

Ten Finnish business actors' perceptions of  
their Chinese business partners and key  
personnel

Lisa Kaarina Fay

Master's Thesis  
Intercultural Communication  
Department of Communication  
University of Jyväskylä  
April 2012

## JYVÄSKYLÄN YLIOPISTO

Tiedekunta – Faculty FACULTY OF HUMANITIES	Laitos – Department DEPARTMENT OF COMMUNICATION
Tekijä – Author Lisa Kaarina Fay	
Työn nimi – Title 10 Finnish business actors' perceptions of their Chinese business partners and key personnel	
Oppiaine – Subject Intercultural communication	Työn laji – Level Pro Gradu -Thesis
Aika – Month and year April 2012	Sivumäärä – 160
<p>Tiivistelmä – Abstract</p> <p>The market impacts caused by globalization and the internationalization of companies are requiring the ability to operate in demanding, diverse and changing business environments but also requiring the consideration of differing cultural norms.</p> <p>This study will explore the perceptions of a number of Finnish business actors who have worked and conducted business with Chinese business actors and personnel.</p> <p>The empirical part of this thesis is based on a qualitative study as a research approach. To this end, thematic, semi structured face-to-face interviews have been conducted in Helsinki and Espoo.</p> <p>The ten interviews' themes concern (1) sources of misunderstanding which are identified and considered as being caused by intercultural differences ; (2) the ways they assess and solve issues that they believe hinder, challenge or foster business communication, as well as issues that obstruct cooperation and negotiation with their Chinese counterparts; (3) instances of professional communication, cooperation and negotiation and situations that they experienced with their Chinese counterparts, in particular, the kind of attitude, skills or behaviors they might find more appropriate when dealing with Chinese business partners and key personnel.</p> <p>Their testimonies will be examined and the different resources and communication competencies Finnish business actors actively mobilize when interacting or adjusting to these multicultural encounters, will be addressed.</p> <p>This study is aims to explore these perceptions and to grasp the cognitive, affective and behavioral strategies and approaches of the interviewees on the ground, when dealing, for instance, with possible critical incidents or merely questioning relatively new business environments such as those encountered by foreign actors in China.</p>	
<p>Asiasanat – Keywords Intercultural business communication, Chinese business culture, Perception.</p>	
<p>Säilytyspaikka – Depository University of Jyväskylä library</p>	
<p>Muita tietoja – Additional information</p>	

## TABLE OF CONTENTS

<b>1 INTRODUCTION .....</b>	<b>5</b>
1.1 STARTING POINT AND AIM OF THE STUDY .....	5
1.2 RESEARCH QUESTIONS AND STRUCTURE OF THE THESIS .....	5
1.3 CHALLENGES OF INTERNATIONAL BUSINESS: CHINESE MARKET, COMPETITIVENESS AND NEGOTIATION ....	7
1.4 FINNISH-CHINESE BUSINESS RELATIONSHIP .....	10
<b>2 THEORETICAL FRAMEWORK .....</b>	<b>12</b>
2.1 NATIONAL CULTURE AND COMMUNICATION .....	12
2.2 INTERCULTURAL BUSINESS COMMUNICATION AND ORGANIZATION .....	15
2.3 NEGOTIATION .....	17
2.4 ASPECTS SHAPING INTERCULTURAL COMMUNICATION AND BEHAVIOR .....	20
2.4.1 Hofstede's dimensions of culture.....	21
2.4.2 High versus low context.....	23
2.4.3 Time orientation and management of time .....	25
2.4.4 Trompenaars' dimensions of culture .....	28
2.4.5 Confucian cultural patterns .....	30
2.5 PERCEPTIONS OF PITFALLS IN INTERCULTURAL COMMUNICATION .....	33
2.6 ADAPTATION AND CULTURAL SENSITIVITY DEVELOPMENT PROCESS .....	38
<b>3 RESEARCH METHOD .....</b>	<b>43</b>
3.1 RESEARCH QUESTIONS .....	43
3.2 A QUALITATIVE RESEARCH STRATEGY .....	46
3.3 DATA COLLECTION .....	47
3.4 QUALITATIVE RESEARCH INTERVIEW .....	52
3.5 DATA ANALYSIS .....	54
3.6 IDENTIFIED MAIN THEME CATEGORIES AND THEMATIC UNITS .....	56
<b>4 RESULTS ACCORDING TO CATEGORY .....</b>	<b>61</b>
4.1 LANGUAGE AND IDENTIFYING SOURCES OF MISUNDERSTANDING DUE TO CULTURAL DIFFERENCES .....	61
4.1.1 Language issue/barrier and interpreter role .....	63
4.1.2 Challenging dimensions of communication when negotiating.....	67
4.1.3 Challenging dimensions of communication with Chinese co-workers and key personnel.....	68
4.2 WORKING AND MANAGEMENT STYLE.....	70
4.2.1 Management and expectations toward Chinese co-workers and key personnel ...	71
4.2.2 Perception of Chinese key personnel work orientation and competences .....	76
4.2.3 Perceived strengths of Chinese business actors and key personnel.....	79
4.2.4 Chinese staff recruitment, training, skills and career .....	81
4.3 HIERARCHY AND DECISION MAKING .....	84
4.3.1 Negotiation process and agreement meaning .....	85
4.3.2 Relationship with Chinese bureaucracy.....	86
4.3.3 Time management and long term approaches .....	88
4.4 OTHER SIGNIFICANT DIMENSIONS/PARAMETERS THAT INFLUENCE BUSINESS RELATIONSHIPS .....	89
4.5 BUSINESS CULTURE .....	92
4.5.1 Respondents' self description and references to Finnish business culture .....	93
4.5.2 Western and European business/working standards and Chinese business/working style .....	97
4.5.3 Trust, business relationship building and networking .....	99
4.6 FEW COMPLEMENTARY INTERVIEWEES' OBSERVATIONS .....	102
4.6.1 Is cultural difference everything? .....	102
4.6.2 Being a foreigner .....	105
4.6.3 Counter stereotypes, parallels and similarities.....	107

4.7 SELF ADJUSTMENTS, COPING STRATEGIES, AND APPROACHES TO CHALLENGING SITUATIONS: FINNS' RECOMMENDATIONS.....	109
4.7.1 <i>Cognitive strategies</i> .....	109
4.7.2 <i>Affective strategies</i> .....	112
4.7.3 <i>Behavioral strategies</i> .....	116
<b>5 CONCLUSION.....</b>	<b>122</b>
6.1 DISCUSSION .....	139
6.2 LIMITATIONS OF THE STUDY .....	145
6.3 SUGGESTIONS FOR FURTHER STUDIES.....	147
<b>BIBLIOGRAPHY .....</b>	<b>151</b>

## APPENDICES

**APPENDIX 1:** INTERVIEW STRUCTURE AND THEMES

**APPENDIX 2:** LIST OF CHALLENGING ASPECTS WHEN WORKING WITH CHINESE BUSINESS PARTNERS AND KEY PERSONNEL

**APPENDIX 3:** LIST OF SELF-ADJUSTMENT STRATEGIES AND RECOMMENDATIONS

## LIST OF TABLES

<b>Table 1.</b> Low-context and high-context cultures.....	<b>25</b>
<b>Table 2.</b> Characteristics of M and P time-orientations.....	<b>26</b>
<b>Table 3.</b> Comparison between the North American and the East Asian orientations to interpersonal relationship patterns.....	<b>29</b>
<b>Table 4.</b> Stages of cultural sensitivity.....	<b>42</b>
<b>Table 5.</b> Interviewees' professional and general background information.....	<b>50</b>
<b>Table 6.</b> Categories and thematic units.....	<b>60</b>
<b>Table 7.</b> Reported positive aspects and strengths of Chinese key personnel.....	<b>79</b>

# 1 INTRODUCTION

## 1.1 Starting point and aim of the study

This study explores how Finnish business actors, who are having or have had significant experiences in China, perceive conducting business with Chinese companies and its actors. The accounts are made by several kinds of respondents, those who are working in China and are still working there, and interviewees who came back to Finland and are, in some cases, still working with Chinese co-workers from Finland. Through the reported cases that they found meaningful and relevant, one can have a glimpse into the base on which several Finnish business actors built their view of their business partners and key personnel (see p.9). One of the starting points involves gathering testimonies about how they proceed to solve and assess issues that they consider to be hindering, challenging or fostering business communication, or obstructing cooperation and negotiation with Chinese companies' representatives and key personnel. For that purpose, the different resources and communication competencies Finnish business actors actively mobilize when interacting or adjusting to these multicultural encounters, are taken into account. This study aims to explore perceptions and to grasp the communications strategies and approaches of the interviewees on the ground, when dealing, for instance, with possible critical incidents or merely questioning new business environments such as those encountered by foreign actors in China.

## 1.2 Research questions and structure of the thesis

The purpose of this study is to report accounts of experiences of a small sample of Finnish business actors, most of them, being back and living in Finland at the time of the interviews, in the summer and autumn of 2008. The empirical part of this thesis will be based upon qualitative study as a research approach and I will conduct thematic, semi structured face-to-face interviews. Thus my primary focus is to discover the views and observations of Finnish business representatives when dealing with Chinese representatives and working with Chinese key personnel. The research questions are aimed at granting insight

into how Finnish business actors perceive possible misunderstandings and aspects of their interactions with their Chinese counterparts and how they make sense of these experiences and may approach, for instance, the resolution of issues and the manner in which they proceed, among other instances, to behavioral adjustments. The internationalization of business requires more knowledge of cultural patterns (Trompenaars and Hampden turner, 1993). Moreover, the way we interpret messages affects the way we respond to it. From this standpoint, we can increase the accuracy of our perceptions of strangers' behavior if we are mindful of our styles of communication (Gudykunst, Kim 1984). The following research questions will then address these issues:

1. How do the Finnish managers and negotiators doing business and working with Chinese business people and key personnel describe Chinese co-workers and negotiators?
2. Regarding cultural differences, what aspects, in Finnish-Chinese communication and business negotiation, do the Finnish interviewees consider sources of misunderstandings?
3. By which means and approaches do Finnish business actors adapt to situations perceived as challenging?
4. Regarding their communication, business negotiation and working experiences in/with China, what kind of attitude, skills or behaviors do they find more appropriate when doing business with Chinese business people and key personnel?

This introductory chapter (Chapter 1) presents the topic, its aim, and the research questions. In addition, it briefly sets the economic context in which Finnish and Chinese business actors are operating. In chapter 2, the theoretical framework will be explored. It is based on previous and current communication theories and is divided in six parts that are relevant for considering the set of research questions. In the first part, the concepts of national culture and communication are thus defined and characterized. In the second part, aspects related to business communication, organization and negotiation are further addressed. This leads us to the fourth part, which is emphasizing aspects of

culture shaping intercultural communication and behavior. The fifth part hinges on pitfalls of perception, which is of importance when reporting and presenting others' perceptions. The last and sixth part addresses the issue of cultural sensitivity development processes as well as cultural adaptation. These issues are particularly relevant to cultural adaptation approaches, attitudes and skills when they are experimented with and applied. They also affect how actors are perceived. Chapter 3 will be dedicated to the research method, the collection of data and the samples from interviewees. There are not separate sections about Finnish and Chinese communications styles or features as they are gradually be mentioned or appear all along the theoretical framework part and in the last chapter or chapter 4 which covers the interviews' data analysis, and its presentation according to the research questions. Finally, in the chapter 5, in addition to the conclusion, the limitations of the present study will be discussed and suggestions may be made for further research and investigation.

### **1.3 Challenges of international business: Chinese market, competitiveness and negotiation**

The impacts caused by the globalisation of the marketplace and the internationalization of companies requires the ability to operate in demanding, diverse and changing business environments. For global businesses, MNCs (multinational companies) and certain SMEs (small and medium enterprises) Asia has a strategic importance in term of market prospects, quality and the costs of its resources (human and natural) and the knowledge or learning resulting from a regional presence. According to Lassere & Shütte (2006:44), "Asian business philosophy and enterprise cultures and Asian competitive approaches may force western companies to re-evaluate, and, in some cases, adapt their own traditional business strategies and concepts. Success in Asia depends to a large extent on the capacity to learn new repertoires and new approaches in doing business". Learning new approaches to doing business is not unidirectional as influence, interdependence and adaptation are actually two-way processes if not multidirectional ones. Within the greater Asian region, which consists of a great variety of nations, cultures, historical, religious, political and socio-economic contexts, China is one of the markets

that can be referred to, according to Porter (1986:39), as a global platform. It is the new battlefield for market share, when one company wants to establish its presence on this huge and continuously developing market. Operating in China is a challenge in term of learning (Lassere & Shütte 2006) and it can take various forms:

- New kinds of liaisons with a large variety of suppliers in terms of components and services.
- Establishing and maintaining long-term business relationships with customers.
- New or different approaches to human resource management (including knowledge transfers, training and multicultural teams or workforce management).
- Customer relationship and service.
- Consumer behaviour and marketing.

Negotiations, investment projects, cooperation and trade exchanges as a whole are taking place in a highly competitive environment in which mainly European, American and other Asian companies are present, without mentioning growing exchanges between China, Latin America and Africa. Moreover, a still relatively small but a significant number of Chinese firms have emerged in sectors (i.e. informatics, telecommunication, transportation, domestic electrical appliances, and televisions) as leader on their local market and have become competitive at the international level. Competitiveness, from the western companies' point of view implies among other parameters, price, product, quality and production issues. According to the rules of the business sector, success requires technology, expertise, as definitely sufficient financial resources for maintaining one's branch or operation in China and relevant know how of the regional market. In addition, markets, networking, information and investment flows are constrained and shaped by other context dimensions and the political, legal and ethical contexts. The latter is related to the scope of government intervention, the legal framework, the integrity of business practices, and the legal framework of business actions.

When it comes to entering and evolving in a market, another stepping stone is building a network of relationships and understanding the business rules, which

can be perceived as complex and unfamiliar at varying levels. Pye (1982 cited in Fang 2008:2) identified “three principal sources of difficulties” in negotiating business in China 1) problems due to the novelty of the relations and the lack of experience on both, the Chinese and the Western side 2) problems that capitalist enterprises are facing when planning to do business with a socialist market in transition 3) cultural differences between Chinese and Westerners. The Finnish persons interviewed for this study have different professions and work in different fields, but almost all of them are involved in negotiation activities, at some stage of the process, with their Chinese counterparts representing bureaucratic bodies, public owned companies and sometimes organizations that bear characteristics of private companies (hereafter referred to as ‘private-like’ companies). Another aspect of their tasks when they are assigned to China or when working at distance from Finland is to manage and/or work with their Chinese employees, co-workers or partners. Similarly, in order to facilitate communication, information gathering and operations in the changing and specific Chinese business environment, Finnish companies’ branches locally recruit Chinese employees. In this study, Chinese key personnel refers to Chinese employees who are working for the Finnish branches as interpreters, trade assistants, executive assistants, commercial agents, legal negotiators, technical sale representatives, project managers, managers, and engineers. Chinese key personnel are working in more or less multicultural teams, parts of them are specifically in charge of the business relationship between the Finnish branch in China or the Finnish headquarters in Finland and other Chinese organizations (governmental or not) and business actors, including potential Chinese customers. From the perspective of the Finnish high and middle management and the Chinese key employees this daily routine whether operated in China or from Finland are demanding since in both cases it implies a mutual understanding of different national, organizational cultures and processes, communication styles, and work methods. As Adler (1997:60) points out «organizations worldwide are growing more similar, while the behaviour of people within organizations is maintaining its cultural uniqueness”.

This broad context constitutes the ground and the framework of communication on which the interviewed Finns are interacting with their Chinese collaborators in the present study.

#### **1.4 Finnish-Chinese business relationship**

Since the 1980s, the economic and trade relations between Finland and China have developed rapidly and bilateral trade volume has increased by a wide margin. China is Finland's most important business partner in Asia. In 2009 China was at 4<sup>th</sup> position among Finland's import countries and at 10<sup>th</sup> position as a destination for Finnish exports (Kervinen, 2009). The business actors and representatives from different organizations and governmental institutions have emphasized the importance of Finnish-Chinese trade and the strengthening of their economic cooperation. Being a relatively small country in terms of population and a small market, Finland is highly dependent on foreign trade. About 40 per cent of the goods and services produced in Finland are exported. It ideally implies a steadily and always renewed movement of internationalization from companies willing to enter new markets, and establish operations in countries such as China. There are around 260 Finnish companies in China and their number is increasing steadily. Finnish companies have invested 5 billion Euros in China and 40,000 Finnish employees have been employed there (Kervinen, 2009). Among these companies, there are also Finnish small and medium size enterprises (SMEs) which are supported when internationalizing. This is the case when funds are needed to meet the financing needs of a subsidiary, a joint venture or a branch office in China.

Besides the numerous European and American publications and seminars about risks estimations, financial issues, numerical outcomes and economical predictions and expectations, other issues related to Asian countries' (China, Japan and South Korea for instance) ways of networking (Nojonen 2007), cultural values, knowledge, communication style have been the object of research in intercultural (business) communication. Consequently, there have been diverse attempts, in Europe and mostly in U.S. to understand, dissect and "translate" into western and more specifically North American languages and thinking frameworks (see Kim, 2002) what is perceived as different in these

cultures. A large number of studies and publications focusing on interactions between Asians and Westerners in business settings have been conducted and addressed by researchers (Hofstede 2001, Leung 2006, Pye 1982, Tse, Francis and Walls 1994) again mostly coming or operating from the United States, Europe or Hong Kong. These research projects constitute and offer a theoretical background if not a model for further European, Nordic or Scandinavian countries' research and educational curriculum in the field of intercultural communication (Holstius and Salminen 1995, Worm 1995, 1997, Fang 1999, Kumar and Worm 2002, Ramström 2005). Moreover other studies have been conducted by Finnish organizations supporting companies' internationalization, innovation and project funding such as Tekes, Sitra, and Finpro (Kaislaniemi 2003) as well as Fintra (Kauhanen 1996). The conclusions drawn from these comparative studies or reports concern large, culturally diverse geographical and cultural areas such as the Nordic regions, Northern European countries or Chinese areas presenting significant institutional, socio-economic and historical specificities and characteristics (Mainland China, Hong Kong, Taiwan, ethnic Chinese from Southeast Asian countries). Research projects on Finnish companies' dealing with their Chinese counterparts are growing and thus the results of the present study would be a complementary contribution to the study of Finnish companies operating alongside Chinese counterparts.

## 2 THEORETICAL FRAMEWORK

### 2.1 National Culture and communication

**The concept of culture** goes hand in hand with reflection within the social sciences, and is in a way required when conceiving of unity within mankind, in all its diversity and in terms other than the strictly biological (Cuches 1996:3) Thus far, culture has provided the most satisfactory prospective answers to the issues relating to differences between people. Since the concept of culture is complex, abstract and so pervasive, only few of its innumerable definitions will be selected for clarifying the underlying basic assumption when reference are made to “Finnish” or “Chinese culture” or to “Finnish interviewees” or “Chinese co-workers” or “key personnel” for instance.

By designating Finnish and Chinese business people by their nationality, reference is made to the concrete delimited geographical area where they have been socialized, grown up, been nurtured, educated and/or trained. They have lived and/or worked there for the majority of their life, and usually have significant family and/or social ties. The business actors of the present study are operating and are expected to reach the goals and priorities, which have been defined by/with their hierarchy and according to their function(s) and mission within a given organization or group. They do it in line with the rules, norms and values of their company and in the same way, in accordance with the beliefs, values, rules and norms, which are prevalent in their national culture. According to Ting Toomey (1999:11) cultural belief refers to “a set of fundamental assumptions that people hold dearly without question” These beliefs can be related to existential, religious, philosophical questions (i.e. death, life and its meaning) or about what is merely true or false (Lustig and Koester 2006). Consequently, the intensity of a belief will be proportional to people’s level of certainty about it. Cultural Values are our central conceptions and ideals about what is valuable, important, desirable, or constitute a priority. Institutional arrangements and policies, norms and everyday practices express underlying cultural values emphasized within different societies (Schwartz 2006:139). Additionally, value is a central and basic motivation belief that shapes our goals and motivation (Rokeach & Ball-Rokeach 1989 cited in Jandt

2001:227). Personal values can also affect company's strategy and life by guiding a variety of organizational behaviours. These can be related to reward/selection systems, communication, group, leadership and conflict management style (Adler 1997). Contrary to beliefs and values, cultural norms and rules are, to a certain extent, observable and every culture or subgroup provides its members with norms of behaviour (Jandt 2001:21). They are the collective expectation of what constitutes proper or improper behaviour in a given situation (Olsen 1978 cited in Ting Toomey 1999:11). To conform or deviate from the norm leads to positive and/or negative consequences and the extent to which a person follows the norm may reinforce an individual belonging to a culture or subculture.

Culture is defined here, "as a learned set of shared interpretations about beliefs, values and norms, and social practices, which affect the behaviours of a relatively large group of people" (Lustig & Koester, 2006, 25). On this subject, Ting Toomey (1999) points out that defining culture brings into perspective three important aspects. Firstly, clustered norms, shared realities and a diverse pool of knowledge constitute the learned system of meanings particular to a given society. Secondly, it is through everyday interactions among members of the cultural groups that these learned systems of meanings are shared and transmitted from one generation to another. Thirdly, culture makes adaptation and member's capacity to survive to their external environment easier.

Although in this study, there is relative support for the notion that people coming from the same country may be shaped by largely the same values and norms, however, beside variations and personality traits, people do not own or represent their culture nor do the cultures possess a person. One is not always living in a unique culture but quite often is participating, creating culture and being at the same time under influence of several ones, at varying level and through different channels and settings, media, food, encounters, schools, tourism, short or long term migration or assignment, to name only a few. These cultural contacts do not only refer to or imply encounters with persons from other national cultures but also from other gender, regions, ethnic group, social and economic community, professional areas, organizational cultures, and age

range if not generation. All these elements, including one's political and religious orientations and socio economic background are components of our culture. As Jandt notes (2001:33) "culture is also context".

Cultural context can be therefore characterised by the presence of subcultures which differentiate them from the larger culture, namely the national dominant one to which they officially, through their passport, belong. This is the case for Finland and China, and the latter presents a far less homogenous cultural and geographical landscape than the former. In China, there are 56 ethnic groups (including the dominant *Han* group) and about 200 different languages are spoken throughout the country. To name only few, 7 groups (not including standard mandarin) are widely spoken in the western part of the country where the most intense economic and business activities are concentrated. This is of importance because each language is spoken throughout several Chinese provinces and is therefore spoken by several million people. This is the case for Cantonese (Hong Kong, Guangxi, Guangdong, Macao and South East Asia...), the North Chinese language (or *Guanhua* spoken by 850 M speakers) and the Wu spoken by 77 M speakers in Shanghai and in the provinces of Zhejiang and Jiangsu. Therefore, the languages, cultures and subcultures related to these large linguistic groups are characterized with values, attitudes and behaviours, which differ from each other and are intertwined with the local subcultures. Moreover, the Finnish interviewees reported that there are noteworthy differences in business cultures for instance, between the North and the South, and between rural and urban areas. In addition to this cultural diversity, a part of the new generation of young graduate Chinese are being encouraged to migrate from one city to another, in order to find better employment or opportunities. Thus, the cultural background of Chinese employees may sometimes differ, without mentioning those who have graduated abroad or have worked, lived and/or studied in a more "international environment". However, it is worth noting that Finnish and Chinese business actors or engineers for instance may have, *a priori*, the possibility to share the same professional interests or at least to find more common ground when negotiating and communicating. Maybe more than they would do with co-patriots in radically different professional areas.

## **2.2 Intercultural business communication and organization**

One of the fields of practice that has become increasingly intercultural is the business environment. Understanding cultural differences are of utmost importance for communicating and working in a global environment. It influences business actors such as negotiators, co-workers, customers, institutions and organization's representatives. It impacts working frameworks, cooperation atmospheres and outcomes, trust developing processes, perceptions and communication styles (i.e. negotiation, conflict resolution, socialization, information sharing), and learning. Usunier (1996:112) points out that "the capacity to cope with very different communication styles is the key to successful international business negotiation".

All the interpersonal and intercultural interactions referred to by the present study are derived from 10 Finnish interviewees (see Data collection p.47) experience accounts (see Interviewees' background information p. 50).

While the Finnish interviewees come from a seemingly more homogenous cultural context, compared to the Chinese participants, most of them have more extensive international business experience than their Chinese counterparts. They have learned to work and operate within diverse environments and business people from cultures ranging from Europe (south and north), Russia, North and Latin America to South East Asia. They have acquired a repertoire of competences and skills, which should better prepare them to face certain negotiation styles, business environments, international business standards and to a certain extent cultures. For historical, political and/or socio- economical reasons this is not necessarily the case for part of the Chinese business actors who are operating in a familiar, although uncertain at many regards, business network and economic environment.

Finnish interviewees' experiences have occurred within and between different kind of organizations (Chinese 'private-like' companies, governmental organizations and factories) in different physical places (the Finnish organizations' premises are in Finland, the Chinese ones in China and Finnish branches in China), working contexts (project implementations and

negotiations involving Chinese key personnel and Chinese business partners). They have established themselves in different occupations (health, forest and paper industries, technology) area, regional cultures (i.e. Shanghai, Beijing, Guangxi provinces...) and are involved in various operations and processes:

- Finnish companies and their subsidiaries in China involving contacts between Chinese middle management in China and Finnish head offices and upper-management.
- Interaction between Chinese co-workers and workforce and Finnish management or co-workers in Finnish subsidiaries and structures such as factories (China)
- Encounters (negotiation and project management) between Finnish companies and Chinese ones, including periodical contact with central/local authorities, organizations or company representatives

When Chinese co-workers and key personnel are recruited, they are expected to follow the management and working style of the Finnish structure, regardless of the initial type of management, Chinese and/or Finnish at short or longer term (see p.74). This workforce heterogeneity can have an impact on the communication processes between managers themselves but also make communication more difficult between high/middle managers, co-workers and key personnel. In that regard, Jablin and Putnam (2001:357) assert “Systematic structural, processual, and interpretive distinctions are found across cultures despite environmental pressures toward organizational convergence. Culture enters organizations artfully, unconsciously, and piecemeal through several avenues simultaneously. People create, enter, and leave organizations not as autonomous individuals but as members of highly interconnected and interdependent cultural networks”. In addition, culture affects organization (Putnam and Jablin 2001: 340) through:

- political/legal prescription and prohibitions, legal requirements and regulations
- constraints and opportunities of the institutional environment
- preferences, values and premises about what organization can and should be
- rites, rituals and communicative practices

- the ways individuals perform their roles and relate to one another
- the mindsets of occupational communities
- the manner by which problems are solved
- the representation of spatial/temporal boundaries

These factors impacting organizations vary from one context to another; therefore all the companies from a given country will involve similarities and specific features in their daily practices. Still, “within each macro culture, different patterns are reinforced, encouraged, and accepted, while others are ignored, marginalized, suppressed and even punished” (Maruyama 1982 cited in Putnam and Jablin 2001:340). Organizational cultures influence are being influenced by the larger national culture of which they are part, nevertheless, to name only a few, founder’s, owners or company’s values, type of industry and occupational communities may differentiate organizations from each other and are one of the places where intercultural contacts are occurring. There is therefore a difficult balance to find or maintain between the risk of generalization and stereotyping about organizational and national cultures regardless of individual specificities and minimizing difference between and within countries.

### **2.3 Negotiation**

Within these organizations and in all professional and corporate life, negotiation is the main way to make decisions. Contextual elements vary greatly, such as the location where the communication takes place. In a meeting room for instance, there is a dynamic and each party bring its tacit rules and/or expectations in term of turn taking. Who should be present, who is speaking, who is leading, who is deciding, how the meeting time is managed, what can be achieved through one or several meeting sessions - these rules vary according to cultures and goals and are not so easy to grasp or accommodate, according to the respondents who have participated in the present study.

