). This is confirmed by one of the interviewees that said in Brazil you could have a starting time for a meeting but not a finishing time, because people do not care about timing and can talk for long. Conversely, polychronic do several things at the same time, and easily modify preset schedules. One of the interviewees said that Norwegians usually get impatient with timing issues in Brazil. This is approved by Ghauri and Usunier (1996) that state polychronic time may seem hectic to monochronic people. Ghauri and Usunier (1996) also say that polychronic people are more committed to persons that to schedules which is also stated by an interviewee that priorities are different for Brazilian and they value their personal relationships more than their schedules and agendas. The distinction between monochronic and polychronic time is important for international businesses because it arises issues. Brazil operates on a polychronic time system and placing importance on flexible management of time cause some challenges for Norwegian business and makes it hard for them to know how to allocate their time.

- **Linear active vs Multi active**

According to Lewis (2010) Scandinavian people are linear active in relation to time, while South American have a multi active version of time. Lewis argues that linear active people prefer to do one thing at a time with a fixed schedule in order to achieve the higher efficiency. The results from the interview confirm that Norwegians as well as other linear active people usually prefer to do one thing at a time and concentrate on that thing in a scheduled agenda. Multi active people are not so much interested in schedules and punctuality, they believe that reality is more important than agendas and schedules. They tend to do several activities at a time and they feel happier and more fulfilled that way. One of the interviewees mentioned that in Brazil it is not polite to arrive at a party late, which confirms Lewis (2006, p.542) that says in Brazil "it is impolite to arrive at someone's house for dinner on time". Lewis argues that when people from a linear active culture work with people from a multi active culture, both sides get irritated. The only way they can handle this situation is that one part adapts to the other. Brazilians are generous with their time, in other words they tend to focus on the processes more than the products, which often cause them lose sight of objectives. (Lewis, 2006) The interview results show that Norwegians usually plan and prepare for a meeting in advance, which is a characteristic of a linear active culture. Norwegian people are punctual and try not to diverge their schedules because of the personal relationships and other plans.

Many respondents mentioned that the difference in time orientation cause challenges. Work related meetings and activities are often loosely structured in Brazil therefore understanding how to allocate time for meetings and other activities are difficult. Time related issues also make it difficult to allocate resources, cost money and hinder the supply chain. One of the consequences of difference in time orientations is the habit of delay in Brazil, delays in delivery of projects could cause Norwegian counterpart to incur fines or even lose their customers.

People in different cultures may be attracted to present, past or future orientations. Some live in the present and try to forget the past. Some believe that future is coming to them and they should define it. Others live in a nostalgic past. Trompenaars and Hampden-Turner (2011) argue that when orientation to time differ in different organizations confusion may occur.

To have a successful business relationships across cultures, it is crucial to learn about the lead time for each task; to know how far ahead to schedule a meeting or book an appointment or to know how much is needed to prepare a report. For example, in the United States and Germany, schedules are consecrated and the length of lead time shows the relative importance of the business and/or the status of the attendants. When the lead time is short, the business is considered as a little important, longer lead time shows the superior value of the business. Another instance is regarding planning a date to end something. (Hall & Hall, 1990). In the countries where time is highly valued, the messages it implies has more weight than of the polychromic countries. In monochromic cultures such as Norway, keep someone waiting in business relationships conveys a deliberate putdown or interpreted as a signal of disorganization. However, in polychromic cultures such as Brazil, those messages are not intended. More simply, one should not interpret the messages of time according to their own culture and reading of the other cultures' messages should be tempered by the reality of the situation. Undoubtedly, people from monochromic culture might have stressful interactions, unless they understand and decode the messages behind each other's perception of time (Hall & Hall, 1990).

## 5.5 Trust

*"Trust is an essential aspect of relationships, business and politics"* (Solmon and Flores, 2003). Morgan and Hunt (1994) argue that commitment and trust are key to a successful business relationship because they directly result in cooperative behaviors. They believe trust exists when one party in a business relationship has confidence in the other partner's reliability and integrity. Lewis (2006) has carried out several surveys regarding trust in different societies. The survey result shows that people of Norway and other Nordic countries score high in this category, which means that Norwegians trust their counterparts unless they show that they are not trustable. The findings of this study have also shown that Norwegians trust easily, they tend to believe that people are honest in their actions and follow the rules they are told. Oppositely, Brazil scores low in this category, which shows that Brazilians tend to trust those they know

best, such as their family and their few close lifetime friends. The characteristics of Brazil as an example of a low-trust country can be shown in the following diagram.

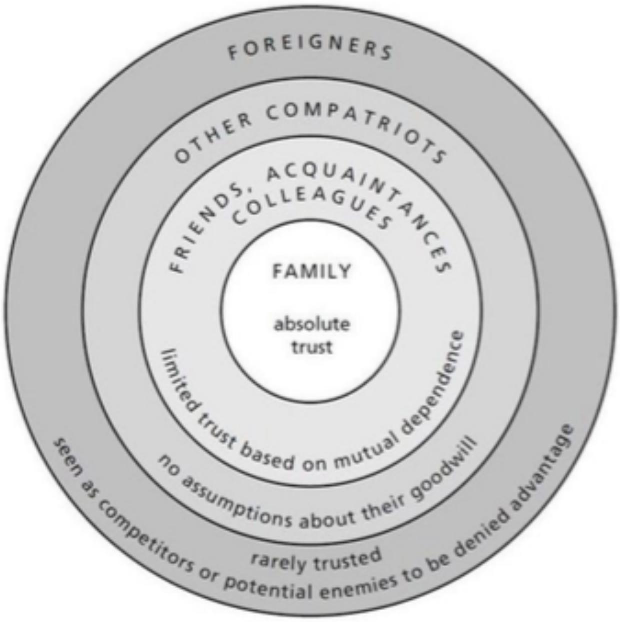


*Figure 3. Trust in a low-trust country*

In Brazil and other low trust countries, both the family and the state have great influence and take up individual's time and they do not know what to do with their remaining time. The findings show that trust is built over time in Brazil and it is difficult for Brazilians to trust strangers. But in Norway as a high-trust company the extra time is superabundance because not the state nor the family demand individual's time.

Lewis says that Brazilian like to please others, they often tell people what they want to hear and stretch the truth to some extent. As a way to please others, Brazilians always claim that they have a solution for the problems, which in most cases is not true. One of our interviewees makes an example about Brazilian suppliers that they could not deliver their products but every time the Norwegian partner askes them about the product they would say that they could deliver it correctly and on time to please their partner, but finally they delivered something that was not acceptable. Lewis (2010) believes that members of a high trust society usually have a ready trust for their fellow nationals and assume that their compatriots follow the rules, in other words, linear active people "trust a person until he or she proves untrustworthy". (p.145) On the contrary, members of a low trust cultures are initially suspicious of their compatriots. Several surveys regarding this issue show that Nordic people score the highest and Nordic countries are considered as high trust countries. Interestingly, findings show that Brazilians trust Norwegians more than Norwegians trust them. The respondents declare that in their relationships with Norwegians, they enter with openness and trust. This contradicts Graham (1985), that reports Brazilians ass distrustful in their relationships with the people they do not know. According to some of the interviewees Norwegians have proven themselves to be reliable overtime. One interviewee says that Brazilians trust and feel comfortable with Norwegians, whilst Norwegians are not very comfortable with Brazilians. The reason can be according to Linskold (1978) the credibility of the partner and the extent to which one partner is interested in another partner's welfare and is motivated to build a relationship. On the other hand, Norwegians seem to trust easily, however they do not easily trust Brazilians. The reason can be betrayal from Brazilian counterparts.

The findings show that not having the mutual trust between Norwegians and Brazilians in business relationships can cause some challenges for both parties. Bureaucracy is caused by lack of trust and it rather increases the problem of trust. An interviewee says hat high bureaucracy creates corruption and bribery, and since people are unwilling to wait the make false signatures which could increase transaction costs and reduce the cooperation from Norwegian partners. Hiring the right staff is also a challenge that is caused by lack of trust, an interviewee believes that "you do not know who to trust in Brazil because your employees might use your information against you, steal from your company or use the contracts against your company".

## 6. Limitation and further research

I confronted several limitations while conducting this research. First of all, the number of interviewees is rather limited. As it is a common issue for cross cultural studies, it is difficult to obtain appointments with business people in other countries in a limited time frame, since they are busy and hard to access.

This study contributes on a further development of the role of cultural differences concept and exploring its role on cross cultural business relationships. This is a qualitative research with no hypotheses nor a probability sample and I do not mean to generalize the findings. The findings are based on interviewees' responses therefore, they might be influenced by their personalities, the firm's attitudes or the characteristic of the industry they work in. As the respondents were both male and female, I did not consider gender differences and observe it in the responses, but I am aware these differences could be a moderating effect and is a possibility for further research.