Secondly, from a transactional view every person involved in a communication process is participating, sending, receiving and interpreting messages at any

given moment of the interaction. Again these messages can be embedded in what is unsaid, in silences and pauses, in verbal and non-verbal (i.e. body and eyes movements) behaviour, other elements are included such as distance between people, seating arrangement or formality of the language. (Lustig and Koester 2006). It could be even more challenging since identifying the Chinese decision maker and the link between the business people who are also present at negotiation table is very difficult. Thirdly, negotiation is subject to interpretation. For instance, when a Finnish seller and a Chinese buyer are meeting, the decision to buy or the willingness to further commit oneself in a given business relationship is not always given through a positive answer, a statement or an agreement. It can be taken and expressed in various ways, and follow a certain script and “time schedule”. Thirdly, in practice and in addition to other missing contextual information and language proficiency issues, it can be perceived as arduous even by an experienced seller to recognize, for instance, a buyer’s expectations, level of satisfaction or intention. These factors, among others, are interplayed with various strategies, goals and priorities which characterize different types of negotiations, arbitration and mediation episodes.

Differences in negotiation styles manifest themselves as differences in negotiation scripts across culture (Kumar 2002:3). Conflicting negotiation scripts may have a impact on negotiation processes and outcomes, leading to negative emotional dynamics and to a negotiation stalemate or failure. This aspect is of importance since the Chinese negotiation style, as reported in different studies and testimonies (Fang 1999, Alon 2003), consists of using a broad variety of negotiation tactics which are described by western business people, when identified as such, as confusing or misleading ploys. These stratagems are explained as being components of Chinese culture and apply to all kinds of strategic actions, especially in competitive contexts. Chinese media, historical accounts, popular legends and literature have contributed to the dissemination of this type of knowledge which emphasizes the cleverness and shrewdness of specific characters.

Fang (1999) has been focused on Sweden-China business negotiations and provided a conceptual framework of Chinese business culture as part of his model of Chinese negotiation style. He presents the Chinese business culture

framework as consisting of three fundamental forces: the PRC condition, Confucianism and Chinese stratagems. When mentioning “PRC condition” he refers to socio-political characteristics of China since 1949, “Confucianism” covers the value norms and traditions composing this philosophy. Chinese stratagems refer to the cultural fundamentals of the strategic Chinese thinking and tactics. According to him, these socio-cultural forces exert a great influence on the Chinese business negotiating style. Although they are pervasive and complex, these components are intertwined and impact negotiation interplays. Fang emphasizes that they should not be addressed separately but as a whole, as an insightful framework and lens when studying the present Chinese business culture. This view offers an interesting multi perspective and holistic approach to a part of China socio-cultural system, and to what could be called the mixed personality of the Chinese negotiator (Fang 1999). However, the applicability of this framework at an individual and practical level appears uncertain considering the variety of other contextual factors influencing business negotiations. Yet it offers an interesting approach of socio-cultural factors which somehow shape Chinese behaviour. Another additional and less focused perspective have been strongly pointed out by a Chinese respondent through an informal conversation (see p.49): regarding the lack of a comprehensive social welfare system in China and support from government or at the state level for its members. The use of strategies is not a mere means to obtaining more or better advantages but, for common Chinese people, its origins lie in the struggle for survival. This aspect may deserve attention when doing business since laws and rules may sometimes be circumvented by lack of trust in government and state procedure.

However, negotiation stalemates or failures do not happen necessarily under all circumstances, it depends on a variety of contextual factors which encompass the nature of the negotiation (see p. 21 and p.89). Kumar (2002) has explored one of them; it is the impact of pre-existing relationships among Northern European and Chinese negotiators and their ability to manage interactional difficulties in the negotiation process. According to him, these relationships are composed of different dimensions which reinforce each other and are based on the notion of social capital. This notion is composed of different elements and

gathers the level of strategic congruence among the negotiators, the affective quality of their relationship and the ability of the negotiator to penetrate the other network structure. Kumar emphasizes that if social capital is strengthened the negotiators may be better positioned to cope with strategic ambiguities in negotiation process, or with ongoing conflicts and/or ensuing interactional difficulties.

This combination of cultural and contextual factors constitutes the setting in which the business actors are operating and has to be taken into account when examining the interviewees' experiences and the circumstances and dynamics in which they took place. Since individual behaviour may also reflect cultural patterns, the cultural variable needs further attention, therefore aspects shaping intercultural communication and behaviour will be further addressed in the following part.

## **2.4 Aspects shaping intercultural communication and behavior**

To further understand cultural differences, researchers have made different attempts to map, distinguish, differentiate, describe, predict and measure cultural variations. Geert Hofstede has conducted a large-scale survey which presents statistical results and diagrams of the degree to which five cultural dimensions are affecting social people's behaviour at the IBM organization throughout 71 countries. These cultural dimensions, which have greatly influenced numerous studies' angles of attack, are questionable and critics are addressing, among other issues, the study's validity, reductionism and its culturally bound aspects and bias based on a rationalist and ethnocentric western view (Fang 2003, Mc Sweeney 2002, Baskerville 2003, and Lowe 2003). In the case of the present study Hofstede's data, as such, concerning Finland and China are perishable, too disparate, non comparable and not representative. Nevertheless Hofstede's study or what could be called its "sophisticated stereotypes" (Lehtonen, 2005) remain, an interesting conceptual frame of reference or starting point when conducting reflection on cultures, as a complement or in contrast to it. Nonetheless, Trompenaars and Hampden

Turner (1993), when discussing their own approach of cultural value dimensions, point out that cultural categories or orientations are not mutually exclusive and each culture or individual may be managing and dealing with these values in a flexible and dynamic way. In other words nobody and no cultural group is definitely and statically positioned at a point or another of a linear dual axis as there are variations between individuals and therefore within the same national culture.

#### **2.4.1 Hofstede's dimensions of culture**

Hofstede (2001) defines culture as a collective programming of the mind and therefore people carry mental programs or “software of the mind”. According to him such patterns of thinking, feeling and acting which are learned throughout childhood, are shaped by experiences and social environments. They will partially predetermine a person's behaviour (Hofstede, 1991) and a range of social expectations. He has identified five main dimensions of cultural variability, since the present study does not focus and offer relevant insight on all of them, only three of them will be addressed:

**Power distance** (PDI) refers to the extent to which unequally distributed power is accepted and expected by the less powered members of institutions and organizations. By institution, Hofstede means family, school and community and by institutions, places where people work. Depending on cultures, level of status, power and authority, gender, age, education, wealth, occupation and achievement are subject to different degree of recognition, and view about its appropriateness, its value and its questionability. In a high power distance culture, the same person may be invested with skills, wealth power and status. Personal loyalty and appreciation shown by superiors (benevolent autocracy), privilege and status symbols are of special importance (Vihakara 2006:58).

Difference in power distance has various implications in Finnish-Chinese business relations and negotiation. To mention only few of them: business actors are not supposed to negotiate or discuss an issue if they do not have the same hierarchical status, independently of their expertise level in the given

area. Therefore, when decisions have to be made, if the manager of the same rank is not present, most of the middle managers or key personnel will not take any initiative, they must refer to their general manager for final approval. Following this highly centralized chain of command is considered by the Finns as time consuming and from their perspective it comes close to a “Chinese” fear of taking responsibility if not a fear to make mistakes. In the same line and at a lower ladder in sino-finnish working teams, although they are encouraged to, lower ranking Chinese employees tend to not openly comment or merely discuss with their Finnish manager professional issues, which is often understood as a lack of assertiveness and/or contribution to teamwork.

**Collectivism versus individualism** (IDV) is the relationship between the collectivism and the individualism that prevails in a given society (Hofstede 2001:209). These dimensions address the fundamental issues of dependence, interdependence, solidarity, autonomy and privacy when living and interacting together. For instance the concepts of self as a unique, independent and autonomous individual, which would reflect a more individualistic approach, are differently valued, defined and emphasized in different societies. In individualist cultures, people tend to emphasize self-actualization and individual’s initiatives and achievement, the focus in on the “I” identity. In collectivist cultures, the group is the most important social unit to which a person has obligation and who is dependent of it. The in-group (i.e. work unit and family), its needs, goals and beliefs prevail over those of the individual (Triandis 1988). This entity, in turn, will protect its members and foster a “we” consciousness, loyalty and group oriented behaviours (Lustig and Koester 2006), which may consequently draw a clear line and distinction between the in-group and out-group members. Hofstede (2001:211) adds that a “society’s degree of economic evolution or modernity is a major determinant of societal norms” therefore, individualism/collectivism dimension may also be linked, among other, to a country level of economic development.

In a more collectivist-oriented workplace, harmony is highly valued in the sense that direct confrontation or overly direct communication between people is considered rude and inappropriate. In the same way, in a meeting room for instance, an employee’s attitude consisting in valuing its own contribution,

single him/her out regardless of his group, or to express views, seems to be discouraged in China. In Finnish companies personal responsibility, autonomy and independence in decision making are appreciated (Vihakara, 2006). From the Finns and more individualist countries' perspectives where individual achievement and promotion is more valued, Chinese co-workers' behaviours could be interpreted as a professional self-effacement tendency, a lack of proactiveness or even ambition. In a situation of conflict, ranging from divergent views, interpretations to conflicting interests, and in Asian collective system, avoiding strategies are more likely to be chosen and valued. In that regard, Ting-Toomey (1994 cited in Hammer 2005) explains that this strategy, which, viewed from a Western standpoint reflects low concern for self-interests and low concern for other interests is on contrary a mean to maintain relational harmony and actually reflects a high concern for self and other interest.

#### **2.4.2 High versus low context**

According to Edward Hall (1976), any interaction can be characterized as high-low- or middle context and individuals cannot be studied separated from the environment in which they evolve and function. In a low-context (LC) culture, low context messages may be predominantly transmitted, the most important information is carried explicitly in order to make up for what is missing in the context. In high-context (HC) messages, the information is either in the physical context or internalized in the person, while very little is in the coded, explicit, transmitted part of the message (Hall 1976:91). No culture, activity or individual is positioned at one end of the scale, nevertheless, along this continuum, there are differences between cultures in verbal expression, and variations nevertheless exist within national cultures. Finland for instance, as a Northern European countries and USA, tends to be classified in the low context cultures countries, Chinese in the high context one (Hall 1976) while certain national cultures are classified as being a mixture of high and low context one. It will result in that HC messages will be formulated using more non-verbal code and is assumed to be embedded in the context through rules, rituals or norms of behaviours for instance. Its meaning is assumed to be shared and its interpretation taken for granted, with no need for precisions or additional

information. Deviation or not from these expectations may determine if one is part of the group (i.e. family, work or social group) or not. From a LC point of view it can create no answer at all, if the message is not received or perceived as such or a feeling of frustration, confusion in term of lack of cues and information. For a negotiator or a manager it may increase uncertainty and/or misunderstanding potential and hinder what is considered as an effective interaction (i.e. motives and goals understanding and interpretation, decision-making, teamwork, partnership). In LC, an important purpose of communication is to convey exact meaning through explicit message, it may be perceived by in HC cultures as rude or threatening others' face or social esteem. The Finnish business actors' reported experiences provide several examples illustrative of (see Chapter 4) high/low-context culture differences. The following table (Chen and Starosta 2005:51) list several characteristics of high and low-context oriented cultures and how they may shape the impacts upon communication styles and how meanings are formed:

**Table 1. Low-context and high-context cultures.**

Chen and Starosta (2005:51)

<b>Low-context culture</b>	<b>High-context culture</b>
1. Overtly displays meanings through direct communication forms	1. Implicitly embeds meanings at different levels of the socio-cultural context
2. Values individualism	2. Values group sense
3. Tends to develop transitory personal relationships	3. Tends to take time to cultivate and establish a permanent personal relationship
4. Emphasizes linear logic.	4. Emphasizes spiral logic
5. Values direct verbal interaction and is less able to read nonverbal communication	5. Values indirect verbal interaction and is more able to read nonverbal expressions
6. Tends to use logic to present new ideas	6. Tends to use more feelings in expression
7. Tends to emphasize highly structured messages, give details, and place great stress on words and technical signs	7. Tends to give simple, ambiguous, non-contexting messages

### **2.4.3 Time orientation and management of time**

In addition to the LC/HC distinctions between cultures, Hall (1994) has, among other pointed out the essential factor of time. It affects all the societies' daily lives; peoples 'socialization and the overall organization of tasks for instance, are embedded in invisible time frame. Our relationship and orientation toward time and how we use and refer to it may vary greatly between individuals, the type of tasks, organizations and national cultures and become a factor of complication in international, intercultural encounters within working environments that differ in terms of time management (Vaahterikko-Meija 2001). For instance, contrary to monochronic-time-oriented, polychronics ones tend to not schedule by separating time in discrete, fixed segments. They view

it as a less tangible medium and many things can be done simultaneously within a frame of time. Thus, personal interaction and relationship development are not so closely related to appointment making and deadline meetings. The following table is an adapted sum up originally made by Victor (1992) and is listing monochronic and polychronic oriented cultures tendencies:

**Table 2. Characteristics of M and P time-orientations.** Victor (1992)

<b>Monochronic time-oriented culture</b>	<b>Polychronic time-oriented culture</b>
1. preset schedules dominate interpersonal relations	1. Interpersonal relations supersede preset schedules
2. Appointment times are rigid	2. Appointment time is flexible
3. people handle one task at a time	3. People handle many tasks simultaneously
4. Breaks and personal time dominate personal ties	4. Personal ties dominate breaks and personal time
5. Time is inflexible and tangible	5. Time is flexible and fluid
6. Personal tie and work time are clearly separated	6. Personal and work time are not clearly separated
7. Organizational tasks are measured by activities per hours or minutes	7. Organizational tasks are measured as part of overall organizational goal

For cultures more inclined to a monochronic management of time, efficiency means reaching the goals according to schedules and clearly defined deadlines, which are themselves the result of a set of plans and a strategies. When addressing business and management issues in an intercultural and/or foreign setting, the underlying matter of concern is indeed effectiveness and strategy.

In this line the sinologist François Jullien gives an interesting and complementary Greek definition of what he explains as being the “template planning” which would take its roots in the “European classical thinking

framework” (see Jullien 2005:16). It says that for being efficient ones build a model, an ideal objective from which a plan is drawn. This template will be laid down as a target. Starting from this, its implementation and application will be consequently done according to it and until completion. This idealized plan will be achieved because of the strong will to make it real and consequently guide ones’ actions, leading to a “means-ends” pattern. Beside this framework of thinking which influenced, among other the ancient European military strategy, he highlights another principle that he find more developed in the Chinese military one. This concept is the “situation’s potential”, he defines it as the capability to articulate ones thinking not from a model or template but rather from the situation itself. In other words, the efficiency is associated to the localization of promising factors and the capitalization of a given (concrete) situation’s potentiality in order to make the most of it, which lead in turn to a “condition-consequence” pattern (see Jullien 2005:39). Finally, Jullien adds that these two concepts are not exclusively Chinese or Greek, since signs of them have been located at different historical periods in both cultural areas, nevertheless he assumes that they are currently differently valued in both, Chinese and European cultural traditions, including negotiation scheduling and business plan designing.

These approaches partly show how time orientation and view is deeply embedded in culture. It allows going beyond what may be, in corporate world, as a too simplistic associations, conclusions or even attributions, depending on the standpoint: monochronic time orientation is the only rational way to operate and/or polychronic time is synonym of dysfunctional organization if not professional incompetency.

Relation to time can be studied as well through the orientation to past, present and future. China is often mentioned as an example of past oriented culture (Hofstede 2001, Worm 1997, Vihakara 2006, Trompenaars and Hampden-Turner 1998) since it emphasizes planning under the light of customs, traditions and history. It means that innovations and changes are made only relying on past experiences or present (Adler, 1997). Conversely, future-oriented people evaluate plans in term of future predicted or potential benefit and do not emphasize as much past social or organizational customs and

traditions. America is classified among the latter in contrast with several European countries that are qualified as giving importance to cultural and historical preservation and past traditions. Even if Finland seems closer to the North American orientation, there are no studies that allow conclusions to be drawn and exploration of the nuances of this issue. Nevertheless, in several studies Finnish companies have been described as focusing on long term planning and strategies in addition to a punctual and (if possible) scheduled agenda. They try to prevent the conflicts and problems already on a long run with a careful planning (Vaahterikko-Meija 2001: 34).

#### **2.4.4 Trompenaars' dimensions of culture**

Trompenaars and Hampden-Turner (1998) pointed out several dimensions or value orientations that are cultures 'varying preferences in being related to each other and in dealing with problems, dilemmas and in making choices:

**Inner directed versus outer directed dimension.** It refers to the degree to which individuals believe the environment can be controlled in contrast to the belief that environment is controlling them. In an inner-directed culture, people have a mechanistic view of nature; nature is complex but can be controlled with the right expertise. People believe that humans can dominate nature, if they make the effort. In an outer-directed culture, people have an organic view of nature; mankind is viewed as one of nature's forces. People therefore adapt themselves to external circumstances. Interestingly this view could be reinforced by and connected to some extent to the one of Jullien's one (see p. 27) when he addresses the issues of strategy, efficiency and culture when designing business plan.

**Universalism vs. Particularism.** In business dealings, universalistic stand would rather stress a legalistic perspective operationalized through formal contracts and particularistic one avoid formal contracts and value trust and relationship building over time (see Perlitz and Seger, 2004). Yum (1988) made a close connection between particularistic orientations and Confucianism

when presenting the impact of Confucianism on interpersonal relationships and communication patterns in East Asia:

**Table 3. Comparison between the North American and the East Asian orientations to interpersonal relationship patterns. Yum (1988).**

<b>East Asian Orientations</b>	<b>North American orientations</b>
1. Particularistic  <i>Particular rules and interaction patterns are applied depending upon the relationship and context</i>	1. Universalistic  <i>General and objective rules are applied across diverse relationship and context</i>
2. Long-term and asymmetrical reciprocity	2. Short-term and symmetrical reciprocity or contractual reciprocity
3. Sharp distinction between in-group and out-group members	3. In-group and out-group distinction is not as sharp
<b>East Asian Orientations</b>	<b>North American orientations</b>
4. Informal intermediaries  <i>Personally known intermediaries frequently utilized for diverse relationship</i>	4. Contractual intermediaries  <i>Professional intermediaries Utilized only for specific purposes</i>
5. Personal and public relationships often overlap	5. Personal and public relationships are often separate

Indeed, in Universalist, rule-based behaviour the rule is prevailing and all persons who are supposed to follow it should be treated equally whatever the circumstances, the same rule should apply for all. Conversely, the particularistic judgement focuses on the exceptional nature of a given situation, including the specificity and the importance of a given relationship. More concretely, in international business it impacts contractual agreements perception, purpose and meaning. According to Trompenaars and Hampden-

Turner (1993), protestant countries tend to be Universalist and since Lutheranism is the main religion in Finland, it can be assumed that this orientation would be stronger there. It appeared later that the Finnish interviewees indirectly addressed this issue when reporting about negotiation processes and contracts with Chinese business partners. Trompenaars and Hampden-Turner also pointed out that the possible pitfall of Universalists is that the importance of the relationship is often ignored as well as the time and involvement that should be dedicated to it. From a particularistic point of view, no contract is definitive but it reflects an ongoing business relationship requiring mutual accommodation in case of change or problems. This view toward business transactions could be linked, and not exclusively, to the Chinese conception of agreement which is called by Fang (1999:127) the “Confucian problem solving”. According to him, it implies that the contract is rather viewed as a “joint problem-solving process or a relationship in which the parties’ mutual understanding, trust and exchange of favours are called for. Therefore renegotiation in that relationship framework is positive and reasonable from the Confucian point of view”.

#### **2.4.5 Confucian cultural patterns**

Confucianism’s primary concern with social relationships has strongly influenced communication patterns in East Asia (Yum 1988:381). A very specific and special feature of Chinese culture is Confucianism (Confucius 551-479 B.C.) as government philosophy, state religion or a political ethic, its ideal goal is to build and maintain a harmonious and self-regulating society. It also refers to a set of practical and ethical rules for daily life. Confucianism, as a cultural inheritance, has influenced all Chinese thinkers, other Asian countries (i.e. Korea, Japan and Vietnam), and its defenders as much as its “opponents”. The practical implementation and illustration of Confucian principles remains the result of its readings and its political and social instrumentalization by diverse actors and currents trends at different times. The key principles of Confucian teaching include the following (Hofstede 2001:354; Lustig and Koester 2003:132, Chang 2008, Yum 1988):

**Social order and stability are based on relationships that are hierarchically structured.** The five cardinal relationships based on role and hierarchy are exerted between ruler and subject, father and son, husband and wife, elder brother and younger brother and between friends. In this social hierarchy, each actor is of complementary and mutual obligation according on his/her position in this social hierarchy.

**The family is the prototype for all relationships and man exists through and is defined by his relationships to others.** It specifies how one should interact and to comply with its role within its social relationship circle. People are nonetheless affiliated and identified as members of groups making therefore a distinction with those who are part of and those who are not. This mutual interdependence relationship is extendable to town, organization or country. A person is not an isolated entity and is expected to fulfil its obligation as a proper family member by contributing to maintain group harmony through the politeness and maintenance of “face”. The latter refer to an individual’s claimed sense of positive image in a relational and network context (Gao and Ting-Toomey 1998). Therefore, intermediaries are used to solve and avoid conflicts; formality and indirect language preserve face-threatening or situations which may cause a loss of face.

**Proper social behaviours maintain social harmony.** Achieving harmonious relationship implies benevolence, concern for one other in a context of reciprocity and shared expectations about social obligations and responsibilities. Social order is ensured through each party’s honouring of the requirements in the role relationship (Bond and Hwang 1986:216). It also means being able to develop self-reflection and one’s sense of empathy, a virtue which is part of one’s moral cultivation.

The rapid economic growth rates of modern Japan, Korea, Taiwan, Hong Kong, Singapore and more recently Mainland China have been partly attributed to their common heritage of Confucianism and to what are called the “Asian values”. Confucianism in general strikes an interesting balance between providing scope for individual self-development or cultivation, and hence achievement, on the one hand, and on the other the subjection of the individual to the greater good of the family and the society” (Murphey 2004:46). Thereby companies’ achievement in East-Asia have been explained as being be the result of companies’ organization according to family-like business model. The latter involves relationships based on filial piety, loyalty, respect for hierarchy and elders without omitting a strong concern for maintaining harmony and solving problems through negotiation in contrast to conflict. This issue is matter of debate and questions, and although Confucianism may have provided East Asian business people with relationship-based and cooperation oriented business philosophy and influenced Chinese business negotiating style, one has to be cautious in ascribing East Asian economic miracles only, and too simplistically to this factor (Fang 1999). Others attribute to this Confucian and Asian values’ amalgam an ideological function which can be also understood as a Chinese a rationale in its present political orientations (Cheng 2007), arguing that the family prevails over individual, social order over individual freedom, elders’ and hierarchy respect can be also understood as merely traditional societies’ social realities which find in Confucianism several of its theoretical foundations (Zufferey 2007).

Not all the Chinese have read Confucius, and individual members vary greatly from the pattern that is said typical of a culture. Furthermore, there are several versions and understandings of Confucianism values, as an example, some research (Bond 1994:39) suggests that Chinese cultures do not endorse the same values, on the dimension of collectivism, Singapore, Taiwan, and the RPC (Hong Kong) occupied quite different positions for instance. Referring to Confucianism as a cultural pattern constitutes a starting point in considering issues such as hierarchy and role relationships, which define not only how one should perceive oneself in relation to others but also how one should engage in communication with others (...) they form an underlying structure of what

constitutes appropriate Chinese behaviour in a given context (Gao and Ting-Toomey 1998: 17). It leads, in turn, to language behaviours that protect face, avoid conflict, matches behaviour, communicates indirectly, and places greater burdens on the receiver to interpret a given message (Chang, 2008). Nevertheless Chang (2008:97) also points out that that researchers current focus on communication processes and relational hierarchy factors should be broadened to another aspect which he explains to be obvious in his study on Confucius Analects: words and language or what one choose to talk about and in which way. It shows that Confucianism is still subject to further interpretation, reading and translation that go far beyond the subject of this study.

Finally, one should be aware that Confucianism is only a part, yet a ubiquitous one, of the Chinese and Asian cultural landscapes. It should not be only reduced to a lifeless and static picture of The philosophy striving for group and society stability. It has a more or less pervasive impacts and its translations and manifestations in complex social and political realities might well be various and polymorphous.

## **2.5 Perceptions of pitfalls in intercultural communication**

Misunderstandings, misinterpretations and miscommunications are part of cross-cultural relations and any interpersonal communication. Misconstruction or misconceptions are possible between individuals from different cultures because, commonly, any of them can view others' behaviours through the lens and within the framework of the values, beliefs, and norms of his/her own culture. We tend to assume that almost everyone perceives what we perceive and that we perceive everything (or almost everything) that everybody else perceives (Singer 1998:26). Barna (1994) listed six stumbling blocks in intercultural encounters:

1. Assumption of similarities
2. Language differences
3. Non verbal misinterpretations

4. Preconceptions and stereotypes
5. Tendency to evaluate
6. High anxiety

**The assumption of similarities** is based on the unconscious belief that there are reasonable numbers of similarities between people, whatever their cultural background, which will make communication easy or more effective. This natural tendency or mindset is positive and true, but depends greatly on the context, and may be to a certain extent beneficial when it is about speaking the same language and building common grounds for understanding. However; it may not be the case or not be enough regarding verbal and non-verbal systems, other communicational situations (i.e. conflict management, negotiation, management) or attitudes and core beliefs. Assumption of similarity is above all a matter of perceived similarity (Gudykunst and Kim 1997), and besides culture, it can be a factor of social distance (Rokeah 1960 cited in Gudykunst and Kim 1997) or attraction to strangers.

Expectancies are based on social norms and rules, as well as on individual specific patterns (Burgoon 1995). The former, when based on similarity or even dissimilarity assumptions, can be a factor of anxiety and uncertainty when they are violated. Notwithstanding this relationship is not absolute and without nuances, some work in psychological and marketing fields has shown that violating expectations through unexpected persuasive message can be beneficial (Eagly and Chaiken 1993 cited in Burgoon and Hubbard 2005). In the present study two cultures which are very highly dissimilar at many regards are involved in business transactions and business relationship. It could be assumed that the dissimilarity-similarity assumption could be a factor, or alternatively, a means towards further understanding or categorizing. It could also contribute towards negative/positive attributions which may in turn impact and guide Finn's perceptions of their Chinese business partners and co-workers.

**Language differences and barriers.** "If strangers approach us and do not speak our language, it will be almost impossible to reduce uncertainty about their behaviour and it will inhibit the development of any possible relationship

between us” (Gudykunst and Kim 1997:320). In the case of contact between Finnish and Chinese business actors the situation is far from being as critical but still language skills in Chinese and especially in English remain central issues according to this study’s participants. When Finnish and Chinese are involved in a negotiation process for instance, quite often each party will speak their own language and understand each other using an interpreter who is not, at least for one side, necessarily the usual or appointed one. The intervention of this third actor may all the same require additional clarifications and agreements on the technical and/or commercial English terms which are mentioned as they may refer to completely different technical issues or regulatory standards, and working norms, to name only a few. When the use of the English language is possible, due to the actual “variety” of spoken English (House, 2001) and the varying level of proficiency, the exploration of the meaning of these terms is essential. In addition the Finnish side that may not speak fluently and/or read Chinese and is working (on short or long term) in China, the system of characters will constrain access to meaning (i.e. any documents, any signs in the street or shops) and contextual cues.

The presence of an interpreter or the relative proficiency in English of both parts does not neither eliminate barriers to effective and accurate translation, interpretation nor compensate for cultural knowledge. Interacting individuals have to deal with different communication styles, including argument styles, messages’ implicit features, and paralanguage meanings. Chinese culture is a high context culture (Hall 1976), in which true meaning is often conveyed, and perceived in implicit manners rather than in explicit and coded message (Fang 1999:13). In addition the cultural and the challenging role of the interpreter, as a supplementary participants and/or a mediator, has to be taken into account as an element of change (Jablin and Putnam 2001). English is the common and imposed business language that carries its own symbolic system and may support or add a power relationship dimension (Banks and Banks 1991). Nevertheless, according to the interviews, numerous factors increase significantly the level of uncertainty of the Finnish business actors in negotiation or mere observation situations but also at several levels of an organization, having an impact on Chinese negotiators and personnel in their

daily interaction (i.e. trainings, meetings, conferences, management, teamwork, and human resources).

**Non-verbal misinterpretation.** People at different places and times experience and inhabit different sensory realities. “They see, hear, feel and smell only that which has some meaning or importance for them. They abstract whatever fits into their personal world of recognition and then interpret it.” (Barna 1997:373) Nonverbal signs include posture, gesture and other body movements as much as time handling and spatial relationships that are nonverbal codes. More generally, decreasing one’s chance to misinterpret other’s people’s messages requires them to learn these languages (verbal and non-verbal) and to be aware of how misinterpretation occurs. According to Beck (1988 cited in Gudykunst and Kim 1997) misinterpretation in general occurs because:

1. We can never know what the states of mind, attitudes, thoughts and feelings of other people are.
2. The message that informs us about the attitudes and wishes of other people are often ambiguous.
3. We use our own coding system, however it works, to give meaning to these messages
4. Our state of mind at a particular time introduces biases in our methods of interpreting other person’s behaviours.
5. The degree to which we believe that we are correct in divining another person’s motives and attitude is not related to the actual accuracy of our beliefs. (Beck 1988:18)

**Preconception and stereotypes.** Cultural stereotypes are beliefs concerning one’s own group or the other, likewise members of a given group may also have preconceptions of other’s stereotypical assumptions about themselves. We use the knowledge we have of other people in interpreting their message and to make attributions which are based on the situation and/or the assumed inherent qualities of a person or a group in order to explain or predict behaviors. This knowledge is based on each person’s actual specific experiences but also on how we use our stereotypes of their group membership

(Gudykunst and Kim 2003). Stereotypes as over generalized, secondhand beliefs provide conceptual bases from which we make sense out of what occurs around us, whether or not it refers to mental representation and/or actual distinctive and specific features. Stereotypes are also sustained and fed by the natural tendency to perceive selectively only those pieces of information that correspond to the image held (Barna 1997) and may therefore result in various expectations, distortions and exaggerations. Descriptive self-concept also comprises stereotypical perceptions of the general characteristics of members of the collective, such as “we are straightforward” or “we go to the point”. “Although such perceptions may implicitly value the in-group when compared to the other, they [these perceptions] are more than that: they are also evaluations against some absolute ideal or relative standard based on a more general understanding of the qualities of group and individuals in general” (Lehtonen 2005:5).

**Tendency to evaluate.** Perception of self or others comprises evaluative aspects which lead to approval or disapproval of the statements, action or behaviour of the other person or group from one’s own perspective, frame of reference and point of view (Barna 1997). Judgements about the explanation that people develop concerning the causes of behaviour are called *attributions* (Brislin and Hui 1993:254). Immediate evaluation for instance, of others’ values, ideologies, and worldview hinder a deeper comprehension and handling of the diversity in term of possible approaches, attitudes and cultural patterns which are inherent to interpersonal communication and intercultural encounters. According to Brislin and Hui (1993) one should also focus its attention on others to determine what kind of possible attributions are made about one’s own behaviour.

**High anxiety.** Intercultural encounters may involve varying amount of uncertainty and ambiguity, which can be factors of stress and anxiety. The tendency and the stereotypes are defence mechanisms that alleviate stressful reactions to new environment and/or situations. According to Gudykunst’s (1995) anxiety and uncertainty management theory, mindfully overcoming and

reducing the amount of experienced uncertainty and anxiety is essential for communicating effectively and proceed to adjustments which will in turn increase individuals prediction and explanation accuracy.

## **2.6 Adaptation and cultural sensitivity development process**

In the present study's intercultural business and work settings, each party brings its own cultural background and expectations. They negotiate, in the broadest sense of the term, their values, goals, and interests. In order to communicate effectively and appropriately certain ranges of communication strategies have to be chosen, implemented, and enacted to manage any interpersonal communication. At different stages mutual adjustment or adaptation can be needed for reducing uncertainty (Gudykunst 1995) and interacting effectively.

Increasing adaptability reduces our level of anxiety, changes the way we think about host nationals and may lead to confidence consolidation in predicting the host national's behaviour (Gudykunst 2005). Chen and Starosta (2005) define intercultural adaptation as a cyclical, continuous, interactive, and dynamic process which involves interaction among three dimensions: affective, cognitive and behavioural. Such a process is cyclical because it involves fluctuations and repetitive chains of affective, cognitive and behavioural reactions in dealing with and generating responses to issues of cultural diversity. These three categories are recognised elements of the concept of communication competence (Kim 1994, 1995; Spitzberg 1984, Wiseman and Koester 1993).

**Cognitive competences** as internal capacities include the knowledge of a given culture and language, it encompasses various components such as history, institutions, worldviews, beliefs, norms and rules of interpersonal conduct for instance. This language/culture learning leads to the "structural refinement in an individual's internal information processes" or "development of cognitive complexity" (Kim 1995:181). In a complementary way, **affective competences** provide emotional and motivational capacities to deal with the challenges associated with the new environment and facilitate adaptation. Empathy and willingness to new learning, and to making changes in one's own cultural

habits are part of it. The **behavioural competences** are interacting with the emotional and cognitive ones; it gives a springboard toward expression and the enactment of the above-mentioned capacities' combination. The latter enable the individual to make plans, decisions and choices of appropriate verbal and non-verbal behaviours when communicating with other cultures.

Understanding and refining one's knowledge about partners from another business and national culture allow one to take risk with new business partners, the facilitation of agreements and building trustful and meaningful business relationships. Considering that in China the building of long-term business partnerships is valued and desired (see p.29), the development of trust, as a basis of any interpersonal relationship, is likely and is assumed to be crucial and to interact with cultural sensitivity. Similarly, transparency, directness, and the ability to get the job done within deadlines are important components of trust from the Western and Finns' point of view. Thus, trust can be defined as an expectation or belief that is influenced by the exchange partner's credibility or reliability. Trust is also behaviour reflecting reliance on the exchange as well as risk and vulnerability. (Shapiro et al., 2008: 73).

Shapiro et al. provides a description of the cultural sensitivity development process that evolves over four stages (see Table 4 p.42). Their research aimed to study the interplay between trust, cultural sensitivity and the cross-cultural learning process leading to successful cross-cultural business relationships between North American buyers and Asian firms. Throughout their study, they define different type of knowledge which develop through time and experience (Shapiro et al., 2008: 75):

- Environmental scanning knowledge. Its acquisition is a preliminary and a necessary step toward understanding and adapting to an environment. It evolves through a process which fills in and develops one's category and knowledge structure. Conversely, one's knowledge structure can also improve one's scanning abilities.
- Declarative knowledge are simple facts about the culture.

- Etic procedural knowledge. People organize categories around facts derived from within the home culture and linked to heuristics leading to problem solution at home.
- Emic procedural knowledge. People organize categories around facts derived from within the host culture and linked to heuristics leading to solutions.
- Enacted procedural knowledge. It is the performance of cross cultural understanding which takes three forms: mimicry, control of unacceptable behavior, and role playing.
- Situated knowledge. Different cultural and ethnic backgrounds (sub-cultures) are noticed within the larger culture. It leads to more refined knowledge structure and is part of the cultural sense-making process of an individual.
- Reflexivity involves deep reflections on the underlying patterns within the different culture and then the application of these lessons to one's own culture (Shapiro et al., 2008: 82)

Their findings shows that while these more sophisticated forms of knowledge and environmental scanning abilities are acquired and integrated by the sample of business people they have studied, cultural sensitivity increases significantly at some stage, and exchange partners are better able to negotiate a common ground of understanding. According to their results, it seems that self-efficacy increases as buyer's cultural sensitivity improves. Concerning the relationship between trust and cultural sensitivity it appears that across the four stages (see table) different forms of trust emerges. The business actors' notion of trust is shifting and evolving according to its understanding of the exchange partner and their business relationship development. At some specific stage (see Table 4 p.42) and to a certain extent, some business actors are not holding as much as before on to some Western business cultural categories. Therefore achieving a higher level of cultural sensitivity provides the Western business actors with a more meaningful and intimate level of trust.

Cultural sensitivity or intelligence can be defined as "some composite of knowledge of cultural facts and the cognitive, motivational, and behaviour skills needed to adapt" (Shapiro et al. 2008: 72).

In fact, the present study's research questions' underlying issue is to explore cultural sensitivity evolution and emergence as it is experienced by the Finnish interviewees. It is a dynamic which is intrinsically linked to one's perceptions and remains a constant process of understanding. This process, which involves different stages, implies the need to take a longer-term perspective and to further identify the knowledge, its nature and the manner it is acquired and utilized when facing diversity in business. This study is a small-scale attempt to highlight this process.

**Table 4. Stages of cultural sensitivity. Jon M. Shapiro et al. (2008:76)**

	<i>Attitude and cultural depth</i>	<i>Cultural sensitivity (knowledge and skills)</i>	<i>Business relationships and strategies</i>	<i>Forms of trust</i>
<b>Romantic sojourner</b>	<ul style="list-style-type: none"> <li>• Fascination</li> <li>• shallow, daily contact</li> <li>• Tourist</li> </ul>	<ul style="list-style-type: none"> <li>• Etic declarative and procedural knowledge</li> <li>• Poor scanning</li> <li>• Little emic knowledge</li> </ul>	<ul style="list-style-type: none"> <li>• Discredit, profit-base transactions</li> <li>• Opportunistic</li> </ul>	<ul style="list-style-type: none"> <li>• Uncalculated risks</li> <li>• Naive trust</li> </ul>
<b>Foreign worker</b>	<ul style="list-style-type: none"> <li>• Immersion in business culture</li> <li>• More realistic attitudes</li> <li>• Ends in disenchantment and culture shocks</li> </ul>	<ul style="list-style-type: none"> <li>• Begin to develop emic knowledge</li> <li>• Initial emergence of scanning skills and enacted procedural knowledge (i.e., mimicry, control, and role playing)</li> </ul>	<ul style="list-style-type: none"> <li>• Trial-and-error business practices but developing relationships</li> <li>• Constructed frames of meaning are tactical and borrowed</li> </ul>	<ul style="list-style-type: none"> <li>• Competence, integrity, and reliability trust</li> <li>• Trust violations results in relationship dissolution</li> </ul>
<b>Skilled worker</b>	<ul style="list-style-type: none"> <li>• Deeper cultural contact</li> <li>• skillful diplomats</li> <li>• Evolution to outsider status</li> </ul>	<ul style="list-style-type: none"> <li>• Frustration ends as emic knowledge structure develop</li> <li>• Skillful enacted procedural knowledge and scanning</li> </ul>	<ul style="list-style-type: none"> <li>• Nurture a few successful relationships</li> <li>• Business-bounded relationship but expanding to interpersonal</li> <li>• Shared frame of meaning</li> <li>• Greater self-efficacy</li> </ul>	<ul style="list-style-type: none"> <li>• Reliability, integrity, and competence trust still important</li> <li>• Emerging benevolence trust</li> </ul>
<b>Partner</b>	<ul style="list-style-type: none"> <li>• Very deep immersion within the culture</li> <li>• Balanced and respectful yet re-enchanted</li> </ul>	<ul style="list-style-type: none"> <li>• Cultural reflexivity</li> <li>• Situated knowledge of cultural difference</li> <li>• Enacted procedural knowledge is situated</li> </ul>	<ul style="list-style-type: none"> <li>• Fosters a few select relationships</li> <li>• Negotiated business culture as a third way of knowing</li> <li>• Deep commitment to partners</li> <li>• Relational, familial</li> <li>• High, self-efficacy</li> </ul>	<ul style="list-style-type: none"> <li>• Benevolence Trust</li> <li>• Relational trust</li> <li>• Other forms of trust (integrity, competence, and reliability) become less important</li> </ul>

## 3 RESEARCH METHOD

### 3.1 Research questions

For exploring ten Finnish business actors' perceptions towards their experiences with their Chinese counterparts and key personnel, I will address the following research questions:

1. **How do the Finnish managers and negotiators doing business and working with Chinese business people and key personnel describe Chinese co-workers and negotiators?**
2. **Regarding cultural differences, what aspects, in Finnish-Chinese communication and business negotiation, do the Finnish interviewees consider sources of misunderstandings?**
3. **By which means and approaches do Finnish business actors adapt to situations perceived as challenging?**
4. **Regarding their communication, business negotiation and working experiences in/with China, what kind of attitude, skills or behaviors do they find more appropriate when doing business with Chinese business people and key personnel?**

**How do the Finnish managers and negotiators doing business and working with Chinese business people and key personnel describe Chinese co-workers and negotiators?**

Research question 1 is more open and not focused on misunderstanding as in the research question 2, but I still hope to gather complementary anecdotes, or reflections that would flesh out the overall research questions. Presumably the narratives of the interviewees comprise comparisons, associations or distinctions (if so), for instance, on which they base and present their experiences. Through their narratives (see Data analysis p.54) they may position themselves towards their counterparts, in term of their cultural identity, values (see 4.5.1 p.93), expectations (see 4.2.1 p.71), and working orientations (see 4.2.1 p.76) in relation to the aspects of their Chinese

counterpart they find relevant to mention. The most salient or recurring observations elements would give an indication about what makes sense and is important in their daily routine and, perhaps, to some extent, may give an insight to their view or approach of impact of culture (see p.102), on business and their daily working life.

**Regarding cultural differences, what aspects, in Finnish-Chinese communication and business negotiation, do the Finnish interviewees consider as sources of misunderstandings?**

Asking for sources of misunderstanding caused by cultural differences is one of the ways to start investigating perceived cultural differences. Within the questions' scope and frame, diverse situations are described or reported by the interviewee and some of them can be defined as critical incidents. According to Gore (2007: 159), "a critical incident is a communication situation in which the participants consider the behavior to be problematic, confusing or even amusing. Critical incidents are memorable real-life events that serve as learning triggers, which can be analyzed from various cultural perspectives. The critical incident technique is a procedure for collecting direct observations of human behavior that can be potentially used to solve practical problems and develop broader and deeper cultural understanding". Depending on the narration context, these kinds of accounts may convey a multitude of cues and elements ranging from a supposed factual description, to meanings assigned to events, motivations attributed to people or to the overall impacts of the situation on working settings and participants. Looking for sources of misunderstanding is assuming that there is misinterpretation, challenges or simply unfamiliar situation regarding one's own standard or expectations. Yet when the interviewed business actors choose one or several event from its repertoire of experiences and reconstruct it during the interview they may be highly informative about which difference, if there are perceived as such, truly makes a difference from the point of view of the respondent.

**By which means and approaches do Finnish business actors adapt themselves to situations perceived as challenging?**

The third question focus on coping strategies in terms of one's adaptative and problem solving approach. It may inform me about how the interviewed Finnish business actors individually, and based on their own words, dealt with and managed what they experienced as challenging in terms of working and/or management orientation, language and/or communication behavior. Knowing which kind of adjustment they have to proceed, in practice, through behavioral, affective and cognitive strategies allow to have an insight on their approach and how they take into account Chinese actors and cultural parameters when it come to their business and approach to work.

**Regarding their communication, business negotiation and working experiences in/with China, what kind of attitude, skills or behaviors do they find more appropriate when doing business with Chinese business people and key personnel?**

This fourth research question deals with what appeared to be the interviewees' own best approaches, skills and behavior in term of appropriateness to multicultural Chinese business environment and to the challenge, they had to cope with. It gives, through the interview questions designed for that purpose, an insight on respondent's own overall experience assessment, report or perception. From a prescriptive approach, it allows them to have an insight into their view about the concrete solutions and strategies they have perceived as useful, efficient and/or relevant to implement through time. It may give some indicators about what the respondent knows about the culture of their counterparts and/or have retained from its experience, and if the latter has been perceived in term of learning source, implementation or mere observations. Finally, it allows the possible gathering of respondents' perspectives on dealing with their Chinese counterparts.

### **3.2 A qualitative research strategy**

A qualitative method is “an umbrella term covering an array of interpretive techniques which seek to describe, decode, translate, and otherwise come to term with meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world” (Van Maanen 1983 cited in Frey et al., 2000:262). Since my first interest was to have an insight into how Finnish business actors understand, perceive and characterize their experiences with their Chinese business counterparts, a qualitative research method appeared to best serve this purpose. The data of utmost importance used for qualitative research is discourse (Anderson, 1996) and the way I chose to capture them was to be, first, in contact with people, and then to proceed to the accurate transcription and analysis of their accounts with no attempt to transform them to their numerical equivalent. This qualitative approach is based on narrative reports that would be object to interpretation or mere description, but above all is acknowledging that there are multiple possible angles and not an absolute truth. My expectation in terms of qualitative data collection method was then gathering assumed richer descriptions of the interaction field and having a closer look to that actor’s points of view. This option was clearly motivated by a research preference for meanings rather than behaviour or, by what is called by Hammeresley (1992 cited in Silverman 2000), a preference in attempting "to document the world from the point of view of the people studied". Therefore, I chose to conduct semi-structured active interviews assuming that "what people present in the interviews is but the results of their perception, their interpretation of the world, which is of extreme value to the researcher because one may assume that it is the same perception that informs their actions" (Czarniawska, 2004:49).

I chose a qualitative approach and conducted the interviewing of a non-random sampling of persons. Therefore, the study’s methods and its purpose did not aim at finding laws like relationships that could be applied across all the population of Finnish business actors dealing with their Chinese counterparts. Furthermore, interviewees’ personality, work positions, business sector or fields of expertise, experience and frequency in dealing with the Chinese were highly heterogeneous and not allowing for any representativeness or

homogeneity. The conclusion that may be drawn would be limited to their experiences, in given periods of time and in given places and settings. On the other hand a research project that is valid only for these elements is considered of limited use (Frey 2000:109). This view challenges the relevance and the *raison d'être* of this small-scale study. Nevertheless, the heterogeneity of the sampling offers different perspectives on the most important question which is *How* and the study does not aim to prove existing hypotheses, even though it refers to them, meet or differ with other studies' results. 'Generalizations' are not completely excluded, but in that regard it is assumed that the study has a certain level of validity. As Alisuutari (1995:156) suggests "Generalization is in fact the wrong word in this connection. That should be reserved for surveys. What can be analyzed instead is how the researcher demonstrates that the analysis *relates* to things *beyond* the material at hand. In this sense, *relating* could be a more suitable term (...). As far as a generalization to a population is concerned, *extrapolation* better captures the typical procedure in qualitative research". In order to know how the person involved perceived their experiences I used the account analysis interviewing method, I asked them to account for what they observed and performed. This technique is somehow close to Flanagan's (1954) critical incident technique as it, here indirectly, "asks for people's most memorable positive and negative experience within a specific context, social context" (Query & Kreps 1993 cited in Frey et al., 2000:279).

### **3.3 Data collection**

The study is based on a total of ten Finnish respondents' accounts, 8 of them participated to semi-structured, face-to-face interviews, one answered to the questionnaire by e-mail and another one by phone. Due to the difficulty of obtaining interviews, networking and snowballing were the most convenient and possible sampling means, so several participants kindly helped me to obtain and identify other potential respondents. All the recommended persons, contacted first by the participants themselves responded positively. For the study, a total of 16 hours of 19 hours of discussion has been recorded and then

transcribed. The interviews have been conducted during a period of two months, starting from mid August to mid October 2008.

I first sent an e-mail in which I introduced very briefly myself, as a Master's student in Intercultural communication, and presented the topic of my research which required the participation of Finnish males or female business actors having a significant experience with their Chinese counterpart. In the second e-mail which followed their interview acceptance confirmation I sent them a questionnaire including more details about my previous academic background (oriental language and culture studies) and experiences (studies in China in 1998), an introductory text about the purpose of this study and its confidential nature, ensuring that no company and respondent names would be disclosed. It was specified that the questions were a framework, in term of time and focus, and presentation of the main themes and questions in order to not exclude any other issue that would have been, according to the respondent, relevant to address. So from the first interview the main questions, without any pre-prepared answering alternative, were sent to them for their consideration prior to our meeting. I was concerned by the fact that they would at some point need time to recall some of their experiences and part of the question might be really difficult to answer or more incomplete without any possibility to think about it beforehand. Although not all of them had time to have a look at it, several respondents' comments confirmed that it was a good option and few of them brought to our meeting notes and reminders. Naturally, as part of the sampling process, several people I contacted refused to be interviewed due to a lack of availability and/or interest. On the other hand, the interviewee who accepted the meeting did so willingly and almost immediately; they explicitly expressed their concerns about providing me information and narrative, which they strongly wish to be useful for the purpose of the study. Furthermore, each of them granted me an amount of time much longer that which I would have expected. In that regard, the interviewing experience in itself was definitely as interesting as rewarding.

I met eight of the ten respondents in Helsinki and the two remaining were interviewed at distance, one was working in China and the other one in Germany. The interview was recorded and conducted by telephone with the respondent living in China, and the one based in Germany answered my question by e-mail. The interview questions and the focus have been slightly modified or reformulated after the first interviews. Generally, the duration of the interview varied from one hour and a half to two hours and usually took place in the respondent's company premises. The language I used was English; it was an important criterion, which was supposed, to a certain extent, to lower misunderstandings and misinterpretations risks. All the interviews were tape-recorded and transcribed which allowed me to listen again to them and to notice, how their content could have been significantly distorted if I had only relied on my own notes or memory. It gave me the possibility of reconsidering my questionnaire, its reasoning and the way I conducted the discussions.

During the interview period (August to October 2008), in addition to these ten interviews, I conducted three separate interviews, one with a Chinese female, who has been working in China (Beijing) in several foreign companies (one of them was Finnish) for over ten years, and under Chinese management. She has been living in Finland for three years and she has been working for a Finnish company where she was in charge of the business relationship with their Chinese business partners. The second was an interview conducted by phone with a male British marketing manager working, mainly from England, for a Chinese company based in Hong Kong. The third was a male Finnish entrepreneur and marketing manager working with different European countries but not being himself in charge of his relatively new Chinese customers; he reported his associate's experiences in working with them and his own experience with European countries. These three interviews, of one hour and half to two hours each, were not supposed to be included in this study and I used the questionnaire with two of them, the third one being an informal conversation. They nevertheless gave me an additional understanding of the realities of their positions, which was complementary and related somehow to this study's area of interest. This aspect of complementary grounded information was a concern all along the study, all the more so as the two main

and only sources of knowledge informing my understanding were interviews and research readings.

The following table is presenting the interviewees' professional and general background information.

**Table 5. Interviewees' professional and general background information**

Respondents	Gender	Nationality (F = Finnish)	Occupation	Company profile	Working experience with Chinese organization and/or counterparts (in years)	Working in China (the longest period, at the time of the interview)	Living abroad (in other countries than China- In years)
R1	M	F	Vice president Marketing director	SME	4	0	1,6
R2	M	F	Solutions consultant	SME	5	0	9
R3	M	F	Business area manager	SME	>10 years	1 month	0
R4	M	F	CEO. Business development director	SME	4	3 weeks	4 years
R5	M	F	Business development director	MNC	X*	0	X*
R6	M	F	Production plant manager	MNC	0,5	6 months	X*
R7	M	F	Project manager	MNC	7,5	6 years	3,6
R8	M	F	Communication manager	MNC	4	3 months	2,5 years
R9	M	F	Project manager	MNC	2	2 years	0
R10	F	F	Customer service manager	SME	6	0	1,5

\* X: Data is not available

The ten interviewees are randomly coded from R1 to R10. The table 5 shows that most of the interviewees were Finnish males, I managed to interview only one female, therefore it was not possible to make any comment or observe any nuances or differences (if so) in attitude that would be correlated to their

gender. Likewise, none of them had dual nationality or had a multi-national background. Nevertheless at least half of them have been living abroad for diverse reasons, during the time they were studying or earlier in their career (i.e. expatriations or settlement in Indonesia, Singapore, Germany, and Spain). Only one of them had spent a large part of his life abroad, he graduated and had been living (during his adolescence), and working in United States and other European countries before coming back to Finland. In these cases, and according to their reports, these longer stays are considered as references and have been more significant at least in term of time and exposure to other cultures and not only or not always restricted to working environments and goals.

Generally speaking, the companies have sent most of the interviewees regularly to China for short but sometimes repeated trips, three of them have been working in China from two to six years, one is still working there and two of them have been living in other countries while working with and visiting sometimes their Chinese counterparts. Their level of responsibility, positions, tasks and type of organization (exporting SMEs or multinational companies) remains highly heterogeneous (see table 5 p.50). Moreover, the occupations mentioned in table 4 are those of the respondents at the time of the interview. Although each respondent career is finally consistent with their experiences, some of them have been working in different sectors and/or have experienced different levels of responsibility and sorts of tasks. One of them, for instance, has been working with Taiwan as a buyer before being selling and doing consulting with Chinese from Shanghai. Another one has been working for a paperboard company with Chinese private-like companies and later in the healthcare sector with Chinese public sector companies and organizations. Among the ten interviewees three of them are working in ICT (Information and communications technology) sector, one of them was working in transportation and logistics and presently in another sector, one in the healthcare industry and five in wood/paper/forest industries. The ten companies' headquarters were in the Helsinki region except one of them that was located in Tampere.

### 3.4 Qualitative research interview

Face-to-face semi-structured interviews (see Appendix 1: interview structure and themes) enabled me to clarify almost immediately numerous points, as Byrnes (2004 cited in Silverman 2006:182) states, “open-ended and flexible questions are likely to get a more considered response than closed questions and therefore provide better access to interviewees’ views, interpretation of events, understandings, experiences and opinions (...) when done well is able to achieve a level of depth and complexity that is not available to other, particularly survey based approaches”. It was possible to ask for further precision when I was not sure if I understood respondents’ meanings, when I wanted to have more details about the settings and the people mentioned in their accounts or when a point “deserved” elaboration. Understanding and gaining access to their very diverse experiences and perceptions required frequent questions to precisely gauge their thoughts and meaning, using questions such as “What made you think this way? How do you explain that? How could you notice it or how did it reflect in reality/in practice?” The participant freely asked me questions, clarifications, or added comments on the questionnaire itself. They could display their discourse according to my active listening position, my questioning role and the signs of understanding I could express. All these aspects helped me in turn to re-contextualize or situate their narrative and, on the other hand, made the possible approach to the topic more complex.

I acknowledged that the interviews conducted for that study are special form of conversation that are interactional and all situated *in situ*, as a product of a talk between interview participants (Holstein and Gubrium, 1997). This view can possibly be mixed with the traditional stand that respondents would, somehow, “reveal, describe and report on their interiors or their external world as they know it” (Baker, 1997). I nevertheless did not assume that my questions were a kind of neutral invitation to speak which may raise, the tricky question of my own bias and the respondent’s veracity. On another hand, from the membership categorization device introduced by Sacks (1992 cited in Baker 1997), they could read the interview situation in terms of how this person

wanted me to speak. Alternatively, I could activate what Baker assigns as a particular cultural knowledge in order to take part in the interview, on the interviewer's terms. I nevertheless treated the interviews as active and encouraged the respondent, to shift positions in the interview to explore alternate perspectives, stocks of knowledge and the making of connections (Holstein and Gubrium, 1997).