The context of the study was selected because it was considered as a particular one to explore the role of cultural differences in Norwegian-Brazilian business relationships, therefore, it would be wrong to over generalize the results. The role of cultural differences in the business relationships is more obvious where the cultural differences between two parties are more visible, therefor if this research were conducted in cultures with no dominant local culture, the results might be different. The focus of this research is the cultural differences that Norwegian business encounter when operating in Brazil, therefore due to the one-sided nature of the research, further research is needed to provide information about the Brazilian companies working in Norway.

The mainly used theories about cultural dimensions to compare Norwegian and Brazilian cultures, tend to have the presumption that we can categorize all cultures by these kind of distinguished differences, while these differences ignore the specific communication strategies that each culture employs. Moreover, not all countries have homogenous culture and unified societies. Therefore, the inferences of the national culture depend on the subgroup studies.

All of the interviewees of this study had higher education, mostly in business administration or engineering. I believe that their type of education and their acquaintance with the subject of this study may have affected their opinion while they were responding and describing their answers during the interviews.

# 7. Implications

This study findings have implications for doing business across cultures, and developing cross cultural business relationships. In particular, the degrees of differences between Norwegian and Brazilian cultures have implications for maintaining business relationships. The findings of this study have following implications for Norwegian businesses in Brazil:

- To maintain a successful relationship, the first step is to recognize the role of national culture and have a motivation to learn about the Brazil's culture and adaptation to that. Cultural understanding will help to understand who people think the way they think, how they communicate, act and feel. Stereotyping and generalizing different cultures should be avoided because they eventually limit the sensitivity and insight towards other cultures.
- Ethnocentricity happens when people of a group or culture believes that their group or culture is superior to others. This can be a threat to international business, since the archives of business studies contain many international businesses which failed due to being unfamiliar with the host country's culture, therefore tried to change somethings which were fundamental to that culture and was resisted by the general public or the employees. Therefore, the mutual respect between the partners in a business relationships is a must and ethnocentrism should not exist in an international business relationship.
- Having an understanding of economic and social situations and challenges is a must, because it can be reflected in people's ways of communication and their attitudes. In Brazil, there were numerous economic crises in the past accompanied by high rate of inflation and lack of trust at the macro level. The factors can create instability which make the future uncertain, and this could lead to conservative attitudes of Brazilian people in relation to uncertainties and risks.

- It is better for a negotiation team to have a professional linguist who understands the language and ethical attitude of the counterpart and can make meaningful and intelligent interpretation. This will reduce challenges of misinterpretation and misunderstandings.

- Establishing a network of relationships with Brazilian partners is perhaps the most important factor for a successful business in Brazil. It can reduce the risk and improve trust and develop a reliable business relationship.

The general empirical contribution of this study is that it adds more knowledge to understanding of international business relationships of Norwegians firms. The findings may also be of general interest to other Scandinavian and North European countries. The theoretical contribution is that the paper illustrates the usefulness of bringing theories of cultural differences into international businesses and develop a discussion on the role of cultural differences in international business relationships.

Further research need to be conducted to identify if the cultural differences explored in this study apply to other cultures. I hope that my research will encourage other researchers and students to pay more attention to cultural issues in business relationships and create more interpretive studies on this topic.

## 8. Conclusion

The topic of this study was "Exploring the role of cultural differences in Norwegian-Brazilian business relationships" and answers the following research questions:

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

The unit of analysis in this study was national Norwegian and Brazilian culture and the main purpose was to reveal the main cultural features of these two countries. I believe that by understanding the main cultural features of Norway and Brazil and the differences between Norwegian and Brazilian cultures, organizations can be aware of some factors to consider for successful business relationships.

This study is of an exploratory nature and I chose a qualitative approach. For the data collection, I have done 10 semi-structured interviews with people who had Brazilian, Norwegian and International mindsets and also had experience of working with Norwegian companies in Brazil. Most of the respondents were middle managers with business, engineering and economic backgrounds. The industries were oil and gas, communication, insurance. Some o respondents had experience of living in Norway and some did not. I also used the secondary data concerning Norwegian and Brazilian cultures and business relationships from secondary data from popular and academic journals.

The study has made a contribution into the knowledge about Norwegian and Brazilian cultures and the role of cultural differences in the business relationship context. The main findings of the study are presented below.