Several interviewees felt uncomfortable with open questions about what kind of misunderstandings were, according to their experience, caused by cultural differences. This question was considered as too difficult and simplistic as it underlies a complex and debatable question, which is how to assess if a misunderstanding or any critical incident is attributable only or partly, or not at all to cultural differences or factors. I believed that this debatable question per se was not necessarily creating strong bias and remained a good opportunity for the respondent to make comments, take a stand or a different orientation when answering, which is in itself informative in regard to perceptions. Respondents were constantly worried about the representativeness and the risk of generalization, I had to emphasize that I was especially interested in their own personal perceptions and experience. Even if few interviewees took time to prepare reminders they had to recall, specify, formulate episode or thoughts about their experiences according to questions I added and not being part of the questionnaire. It finally became a reconstruction and reflection process involving the respondent and the interviewer.

I was aware that the kind of questions I asked were designed, to inform my research questions but might well be not so relevant or perhaps not make sense to them, regarding the daily operation, information, actors and parameters these business actors had to take into account in order to proceed in their field of practice, or within various positions and organizations. The terminology I used, even if I took great care to not use field's specific formulations or intercultural communication's conceptual terms may have constituted a kind of discourse and reasoning gap between two different worlds and realms of experience, the one based in MNC's and SMS's professional business practices and operations (i.e. negotiation, production, project and people management, consulting), and

the other one based on the fields of communication and languages studies. It raises, among other matters, the issue of the lens of the reader and interpreter of the data but also to present explicitly tacit knowledge and know how, as an interviewee said when he was asked about what kind of cues informed him about his Chinese counterparts' communication style:

**R3:** That's a difficult question, I mean I think it is difficult to say just like that what do I, let's say, how I analyze the people....it's...I guess...it is more the way just to see if there are people there, from that organization, how do they kind of react there...what are the relation between themselves (...)

The fact that I am obviously from different cultures (European and Asian) myself, although living in Finland for several years and having double nationality (Finnish and French), may have had a slight impact on the interviews. Since I could be considered as an outsider to their organization, the respondents may have been more guarded in their responses and I may not have been able to grasp overtones or eventually read between the lines. This aspect which is not measurable and may vary a lot according to the person does not necessarily override other aspects such as the responsibility of the respondent toward its organization in term of information release, image and representation (see Macdonald and Hellgren 2004). Likewise, I noticed afterward that the overall answers' range was not specifically restrained compared with those of other small-scale studies conducted by nationals in business settings or in other professional fields.

### **3.5 Data analysis**

Once the overall data had been collected and systematically transcribed, I could proceed to its content analysis according to Krippendorf (1980) methodology and Berg (2001) suggestions. For that purpose, after rereading the material I have been classifying respondents' answers according to the interview questions that "carried" their own themes (see table 6 p.60). Therefore, I made a first list of main themes and at the same time, I was annotating my first observations and impressions. In addition, I sorted the data, regardless of its consistency with the question's focus preceding it, but according to the

thematic list and to other located themes related to it and appearing from the raw information, it could be for instance issues raised “spontaneously” by the respondents. At this stage, each respondents’ answers were then divided in smaller units (i.e. phrase, paragraph) which were categorized under the theme to which they fit or added as new themes *per se*. Although the data’s coding and labelling helped to prevent a loss of focus in terms of the research questions, its analysis has been an ongoing process, a data analysis spiral as illustrated by Creswell (1998). Time and reassessment was required to keep some distance with a very large amount of data and emerging categories that were changing continuously with the overall data configuration. Reducing the data to a manageable amount by aggregating them in 21 categories or main themes enabled me to recognize patterns and to channel this sense and meaning making process. I rearranged the data classified under the main themes by labelling them and creating four larger categories that I gathered finally into clusters of meaning. Data clustering involved the search for commonalities, dissimilarities and distinctive features which helps in bringing added meaning to the overall data. They were defined according to arising (intercultural) communication issues and research questions’ objectives.

It is of utmost importance to keep in mind that this study, which has been conducted using semi-structured interviews, does not allow any data to be generalized. Its relevance lies in the fact that it produces a wealth of detailed information which may give more in depth access and/or understanding of the topic being researched.

### 3.6 Identified main theme categories and thematic units

The following **21 thematic units** were thus identified from 10 interviews' data:

1. Language issues/barrier and interpreters' role
2. Challenging dimensions of communication in business context
3. Challenging dimensions of communication with Chinese co-workers and key personnel
4. Chinese, Western and European business/working standards.
5. Perception of Chinese key personnel working orientations and competences
6. Chinese staff recruitment, training, skills and career
7. Access to information
8. Hierarchy and decision making
9. Management and expectations toward Chinese co-workers and partners
10. Other significant dimensions/parameters that influence business relationship building
11. Identifying sources of misunderstanding due to cultural differences
12. Respondents' self description and references to Finnish business culture
13. Being a foreigner/an outsider in China
14. Company's values, loyalty and trust
15. Trust, business relationship and networking
16. Relationship with Chinese bureaucracy
17. Time management and long term approach
18. Negotiation process and agreement meaning
19. Counter stereotypes, parallels and similarity
20. Adaptative/adjustment/coping strategies
21. Respondents recommendations

Here above, few of the interview extracts are presented in order to show how I identified the mains themes:

The thematic unit, "Chinese Western and European business/working standards vs. Chinese business/working style" was coded according to the following extracts. Each extracts have similarities and vary in several regards. Although they differently refer to diverse working contexts and experiences, they contain

similar comparisons and slightly different perspectives when describing their Chinese partners' "approach" or "way of working". They categorize and name for instance their own approach as "the European market perspective", "the European way". They use this common frame of reference for describing striking points, differences or non-difference with their Chinese partners. Similarly they refer to the latest using the terms "Asian way", or comparing the "mainland Chinese" to other Chinese operating in other Asian countries. These terms are used when stressing, for instance, "How the Chinese are looking at the issue from their perspective".

About a technical problem occurring in a factory in China, R6 says:

They take a kind of dramatic approach. They are talking in that way and the actions they are proposing are quite dramatic (...) actions right away whereas the Europeans, in my opinion will wait the situation which is good what is bad and shall we solve it, shall we continue (...). Making this kind of analysis, that's more an European way of doing. (...) Both approaches end up in reasonable situation or end up in a good solution, eventually (...) I like the European way of doing, first you evaluate, what's the impact, and if you find out in your evaluation that impact is to severe then you stop the process. But if you see that impact is not that bad you continue with the process and try to solve the case (...)

**R8:** The main sources of misunderstanding are your expectation about the project (...) and perhaps also, the view or the perception and background knowledge on the issue...not knowledge, but how the Chinese are looking on the issue from their perspective is often different to how we are looking. We are looking that from the European market perspective, American market perspective and so on. And Chinese are looking more from their own perspective, centre of the world (laugh).

These extracts were part of the thematic units that I gathered under the category two, « professional issues: working and management style/orientation ». Choosing, selecting new categories and sorting data's according to them were not free from dilemmas, some themes contained overlapping sub themes or patterns and were not so easy to gather under only one category.

Finally, four categories in total alternatively formed and/or emerged from the 21 identified themes, which made data's sorting and classification manageable by providing a frame that was consistent with the research questions:

## **1 Language and communication**

It refers to concrete language parameters such as Finnish and Chinese actor's language(s) proficiency, languages' barriers, pitfalls and impediments. It includes the use of an interpreter and its impact on encounters and negotiations. It covers as well the perceived communication competences and challenging aspects or misunderstandings with Chinese co-workers or members of other Chinese organizations.

## **2 Working and management style/orientation**

It refers to observations made about the Finnish business actors when working with their Chinese co-workers and partners. More precisely, it covers the general perception the Finnish interviewees had of their Chinese partner's competences, performances and orientations when carrying out their daily responsibilities and tasks. It includes negotiation meetings and teamwork.

## **3 Intercultural awareness and business cultures**

It relates to the interviewees' knowledge, perception and awareness of their partners culture or the cultural dimensions inherent in their business relationships. This intercultural awareness could address the Finnish actors' feeling of strangeness when working in China, their self-perception, especially when they described themselves by contrast to their business partners, pointing out cultural differences or merely describing their experiences. It also includes their view of how the business should be done or to which extent their visions of "how doing proper and efficient international business", in their sectors, were challenged.

## **4 Self adjustment/coping strategies and approaches to challenging situations**

This category gathers the set of accommodation or self-adjustment that the 10 interviewed Finnish business people found important, appropriate and efficient when working with their partners and co-workers. It refers to situation ranging

from getting to know better their partners to presentation skills, team working, negotiation process and management (see Appendix 3).

Before addressing the main results, and for ease of reference, the set of themes, categories and research question focus are summarized in the table 6 p.60:

Table 6. Categories and thematic units

<p><b><u>Research questions 1 and 2 focus:</u></b> Description and perception of Chinese business people and co-workers Sources of misunderstanding caused by cultural differences. The most salient observations.</p>		
<p><b>Category 1 :</b> Language, communication</p>	<p><b>Category 2 :</b> Professional issues : working and management style/orientation.</p>	<p><b>Category 3 :</b> Intercultural awareness and business cultures</p>
<ul style="list-style-type: none"> <li>❖ Language issues/barrier and interpreter's role.</li> <li>❖ Challenging dimensions of communication when negotiating.</li> <li>❖ Challenging dimensions of communication with Chinese co-workers and key personnel</li> </ul>	<ul style="list-style-type: none"> <li>❖ Western and European business/working standards and Chinese business/ working style.</li> <li>❖ Perception of Chinese key personnel work orientation and competence</li> <li>❖ Chinese staff recruiting training, skills and career.</li> <li>❖ Access to information.</li> <li>❖ Hierarchy and decision making.</li> <li>❖ Management and expectations toward Chinese co-workers or partners.</li> <li>❖ Other significant dimensions/ parameters that influence business relationship</li> </ul>	<ul style="list-style-type: none"> <li>❖ Identifying sources of misunderstandings due to cultural differences</li> <li>❖ Respondents' self-description and references to Finnish business culture.</li> <li>❖ Being a foreigner/ an outsider in China.</li> <li>❖ Company's values, loyalty.</li> <li>❖ Trust. business relationship and networking</li> <li>❖ Relationship with Chinese bureaucracy</li> <li>❖ Time management and long term approach</li> <li>❖ Negotiation process and agreement meaning</li> <li>❖ Counter-stereotypes, parallels making and traces of similarity</li> </ul>
<p><b><u>Research question 3 focus :</u></b> Approaches and means implemented when facing challenging situations</p> <p><b><u>Research question 4 focus:</u></b> Attitude, skills and behaviors found appropriate when dealing with their Chinese partners and key personnel.</p>		
<p><b>Category 4 :</b> Self adjustment/coping strategies and approaches to challenging situations</p>		
<ul style="list-style-type: none"> <li>❖ Adaptative strategies (cognitive, affective and behavioral) (see table Appendix 3)</li> <li>❖ Respondents'/Finns'recommendations. (see 4.7 p.109)</li> </ul>		

## 4 RESULTS ACCORDING TO CATEGORY

In this chapter, the interview results are displayed according to the four main categories (see above) that arose from the data sorting. Each of 21 themes is not necessarily addressed separately and systematically. Since several themes are overlapping and intertwined, few of them have been included in the same sub-part and therefore do not appear strictly in the same order as in the table above. The results are thus covering and following the delimited scope of the four research questions and will be illustrated by various interview extracts. I have given a large place to the latest as I considered that some of them were particularly rich in terms of interesting descriptions and/or illustrative effects.

### **4.1 Language and identifying sources of misunderstanding due to cultural differences**

When this question was asked of the participants almost none of them pointed out at once specific points, the few answers were very brief. Most of the time the sources of misunderstandings were not presented as such; they were addressed later on and dispersed within their narratives. Actually few topics were frequently mentioned by the respondents (See Table 6 p.60) and within this range of issues, each of them pointed out explicitly at least one “typical source of misunderstanding”. After considering it, it appears to me that searching for a “typical” source of misunderstanding was too simplistic and would mean that the interviewee would have inevitably in mind a stock or a list of these typical incidents. It would imply as well that they would assume that these incidents are due to factors that they would inevitably and clearly consider as “intercultural differences”. What (perceived) differences and/or specific feature can be likened to cultural differences? Indeed, this aspect remains an open question in many regards. Interviewees were thus naturally more prone to describe their working context than giving clear cut answers, actually their account was a mix of several positions which reflected quite well how complex it is to formulate, categorize, and identify factors and attribute them to cultural features or factors. They emphasized how difficult it is to

claim that what they experienced was typical, how international business challenges were the same all over the world (“no cultural differences”) and at the same time in which regards Chinese business environment was challenging in term of concrete business context, language, and in some cases in terms of value. These two following extracts, from the same interviewee illustrate it:

**R1:** (...) there is so much literature [about cultural differences] and studies that have been done already. And sometimes I find it may be a too stereotypical way of approaching this. Whether you take Brazilian, or Chinese, or Japanese or Swede and you think ok they are like that but it is really not like that. I believe that peoples have their own personal characteristics... strive more than the culture, in the working etiquette, I believe that.

**R1:** So they are, at least in this business, I have seen that they are hesitant to give definite answers for business related questions they are not sure. And what it means is that they go to this chain of command and asking from the superior what should be answered, (...) it takes a long time and for us of course it seems a very inefficient way of doing, but for them I believe I understand why they do it because it is again sort of cultural impact on their working culture but, towards people especially for foreigners they are open, they work the same way, their etiquette is the same but behind the ethics are different, they still expect that ok if they are not sure they don't want to embarrass their boss as I would assume. (...) The way of saying no is typically that they delay answering or they restrain from answering, not straightly.

In addition assessing the “typicality” of a situation or a behavior can be challenging. For those who were sent as (promoted) expatriates or for short missions to China, in a very different working context, for a given delimited project (in time and scope), it was, as an experience implying that they had to cope with a part of new tasks in a new working environment. For instance, in addition to numerous negotiation sessions and/or meetings with Chinese partners almost half of the Finns sent to China had to manage or work, on a regular basis, with a multicultural team made up of Finnish, and for the most part, Chinese employees.

**R7:** Of course, it has been like important. (...) I had like a nice career there because I was kind of...it was a promotion to get the job in China in the first place, and then I was promoted there to be this (...) head. It was like a nice career, it doesn't matter if it happened in France or in Uganda or whatever, but if you think or if you are asking what did I learned, particularly in Chinese environment...Generally in leadership issues basically, you get just learn when you are in a position that you have to run the business (...)

Three of the interviewees were provided with training ranging in length from one to three days, related to Chinese culture, language and practical information in order to prepare them to work in China. A fourth attended the courses once he came back from China, much later, when the project he had been sent to work with, was well advanced. Most of them added that this training was not really invaluable. They considered it too simplistic, stereotypical and theoretical. On the other hand, one of them had been for two short missions to China before he was sent there again as an expatriate to run a factory with around 140 Chinese employees. He is the only one who mentioned his apprehension before his mission in this “new” culture and working environment:

**R6:** I had a discussion prior to coming here; I was asking the consultant, the specialist, should I start changing my attitude on the way I do business and on the way I aim for goals (...). Prior to come here [in China] I had the feeling that I had to be... I have to change my behavior, I have to be stronger, and I have to be meaner (...). More mean, tougher. That was my thinking of the Chinese society, how you can get these people to work for you, how you get their appreciation in the organization and luckily I had those meetings and I did not change my leadership style so I just keep it as it is. I am getting results with that so...

When the participants were asked to account for the most challenging aspects when communicating with Chinese partners and key personnel, they almost unanimously mentioned the language barrier.

#### **4.1.1 Language issue/barrier and interpreter role**

The Finns have to evolve in a working environment in which almost all material and verbal signs are unknown. None of them could read or speak fluently Chinese or even partly comprehend their Chinese counterparts. Although most of the practical aspects of their sojourn was settled with the help of their Chinese assistants, two of them learned basic sentences that could help them to carry out few of their daily matters such as communicating briefly in a shop. Nevertheless, within the frame of their workplace and assignment, it was much more demanding since the Finns had to:

- Negotiate, find agreements and settle contracts with various stakeholders (i.e. government's officials, experts, private like companies).
- Identify and locate key personnel, key companies and their profile in an environment where statistics in general and information about Chinese companies are scarce and not easily accessible.
- Being understood and understand their partners goals and vision of a given project in order to work on common and agreed bases.
- Transfer technologies, train Chinese employees and in some case solve technical problems (i.e. work with factories).
- Transfer management practices and specific working methods (i.e. shift from a partly Finnish personal to an entirely Chinese one within a Finnish branch in China).
- Supervise and work with Sino-Finnish teamwork.
- Balance and assess their partners' business reliability and potential for setting long or short-term partnerships.
- Inspire reliability and potentially profitable business partnerships with their Chinese interlocutors.

According to the respondents, the Chinese who could speak more fluent English were quite often the younger generation of partners and co-workers. Otherwise, the level of fluency in English was rather uneven and Finns often had to speak more slowly or more simply to make themselves understood, which complicated the communication for both sides. For these reasons, especially, when negotiating they appealed to an interpreter and to the points of view of their Chinese colleagues who could report what they understood from the discussion and the context. In that regard the role of the interpreter is crucial and at the same time it is more demanding than it appears:

**R3:** (...) you have to be there waiting and seeing how the...try to notice from the faces of the counterpart how they are reacting to the interpretation that the other is doing there and so on...But it isn't that kind of intensive way you would react immediately to something you have said so I guess that's one difference (...). One might think that it is easier to do business negotiation when you are using some interpreter and you just wait and think what you say next but I think it requires some practice before you can really start really using that kind of negotiation effectively. You need some experience of that before it goes kind of smoothly (...).

Indeed understanding and communicating with their interlocutors through their interpreter had its limitations or constraints:

**R3:** In China this interpretation makes it a little bit more challenging because...you have to...you know before...if you are doing the discussion and then you are speaking in English then this other person in our organization, he or she has to give the right impression to the counterpart and I think if it is only, if there was only somebody doing the interpretation there, or let's say the interpreter would come from the other organization then it would be much more difficult because if they don't know the background of your business and how you think and so on...I think it is more difficult to give the right kind of message to the counterpart.

Seven out of ten of the Finns mentioned that misunderstandings regarding terminology (i.e. technical terms) were numerous and they had to constantly agree on meaning. Furthermore, another factor (not mentioned by the respondents) makes the translation more challenging: in order to follow the march of technical and scientific progress, neologism based on phonetic and/or older Chinese characters have been gradually introduced in Chinese language.

**R2:** When I am communicating with Chinese people in English then it become challenging again because we don't use the same terms for everything. With [my Chinese colleague] what we do constantly is that we are constantly like learning each other's vocabulary (...).

In addition, as R7 points out, the interpreter is considered as an expert in its language but may lack the contextual, technical knowledge or merely the experience related to some specific professional fields:

**R7:** (...) your assistant cannot be like professional of everything. (...) they cannot understand the forestry or forest business as such, very technical project, very technical concepts there, it is very important that you have again somebody there who may, doesn't do the translation but is professional in that sector who can also give you a feedback and then you can find a nice combination because they...many times they understand also differently what are our points in what we are saying and our business partner is saying (...).

In some case, the translator is translating more than the words, which confer to the interpreter the important role of a mediator:

**R4:** If you only work thinking naively that everybody say only what they say then you fool yourself. Yes, you need to have some kind of local presence to understand....more than what is just said.

**R8:** (...) they explain what kind of terminology they use, is there any other meanings or if there is any hidden messages. (...) the translator, he or she has a lot of power. (...) Somehow they are more than translator because if there are in conflict situation, and especially with the translator, usually it is the case that he or she is a Chinese and he is often the mediator, kind of mediator of the conflict.

**R7:** (...) what I normally did in many times, when we came out from the meeting; I asked to my people, what they said, what do they really mean, I heard what they said but I had to ask, what do they mean, do they really mean what they say and then we had like another discussion, even my Chinese were not always sure about what they meant.

One of the interviewee has mentioned an interesting example that shows that direct contact with a foreign business partner who cannot speak fluent English is even more challenging than having an interpreter in between:

**R3:** Yes exactly. I would say so. It makes the discussion then easier because if the person who in your side if she or he is well trained and the person knows well the background of the company and the target then it is much easier to do the discussion than in such case that you would do your own discussion directly, with for example the Japanese person who doesn't understand the proper English.

Half of the respondents mentioned the fact that English proficiency is one of the criterions for recruiting Chinese staff and especially at the middle management level:

**R1:** (...) English was the main language; of course it was important that the middle management has good English skills, because they were basically the interpreters towards the labor to the workers and machines also for anybody who had limited language skills

Beside the comments about the proficiency in English and the purely linguistic barrier, one of the respondents mentioned another important aspect which is the language as the result or as the conveyer of another logic and frame of thinking:

**R2:** I think that language is very important, the difference in the language, simply looking at how language is written and up to down, right to left, different in the symbols, so I guess the whole logic behind communication is so different. I think it is more important than what we believe in terms of why we have difficulties.

### 4.1.2 Challenging dimensions of communication when negotiating

Indeed language proficiency is only one of the dimensions that facilitate communication. When communicating in English through an interpreter or directly, more than half of the interviewees have mentioned what they perceive, from their Chinese partners, as a lack of clarity, of transparency leading to what is interpreted as a more or less voluntary tactical, ambiguous and manipulating behavior through the use of confusing messages during negotiations sessions.

**R7:** Chinese are really good at manipulating and like talking half truths or kind of waiting enough to really create huge confusion. For that purpose you need somebody who is there, the interface, to interpret that discussion to you, to understand why they are talking like this, because this is a big frustration for Europeans. What I felt personally was that I was anxious to go there I was young and ambitious, I really wanted to make things happen, and very impatient, it was really difficult for me to listen to these (...). And it was good at the early stage that I had my Chinese counselor who said, calm down, it goes in this way and you have to hold your horses to make it happen, very important in early stage. Of course by the time you learn it yourself.

The respondents perceived their Chinese business partners' style of communication as too indirect and vague. These situations were described as demanding since they often had to guess the meaning that their Chinese counterpart wanted to convey.

**R9:** For me it is just to bring the issue on the table, in a very honest and a very open way. To understand and to explain what you are trying to achieve and then for the other part to explain what they are trying to achieve so you understand. For me, as a foreigner in Chinese setting, it was more about guessing, I would imagine also for the Chinese, it seems that it is not...being transparent in the negotiation process is not a very Chinese way to do, in my limited experience. (...) so I guess my personal way it would be much more open and transparent. So, to try honestly to understand what the other guys are trying to do. I think there is always a risk of manipulation then, but that's would me my way, and probably not possible there.

Another interviewee points out that when being in contact with potential Chinese customers the conversation rhythm, and more linear order expected in selling processes, is very different from what he has been used to, and makes his task challenging:

**R2:** (...) it is very hard for me to identify when an Asian customer has made the decision to buy and I am a sales person. It is very easy for me to see with the European customers, it is very easy for me to know when a customer has made a decision to buy. [Europeans] They don't necessarily [give clear answers] but the nature of the discussion changes and you start talking about you know, it starts moving away from when we were talking about our company and their interest in knowing more about background, we start to move more toward the customer's problems. And it is very natural sort of continuum but with the Asian companies it sort of goes forth and back the conversation, it goes flows more in terms...now we are talking about you and now we are talking this and now we are talking about us. So it is not the same rhythm in the negotiation as we have.

### 4.1.3 Challenging dimensions of communication with Chinese co-workers and key personnel

Three other interviewees mention the difficulty of having feedback from their Chinese co-workers or business partners. They explain it as reluctance in expressing directly that they did not understand, in order to avoid embarrassing situations.

**R2:** I sometimes feel that when I talk with [him] and I say to [him] something quite directly, he always says yes, and from me it is difficult, because I am gonna have to ask like so did you understand and he says yes. And then the next day I discover it wasn't always so clear, but nevertheless he would say yes.

**R2:** It is not...even though the customer seems to understand what I am saying I still ask D [Chinese colleague] to repeat what I have just said, to make sure, because it seems to be part of the culture that misunderstanding is not something that people want to express.

**R6:** My assumption is that they try not to be embarrassed in a situation that's why they say yes although they didn't understand. So they try to show out that they know and everything is fine. That is also very Chinese, Chinese way; they try to save their happy face and try to show that everything is going fine.

In addition to language barrier, different negotiation styles and possible behaviors that are more dramatic and "scripts" related to the negotiation process may be difficult to understand or to be identified, as one of the interviewees mentions:

**R9:** So this was something I did not figure out into my two years, how you know if they are happy. These guys seem to complain all the time anyway. I take it as a negotiation tactic I guess. And some people were saying that when we give him, we show that we are weak and then just continue and continue... so we should have been more firm, more put our feet down, maybe complain about them or do something like that. (...) I don't know what is real and what is not but it seems to be...I don't remember one situation where the other party would have said that this is very good for us, and thank you.

All the more because sometimes it may contrast sharply with their “pre-made” categorization, perception and therefore expectation from a how Chinese negotiator is supposed to be.

**R9:** It is very interesting about this communication style and communication competence because you do hear about Asian countries these issues about losing face and not acting up. (...) I have seen in China people losing their temper so many times, shouting with their face red, (...) in the airport or in the meeting room. It seems to be some sort of theatre actually, especially with that Suzhou guys and you know, you throw your pencil on the table, and you sit on a side, even though if you were the main negotiator, and then you turn and talk to that guy, and your face expression can be very angry, it could be very loud, and to us it seems, first you think that they are really upset, they are arguing, but it is negotiation, it much more lively than a Finnish discussion. And when you went to diner it is nothing, in the meeting room you leave what you said there and then you go. But this was very interesting but that was a bit different of what I expected, based on what I heard. And then you do have this typically older gentleman who are..., you can really see that they have the power, they are not the one who are arguing there, the loudest, but in the end they are the one who (...) say how it is done and it is done like that.

It seems that for one of the interviewees once the language barrier is overcome and business standards are more familiar the communication with Chinese business counterparts is not only easier but there is almost no difference compared to negotiation in other countries:

**R2:** Much easier, you can't even feel so much difference between European and Asian (...).Because if you go to Hong Kong where everybody speaks English, where they are from Chinese descent many of them second or third generation Hongkongese, their parents or at least their grandparents are mainland Chinese and you know...it is completely different experience. It is not easier to sell to them but there is no confusion at all.

Finally, language barriers impede socializing outside the company with business partners, especially during banquets and dinners. This is one of the common forms of socializing and making friends with work and business partners in China:

**R8:** (...) especially with this dinners. The language barrier is so big that...unluckily this is usually the case that Chinese are the majority; they speak Chinese (...) even though she [the interpreter] would have been there, it would have been impossible to translate everything and not even necessary. So it is kind two groups sitting together without interacting very much except toasting, proposing toast for example. So in that sense it does not necessarily help to get to know them. But I have had smaller meetings, and smaller dinners, informal where people were speaking English and then we got much closer to each other.

## 4.2 Working and management style

This category gathers various points that are focusing on the Chinese staff management at different levels (i.e. mid-higher management, co-workers) and Finnish management's expectations and perception. Issues related to hierarchy and decision making are not only referring to internal situations and interactions with co-workers but also to those taking place with external Chinese business actors. Indeed, the Finnish were, for some of them, negotiating, implementing projects with external organizations and/or local actors and experts while working internally in multicultural teams. Other interviewees were working alternatively from Finland through telephone, e-mail or conference call and sent to China or Asia as an expatriate (4 of them) or for frequent shorter visits (6 of them). All the Finnish interviewees had to interact daily with the Finnish branch's Chinese staff while meeting Chinese partners for negotiations. The Finns who worked in China were involved in the local recruiting process, therefore the Finnish management staff had objectives in terms of outcomes and performances and consequently expectations in terms of working style and competences. Recruiting and working on a longer term with the local Chinese staff implied concern about the training provided to them, their career management and their integration into the Finnish company philosophy and values.

### 4.2.1 Management and expectations toward Chinese co-workers and key personnel

**R8:** I guess it is easier to work with the persons who are working at the office of there [the Finnish branch in China] (...) because of the language barrier and (...) of course the business culture there is Chinese, it isn't fully or the similar than what we have here [in Finland]. Anyway it is much closer than the experience from the government organization or other companies.

One of the most frequently mentioned expectations is the wish for a more direct communication style in order to encourage teamwork and information sharing. In that context and according to the interviewees, feedback giving should not be bound by overly strict concerns regarding hierarchy and status.

**R1:** We needed a contact list, we made it here in Finland, the form was supposed to be filled in alphabetical order; we needed phone numbers and e-mails. So we sent it to China, when the form came back the people's contact information was ranked according to the hierarchical order there. They sort of totally mutilated that excel sheet.

**R8:** What it comes to our own organization, we have adopted a very informal and western style communication form, in that sense, so that people...the issues are said directly and...But communicating with others, I have maintained the formal style, courtesy, respect and this way....and then through this approach start to focus step by step to the issue.

Moreover, according to the Finnish management this feedback process should materialize through expression of one's own opinion and even arguing or discussing if needed. In that regard, the Finns stress that straightforwardness from Chinese colleagues is *de rigueur* for making decisions and having Chinese perspectives on a business given professional issue. This is perceived as a vital component of trust building between Finnish and Chinese colleagues. Finnish respondents were eager to hear views that were not aimed to humour or please the hierarchy. All the more so as the Finns were under pressure, they had to make results in China. Most of them, those who worked as expatriates, did not have previous experiences in that country. The need for information was and remained huge for their overall understanding and the future path to be taken in terms of decisions:

**R7:** If you trust them, if you give them responsibilities, they follow you and they ...it is very truthful partnership...this relationship can be very powerful. It is difficult, it is wrong to say that they obey you, because this is not what we are always after, but we are looking for people you can count on, you can trust them and they bring this Chinese perspective there. So you are a foreigner you can look at from your own perspective, you have most of time, you are the one who is to make a decision, but if you have a good Chinese, he is opened to tell you also something you are not that pleased but he helps you a lot to make a decision. That the problem many times, that you have a Chinese, he is just trying to please you, and say whatever you say although he knows you are going wrong. You have to have a guy who is hard working, (...), but also sometimes brings his own opinion on the table. It is one additional argument when you are making a decision, this is very important, and to reach this relationship with your colleague is very difficult, you need these right types of people, you need this high competence, lot of trust and still these can go wrong so...

The respondents also justified their emphasis on feedback as an important source of adjustment and synchronization for the whole branch. The Chinese middle management was the shock reducer and the facilitator between Finnish upper management and Chinese employees, in terms of daily tasks and technical training. Therefore, he had a central role in terms of feedback from downward and from upward, which was sensed as a sensitive and challenging issue for the Chinese themselves:

**R1:** so when the people were trained to the job we were also persistent that they need to tell if they do not understand. But on the other way around if they made mistakes it was acceptable or they needed to accept that we would give feedback, and they were more than ok because I would say that people in their thirties in China they already have adopted very westerners type of working culture. The civil culture is very old and the family ties have a big influence still compared to Finns for example but working culture is very western and I think that, in general, in all case, we still have the same problem that how do you handle with the middle management of the company. The Chinese key people who are taking care of the workers but on the other hand they need to be able to communicate with senior management so there is no tension between that communication, that they are not afraid of criticize for instance which is a very difficult thing in China.

The Finns perceive giving one's own point of view as a positive self-assertive attitude that precisely allows a professional to position himself above the average:

**R10:** And I was also advising him, we were talking about career things; I encouraged him to say his opinion loud in the meeting, when he has some couple of years work behind him then he knows enough that he has also own thoughts and then he has to encourage him to say his idea aloud and take them forward. Because if you just sit quiet in the meeting, do not comment anything, you don't proceed enough good, you are just the great mass.

One of the respondents reported how against all expectations the influence of family on his Chinese employee careers was decisive. This aspect was perceived by R1 as the supremacy of the family's decision over the company and especially over the employee's own will:

**R1:** I would say that they are very, especially people in our age; they are, I would say, like us in the working culture, I cannot see any difference. No...no...But for example we had people living the company for example when their parents tell them now you go to school, they leave. So it is not very typical here, but if your parents said that ok you now should go on and make you Masters [...] that happens few times already. So we had few of these that the engineers went to their boss... basically the parents said they have to educate themselves more [...]

The same interviewee drew a parallel between Chinese employees' relationship to family and hierarchy:

**R1:** For instance that we have this discussion when these few people left that they don't have a mind of their own and we would think it, as a Finn. We are separated from our relatives quite efficiently [...]. We regard ourselves as a very down to earth but actually we are not, compare to Chinese they have this very strong ties to relatives and values are different. When they do something they expect that the boss say or the parents say, we think that this guy has a very weak self esteem.

Along the same line, Finns reported that a too strict hierarchy concern appeared to them as a lack of trust in one's own employees, which consequently annihilated decision-making and individual responsibility taking:

**R8:** It relates to this hierarchy and hierarchical process as well. People are...there is a tendency not to give...responsibility or trust to the individual person. In organization especially if it is a question of lower levels. So that...they are not giving enough responsibilities and room to make decisions by themselves, so it is directed from above.

Three of them reported their Chinese employees' perceptions of Finnish leadership and management. The contrasts with the positions offered and the hierarchical relationship in more traditional Chinese organizations is highlighted:

**R7:** What they say about the leadership of course is like we are quite informal in many ways, you can talk to your boss, and you can negotiate even with your both. (...) but in European organization it is much more democratic in a way, you know that your boss is doing decision but there is always lot of flexibility in negotiating. If you have a good argument you can always tell those arguments to your boss, you can talk to him or her. And that was a one thing they appreciated a lot.

**R9:** Yes they told us, because that's about hierarchy, that's about being at the bottom of the chess pool for the first 15 years or something years, with very limited freedom in your own work and thinking. Then you have to be member of the party to get forward anyway. The people we got in our company they were already in that state of mind, which is that they would like to work in an international company, in an international setting, because it is different from a traditional governmental company in China.

What was perceived as a lack of autonomy and need for too close supervision, from the perspective of Chinese employees gave some reason for preoccupation to several Finnish managers:

**R9:** A very very important thing which has not been mentioned, it is not related to hierarchy, it is also about this supervision, because some of these guys it's..., you have to give clear tasks to supervise, otherwise things will not get done. This is not what I am used to, I give goals and then we follow up, and then we see if it happens or not ...this daily supervision it's..., we even have some senior manager, Chinese guys, who have been trained in Finland, he was giving his own managers, every morning, instructions what they should do. This so different from what we used to. I guess this is more about the typical Chinese working style, because it is not an individual trait, I mean I have people who were able, they were proactive, they were able to work and take things forward on their own but then I also had people who would have demanded daily supervision to make sure that make their tasks, so they will work, for me that's very inefficient but that's seems to be a very clear organizational trait.

In the above extract we don't know if the Chinese employee (trained in Finland) was briefing, training or supervising his superior. If so, it would mean that the Chinese manager was not in a comfortable position, did not find his landmarks or merely did not have the information in hands or experience that allowed him to "naturally" carry out his mission or merely be informed according to his status. This comment remains a hypothesis since it has not been validated and clarified during the interview.

Although certain Chinese employees found it challenging, proactiveness and willingness to express proposition was highly valued, encouraged since each employee was considered responsible for their own sphere of action. This management style differs greatly from the Chinese one.

**R7:** I felt that generally they were quite happy to work for us, because the company was very effective, things were happening there and they had a lot of responsibilities that is quite unusual in Chinese companies (...), lot of people, lot of bosses, small things need to go through the hierarchy. But we have generally a quite flat organization, every position you had, you have a certain responsibility, a certain territory, you do this, you make those decisions, you negotiate within your framework and you are just reporting up, don't come and ask small things (...), just do it. They appreciated it but in the same time they said that it was very hard work

Unanimously the respondents emphasized that understanding and support for company philosophy is the pedestal base between Chinese and Finnish co-workers' cooperation and trust:

**R9:** In my work, right or wrong I took the priority to actually hire Chinese guys who I know are good, whose values are close to our company, who I know they can understand up to what the company needs, and let's these guys then handle these negotiations and all the interactions. Just me...kind of giving guidelines and basic setting. That seems to be the easiest way to do this actually

Another respondent stressed that a deeper immersion in western values would be a pre-requisite to further cooperation and that sharing common values is a matter of trust:

**R2:** If I had a company of my own I would hire probably a western educated Chinese person who has lived most of their time out of China, hire this kind of person to start up an office there and because this person, probably would share your values, more closely than Chinese values and therefore you...this for a western company and therefore this person...it would be easier for internal communication in a company but then they speak Chinese and they could work your customers. I would like to hire people who have lived in western countries.

According to one of the company's initial plans, the Finnish middle management team was entirely removed in order to go back at to the Finnish headquarter in Finland. The Chinese branch leadership was entrusted to a Chinese management team which led to a clash followed by few adjustments and discussions to ensure that such a transition would be congruent with the company's values and working methods:

**R1:** But when we started to concretize this, we had a discussion with the senior management that ok that we have agree that there is a way of giving feedback also to the upper management, and the senior management needs to understand that we don't say that who criticize. It is about the subject and not the person and that was the main thing that the senior management was persistent to ask who criticize, who was the person you know that type of way. Then we tried to explain that no, this is not the way [we] work (...) For this particular case it was easier because it was the headman of China and we have the headman in Finland and they talked one to one, so that was the way to clear the subjects and the issues that were behind. I mean you could talk about many issues but these persons discussed about the values. Now he needs to understand that in China, even though the management has changed the way of working should not change.

This extract shows well what kind of issues brings such a transition. The employees are put into a confusing and conflicting situation that tackles with hierarchical chain, loyalty questioning, management company policy, feedback process and content issues. In other words they are torn between the different rules, policy, and therefore values and expectations of the Chinese and the Finnish managements and do not know which way to turn. At the Chinese middle-management level this incident is perceived as a real offense, a face loss if not a personal attack. It is interesting to see that in this incident the Finnish respondent is exclusively focused on a management issue, separating, distinguishing it clearly from any relational dimension; point which is clearly a matter of importance for the Chinese part.

#### **4.2.2 Perception of Chinese key personnel work orientation and competences**

Chinese are perceived as hard working, efficient and result oriented. This characteristic stand out clearly out of the principal feature of the Chinese co-workers in Finnish branches:

**R6:** The people who are in my company are very well motivated and going to the goal. As a company we have been hiring such Chinese people that they have good knowledge of English, that's one of the key issues. (...) About working attitude as I said they are very hard workers. You can see a clear difference between European and Chinese style, this is what we are going to do and this what we are aiming for, they start working in that direction, but in Europe it is different, should we do this, should we do that? Where should we go?

Chinese co-workers are also described as result-oriented. It takes the shape of a massive, fast and organized workforce mobilization, sometimes on short

notice. Chinese are qualified as organized to the extent that the Chinese group leader is having a paramount influence on the process. Through their position, communication and language skills (English and Chinese) they manage to gather together employees toward the objective. The Finns expressed a small reservation; they considered that number and larger amount of time are given a priority over other methods and tools which may consist to explain analyze and divide an issue in different parts or steps in order to choose an appropriate set of solutions to be implemented.

**R9:** About problem solving and efficiency, they can get themselves organized very very quickly. This is amazing, then they end up using a lot of manpower but when they want to get something done, they get it done in a very short period. And they might all move to the office, this was one working method...when you need something to be solved like in a couple of days, then you end up they were asking, us also to send our people, I didn't agree on that because I don't agree with that type of working, to send to some office, so you sleep there, you eat there, you work there almost all the night and day through so you can get the thing done, so it 's seem to be that when a government high official decide something is done, so they really mobilize their whole life according to that and get it done

Another interviewee emphasized again the role of the mentor as a precious intermediary when training, transferring knowledge to the structure's employees:

**R1:** how to transfer that experience here, it has to be so that you find somebody who then is basically the mentor around the workers there, not so that you go there and you try to explain to everybody how this things are done, or that you write white papers and manufacturing instruction or in this case it would be installation or service agreement, ok please read these documents and learn them.

This mobilization from upward, from a hierarchically significant person goes hand in hand with the need and expectation, from the Chinese employees, for specific job assignments and detailed instructions. The Finns described it as follows:

**R3:** (...) in Finland people are more used to that kind of thing, that you give the target and then the person who is working for you is thinking about that and getting some ideas how to reach those targets and so on...In China it is more like the superior has to tell the person, what to do and how to reach those targets and so on, it is more from up to down than from down to up. I think that might be one reason for that and I think that's also, it is not in this strategic planning and budgeting but it is also all other activities, that you have to give very clear instructions to the people you are working with there, or let's say who are working for you, so that they know exactly what to do, because otherwise they most likely wouldn't do that or they would do it in a different way and I think that is one thing which is coming from the culture in mainland China. I don't know if it is the case in other Chinese culture (...).

Finnish respondents noticed in the same way that there seems to be a low tolerance for making errors. They assumed it takes its roots from their Chinese employee's high power distance orientation, to the Chinese society and even to a lack of honesty. According to another respondent, this should not interfere with company values, which in turn are related to Finns' demand of transparency and trust through direct communication between co-workers, whatever their status:

**R7:** Quite obviously what I cannot omit as important criteria, honestly to me, if they make a mistake it is good that they say I have made a mistake rather they try to cover up their own ashes and claim on somebody else. That is very important because we are all human and we all make mistakes, including me, myself. It is good that we are honest in that respect, we don't need to show any conflict outside, those closer one, we have to understand where we are. So honesty to me was very important, honesty to company is important. So I had to be sure that they are honest to the company, respect the company value, no bribe, no dirty mind or things like that, otherwise it is impossible to work with them.

One of the respondents, a factory director, mentioned several case of non-open and explicit information's dissemination, especially when Chinese employees encountered malfunctions or obstacles in the factory. When his Chinese employees were facing a work related problem, they were not reporting it to management.

### 4.2.3 Perceived strengths of Chinese business actors and key personnel

Mentioning positive points addressed by Finns are also of importance. Focusing on communication challenges and listing them is part of the present study's research questions but still, does not make so much sense if they are not made in the light of what is perceived as positive and/or satisfactory features. Negative or positive features make sense when they meet or do not meet expectations, a feature can be positive in a given situation or process, with a given person and may have reverse effects, or give another impression in another context. For that reason, I will add several extracts and a table (see below Table 7) of what is perceived as meeting the expectations or being merely positively characterized by the Finns when reporting their experiences.

**Table 7. Reported positive aspects and strengths of Chinese key personnel**

<i>Positive aspects and strengths of Chinese key personnel reported by Finnish</i>
<i>Language and communication behavior</i>
<ul style="list-style-type: none"> <li>• Younger generation have better English skills and adjust more easily</li> <li>• Pleasant and talkative</li> <li>• Very polite</li> <li>• Direct</li> </ul>
<i>Work style/orientation</i>
<ul style="list-style-type: none"> <li>• Willingness to devote a lot of time to their work, always available</li> <li>• Hardworking and have a lot of stamina</li> <li>• Thorough</li> <li>• Strong motivation and ambition</li> <li>• Several cases of positive career advancements in Finnish companies</li> <li>• Adapt and learn quickly</li> <li>• Commitment to obtaining good results, efficient</li> <li>• Curious and willing to learn</li> <li>• In several case adapting quickly to western working practices and leadership styles</li> <li>• Very loyal</li> <li>• Good work morality</li> <li>• Do not question management decisions</li> <li>• Experienced negotiators</li> <li>• Entrepreneurial mindset</li> <li>• Good contributors, express their opinion</li> <li>• Able to mobilize groups quickly for high impact</li> </ul>

One prevalent observation among the Finns interviewees was that most of the Chinese co-workers were hardworking, committed and industrious. R7 underlines that if one manages to recruit them, in addition to their strong commitment, their loyalty can be unflagging.

Aside from the efficient and organized, sometimes massive, mobilization of Chinese workers by Chinese team leaders observed by two respondents, there is almost no mention of any specific working style features or orientation which could have been “surprisingly” positive or would have added value to their involvement without necessarily meeting Finnish branch’s working or management standards. One of the possible explanations is that expectations may have driven their attention as observers so that several competences may not be visible or even relevant since they are basically developed and oriented toward different Chinese organizational and economic environment. Chinese co-workers are being delegated tasks for which they are considered as more qualified (i.e. network mobilization, negotiation in Chinese, expertise, management). In other words there might be a more or less important “competence splitting” between the competences mobilized by Chinese key personnel when dealing with other Chinese partners and organizations and the competences which they mobilize internally, within the Finnish company’s premises and in relation with their Finnish hierarchy. Since the Finnish managers are not in their “natural working environments” in which they have been culturally prepared, trained and have professionally evolved, certain competences may not be at all identifiable and/or considered as relevant by them.

In addition, most of the comments are made according to an organization’s internal contexts in which the Chinese staff is often subject to training (i.e. language, budget management) and expected to adapt to the Finnish companies management style and working methods. Since the crucial issue is to work in line with Finnish company policies, values and culture, the aims, as expressed by the respondents, are to bring them to make decisions, express and share their point of view, discuss and improve their English language proficiency. Several respondents expressed their satisfaction about Chinese co-workers adopting new and/or different working behaviors. In the same line of thought, they are pointing out several cases of career advancements that appear to be the

signs of successful integrations to European way of working and to the company itself:

**R7:** It is very much on how you treat them, do you want to get decisions from them, some work, some do not work, I have like to... in 6 years experience in China, few very nice cases where the people were really growing along with the organization. Quite fantastic to see that hey, these people, when they started here they were like assistants or secretaries or kind of young boy coming to have training there, and they were able to promote, to get a promotion several times in these 6 years. Quite important decision when I left, it is been nice to follow them, the part of the development has been exactly what to say, like in early stage, they were like...they were shy, they couldn't really express anything or they didn't want to say anything because they weren't familiar with this kind of leadership. But at the end they were like any of us, Europeans, talking and giving their comments and contributing like in meetings quite much

#### **4.2.4 Chinese staff recruitment, training, skills and career**

In the interest of blending practices and gaining efficiency, Finns have been investing in training programs for their Chinese employees (i.e. English language, management, technical issues). This policy resulted in level of differences and gaps between co-workers performances, Finnish management efficiency expectations and what could be called European-working standards:

**R6:** As a company we have put some money, investing to train our people to get better in this area, in management area, as I see their communication has been improving all the time, I don't see any major difference to European style. Ok more mistakes here and there but those are quite natural, pretty much the same style than in Europe.

**R10:** It is the Chinese sales office; he has contact to our own pulp mills and when there is one pulp delivery from one pulp mill then the sales office always knows that and discuss with the customer, he is the buffering effect there, in between. I think it is very nice in between because the sales office people, although they are Chinese they have learned how to deal with Europeans, how to handle them and then on the other hand they are Chinese and they also know how to handle a customer because if the Europeans were contacting directly with the customer it may be difficult, I think because of culture reasons. So it is actually quite nice scheme to work, having every country a local sales office and mostly sales managers are local, although in Europe there are also Finnish persons but they have lived so long in the country that they know the culture, good adaptation...

During interviews, the issue of trust and loyalty to the Finnish company's values was recurrent and addressed from different perspective. In the following extract, the respondent made a reference to the employees' possible loyalty to his country – China:

**R9:** So there is an issue of loyalty, because some people were saying, and I am not sure if it is like this or not but, that Chinese staff working might be more loyal to China than to foreign company than to their own organization.

When asking how they chose and knew if their new recruit would match, several Finns said that beside their basic requirements, some intangible factors have definitely conditioned their choices:

**R7:** It is very much based on heart anyway, or the gut feeling, how you can just... it is about the chemistry, isn't it? (...)...like how you feel about the people, do you like them or you don't like them. Can you trust them or you can't trust them. I don't really have anything concrete to...

**R9:** Purely a hunch. My first assistant who turned out to be a very good lady, she is now progressing in the company I interviewed her for 12 minutes, I just got the feeling that this is the person I want working with me and ok it is her.

Finns noticed a significant difference in attitude and skills between different generations of employees:

**R9:** There seems to be a generation difference, a very steep generation difference in China also, people born after the late 70's or 80's they have quite a different outlook.

**R1:** People below thirties especially when they had had stronger let's say western cultural influence on themselves, so they are more direct. And of course one of the main things is their language skills, they typically speak better English in general than older people, but that's also the same here, as well in any other country. But in their way of working they can tolerate criticism or they can use the criticism unlike the older.

Therefore, the young Chinese negotiators working for the Finnish branch had to contribute to get ahead in the negotiations meetings between politicians or government officials and Finns. Generational and organizational differences are additional challenges. The Finns explain how difficult it is to find the right associate(s). In fact, a Finnish respondent explains that there is a lack of Chinese senior manager having a network and significant experiences in negotiating with business and governmental actors for the kind of operation his

company conducted in China. According to him it would have been precious understanding key and an asset in building business relationships:

**R9:** Not that easy. Having more experienced senior people with their *guanxi* with their networks, that would make many foreign companies 'life much easier, find senior Chinese people in whom they can trust. (...) our strategy was basically that we recruit young people, it is easier make young people to come to [our company] than to take a person who has been a kind of forestry sector person in Guangxi for 30 years and then asking to become [our] employee, it is much more difficult to have the same drive, to have the same business understanding all of this (...) What we were lacking, as a company, in south China were senior enough Chinese people, we were very young organization, you can really see that in the interactions also, its seniority is still quite important, especially in the rural China,

This generational gap could be also a challenging issue between the Chinese employees within the Finnish branch, especially in the case of management shifting from young Finnish managers to an older Chinese one:

**R1:** Obviously , already at that time and specially now, it's a challenge that we keep the communication in the same level as it was since the beginning that there is no tension because, I would say that, our way of communicating specially with euh.. Workers are much more, or less hierarchical than the Chinese way of doing and also there is a generational gap because the management of today there are older people than our team who established the company. So the people around the factory got used to young management and of course the way of doing things. I would immediately see some tensions.

### 4.3 Hierarchy and decision making

The Finns perceive that the decision making process is lengthy and rigid. They noticed that in Chinese organizations the decision power is concentrated in a very limited number of person's hands. Such a power concentration is explained as being the result of a very strict hierarchy status. From the Finns' point of view, it is inefficient, time consuming, it reveals a lack of trust in one's own employees, and hinders any initiative and responsibility taking.

**R8:** I see it as a very collective culture and the role of the individual is very limited (...). It is very much that what people dare to do and say, so that, what kind of responsibility peoples dare to take, people are very very laborer and effective in what they are doing but it is very much limited to their own box, own position in the organization. (...) People are...there is a tendency not to give...responsibility or trust to the individual person. In organization especially if it is a question of lower levels. So that...they are not giving enough responsibilities and room to make decisions by themselves, so it is directed from above.

Finns reported how the decision-making was only possible when the right deciders, at the right rank were present and facing his counterpart:

**R4:** (...) very top-down organizational cultural way so pretty often you need to have the big bosses on the both sides of the table to make anything happening there, you may have the 10 people from both side around the table. When you are about to ask the questions nobody dares to take the decision except the big bosses so...otherwise they just (...) you need to have the right party to be able to do anything.

According to a respondent the decision-making process conjugated with the language barrier and the lack of information made difficult to assess who were or was the decider, what was the timing and even the real terms and nature of the decision made. All the interviewees expressed their difficulties in identifying the decision maker, why additional persons were present around a negotiation table, who they were and what was their connection.

**R9:** This is...what is not very evident for me, is always, sometimes...it is understand who is in charge. You end up trying to influence the wrong people or trying to send the wrong message to the wrong people and there are not very complicated but still sometimes, you need to ...I mean understanding you conversation position or decode the hierarchy position or the power structure...I think it is very culturally based and this is something sometimes hard for us to understand.

A Finns added that this more lengthy and circuitous decision-making process was highly contrasting with very short-term notice once a decision was made:

**R9:** It's very interesting their way of working in that sense that it seems very messy, much unplanned, very going here and there but when they decide something they get it done. And this was very interesting, they could make decisions, when the higher guy makes decisions then the other guys do, and they could make impossible things happen, this is the fascinating thing.

#### 4.3.1 Negotiation process and agreement meaning

As far as they were concerned the hierarchy configuration understanding was only one of the “time-consuming” aspects when doing business with their Chinese counterpart. Most of the Finns were surprised and disconcerted by the negotiation process itself, they explicitly characterized it as a clear culture difference. According to Finns, a contract, including its legal aspects, represents the negotiation's outcome and conclusion. It constitutes the reference document that ensures that contractual obligation will be met. All in all, the contract embodies the mutual trust relationship safe guard.

**R9:** But there is a certain thing in working style for example regarding agreement or contracts, or those kinds of things, in my short experience, in the southeast agreement is not a big thing, they say that there is a Chinese saying that you have negotiations, then you have an agreement and then you continue the negotiations. And this was of course big difference between us coming from the northern Europe, we tend to think that when we have an agreement we have an agreement, but it is not like that. You have the next meeting where you are expecting that they will talk about the implementation of the contract, but no. Then again the issue come on the table which you thought were already agreed, this happen many many times.

**R7:** (...)the problem is that words do not mean the same for the both parties. Of course you learn it when you are there, the other a little bit more serious thing is that when you are signing contract, the meaning is also a bit different, because Chinese are just kind of thinking this is a kind of level of understanding that ok we have agreed this but if the situation changes or if I change my mind you can come to this contract and change it.

Nevertheless one of the respondents put forward the hypothesis that a more trusting relationship would certainly reduce the constant renegotiations:

**R9:** This I guess I mean if you have, if the board is strong enough, if you have the trust, if you have the network and then I would guess that you get less of that but you have built a relationship so that ...this is my assumption. The agreement is just an agreement but when you have trust then what you agree is actually because in the relationship is built on trust you keep it and they are less likely to bring it up again, this is my interpretation.

Another overall impression about negotiation with their Chinese partners was the difficulty of changing their mind during the negotiation sessions. According to the Finns, their Chinese counterparts demonstrate a lack of flexibility and were more inclined to impose or reopen negotiations than to make compromises and find a common solution:

**R9:** Many times it was very hard to get these guys in the meeting to actually change their minds, or be flexible, or agree to changes. It was usually us who were then kind of make I mean changing or accommodating or...it might have been that it was that the guy's boss have told them, this is how to do it so you didn't have the power to change their mind, so it might be this aspect. But it seems that they were quite strongly usually reluctant to alter their position. So usually it was us who were accommodating and then if you can't reach an agreement then you just leave and then you continue the next meeting. I didn't face lot of these but I know my colleagues had many of these meetings on a weekly basis. They were meeting and meeting till things were getting over and then you end up as we said about the agreement, you get surprises brought up back on the table and you thought it was already done. This, I always wondered, is it on purpose, to stall or to kind of confuse or is it their honest way of negotiating, is that we kind of fear that it doesn't matter, you can bring this issue up again, and then you can discuss and then you can make trails, but this I didn't figure out

#### **4.3.2 Relationship with Chinese bureaucracy**

Chinese bureaucracy is perceived by the major part of the respondents as an omnipresent, very powerful and controlling body that may provide to foreign companies a certain amount of obstructive official routine. The collection or sequence of forms and procedures required to gain bureaucratic approval for something, is experienced as oppressively complex and time-consuming.

**R1:** It is communist country, you always need to bear in mind that there is an impact of the district authorities and the central government, even in big private companies. That always has the same impact, not on the people working but on how they make contract. (...) I have not even started to try to understand [the whole bureaucratic system], I leave it to Chinese, let's put it to professionals.

Half of the respondents described Chinese political and business worlds interweaving as puzzling. They expressed their lack of familiarity with this kind of business relationship that constitutes a type of negotiation unto itself. Understanding government's representatives' and negotiators' planning is challenging, if not opaque. Consequently, when possible, this "complex internal bargaining system" (Fang, 1999) is delegated to a Chinese co-worker who will be in charge of it.