- The first finding regarding the role of cultural differences in Norwegian-Brazilian business relationship is the hierarchical structure of those societies and difference in power distribution. Norwegian society and in this context the companies, have flat structure and less hierarchical where the relationships between superiors and subordinates are egalitarian. The boss in a Norwegian company is a democrat and delegates responsibilities, therefore, employees have more independence at work and are less afraid of making mistakes. Brazilian society is characterized by high power distance between superiors and subordinates. The boss is an authoritarian person and the delegation of tasks in a company is less common in Brazil. Power is concentrated on the top and to the people with higher status. Although a Brazilian boss might look over undemocratic to Norwegians, it is accepted in Brazil.

- Another finding is the difference in the interpretation and application of the rules of contracts between two cultures which can be caused by the difference in uncertainty avoidance index. In Brazil, the contracts are more detailed and rigid than in Norway and there are for more rules and regulations in the society which can be a challenge for Norwegian companies in their relationships with Brazilian partners. In Norway regulations and rules are applied regardless of the social status and personal relationships, but network of relationships is more important in Brazil and rules might be interpreted depending on the relationships between partners. Therefore, Norwegian businesses sometime find the necessity to develop the personal aspect of their relationships with Brazilian partners. The combination of high power distance and uncertainty avoidance in Brazil is associated with the rigid bureaucracy and social classes in the society.

- Communication plays an important role on maintaining a business relationship and cultural differences can cause some challenges for the communication of business partners. When partners have different native languages, as it is in a Norwegian-Brazilian business relationship, using interpreters and trying to translate the underlying concepts of a language to another may cause some misunderstandings. In order to overcome those barriers, Hofstede et.al (2002) suggest that while communicating cross cultures, it is better to try to increase the range of our perception, to suspend our interpretation and to ask for clarification if we are in doubt or not completely understood.

- Trust in Norwegian society is based on the respect and not on the personal relationships or friendships. One of the challenges of Norwegian businesses in relationships with Brazilian partners is perceived lack of trust. Although Norway has a high-trust culture, it is hard for Norwegian businesses to trust Brazilian partners and this lack of trust makes

- Furthermore, Brazilians and Norwegians have different orientation to time. In Norway, it is essential to follow the agenda and schedules, while in Brazil, planning and schedules are less important. Loose schedules, reassigning and changing plans in Brazil can be frustrating for Norwegians. Time-based misunderstandings are common in international businesses relationships and has drawn much attention. The misunderstandings in Brazil are mostly about punctuality and are related to the schedules and appointments.

Some of the interviewees of this study were Norwegians who had only stayed in Brazil for a short period of time, some has stayed long, some were Brazilians with International mindset because of the number of years of living abroad. However, most companies in spite of being Norwegian, were dominated by a Brazilian environment. I interviewed Norwegian people with long stays in Brazil whose values had changed over time and were enjoying working in Brazil more than Norway. It can be assumed that longer periods of staying in Brazil can make more adaptations for Norwegian business people and also people who cannot adapt to Brazilian culture usually return back to their work in Norway.

To sum up, the study reveals that in spite of cultural difference and different view regarding business practices, personal relations and trust building, Brazil and Norway have managed to establish and maintained successful long-term relationships.

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# Appendix 1

**Interview Guide**

**Date:**

**Name of person interviewed:**

**Education level:**

**Company:**

**Work title:**

**Years of experience:**

1. In your opinion, what are the main cultural differences between Brazilians and Norwegians? What are the main challenges caused by these differences?
2. Who are your main business partners? How is your relationship with them? What are the main challenges you face working with them?
3. Do Norwegians and Brazilians interpret the status or role of a contract differently? Is the contract general or do you need to specify the details? Are rules and routines strictly followed or is there flexibility on how tasks should be carried out?
4. To what extend do you use lawyers to solve business issues? How important are lawyers to your side or the Brazilian side? Under what circumstances will you go to court?
5. How is it to communicate with a Brazilian partner?
6. What do you think about mutual trust with your Brazilian partners? How do you build trust with them?
7. Do you have any challenges with timing, in delivery, meetings or completion of tasks with your business partners? What is acceptable in delay? Can you tell us about your experience?
8. Do you think there is any change of pattern from the last 5years between contracts and preplanning, as opposed to solving issues face to face?
9. Do you think there is something you need to emphasize when you study a business relationship?
10. Are there any questions you think we should have asked you or anything you would like to add?