**R7:** So basically...my world was very much to be with these politicians (...) So those guys were very political, it was a very untypical way of doing business because normally you do the business with another company, but then we had to do business with the governors, with government officials to get the first approval that can we go ahead.

**R9:** They are quite good business people in negotiation situations; they are quite good in keeping secret about their own goals. This is what I did not get, it is also a language thing, and it was... many times it was hard to understand their underlying motives and the underlying objectives. We were negotiating with government officials who even had themselves big land areas and had a stake in forestry business. So you knew that political and business life were totally mixed, it was hard to get facts about it, especially if you are a foreigner, this was I guess one point.

**R1:** Interaction with those people has been very little basically, we have a person in our company responsible for government relationship so there is always that person taking care of the government negotiation. (...) basically he travels to Beijing or Shanghai to discuss with the district ministries or basically with the people who make decisions, or like he says, "he goes to big potatoes". But in the other hand in the product business of course we have more product relationship and interaction between...I mean with the Chinese.

However, despite these elements once the government issues a final decision, the proceeding implementation appears to be enforced respecting a strict planning:

**R1:** When the ministry said they would buy...in that level they do not say that if they do not mean it. Of course, the government business is very difficult to generalize because it is so complex how the central government is handling this.

**R6:** Let's say the government, you go and ask for your work permit and they tell you it takes 5 days, not 6 or 7 but 5. If they promise something from the government point of view, that is going to happen, it goes like a clock, it goes like a train then with the local people you really have to be patient, don't take too big bites at one time (...) if you have several tasks on one day (...), it is better to get one thing done and then follow the next step. (...) one guy come this day, another guy come the day after and another one later to finalize everything, that's the way this country operates.

### 4.3.3 Time management and long term approaches

An aspect Finns found challenging to understand and accommodate to was time concept, a respondent also pointed out that the country itself is presently subject to significant changes and transition, not to mention the constraints related to hierarchy chains and the governmental authorities. In that context, planning for the long run is assumed to be much more challenging.

**R3:** Of course it might come from the fact that the business environment is changing so rapidly so it is difficult to do longer term planning but at least, I have used, and I think in those companies where I have been working we have been used to that kind of detailed planning about our future in certain markets and (...) with China it has been difficult. Those people with whom I might be working haven't been helping in that at least because it has been quite difficult for them to adapt that long term planning mode.

Planning is not *a priori* distinctive feature of a polychronic time system culture, (See Table 2 p.26). Furthermore, some respondents are aware that information is not easily available in China for very diverse reasons (i.e. political, technical...) and precise figured data about the Chinese socio-economic environment are scarce or too rough, which could be also an obstacle to planning. Nevertheless, three respondents concluded that Chinese time management is definitely due to their different concepts of time and logic:

**R3:** (...) for example when talking about our plans for the upcoming...Let's say strategic plans for the future...And how we should develop the business and so on...It is almost impossible to get any clear answer or let's say that kind of plans from them about how our position would look or should look in 3 years time. I have tried that many times but it has been very difficult, (...) China is first of all such a big country that there is no information about what the consumption of certain product is on certain part of China, and there is not statistic about pharmaceuticals (...) But regarding China it has been impossible to get that kind of information, so it is difficult to find that kind of data where to base the estimation; of course local people are having the same problem as well. I have perceived in such a way that it is not only a lack of data bit it is a lack of understanding the importance of a little bit longer term planning.

For the Finns this time management is even more problematic since it involves not only a large scale project subject to planning, but also a multinational, meaning its branches in China but also its headquarter in Finland which are managing time in a radically different way:

**R7:** Well it comes from this Chinese mentality, nothing is fixed, nothing is fixed, maybe for European it is important that things are fixed, buying kind of “looking forward” always, you always look forward and this contract is just one way to look forward, that ok, we have a plan, we have a contract, that’s the way it goes. But Chinese never look forward, they live here, maybe they live next....you know...next week...this maximum. And I guess somehow it is coming from that, there is just a different way of looking at the things. It is not that they want to cheat you, although that is the first impression, (...) , but that’s just the way of like...they haven’t been thinking all the outcomes of the contract when they signed it. Ah ok this is very good, let’s do that, and if there are some changes we will fix it. (...) More difficult is when you are a like multinational company, like [us], how can you explain this conflict to your bosses in Europe? Very challenging, very challenging, it can be equally big problem than the problem itself that they do not deliver.

#### **4.4 Other significant dimensions/parameters that influence business relationships**

There are paramount factors that influence any business relationship, not to mention that the latest may evolve and/or change with time and circumstances. It would be impossible to mention them exhaustively and to assess their impacts compared with each other at different stages and period and this is not the object of this study. Although some concerns are common to any business people operating in foreign countries (i.e. language, information sharing, negotiations, networking), nevertheless this contextual elements remain relevant and important to keep in mind when conducting and/or reading this study. However, there are aspects especially related to respondents ‘working frame, position and field of expertise and which definitely daily guide their perception, actions and therefore their experience reports. They are mainly those which have been mentioned by the interviewees themselves or which have been deducted from their business background (see Table 5 p.50).

First, the **sector of activity and size of the company** are decisive variables. They guide of course the business actor's objective concern and perspective. Some of the Finns got involved from the beginning until the end of a negotiation process, some others only at some points. This fact reflects clearly on Finns discourses, perceptions and focus of attention. R2 for instance is working in IT, his experiences lead him to consider more accurately copyright issues and information phishing, and he is therefore gauging his potential Chinese customers on their views on copyright and their ability to genuinely commit themselves in doing business with him. In that context, building a trustful business relationship is of utmost importance. According to him, another factor of change and variation in his perception is the position of buyer or seller, two indeed distinct and different trades and processes that he has experienced in his career. R9 has been, among other managing and recruiting Chinese co-workers in China, before being sent to China he was more specifically working in a human resources department. He kept therefore a perspective often focused on workforce development, recruitment and management issues.

The size of the company is also of importance, 7 out of 10 of the respondents were working for a Finnish global company. Beside their differences in terms of financial and human resources, their organizational structures are more complex and their level of formalization is higher, they are less flexible while their reactivity level is lower than in smaller structures. Moreover, in SMEs, considering the hierarchy centralization the negotiator can be one of the associates or as it is often the case the sales or even the managing director. The above elements affect Finnish negotiator commitment and risk taking, Chinese business actors' make-up, Chinese bureaucratic and governmental organizations' involvement, negotiations conditions and settlements, not to mention the **size of the contract** and the pressure associated to it. Two of the respondents which have been working for several years in China, in the forest industry in a very large scale project indicated such a negotiation context. This kind of contract had a large scope and high impact on both sides, and especially the Chinese one (i.e. employment, environment, sustainability ethical, social issues, local policy and economy), finally, internal conflicts of interest, especially on the Chinese side (i.e. organization, agencies, officials,

politicians) are part of the background, and are often additional tension which are slowing down indirectly the whole process. As a respondent mentions, negotiations are not free from power struggles either.

Respondents have noticed **regional variations in several regards**. First a distinction is made between the rural China and the coastal urban areas. Chinese business actor's seemed to have different relationships to the central authorities in terms of negotiation behaviors and outlook. Secondly, Finns found that the business etiquette and way of interacting vary from one region to another:

**R2:** Yes, a red book about business culture and Asia...about etiquette and these kind of things, there is nothing there that explains the difficulty, and then you talk to people and D. and if you talk about northern China or Beijing or that kind of area, there is a different business culture there than in the south of China. In the North you go and you get drunk with the customer, you sort of drink in party and do a lot of things outside of the work, and it works there, I have Finnish people who are selling to Northern China and they do that and they sell very well. In southern China they don't have this culture, Shanghai, Shenzhen they don't have this kind of culture, you don't go drinking with them, and the most you could get is dinner.

**R9:** It is also the difference inside China is huge; we have people, a mill in Suzhou near Shanghai and some of those people were coming down south to contact for these interviews or these negotiations, the people down south, they really respect the government official, they are hesitant to speak against them. But when you get these Suzhou guys who have been living in a very different economic situation, (...) already from 20 years, it is totally different. They can argue with the government, they can...it is funny to see the difference, between a kind of more rural China and a more developed China, in the way of working, the way of interacting.

Another distinction which was mentioned by the respondents as being important is the distinction between negotiations' experiences with **private-like companies and state owned companies**:

**R3:** (...)but then with the authorities or state owned organizations, when having discussions with them it is a little bit more complicated thing I think. That's where I have most of the experience. (...)So I think it is important to divide the customer or the discussion partners in such way that it depends only if it's private company which is eager to make money and to do business it is quite different, it is very similar situation to other cultures.

**R3:** So I think there it has been different from those companies which have been private, practically when being in this paperboard business we had pretty established business anyway with Chinese company, Chinese converting paperboard to packages, and then the business was going just, I would say, just in the normal way, of course the pricing discussions and such things but that's the same way as in all the different business culture, so I think it was business as usual there.

**R6:** These would usually be from the government. Those in the business, I don't have many contacts over there; they are more aggressive, going to the goal and making deal. The government's way of doing is really time consuming.

**Access to information** and especially those related to potential customers, negotiators, partners, and organizations are difficult to access or are not available. This lack of information is a factor that may raise uncertainty about the Chinese counterparts and definitely makes any reliable market study almost impossible and long term planning even more challenging.

**R6:** Very difficult, you really don't know how your counterpart is in a meeting, prior to going to the meeting; you just have to take it as it comes. You can try to go to the Webpage and see something about (...) but that's about it, over here it is very limited. This is such a (...) that you really don't know about your counterpart in advance unless you have been already in contact with the company before.

**R6:** Only if they have had earlier contact with them. It is a really close society (...), it is difficult to have information (...) structure (...) if it is public then it is possible if not it is almost impossible. What's the structure, what is the financial situation? You just don't get this information.

#### **4.5 Business culture**

In the part “management and expectations toward Chinese co-workers and key personnel” (see p.71) first references to working norms and rules are made. This category's *raison d'être* is the frequency of quotes made to a more wider and general view of international business standards and culture in contrast with the Chinese ones. When presenting their views and describing themselves, indirectly compared with their Chinese business partners, Finns gave a picture of what they considered as the European or Western way of doing business, moreover observations about the “Finnish way of doing business” appeared to be more salient than expected. These elements bring also a light to the Finns' perceptions of trust and business relationship building, but also in which conditions or context these perceptions are challenged and sustained.

#### 4.5.1 Respondents' self description and references to Finnish business culture

When presenting their expectations or the challenging situations they faced with their Chinese counterparts, Finnish respondents described different views of doing business and their own communication style. A respondent describes the impact of "Finnish nature" on the way he express himself. Since he would be more inclined to give clear-cut answers and laconic explanations to Chinese co-workers, he has to make sure that he has been understood. He noticed that speaking briefly and precisely would not necessarily guarantee that the message had been properly conveyed:

**R1:** I would say that is Finnish nature or in maybe squeezing one group into one sentence sometimes, yes or no, you explain this is the way to do it, go and do it. And to be more conversational I think that was the way...and the language issue as well, to be sure that the persons understand what they were told. So if you just gave the information and then let the people go were not absolutely sure that they got it.

R1 adds that Finns are quiet and discreet; according to him they are not comfortable to show oneself to their best advantage or in being conversational. He states that for these reasons Finns are too much subject oriented:

**R1:** In Finland when you don't take any notice of that of course you are taught to behave properly, to don't make a big noise of yourself and Finns are really bad about saying good things about themselves but that's result the point that you are only focusing on the subject

Several respondents stated that their communication style's main feature is straightforwardness and transparency. This aspect is mentioned in contrast to the indirect, unclear if not concealed style of their Chinese counterparts.

Going to the point and displaying one's position is characterised as a quality that gives more scope for others to react or decide and, according to an interviewee, is positively assessed by their Chinese interlocutors.

**R7:** They are laughing at us sometimes; they think we are a little bit stupid because we are negotiating so openly, you don't have these vague comments and you said this and then you say a little bit thaaaat, it goes in this way, but of course, we have our own way of doing things, but what we say then we keep and they appreciate generally this, this concern.

However, one of the respondents has been advised by his Chinese colleague to consider the fact that there are different ways to convey a message:

**R2:** D. [Chinese colleague] has said to me himself “you don’t say something straight to somebody; you have to find a way to say it”. But we just say it. So I think it is easier, even though it isn’t in their culture it ‘s easier (...) but in the Finnish culture it is like, you just say it, it is out there (laugh), and it’s up to the other person how to react. In this sense our culture is easy to understand, whether good or not, I don’t know but it is easy.

In contrast to the high hierarchy concerns of their Chinese employees and business partners, R7 describes the Finnish management style as informal, flexible in that sense that it is open to discussion and negotiation, all in all, more democratic. On another side, R1 adds that this “more Nordic” tendency to “flatten” hierarchy may be in a way “risky” when conducting business.

**R7:** What they say about the leadership of course is like we are quite informal in many ways, you can talk to your boss, and you can negotiate even with your boss. Generally, in Chinese organizations, boss says how to do it, it is a little bit like next to the garden, but in European organizations, it is much more democratic in a way, you know that your boss is doing decision but there is always lot of flexibility in negotiating. If you have a good argument you can always tell those arguments to your boss, you can talk to him or her. And that was a one thing they appreciated a lot.

R6 emphasizes the fact that Finns are more action-oriented; problems have to be thoroughly and methodologically examined and solved through decisions and concrete goal setting. As R6 does, R9 values more decision-making and proceeding than what he describes as too long discussions or time-consuming socializing activities, as Chinese are used to do. He explains that, according to what he thinks to be the Finnish way of doing business, there is not necessarily a need to access to a full level of mutual understanding as long as agreement is found and maintained:

**R9:** I don't know, I am not a big fan of putting things into boxes. I was working close to Swedish guys, between Finland and Sweden there is difference in doing business. In Finland it is much more straightforward, much more action oriented, but then you don't solve everything, you don't create mutual understanding maybe, but then you are just kind of comfortable with ok, I don't understand or he doesn't understand me but we agreed and we do it anyway. Whereas Swedish it is more about discussion and understanding, it's...Yes there is stereotypical way of looking at the Finnish people negotiation process that you are very clear, open, honest, quick and then we agree on something and then you stick to that, which could be a Finnish way of doing business. I guess at least mine, it has probably an impact especially in China then it is very difficult, then you just need to realize that you need to be very patient; you need to understand that an agreement is not an agreement, it's... you need to have time and effort to build the relationship and spending time with people, and it seems to be, I mean... I have got a lot of points with staying for dinner and drinking heavily with these guys, and as I said it seems to work so there is... Toward the end, I got fed up with that, I didn't do it very much and I guess that if I would have stay for longer, that would have been a mistake. This is the place where you forge these relationships.

Being efficient is presented as a Scandinavian well-known quality, a credibility label, if not a signature:

**R2:** something I think about Scandinavian, we are very effective and efficient people and I think everybody in the world pretty much acknowledges that if you want to get something done or a project manager, you would like to have a Scandinavian project manager, so we tend to think that we are very good and the way that we do thing is right.

R2 notices that in China and Spain the signals indicating commitment to business seem to be rather different or “unfinnish”. He illustrates it by giving the example of Chinese companies engaging themselves in longer conversations without any intention of buying. According to his experience, time spending in giving additional information is usually proportional to the counterpart's commitment will. Especially since copyright is a sensitive issue in IT, these kinds of experiences challenge R2's view of business trust and bring uncertainty about information requests made by Chinese:

**R2:** (...) there is a risk always of someone taking your concept or ideas and trying to...often when we have discussion with the company prior to having any sale, they seem to want to take as much information from us as we are willing to give for free, without really having the commitment that they are going to buy something from us in the end, so it create an environment of distrust. (...) I used to live in Spain,(...) they have the same kind of mentality where you don't necessarily prior to committing anything you can try to squeeze someone for as much information as they will give you, so I am not saying that it is a Chinese trait but it is an “unfinnish” trait.

R8 states that, originally, in Finnish culture one is directly assumed trustworthy. He comments that this feature is not common in other cultures where trust between people has to be progressively built:

**R8:** Finnish society is changing a lot, it is not necessarily true at all but at least it used to be, I think it depends from where in Finland you come from, of course. I believe there is still some relevance in Finland (...). The basic tone or attitude for this is there, people go direct to the point, they express their needs and issues directly, it is an assumption that people trust on each other unless, someone betrays the first, whereas in many other societies or cultures it is much worse, you need to build the trust over by showing you are trustworthy.

R8 makes a reference to Finnish cultural values in general. He considers that Finns' business outlook is not anymore ingrained in its history and roots. He depicts a disembodied business that has lost its social meaning, the single goal being making money. According to him this Finnish society features cannot go completely unmarked and cannot be valued by Chinese:

**R8:** Ethical values, they are losing historical value, cultural values of course but then also how they perceive history and what it is for us, what is its meaning for us...People become more superficial, somehow, they lose their depth and Chinese they can sense this, because you know it is part of how they perceive people. This is my perspective (...) I think Finns don't necessarily root their actions and their business into the wider context, they don't describe into the wider context, so as for example, how the business has been important in Finland and what it means for the society, where are the roots of why I am doing this. It is just for money or is it related to something else and some value of the society or some values in the history or culture and so on....

#### 4.5.2 Western and European business/working standards and Chinese business/working style

Half of the Finnish participants made at some point a reference to western or European business standards, emphasizing how the local perspectives taken by the Chinese partners, differ, although they are evolving, toward what they described as a more global and international business approach.

**R3:** I think it is a totally different kind of approach or situation in mainland China and then the other countries with Chinese and Chinese culture because I think the other countries, particularly Taiwan and Hong Kong, Singapore, there the business culture as such, particularly when working with foreigners is very close to the way people are working in Europe or in America. So mainland China, it is different but I think the development has been towards the normal, let's say normal and normal I mean...the same kind of business approach as in elsewhere, but I think that mainland china is different or has been totally different than the other Chinese culture. And I guess it is coming from, I would say, two major facts that the long time of communism in mainland china it has created different kind of business cultures, (...)

**R2:** Nowadays of course the Chinese culture is very fastly pushed to be result oriented because everybody is ordering product from China and Asia and everybody is...they have to start delivering on time the product that was ordered...there is a pressure to accommodate to the western way of working but I think historically and the Asian cultures haven't been so result oriented and communication has...there hasn't been a need to communicate the things so specifically (...)There is certain kind of information that I am sure Chinese people communicate really really effectively and they have a long history but I don't think that business information is the kind of thing that they communicate very effectively

Several respondents mentioned that international rules and standards were not respected in Chinese business environment. The following extracts are good examples of how its application may raise dissensions; in the first case claims on product delivery are made by Chinese customers according to other measure standards which are applied only in China. The second one is about Chinese positioning on IPR (intellectual property rights) issue.

**R10:** How could we solve this problem because it is not only the intercultural communication between Finnish and Chinese. There are basic rules. (...)We just have to find out how to solve it and that is not so easy because there are general trade rules and it is not so simple just to make them different, they are valid all over the world.

**R2:** It is a commonly known Chinese company entering into China that they don't...the Chinese government doesn't acknowledge IPR rights the same way as the rest of the world does, therefore I think whenever you are talking about something prior, private information it is generally considered that it is a risk, and for us it is sometime a risk in communicating you know.

Other respondents express this gap as being the result of Chinese self-centred and local perspective in contrast to global companies, the latest being assessed on the American and European markets:

**R8:** We just try to be as open and frank as possible and to explain what are our resources, limitations and possibilities. How...especially in sustainability issues many of our operations in China are then judged in Europe, not in China. And we try to explain what are this operating environment and the business environment for us in Europe or in North America, how it looks like from that perspective and try to widen the perspective for making business so that it is not local perception, as we are a multinational (...).

**R8:** The main sources of misunderstanding are your expectation about the project. And perhaps also, the view or the perception and background knowledge on the issue, not knowledge, but how the Chinese are looking on the issue from their perspective is often different to how we are looking. We are looking that from the European market perspective, American market perspective and so on. And Chinese are looking more from their own perspective, centre of the world.

Different approaches in problem solving are also characterized in terms of the European way of thinking in contrast to the "Chinese" or "Asian" one:

**R6:** Both approach [Chinese and European ones] end up in reasonable situation or ends up in a good solution, eventually (...) I like the European way of doing, first you evaluate, what's the impact, and if you find out in your evaluation that impact is to severe then you stop the process. But if you see that the impact it is not that bad you continue with the process and try to solve the case.

A respondent claimed that China will always maintain its own way of doing business because of its strong national pride.

**R1:** I believe China will always maintain their own way of doing, this I think it is part of their national pride that they want to have a certain way of doing business in China. They expect you know it is a national way of doing that there, also I don't find in it anything exotic, of course always you have the cultural nuances and complications. Especially in IT business the etiquette of doing the work, you have that alike in most of the conversation.

Whereas another respondent believes that influences between Europe and Asia are reciprocal and such a strict distinction and categorization between Europe and Asia is not relevant, especially concerning and presumed point of departure

of standard business practices. According to him familiarity is “naturally” and roughly associated with European way of doing, to him this a question of cultural distance:

**R4:** I don't think that there is a big difference; I only think that the only difference is that people could be saying that it is more European way for the reason that if they are in Europe, they think it is more closer to them, they can more manage it and if it is something that it is not really part of you, they think that it must be somewhere more further away from you. If there is a Finn saying that it is more European way, ok this is something I like being or working like and if it is the Asian maybe not having that habit it is easier to say that it isn't Asian way it is European way. (...) that is more about if you are close or more further away from your standard.

### **4.5.3 Trust, business relationship building and networking**

As mentioned earlier, trust has turned out to be a critical issue at several levels, ranging from recruitment, cooperation with Chinese co-workers to negotiation with business partners. Moreover, besides the language barrier's “handicap” there are other factors such as communication styles, continuous changes or renegotiation sessions and the different meanings of agreements, which may in some cases weaken or undermine a trustful business relationship perspective or at best let it remain an open question.

**R8:** (...) the same rules apply as here in western society. At least from our side it is very important to know, it would be important to know these people better, so that the relationship is not only superficial in that sense that it is just artificial, not superficial. It helps building trust when one knows what kind of person...when one's is dealing with them also.

**R7:** One traditional to build up this trust is that you go and eat together and you drink together. Because like drinking you show that you are the man, you tolerate the alcohol, you expose yourself a little bit and you are ready to take this burn to build up this trust. It varies also from province to province; you don't drink anymore so much in Beijing or Shanghai, but in these developing provinces drinking is important aspect of building up the trust. This is one of the major mistakes they are doing, they don't build up, they don't bother, they don't bother to get to know people until it is too late and then it takes time. If you are a big boss in your office or somewhere, and a foreigner comes to ask your help, you ask who you are. How do I know that you are trustworthy? They have the same questions to you, isn't it so? Why should I jeopardize or sacrifice my political career to help you with this issue, how do I know that you are trustworthy. And I guess they are exactly right, isn't it so?

Networking, trust and business ethics are closely linked and in the same way related to information access, disclosure, and credibility. In one case the respondent working for a Finnish company, providing solutions and services based on IT'S, expressed how he had a low trust toward Chinese business actors working in this professional field. Indeed, he faced the sensitive issue of copyright, which is subject to discussion in different business environments.

**R2:** (...) it [business environment] is not necessarily quite respectful of individual companies' achievement. I think those patents and these kinds of things they are real issue and therefore if...we have been approached by several companies asking [us] that we would design copies of western product for them so they could sell them in the Chinese market as copies. We had to decline, of course say no, that is something that we come across...companies approach us and ask for us to make copies. Of course it is problematic...

However, a respondent comments that finding common ground, value and trust is a business-proven way to work together on stronger foundations:

**R4:** (...) I think you need to find a common way, values or something common ground if you want to have your long-term relationship. It could be simple things like having some basic rules, family values, or things that they have experienced ah....or just you want to make both having good profit or margin with a certain set of values. I think that the hard thing is that if you say that you would take any penny that you can, then you might be forced to some grey area and once you set the rules that you do not go to grey area then you have your common ground.

Another interviewee assumes that agreements would not be changed so often if the business relationship was based on trust. In addition, he noticed that a more trustful relationship allows business partners to express themselves in a more direct and straightforward fashion:

**R9:** With some people we had more long relationship with; it became more straight and honest. I think it has to do with the trust in the relationship. You could more directly and openly say something was wrong or you could complain at the other party. But things quite natural which happens actually...I think what happened with some of these government officials, they did not try to push on these different working methods, going to an office to live for 3 days, they knew, they learned also to know how we do. You could see that, they were frustrated but they knew that we cannot push this company to do this so (...).

In the following extract, a respondent reports the case of a contract based on trust:

**R1:** So he based the whole contract on trust because we built the factory only after we got the contract, I don't know anybody else, no other companies which have done so that make you make first the contract and then you build the factory, it is typically the other way around. That is a good example of building this trust with the customer. And they said it....openly, even stronger one Taiwanese company said it very straight, if they would need to choose a partner for a joint venture for example, it could be no other than with a Scandinavian company, because of the liability risk. [...] I think it is a good thing to show in China, but not so like the blue eyes in the negative way that we are naïve. That is important to show that we are also competent in business and we are not going there and thinking ok now we are going to have easy money. Maybe somebody do that but they will learn the hard way.

He emphasizes that beside price, trust is definitely a competitive asset, which may even tip the scale when the Chinese customer makes his choice.

**R1:** Many times we are too much at the product oriented or result oriented, we expect they agree on this first agreement. I would say that if you can add some depth on the discussion it helps. Especially when coming to loyalty, if you end up into competition with another company, even local company there, then these things start to matter more, because when you are down to the few cents you are not able to go any lower and maybe the competitor says we can sell it for few cents cheaper but the customer thinks that those guys are trustful but they just want to rob the cash and get out and they might come to you and say ok. They would prefer to pay few cents more and they can ensure that they don't lose their face afterward.

## 4.6 Few complementary interviewees' observations

I decided to gather several sub-themes that I found relevant for detailing the interviewee's reports and for highlighting the complexity and the challenges of going through 150 pages of transcribed material. Recurrence and relevancy do not necessarily match but are worth mentioning. Indeed this process interest's lies in reaching the present research's aim but also in reporting a tiny part of the constellation of elements that are components of respondent's perceptions.

### 4.6.1 Is cultural difference everything?

Asking the Finnish interviewees about the misunderstandings which have been caused by cultural differences assumes that culture has an impact on business interactions. However this view is not necessarily supported by the respondents themselves. Furthermore, it implies the ability to define what is attributable to the highly pervasive concept of culture or not. Moreover, when focusing on their daily tasks and operations, is it necessarily relevant, meaningful, or even useful for them to formulate or address this issue in this way? The question about their view on the "real" impact of cultural factors in general was not asked, but as the interviewee addressed the significant challenges, they encountered in communicating and working with Chinese business people and co-workers, they more or less directly expressed part of their view on it.

R10 believes that indeed there are culture differences and that the Chinese one is even more complex to comprehend. However, the possible impact of cultural differences is lessened by a higher tolerance for mistakes from the Chinese side:

**R10:** I would say that the Asian culture differs so much from European that it is easier to adapt in other European culture than into Asian culture (...) Perhaps you get more understanding if you make mistake or cannot be as polite as a Chinese, they forgive you more easily.

According to R3 besides the language barrier, the main cultural difference resides in different and more specific organisational cultures and not especially in Chinese business culture in general. R9 adopts a more relative viewpoint,

according to him; the variety of character profiles is universal and therefore can be found in any part of the world:

**R9:** What fascinates me about travelling a lot is that in every country you find honest people, the crooks, you find the funny people, the politician, the corrupted guy, the people who play power games, the people who are nice, honest, who want to learn, who want to develop aids. What again enforce me in my view of China is that it is not that different (laugh), and this is the positive thing, I think.

According to R9 each person way of thinking, personal outlook and individual “processing” abilities are having a larger impact than the fact of facing diverse situations:

**R9:** [Interviewer: You said that your Finnish colleagues had a very different understanding than you, how did you notice that?] Yes they had. I don't think it is more about Chinese that we were interacting but it was more about individual leadership style, individual priorities, and individual capabilities of assessing the situation or how you understand the situation. Because then we have people who have a kind of negative outlook to life, and they were then complaining on it, and then were kind of saying I don't understand, blablabla.....So we did have different opinions but I think it is more about individual ways of processing, than the fact that were involved with different Chinese people.

R1 asserts that differences are related to one's own personality, its ability to demonstrate emotional intelligence. He emphasizes that the impact of cultural differences has been overrated, according to him, numerous business people, through their experiences, would certainly support the fact that doing business is the same everywhere:

**R1:** Coming to the same topic that there is maybe too much mystification in this cultural difference when eventually it is about human nature that people have different type of characters and then you need to understand you need to have some sort of emotional intelligence to know that ok how you handle this person. For some people you can go and shoot out straight now you made a mistake and now let's see how it will be done the next time but for some people you do not do that.

Although in the end, he also appeals to the idea that competition is harsher than ever and countries such as Russia and China are economically growing and evolving. He asserts that the continuous markets' changes do not allow one country, especially a small one such as Finland to rest on one's laurels. He believes that a “content or technique oriented” approach or focus is not enough for doing business, a long-term view including broader cultural knowledge and macro-economic perspective is needed:

**R1:** Finnish manager should pay attention on other culture; we are so much content oriented (...). Actually the smaller you go in the country the more you need to understand about the other country. If you are big like China or US you don't need to know so much actually. We are the centre of the universe so it is enough for us, it is quite natural actually. I have learned that it would be good for company in Finland to pay a bit more attention on other cultures (...). It is time to take the big glasses up and look at the world, competition is growing, the times are getting more challenging so each company will have to react somehow to all this. The same apply with China, the exploitation time which is going there with big factories and use those cheap labors, it will comes to an end one day. It is up to us how we do the business then (...). It sounds obvious but if you don't understand enough well the culture I think you lose a small edge of competitiveness.

Interestingly R2 makes a precise distinction; a business culture environment that is legally and institutionally bound does not necessarily allow gaining an insightful entry to the Chinese culture and may be a misleading amalgam:

**R2:** I feel that China is sort of theoretically open but in practice it is much more close. I don't really know if the way the market functions on China and we do our goods for Chinese companies, I am not really sure that it is actually the Chinese culture we are dealing with it is more sort of controlled business environment, many of the companies that we deal with they have government partly involved in the company they own rather the shares and so on so...when they are fishing information from us without any commitment (...) I don't know if the fishing information is somehow resembles actual culture or if it resembles just the way the companies are run in China, (...)when we are talking about learning from the way they do business I don't know if the Chinese culture has so much to do with how Chinese companies do business.

### 4.6.2 Being a foreigner

A recurrent feeling of being an “outsider” or “not being in the system” has been pointed out several times during their accounts. This state of fact is clearly emphasized, among other, by the language barrier, the newness of their experience in this business environment and their episodic contacts or observations of the Chinese society. Nevertheless, it shows how the distance that separates them from the unfamiliar Chinese business culture is a pregnant feeling which constitutes for them, at least virtually, a limit to its further understanding:

**R9:** You miss that the language, the logic is so different, the nuances are totally different, there is a point when you get very frustrated and then you actually, and then you are a bit... I would not say give up but you give yourself permission not to stress about it because then you kind of just decide that you tell yourself that you have to live here 20 years to get the point so what do you even worry. You let yourself... let yourself think that ok, I don't understand the nuances...this is fine and let's let it be.

However, their “strangeness” is also a status if not an identity *per se*:

**R9:** They were very interested in ...all the time... in what we think about China. What we think about Chinese people, Chinese foods, that was usually very much these questions. When you compare to typical Finnish conversation, I guess what I am used to, then you talk about the person's background, about the job you do, about where you from are or theses kind of things, you very seldom got that actually. It seems to be that they were more interested, maybe more self conscious, they want to know what this *laowai* thinks of China

In some case, this status is perceived as entitling them to a different treatment:

**R9:** We seem to have when you look at Chinese staff versus foreigners, we seem to have a very clear division in that, that it is the Chinese guy were the one who were quiet and who were kind of these nice guys in the meeting and then we were making the trouble. It was kind of natural for us also then....there was some tension in our company because the *guanxi* and especially forestry *guanxi* is a very small circle, basically people know each other. Many of our young guy where in a position that if they really upset the government official or upset government officials they would have problems in the future, regarding their career. So, we were also as foreigners we were a good excuse, it was us who say that this is not acceptable, or this should be done like this and this. And you did end up in situations where, you can when you understand a bit of Chinese, that these both our Chinese and the other Chinese are bit of laughing about the *Laowai* or kind of this is the *laowai*

On another hand, R9 presumes that this special treatment of foreign companies may on the contrary be discriminatory. In another words, they may not be trusted, since they are not Chinese, they are outsiders:

**R9:** It might not be very scientifically accurate. But it seems like when you look at for example Chinese guy inside the government for example if there were different government parties announce in the same process it seems that they keep each other promises more than their promises to us. So I would imagine there might be a point there by just being Chinese and that being a value as such. But I assume it is because the relationship is more based on trust between Chinese organizations and Chinese individuals, Chinese partners. [Interviewer: How did you notice it?] It seems that they were more consistent in their messages and they were changing as opposed to us.

A respondent commented on what he perceived as nationalist feelings and xenophobia:

**R8:** Yes sometimes I feel that and sometimes I feel that they are racist. I have an example; I was walking in a city with a colleague, they were shouting in Chinese of course, thinking we don't understand. (...) fat westerners, fat people and things like that....I think it is related to the nationalism and nationalistic feeling, I think sometimes it is quite strong and present events in China show that as well, it is there.

In another line of thought, R7 perceive that foreigners' arrogance is a gap that is detrimental to Europeans in general:

**R7:** We just believe that we are better somehow. There is like if you go, dig in your heart and you try to understand of what you think of foreigners. You go to China and think somehow we are better. And you can see that as an attitude, people are different of course, I cannot say, common problem...if I really like what Chinese are thinking of European, if they have something negative to say they say that we are arrogant, we come and we think we are something better.

### 4.6.3 Counter stereotypes, parallels and similarities

Most of the interviewees have read a book about doing business with a given culture and at least four of them had attended an intercultural communication course before their departure to China. The influence of numerous forms of media, publications and papers about how doing successful business in Asia or with Chinese may have also contributed to shape somehow, certainly to various extents, their perceptions of the way Westerners and Chinese are doing business, not to mention articles or training which emphasize the strength and the weakness of the Finnish business communication style. On that supposition it is difficult to assess to which extent these readings or other media's contents have constrained or helped them, in contrast to them or not, in formulating their self-perception, perception of the Chinese and/or in making sense of their experiences. Nevertheless, the respondents encountered many situations that appeared to contradict the former pictures they had about doing business with Chinese or about the present actual Chinese society as they imagined it. The following extracts give an outline of the few stereotypes and expectations the respondents had before doing business with their Chinese counterparts.

**R1:** Yes actually, one thing I also wrote here is that I thought that they were more like people that if they don't know they would say yes or no could mean yes, but actually I have seen the other way around when they are uncertain they would always say no, we do not know how to do it or we do not want to answer. They are more resistive to give an answer. I have heard earlier in my own "intercultural experiences" that Asian would be more like nodding and they say yes even though they do not understand. I would say that it is the opposite.

**R1:** this is also funny that I thought earlier that, in China, you have to go there and work on the relationship for many years, and build this relationship or have few let's say drinks and stuff to really break the ice. But at least in our business it is sometimes very straight, they ask about the product and the price and if it is interesting, then they come back and then you start discussing about the terms.

**R8:** I thought it would be a soviet style society. Communist expresses more on a soviet style manner. I was really surprise on how capitalist it is. About the Chinese people, I didn't have very much...it was more about the society.

Several respondents reported the different parallels they made with their own culture or previous experiences and how it guided or accompanied their understanding process when working in China. These parallels are therefore made in reference to familiar or opposite features which constituted *per se* attempts to find or grasp similarities (see above R1 and R8 p.108), and/or society functioning or organization (see above R6, R8\*), beyond certain visible or obvious differences (see below R9):

**R9:** When you think about organizing and managing I mention a lot about what is different, the funny thing is also how much is similar, how you can laugh with the people, how you can make jokes and how you build the relationships in a kind of similar way anyway, it is about spending time with the people anyway and discussing

**R1:** I agree on the *guanxi* in general, I think again it is something westerners have mystified; we have *guanxi* in Finland also, I mean if I trust somebody it is of course there is more preferences than for somebody I don't know, every time you get acquainted with somebody you prefer that so ...eventually it is what you see in China but there the family ties are stronger so if somebody recommends let's say that...X recommends that you would be a good person to work with us, us obviously I will treat you differently than if somebody else apply, because I trust X, that is *guanxi*, to me. I think it is a universal way of working, again. So do you allow that people into your group or not.

**R8\*:** It [experience in Indonesia] really helped. Of course then Chinese culture and society is different, it happened sometimes or in certain case that I used too much my Indonesian experience, to interpret what is happening in China or how things are going. Overall I think it is still very much on the positive side of the learning. (...)There are a lot of similarities in the cultures, but I think again the biggest help which I found was what is the relation of individual person in the society, that is very similar in Indonesia than in China.

**R6:** Somehow, this society is so well; anyway it is organized, also to our eyes it looks like a total mess. Everything is happening but not in the European way but just in a different way (...). [For instance] The European guys want to recycle everything; you have to put cans in that bin, your bottles in that bin, your mixed waste in that bin, your paper here, and this over here. (...) you put everything in one can, there it goes and a European might think why do they put everything like that and don't recycle? Then actually the garbage guy comes, takes that entire stuff out, there is one guy who is taking the glasses, another who is taking all the plastic, another papers. So it is actually so organized but we don't see it (...) you can see glimpses of these guys every now and then, on a bicycle and one might have a huge amount of bottle of plastic and he is getting the plastic somewhere where he is paid for delivering that (...). It is a question of observation and a thing that you learn when you have been over here for a while, you understand what is the function of these people, how the society works (...).

**R8:** I have learned usually there is much more than what you look at the first sight. I don't know how to explain it. What we see first isn't the real thing or matter. Or the matter or issue can be real but it isn't the whole truth of the issue. I also learned that these people they take into account often many such aspects which we don't consider that is related to certain issue (...). For example, values of life in general, the society and this collective approach. (...) people are part of the network and people are dependent from each other more than what we think we are here, although we are. We have lost this (...) in seeking individualism, in western society, people have lost a lot, to become too much individualistic, one can lose a lot and but what I have learned is that in China there is something to gain, not being to individualistic...Being part of the society, although it has the negative sides as well. *[Interviewer: What are the negative sides?]* Very clearly, the freedom of making decisions without always thinking about what other may think about that, hierarchy, bureaucracy, these kind of things.

#### **4.7 Self adjustments, coping strategies, and approaches to challenging situations: Finns' recommendations**

Regarding the challenging aspects the Finns faced, they had to develop the qualities necessary to promote the sharing of information, trust, working in teams and collaboration. It required Finnish negotiators and managers to engage in several kinds of behavior and approaches (See Appendix 3) which are presented and illustrated through several interview extracts below. Since both research questions 3 and 4 (see Table 6 p.60) are closely interconnected and appeared as such all along interviewees' reports, Finn's recommendations have been included in the three parts, the cognitive, affective and behavioral strategies. The following interview extracts are chosen as partially illustrative examples.

##### **4.7.1 Cognitive strategies**

The main cognitive strategies emerged from the Finns experiences in dealing and familiarizing with the Chinese business environment and the need for a better understanding of business and/or cultural differences, including gaining knowledge about the political and economic environment in which they operated. Although the bureaucratic tasks and relationship with the Chinese government were at some point delegated to their Chinese colleagues, an even rough understanding of the main factors, constraints and business actors' interplay at least at a local, regional level could not be ignored.

For the majority of the Finns, observing the communication style, the work orientation, and the chain of command or hierarchy when being involved in negotiation processes or working with Chinese colleagues was crucial. They pointed out that observation of “how the things work” was all the more important since although they were helped by their personal Chinese assistants and colleagues, the language barrier limited their autonomy and access to certain types of information (i.e. companies, negotiators, market, and internal issues) and networks. Several Finns tried to make good use of their former experiences, especially those who worked before in other Asian countries (i.e. India, Japan, and Indonesia), through comparisons and connections related to society’s modes of functioning and business cultures. To a certain extent most of them made links to their own culture, finding striking differences but sometimes commonalities and equivalences (see 4.6.3 p.106). On the other hand a respondent who has been extensively travelling in Asia and within China strongly recommended to not make hasty assumptions about others’ understandings, whether it is in China or elsewhere in the world:

**R4:** If any culture, background, goes to different culture or even same culture and makes assumptions you do not do things right. This could happen in the same way with Japan, Korea, China or Finland. If you are going to have a meeting and you assume that when you want to say something everybody understands it the same way as you do then you just fool yourself. Probably the most important learning when you go to anything is don’t assume. That’s pretty the same way that works in every culture.

Several of respondents pointed out the attitude consisting of acquiring a “basic” knowledge of Chinese language and society was very helpful:

**R9:** It is about being respectful, about being patient, it can take you very very far away if you have the energy to learn a bit...(…) it’s good, it is more about the attitudes. It is nothing new. The thing is that understand the society also, it’s... it is not skills nor behavior, but just basic knowledge an understanding of the political situation, the political system is still very strong, it’s...judicial system is totally mixed with the political system, the party is mixed with everything, town, village, county, province landlord.... just to have the realization that the networks are so complicated and so vast that it’s...you just have to learn that bit by bit but that’s also hard.

Another respondent stressed that learning about informal cultural knowledge and unwritten rules is a good way to gain entry to the culture of a country:

**R10:** And then it would be a nice thing to have a local people for example sales office people to take you in ordinary places and telling you such things that are not written anywhere. You just have to know, there are unwritten rules quite a lot in many countries, so get acquainted with everything.

A respondent pointed out that diversifying one's acquaintance circle beyond the Finnish expatriate community is essential and culturally beneficial.

**R4:** Anywhere if you start being the expat, Singapore, Hong Kong or Mainland China or U.S. or Germany and you only want to be with Finns then you would miss a huge point of what the culture can offer

Hence, several respondents emphasized the benefit of being curious and learning more about the Chinese culture in general which could be also a good way to acquire conversational topics for building business relationships. Indeed being invited to banquets or more informal occasions, is acknowledged as a common way to better know your business partners and is an important part of Chinese business life since it is one of the places where networks are created and maintained. However, considering the huge language barrier, its recurrence and the time dedicated to it, a few respondents decided not to attend any more of them.

Beside language barriers and despite Finnish companies' business projects preparation and international business preparedness many aspects were difficult to comprehend, such as who was the decider? Who were these additional people around the negotiation table? How are they related to each other? What do their Chinese counterparts' or colleagues' indirect messages contents mean? Why is the negotiation process slowing down or not leading to the expected outcome(s)? What are the real points of disagreement to the contract? Are they really committed to doing business with us? What could be the real purpose or agenda of these Chinese counterparts? As reported earlier (see 4.1.2 p.67) Finns had to listen and guess a lot, it was one of the most challenging parts of their experience in China.

Several respondents stressed that knowing one's own shortcomings and keeping one's head was the first step toward finding better ways of

understanding challenging situations. Listening actively to business partners' points of view was also reported as an effective method. When possible, identifying who has the most influence within groups of colleagues, employees or negotiators (i.e. mentor, leaders, decision makers) allowed them to deliver the right messages to the right person and reveal a concern for their counterpart's status. One of the respondents also strongly recommended reading between the lines as one would do in his country.

#### 4.7.2 Affective strategies

Beside cultural and language learning, the respondents presented the attitude and mindsets which were according to them the most useful, helpful and significant in terms of motivation drives, values and outcomes.

The recurrent advice formulated by interviewees was patience as an essential quality when facing communication discrepancies (i.e. training, presentation), difference in time management, the decision-making process, (re)negotiation stages including problem resolution and conflict solving. Accepting all these "setbacks" and internalizing them as being part of a larger whole process made easier to comprehend the more or less local operating procedures and how message could be understood. R9 is defining what he mentioned as being caught in a spiral of negative "correlations" between situations, which are experienced as frustrating or challenging, and the characterization of persons (here Chinese) associated with these kind of situations. In this case his advice is to try to "suspend" one's own judgment:

**R9:** It's making conclusions. I mean sometimes then you end up, in yourself you find out thinking my god these guys are stupid and that this role you don't want to take, or taking it too far, of course you can complain but the stereotypical thing which is true as well is that some of these Chinese guys are very good at making simple things complicated and they are very good at making complicated things very simple. You can't complicate thing...it seems that sometimes ....it was so hard just understand something simple like booking a hotel, and just making these kind of process so complicated. And then when you end up thinking yourself, having this kind of attitude that it is stupidity or it is something like in their head. Then you are going in the wrong way, which is a negative attitude for me, and something you should really get rid of. It is arrogant, it is racist, but sometimes you are getting to these frustrations.

For the Finns who were more familiar with these aspects, the most valuable pieces of advice were to stay open minded and expect differences. They added that consequently one has accept the possible adjustments to be done in presentation skills such as reformulation and finding different ways to convince and provide explanations. A respondent suggested that developing higher tolerances towards needing to look beyond the first impression, as well as being sensitive to social relationship' aspects such as respect for seniority were important. A respondent added that tendencies to prioritize knowledge and content oriented communication over concern for seniors 'respect and senior positions should be taken into account when interacting:

**R1:** They have this cultural back up still in the back of their head that they have some type of ranking between people more than we do. We flatten everything, men and women should look alike, we should talk alike, subordinates and superiors should be alike (...). And suddenly you notice that there is problem arising from that....what we should learn again or take back a bit or develop is to have some respect on seniority, in general. That is something we could learn from the Chinese because for them it has bigger influence than for us. We have prioritized knowledge (...) knowledge over this. I have been in university for 10 years I have much fresher [knowledge] than this 60 year old guy, so why listen. Even though you are working in IT business it does not mean that this guy wouldn't have solid argument behind his opinion. But if you don't let them express that....if you are questioning his opinion then you might never learn.

According to R9 and R3 respecting culture in the broad sense of the word and adopting a humble, friendly and polite attitude is the ground on which getting further acquainted with people, power structure and communication style is possible:

**R9:** It is maybe very generic. Patience is number 1. Patience in getting to know the people, I think that's very important, because then you learn the power structure and you learn the communication style and you know what to say and when, this is very important. There are some external symbols, I don't kind of put a lot of weight on them, but if you, as a foreigner, learn very basic polite things about Chinese way of...where who seats in the dinner table, at which place, who is the host (...) if you learn these.... cheering with glass (...)...these kind of things, it is not crucially important. They, a *laowai* get away with everything, the Chinese know and they understand that the *Laowai* is just a barbarian; you cannot expect him or her to know this. But I think you can make a slight good impression when you have these kinds.... So behavior, in that sense that you respect the culture, and this especially for us, we are such a young country, we are such a young culture compare to China, especially they are very proud people. So bad mouthing, checking mouth for example just be very careful with that, that who are we to say, to kind of judge their system, judge their country, it is such an old culture.

Additional coping strategies such as showing interest in your partner's culture and/or its company, being less product and result oriented and personalize your know-how and expertise, when doing presentations for instance, proved to be good starters for building business relationships and inspire reliability. According to R1 one should avoid the impression of being overambitious and only profit oriented:

**R1:** [Interviewer: Do you think that it is important for them that you might not only be interested in money?] Yes I believe that. Of course they are very business oriented and Chinese are good trade men because they did it already 2000 years ago when we were living Stone Age here but I would say it has an impact of course. (...) I mean that you have an interest of that company or the culture. You just show that, it can help the business. Many times we are too much at the product oriented or result oriented, we expect they agree on this first agreement.

**R3:** [Interviewer: Is culture knowledge important in business?]

Yeah, certainly, not perhaps the real business discussion so much but when...because doing business is much more talking about a particular business issue or problem, there is a lot of time getting socialize and so on and when knowing the other person better and so on, showing the interest also about and knowing the background of that country and culture, it gives the other person that kind of image that you know that you are reliable and you are interested in these things. I think it is important to give that impression to everybody with who you are doing business...

All the respondents agreed on the fact that taking time and giving time to business relationship building or maintaining through socialization activities when working on site or visiting customers in China had positive outcomes. The former could range from inspiring more credibility, reliability and openness but also made oneself more approachable:

**R7:** No socializing didn't mean anything we thought doing just a local custom. That's the way you do it. You don't really win anything by socializing or drinking anything with them but you can lose a lot, it is not any promise, for whatever you drink it does not matter how drunk you are or what kind of promises have been given around the dinner table, (...) it doesn't mean absolutely anything but you can lose a lot if you don't participate to this game, because then you isolate yourself, you just build up, you lift up yourself somewhere, you said that Chinese you know tsss! Bad habits, I don't want really be in there, if you want to do business with them then you have to be at the same level. That is the way to do in China.

**R3:** I think it is important to "show your face" there at the main customers at least once preferably twice a year. So that there becomes this kind of relationship that is based on reliability and credibility and of course it's good to socialize with the people, customers there as well, just like anywhere else I mean, it is not a difference in that sense.

Face to face communication and the willingness to get more “personally” involved or exposed, beside the product or technical convincing arguments, were mentioned as promoting trust.

**R1:** Because it comes down to the point that when you have this personal relationship on the subject, if they trust you, then you show that you know what you are saying. If you just talk about the technology or the product and not putting yourself into it, then you don't feel this credibility. (...) When we got the contract from the government we were not the cheapest but we could guarantee the quality and the delivery, unlike the other, that made the decision for the government (...) So he based the whole contract on trust because we built the factory only after we got the contract, I don't know anybody else, no other companies which have done so that, you make first the contract and then you build the factory, it is typically the other way around. That is a good example of building this trust with the customer.

Besides surrounding oneself with a competent Chinese team, building one's own network was assessed to be determinant at a point or another for further business relationship and operations' development (i.e. logistic, sales...) and unblocking:

**R7:** It depends of course of the business of course; it is very difficult to give any general instruction. I am not an expert; I just worked in 1 province, 6 years. I am still learning about China. But what I say is that this networking is important in that respect, that it is good that you know them. I first said that it doesn't matter that much in our business but if you need people, if problems come to you it is good that you have these, you know these people before, so you start building up the network before you have any problem. And then the other thing is that don't try to do it yourself, you need these Chinese organizations running for you. You can have your own financial chief and MD can be from your organization, you might have some other guys there as well. But you need the Chinese guy who is running. If I had a chance to go there again, I would do exactly the same thing, build up my own Chinese organization and build up my network.

### 4.7.3 Behavioral strategies

The behavioral strategies gather the basic set of behavioral responds that the interviewees used in order to enhance mutual understanding in their daily tasks with their branch's key personnel and in negotiations with external business actors. Their accommodating strategies consisted in adapting their communication style to their interlocutors' framework and background. They therefore engaged in developing appropriate presentation skills and proceeded to several behavioral adjustments.

**R9:** Patience. (...)living in a country like China it emphasizes the point about understanding the other peoples' framework, where they come from, what are their objectives so you can actually try to formulate your messages so it gets understood more easily. I mean it is the same in Finland and anywhere but it was all emphasized in a culture which is doing things differently. I think this is the main thing, that you cannot....the stupidest things you can is push your messages as you used to push in Finland or your ways of working or whatever.

These adjustments consisted of taking time to repeat, to speak slower and simpler English and be sensitive to signals that would or would not confirm that the message has been well understood. This enunciation clarifying process was made through reformulations and sentences 'simplifications. Beside thorough meeting preparations, the use of visual forms of communication (i.e. schema, drawings) and written form of communication (i.e. task listing) are largely employed and described by the respondents as a precious and efficient help when they want to explain a point. A respondent suggested the use an indirect style of communication. In the case of a presumed misunderstanding, reformulations and step-by-step indirect iterations in order to avoid too direct arguments and what could be experienced as a loss of face, proved to clarify issues:

**R8:** In generally I have noticed that the communication is somehow, beside language, it is a barrier in that sense how directly and clearly issues are expressed. My experience is that often not very directly unless there is a closer relation based on trust (...) I get used to it. Of course it 's an effort, and then people are losing face to say directly, they protect each others in this way but I have found that the more we do a kind of iteration, the issue is discussed more and more in steps and so then it starts to become clearer and clearer. It takes time...

**R2:** I have to say that on the telephone I have not found a good way, telephone is very difficult, email is better; I found that visualization even in e-mails, trying to draw a picture and scan it or having someone make a concrete project plan and send that it is always easier to communicate with picture. In meeting it is always good to be quiet and try to listen to the other part but I think it more important with Asians (...) try to listen more, like actively try to listen more. (...) just trying to listen.

Respondents recommend all the more active listening that it clarify Chinese interlocutor's arguments' meaning and thought framework. It allows for the building of a common terminology, a common ground that is highly helpful in preventing or clearing up misunderstandings, sorting out disagreements and reducing discourse discrepancies. In negotiation for instance, active listening gives the opportunity to identify values and interests that are important to each party and therefore facilitate the taking of further perspectives and the agreement process. Finally, this approach makes possible a case-by-case approach:

**R6:** In any minor or major crisis, case, it is good to listen to other people (...) sometimes the suggestions also from the Chinese side, we can't really say that is the way we should do it, and it is case by case. It can and it has happen also that methodology suggesting from other direction, that you have adapt something on that and you adapt something else from your own and working out from there. It is very flexible (...)

**R2:** But also it sort of...it is always best when you can say thing in other person's words. It is easier for you to understand when you say it yourself so if you say something...if I am talking with an Asian, a Chinese, and you are talking and you are leading and the conversation is going and then they say something that they understand and that you think that they mean what you know, the same thing that you were meaning. Then you try to pick up those pieces they have said and use them in the conversation. It is good anywhere but I think it is more pronounced, more important in Asia

Interviewees explained that it promotes also a common understanding of the objectives to complete and it gives more room to the Chinese part when presenting their points of view. It acknowledges other ways to proceed and operate than one's own. It eventually makes the best of both party's resources and methods in problem solving or joint operation.

**R2:** Well we have M., who is manager in Asia, a Finnish guy, often I talk with him and I talk with D. [Chinese colleague] and then we sort of have a triangle, so there is more than one view of it. Actually I think the triangle between us works pretty well because somebody always says, “oh...you mean that we should do it like this” and everybody is like “that’s right...” so we don’t necessarily, if there is something that is difficult to understand every Friday morning we have a meeting and we go through everything that happened in the week. It clarifies a lot because there are the three of us there and someone says like let’s say N. means this, M. means this, D. says that (...).

**R9:** (...) In 2 years I learned a lot, I probably have changed. The thing is that it is special when you look at grand scale of things about implementing projects, the implementation process, in this size of an organization, it helps a lot when you understand, when you know the reality in the field and you know what these causes you are tackling with. You realize the importance of language, of terminology, of having a common understanding on certain terms, which is very very important, for understanding purposes, (...) a general wider understanding of what you are trying to achieve (...).

One respondent made a special point that concerning commercial and sales processes, it is important to focus on a customized business launch, and not solely on the technological or technical value of an offer.

**R3:** (...) I think that Finnish way of working is very technical oriented, people are interested in technology and they want to bring the details of that but in most of the case those technical issues aren’t the most important ones, the most important ones are really to talk about.... more about how to get the business started and how to develop it and so on. So, more commercial matter than technical matters but I think that Finnish companies very often had been too technology oriented. (...) when doing the marketing for example (...) it is the technology which is more important when giving the arguments but I think it should be more... I think it has to be developed to that kind of direction (...), you have to know what the customer wants to have and not give the technology blabla... there in the beginning but listen the customer what he or she wants, and then you develop the offer and the product portfolio based on that.

Another interviewee found that Finns’ weakness lies in citing too much business standards arguments. According to him, following marketing standards instead of customizing offers and personalizing one’s own know how is detrimental to efficient business making:

**R1:** There is no one over anything else, first of all forget all naïve vision, the stereotypical approaches and maybe not so much read too much about what they tell about Chinese but more about the company and the people with whom you are trying to do business. Secondly be very clear on your message, don’t try to convince the customer that there is a standard of how this is being done, because you need to explain how you do, convince that you know how to do it. That is because we have this weakness also that we think that the marketing arguments come from the generic business but instead you need to convince that you know how to do that better than anybody else. If I would go to France I would say the same...

The Finn's recommended the use of written communication in order to clarify or confirm contract's terms, and meetings 'outcomes. Issuing systematically negotiation meetings' minutes were found very helpful and were taken into account by the Chinese counterpart:

**R7:** (...) it is very important that we are talking about Guangxi, I really don't know about other province, but in Guangxi it seems very important that if there is something (...) it is better that you write it down, lot of letters, lot memos, everything should be in written form and normally it goes in this way that if you really want to push something you can go to meet the people and you can talk (...) if you really want to put forward your issue and argument it is better that you write it down, get translated, and send to this particular office

**R9:** One method that they use in the south also is that you write the minutes, it seems to be one step in the negotiation process to do the meeting minute, to do a kind of conclusion on paper of the meeting, the personal write those, here you have a power, here you can put things then, in the minutes in a certain way.

Recommendations were also made at a more general level. One of them is that doing business in China requires an already highly competitive service and/or product, realistic business plan, careful planning and informed, connected and supervised business people:

**R3:** You have to reserve time and resources to really get the results, you cannot accept the results in a very short notice, it is a long term project when you are going to China, (...) it is better to concentrate on certain area or certain cities or city in the beginning and not to try to conquer the whole country at the same time. (...). Then of course it is important to find the right partner, you can use the references for that but preferably you should have somebody on your side to do...either an agent or local consultant company like we have now, (...) if you don't have your own organization there it is still better that you have somebody you can rely on...Somebody who is recommended by (...). If you are not competitive in Europe or in your own market, then most likely you are not competitive in China either (...). Do careful planning, of course plans can be changed and adjusted later on and so on, and most likely they need to be but when entering the Chinese market you need a clear plan what to do and timetables for that. Because usually it goes such a way that you are using much more resources, you need to invest there much more money and the timetables are overdue and so on...

Concerning culture and market knowledge a respondent stated that successful business in China is also, a matter of company policy in area such as cultural and market knowledge, not to mention internal training policies:

**R1:** You need to take a macroeconomic view of the whole, I am not using the word globalization, and it does not mean anything, but the impact of the trade in general, what is my company planning in 3 to 5 years. If you don't include that cultural plan in your politic of course you are not so well positioned as the company that is taking that into consideration. I agree it has to do with that. When you have that values and politics in place, then you start maybe educating the people in the company, starting from the management.

Finally, the interviewees made several comments on the development of their business relationships; as another factor of improvement, they cite the role of time in which relationships evolve since both party learn to know each other.

**R7:** But how our communication improved with our partners and government officials....yes, maybe three ways, we get to know each other better, the issues we were dealing with became more familiar for both parties, and then the third thing was that we were learning each other way of communicating, like you know, how to speak, what's the other guy's meaning when he says so, this and that. (...)Yes, it is more or less like that, it was always, in practical point of view it was always based on interpreters, but of course even so, it became easier because you knew the people and you knew the issues.

Within the Finnish branch, Finnish and Chinese staff coordinated teamwork on site has been cited as a central factor of success for doing business in China. It is assessed by respondents as being more efficient than sending directly a "unknown" representative from the Finnish head office in Finland.

**R3:** I think the most effective way of working in China is that you....it is kind of teamwork...you have the local people or local person and you have somebody from the...in our case from Finland and working together, doing the negotiation and doing the deal together and so on....I think that is the best way to do the business. Instead of me or somebody else from Finland going direct to some customer and trying to do the business or that person who is in China having a really important discussion (...). I think, at least it has been like that...I don't know if it is still but at least in our case, it has been good to be together there. But I think in this important discussion you need to have somebody from the headquarters or in our case from Finland together with the Chinese person, so that it is really team work, important discussions, in everyday business of course it is not necessary and it depends on the experience of this local person, how well she or he can do the business but in important discussion...

Another respondent adds that although knowledge about cultures accumulates, communication skills and know-how are not acquired for good, and they need to be maintained through practice:

**R8:** it is easy to forget what once has learned if for example, I noticed I forget many things which I haven't ...when I am not frequently dealing then, and communicating so frequently, I can forget few things but on the other hand the knowledge about the society is accumulating, little by little...and that may help...there is a kind of dynamic of course so that general knowledge is accumulating but then how it is utilized depend on how frequent are the contacts. If they are frequent hopefully they are used to be utilized more but when there are longer period and no direct contact so it is easy to forget.

A respondent mentions that several working years in China lead him to adopt a less cut-and-dried and categorical outlook. He asserts that differences in negotiations are questions of perspective and interest, the validity of a given argument is not anymore the central point. He puts the Chinese and Finnish sides at the same level and concludes that good negotiations are those that succeed in being mutually beneficial and are considered as such by both parties:

**R7:** it is more like when you are in the early stage...you tend to think I am right, they are wrong, or they are right and I am wrong, it is more like a right-wrong thing. But now it is more like, we know, we are just different, just different way of seeing things, of doing things. There is no right or wrong, and if you get out of this kind of thinking it helps you a lot then. Then you don't need to...it isn't the argument anymore it is just about finding the right way of doing, the thing that pleases both parties.

## 5 CONCLUSION

### **Perceived cultural differences (see also 4.6.1 p.102) in communication in Chinese-Finnish business negotiation and teamwork**

When referring to earlier positions and comments made all along the interviews, it appears that parts of them are not free from contradictions and a few of them are even contradictory in themselves. Their views swing between “no culture difference”, “purely organizational difference” or “purely linguistic barrier” to “business and/or culture difference” sometimes within the same statement. One could hypothesize that the difficulty lies in determining the individual and contextual factors that mediate the influence of “cultural-level tendencies” (Gudykunst and Kim, 2003) on individual communication taking place in various business environments (i.e. company, region, market). Moreover, there was no agreement beforehand about any common terminology with the respondents. However, the scope of the interview questions and the study main research lines do not allow interpreting or drawing any conclusion about these contradictions and/or nuanced perceptions.

Spangle and Isenhardt seem to partly summarize the general opinion of interviewed Finnish business actors when they argue that “the impact of cultural differences varies across negotiations; sometimes differences are the subject of dispute, sometimes they are a subtext, and occasionally they have little effect relative to other variables” (2003:379). **Language barrier** is considered and is the major obstacle for the Finns. The interviewees acknowledged that, in addition to the language barrier, identifying possible misunderstandings due to cultural factors, when facing their Chinese interlocutors’ indirect and confusing communication style, is a challenge *per se*. Indeed generally, Finns expected a communication style that would be for instance much more straightforward. The interviews’ results show and also support other findings about Finns having a strong concern for truth, transparency and clarity (Siira, Rogan and Hall, 2004) in verbal interactions and in business doing. They consider conveying exact meaning through explicit message as a priority and the best means to facilitate and clear up confusing or ambiguous messages, which is according to Hall (1976) an

important purpose and feature of low context culture. In the whole set of interviews there was no report of issue or situation involving face loss, gain or giving (see 2.4.5 p.31), or at least they were not pointed out as such. Gaining, loosing or giving face requires a good tacit knowledge of the feelings, challenges or key points in a given situation. Therefore, issues related to face are seldom if ever raised within interpersonal communication or at least explicit verbal explanations. Considering the recurrence of the comments about straightforwardness and directness as a guarantee of good and efficient business and working relationships, among the Finnish respondents, and especially due to the language barrier, and the pervasiveness and complexity of such a concept in Finnish culture in general, one may be tempted to think that this aspect has been neglected or not identified as such when happening. In individualistic cultures, honest people should speak openly and through direct talk about issues and problems (Vihakara, 2006). To exemplify this point, Finnish respondents' discourses were more focused on message contents rather than interaction processes. A respondent gave his definition of a direct communication that is in line with most of the interviewees' reports:

**R8:** On a timescale, it is immediately expressing our own needs and what are our objectives, how we want it to be implemented.

This excerpt is a good example of what appeared to be one of the most divergent aspects in Finnish and Chinese business people approaches: communication and negotiation style.

During negotiations the Chinese partners' have been perceived as having the tendencies to use various tactics in order to spread confusion, to cloud issues, hide their purpose and manipulate their Finnish counterparts. The mentioned tactics were ranging from lying by omission, not telling the truth to complaint tactics. Generally, the Chinese negotiator discourses were qualified as misleading and lacking transparency; they were not to the point and hid their purpose and agenda.

Although Alon (2003) and Fang (1999) and other researchers have addressed strategy or stratagem as a topic of theoretical importance and practical use in Chinese negotiation styles and cultures, it is difficult to draw any conclusion from the limited available data and contextual information about the specific

negotiations sequences and processes which were mentioned by the interviewees. Regarding the language barrier, the more direct Finnish communication style and the more indirect Chinese one, one could hypothesize that there is a higher conflict potential and/or better conditions for weakening trustful business relationship building; several studies confirm it (Fang 1999, Vihakara 2006, Faure and Ding 2003, Shapiro et al. 2008, Gao and Ting-Toomey 1998, Kaislaniemi 2003, Saloo-Lee 1994, Worm 1997). However, stalemates or conflict within negotiation could be related to a variety of origins, which are all the more difficult to apprehend in its nuances when not knowing more precisely what were the negotiations' stakes and/or observing the specific circumstances in which they took places. It is all the more difficult for the interviewees themselves given the language barrier and among other the lack of information; quite often they mentioned that they were still wondering if the situation they encountered was due to the language barrier, the business culture or a conscious and on purpose strategy adopted from the Chinese part. The interviewees alternatively and indirectly referred to the 3 fundamental forces mentioned by Fang (see p. 18-19). These variables, namely the PRC condition, Confucianism and Chinese stratagem are the set of socio-cultural and socio-political factors that shape what Fang has called the mixed personality of the Chinese negotiator. It has a very limited predictive power but it still constitutes an interesting holistic approach which was actually "used" by several interviewees when reporting and making sense of few Chinese business culture's aspects. The range of subjects related to these 3 fundamental forces were addressed from the perspective of Chinese business people and co-workers position in Chinese society, relationship to hierarchy, to family, bureaucracy and presumed negotiation tactics.

However, these perceptions pointed out the eventual existence of trickery and deceit and did obviously persist despite the interpreter translation or comments and co-workers contributions. This uncertainty could lead to more tense and a lack of trust within the business negotiation atmosphere, which in turn would facilitate negative attribution. The way people connect in relationships, including business relationships, involves many factors such as trust, approachability, respect, commitment to outcomes, the willingness to disclose

information, the willingness to listen, and the manner in which people talk about the issues.

Concerning information sharing the present research ties up with some research projects (Lin 1989, Shi and Westwood 2000 cited in Kumar and Worms 2003) which contradict earlier findings that Chinese are not willing to disclose information to their Western partners. Firstly, it seems that they would be unable to do it because of **contextual ambiguities**. Those are defined as an ever-present feature of transitional economies (Peng 2000 cited in Kumar and Worm) such as China. This concept refers to the fluidity of the business context within which negotiation occurs. It results that many laws/regulations that the Chinese negotiator is supposed to observe are often not codified (Boisot and Child 1986 cited in Kumar and Worms 2003: 6). Indeed, the present study's interviewees reported that sometimes Chinese partners are unaware that a given law, regulation or information exists or they merely do not have access to it. Not mentioning statistics or other information (see Access to information p.92) which are as scarce for foreign as for Chinese business people. In this case, information is not provided because the Chinese partner is not willing or not motivated to provide it but because he cannot do it. Nevertheless, since there are so many possible factors affecting information flow, most of the Finns linked it to motivational reasons, trickery or to the assumed Chinese inability to deal with information flow.

The contextual ambiguity sources are manifold (political shifts; bureaucratic behavior; complexity of the transition process; shifts in external economic environment) and may lead to **goal ambiguities** and wavering from the Chinese part which in turn may lengthen if not disrupt or delay the negotiation process and make more complex for both parts goals definition, presentation and therefore its finalization. According to Worm and Kumar (2003) and contrary to what has been traditionally put forward by scholars the lengthiness of negotiation would not always be attributable to trust building process and its establishment but also to the interplay between contextual and goal ambiguities.

The impact of relationships has surely impacted problem solving and negotiation processes. Where relationships are strong, people demonstrate more willingness to collaborate (Spangle and Isenhardt 2003). In that regard, few interviewees reported that stronger business relationship allowed partners to talk more openly about problems and to smooth out their problem resolution process. However, the difficult access and availability of information about other business actors and companies have raised uncertainty, and in some cases higher perceptions of risk and therefore less information sharing and trust (see R2 p. 98). In this study, most of the Finns reported that at some stage they were wondering if their company interests (including copyright issue), values and goals would be respected or if business partners and co-workers would be reliable, committed and willing to cooperate efficiently in the future. This questioning, as legitimate as it may be, show how attributions may be a strong precursor of an actor behavior. Attributional judgments condition and guide our reactions toward our counterpart's behavior. If we perceive our counterpart as being reliable and trustworthy, we will respond in a way that will validate our business partner's perception (Kumar 1999). It implies that negative and especially inaccurate attributions may lead to vicious circle in negotiation and suspicion.

In regard to the Chinese co-workers, who were, on average 25 to 40 years old, respondents who were concerned by Chinese staff recruitment issues, mentioned a generational, and education gap due to historical reasons and the rise of a new generation of young Chinese business people who have operated a "shift in work value" (Ralston, Egri, Stewart, Terpsta, Kaicheng, 1999). This new generation of workers, or what is called today in China the 80's generation, is mainly characterized by their youth, their English level proficiency and their flexibility in adopting among others Western ways of working.

On the negative side, they were described as not taking initiative, not assertive, waiting too much for instructions and not saying if they understood or not what they were told (i.e. during training, daily tasks explanations). They were seen as reluctant to engage in discussions and too willing to please their manager or even their family, which could, in specific cases, decide the Chinese

employees' resignation. The Chinese business partners were also perceived as reluctant to make decisions and take a responsibility, which was according to Finns due to their more centralized chain of command and to the Chinese bureaucracy constraints. Chinese co-workers and business people were largely described as subjected to strong social rules, hierarchy structure, family ties, and again to a powerful bureaucracy. From a Finnish perspective, these facts may contrast greatly with the more individualistic, low power distance, a more egalitarian Finnish society in which privileges and status are minimal. Nordic countries tend to be more universalist and deal-focused while Asian ones are more particularistic and relationship focused. Particularistic culture such as China takes into consideration the context, the circumstances when considering people and their behavior. In-group people are better treated which may allow to bend the rules if necessary.

On the positive side, other respondents explained that when giving them responsibilities, encouraging them to express their views, and providing them with trainings they were perceived as more flexible, learning fast and, with time much more assertive. In these cases, their contributions and what was considered as a good integration into the Finnish organization were highly valued and appreciated. The behavior of Chinese co-workers, as described by the Finnish interviewees point to Hofstede (1991) dimensions, namely collectivism and power distance. Weisz, Rothbaum and Blackburn (1984 cited in Kim 2002) argue that self-expression, taking direct action, confronting and speaking up one's own behalf are the normative and preferred means of addressing a problem or difficulty in individualistic culture. Whereas according to Cross (1995 cited in Kim 2002), in collectivist culture, an individual with an interdependent self-control prefers close alignment or harmony with others and would be more likely to attempt to adjust to social situations through strategies that focus on changing the self rather than on changing the situation or other's opinion. Since these patterns are reinforced by Confucian principles (see 2.4.5 p. 30) which are pregnant in Chinese family, school and organization, Chinese co-workers would hardly or with difficulty engage themselves in such behavior regardless of the age, status of his counterpart and the group of which he is part. Several interviewees' accounts support the fact that these kinds of behaviors are not at all encouraged in an individualistic cultures, and especially

within organizations. Therefore, from a more individualistic point of view and because of the Finns' pressing need for information, Chinese co-workers' communication styles may be subject to evaluation and sometimes psychologisation. In some cases, this aspect could be detrimental to the perception Finns may have of their Chinese co-workers' commitment and competences. When being familiar with company working methods and operating more closely in teams, with their managers, Chinese co-workers were qualified as very loyal, committed to obtaining results and trustworthy (see table 7 p.79). There was almost no report of mixed working methods in what could be characterized at some specific stage as "bi-cultural" environment. It does not mean that they did not exist at all but they were not considered as relevant to mention, moreover most of the respondents were decision-makers, which may imply specific relationship and communication framework with their working teams and its tasks 'allocations.

This study supports previous studies findings by Holstius and Salminen (1996), Worm (1997), Fang (1999), and Alon (2003) about hierarchy, the importance of networks, and business relationship building, time management issues and the meanings of agreements. These aspects were all perceived as time consuming, exhausting and not familiar to the respondents.

When mentioning the importance of the process of building business relationships, several respondents pointed out that the *guanxi* concept may be overrated since it exists in other cultures such as the Finnish one or more generally in any business culture. Some other interviewees added that it was essential on the long run and some other emphasized that it depended upon the company needs and operations. These variations contrast a lot with the reductionist assumption that *guanxi*, almost systematically and independently of other factors has a strong impact on companies' performances. In this regard, Nojonen's study (2007) relevantly emphasized that situational forces conditioning *guanxi*, its processes and outcomes may vary according to regions, sectors and organizations in China and should be further studied.

Finns perceived also their **middle term and long term time management** and perception as completely different if nonexistent and having a direct impact on their ability to do budget, resource or business planning. It seems that many

Chinese companies do not engage in western-style business planning but rather, as pointed out in interviewees' accounts and in Ramström's (2005) study, in series of short-term plans guided by a set of business principles and long-term vision. Therefore, it does not mean that Chinese people are not following any plans at all but they may not be easily identified as such or merely being obvious or visible when not following a linear axis of time and discourse. Finns seem to be more monochronic time oriented, a deadline is a matter of efficiency and trust, tasks, schedules and procedure supersede interpersonal relations (see Victor 1992, table 2 p.26). As a result, Finns may be exposed to a higher level of uncertainty, their commitment to handle tasks professionally and in time, without being necessarily valued, recognized, or even noticed by the Chinese part. Due to this set of factors, although Chinese co-workers were seen as committed and always available in terms of time schedules, several of the interviewees are nonetheless more inclined to distrust and to underestimate their Chinese business counterparts professionalism and efficiency in terms of time management. Each part, Chinese and Finnish ones, attempts to emphasize one time orientation over the other. It results in some conflicting working methods, for instance strong work mobilizations on short notice are usual from the Chinese part but could not fit, as an interviewee reported, with the scheduled, planned, concerted Finnish working plans, not to mention that the frontier between their private life and work time was clearly marked out for the Finnish interviewees. Since a polychronic-time orientation may also be prevailing at the personal level but also at the Chinese society one, the challenge is to manage the time difference in benefit for both parties, which is not always possible and easy since the Finnish business interviewees were operating in China and with Chinese partners and at the same time working with their head office in Finland, therefore working according to two different time orientations. Conversely the Finns' time management, if noticed, may have appeared awkward and/or less flexible from the Chinese side for whom time was subjected to negotiation contextualization, information gaining and probably to various contextual **ambiguities**, and business environment constraints (i.e. hierarchy chain, bureaucracy, networking). Therefore if for most of the Finnish interviewees meeting agreement, achieving deadlines and pushing forward projects implementation and negotiations with their Chinese

partners were a continual stress, it may have also been experienced as such, for other reasons, by the Chinese partners. Indeed, although it was not mentioned by the Finns, it appeared, in another study conducted by Kumar and Worm (2003) that if the Chinese feel that they are under a time constraint, they will seek to withdraw from the negotiations. Time pressure may enhance their fear of negative outcomes which will induce them to make unfavorable attributions. Furthermore, from an interpersonal communication perspective, beyond the somehow rough categorization between Western-like monochronic time orientation and Asian or Chinese like polychronic-time orientation, it is also highly possible that preference for clarity is also driven by the need to save time and energy. In other words, this approach to time can be linked with direct and indirect communication strategies. Therefore more collectivist individuals 'concern for others' face issue may look circuitous, if not opaque and less mindful of time constraints. Although East Asian countries such as China have to a certain extent adopted some western time efficiency technique, time efficiency may not necessarily extend to utilizing more direct method of communication. Finn's were often "complaining" about the time dedicated to discussion and negotiation but also about the emphasis placed on speech by their Chinese partners or with their Chinese partners.

Almost all the interviewees reported that experience and a more flexible attitude towards time helped them to manage more skillfully their business relationship and negotiations sessions. It enabled them to know better their Chinese business partners and environment and finally to deal with the internal psychological pressure which resulted from these different time approaches.

Pointing to typical sources of misunderstanding as cultural factors shaping negotiation and teamwork outcomes and process was complex. Alternatively and sometimes, in the same interview, Chinese business culture and Chinese culture were mixed and at some other point, they were clearly distinguished. Although respondents were somehow minimizing cultural factors' impacts they referred quite often to the Chinese "mentality", "framework", "education", "their thinking". At the same time the Finns were conscious that if their

straightness and reliability are a “trademark”, as some of them emphasized it, they had to proceed to several adjustments in terms of behaviours and attitudes. (see Appendix 3)

**Means and approaches used by Finnish business actors when adapting to challenging situations (see Appendix 3)**

Finnish business actors adjusted to their Chinese co-workers and business partners by changing their speaking habits, simplifying their formulation when speaking English and by using various visual aids (i.e. drawing, schema, and listing). Most of them pointed out that patience and regular careful terminology clarifications were needed at all stages when collaborating with Chinese co-workers and partners, including during negotiations. These different means have also been reported in other studies about European and North American countries doing business with foreign partners who usually do not use English as their main business language (Kim and Paulk 1994, Vahterikko-Meija 2001, Goldman 1994, Vihakara 2006) Therefore, Finns had to relax their requirements and expectations for more “immediate” results, agreement or decision-making. Several other respondents emphasized that, when building business relationships and especially trust, personalizing one’s knowledge, being more attentive through listening and less focused on technical and standards issues were very helpful. Although the language barrier was described as one of the most frustrating issues, surprisingly only one of them mentioned and emphasized that speaking Chinese, even at a basic level, facilitated communication with co-workers. Building one’s own network and prioritizing face-to-face communication between business actors having the same hierarchical status, especially in case of conflict, was understood as being of importance. Sometimes more attention has also been given to seniority and to the Chinese mentor’s influence on co-workers teams, which could facilitate communication and trainings. Observation of the Chinese society daily functioning and more generally interest on culture, whether it is political, historical or unwritten social rules was considered by several respondents as essential in terms of knowledge and also helpful in acquiring conversational topics. Being open-minded, showing curiosity and in general a real interest for

one's interlocutor's culture and background, taking time to socialize were noted by few respondents as promoting better business relationships.

**Attitude, skills and behaviors found more appropriate when doing business and working with Chinese business people and key personnel**

The results of the present study match the categories presented in the table of different stage of cultural development (see p.42). Through their reports, it appears that the significant part of the knowledge, skills, business strategies and form of trust Finns have mentioned are congruent with these stages. Above all, the study shows that there is a strong, although not exclusive, relationship between the length of stay, the amount and diversity of experience and the development of cultural sensitivity of the business actors operating in a foreign country. Indeed, this relationship condition the type of strategies they use and the attitude and approach to trust they adopt while developing their business relationships.

Referring to cultural sensitivity allows us to have a more nuanced and precise insight into the Finn's perceptions; in other words, it makes possible further contextualisation of their testimonies. It also allows us to take into account the above cited variables and gives an insight into what could also make the difference between these 10 interviewees. There are four different types of business actors: the romantic sojourner, the foreign worker, the skilled worker and the partner. Only one of the interviewee may be the stage between the "Romantic sojourner type" and the "foreign worker stage" but since, at the time of the interview, only one person (R10) has been working with Chinese co-workers for a significant time but at distance, focus is mainly done on the 3 other categories of business actors (who have also all been through the romantic sojourner stage), 3 out 10 (R2, R5, R8) were more likely to be in the foreign worker stage, 4 out of 10 (R6, R3, R1, R9) in the skilled worker stage and finally 2 (R4 and R7) were tending to be closer to the partner stage, although they did not reached "entirely" this last stage. Although they present distinct features, these categories are not mutually exclusive and none of the interviewees perfectly matches one of them, actually most of them, would be categorised in "in-between" categories. Obviously the elements that make-up and characterize each stage are not always acquired in a synchronized way, for

instance some of them have reached an “advanced” level of situated knowledge but it does not necessarily involve or guarantee a high level of emic procedural knowledge. This state of fact emphasizes the interactional, interdependent nature of the skills and knowledge, and their non-linear development, whatever the stage of cultural sensitivity development.

**From foreign worker to skilled worker:**

Through observation experience, including a lot of trials and errors the Finns have developed a more realistic (compared to the romantic sojourner) perspective on doing business and working with Chinese partners and co-workers. They have acquired a sophisticated level of procedural emic knowledge a more insider understanding of Chinese business practices and sometimes report detailed specifications with every transaction. This is especially the case with the Finns who lived permanently in China. Progressively they are noticing different business cultures and ethnic backgrounds, which result in more nuanced perceptions of Chinese business people. Through coping strategies, they try to adopt the behavior they found consistent with their perception of Chinese business partners and co-workers. They try to put them at ease, modulate what they refer to as their “Western or Finnish manners” in order to develop a comfort zone for their Chinese colleagues (see Appendix 3).

**R1:** Maybe the main thing was the way of communicating that you had to find a way to take into consideration that you don t talk to straight I mean....from...I would say that is Finnish nature or in maybe squeezing one group into one sentence sometimes, yes or no, you explain this is the way to do it, go and do it. And to be more conversational I think that was the way...

Several Finns experienced culture shock period and/or episodes (see 4.6 p.101 and R9 p.109). Indeed, they have contradictory feelings of fascination, frustration, if not impotence and anxiety feelings when facing very different business practices and at the same time the language barrier. Their cultural sense making process were challenged, somehow they struggle to learn and understand quickly their environment through their direct experience but especially when doing teamwork with their “main access” to Chinese business world (see R4 p.65 and R8 p.66), their Chinese co-workers and partners:

**R7:** What they say about the leadership of course is like we are quite informal in many ways, you can talk to your boss, and you can even negotiate with your boss (...). They said that sometimes it was difficult. I came across with this issue many times, I was trying to encourage them be active. Because I needed them (...) I said hey, I need you, I have an issue here, I don't know how to fix it, why don't you just come and help me, just give your proposal.

Besides the development of their work and business relationships, it is naturally with time, and when taking into account time for obtaining more promising and/or concrete working results that they adopt a more balanced perspective (see 4.7.2 p.111). As listed in Appendix 3 the Finns deal with these situations in various ways ranging from a more detached perspective, the use of coping skills, to the setting of an interpersonal zone of understanding. Their understanding of the business environment is growing but yet their cultural knowledge and skills are inadequate. However, they settle zones of understanding in order to maintain and foster successful business relationships. It happens through agreement and solution finding when communication problems arise, but also through factory visits and especially reliance on westernized agents (i.e., interpreters, business partners and third party agents). As *foreign worker*, Finns borrow the cultural understanding of their Chinese partners and colleagues, using them as their right hand to overcome language barriers and communicate with natives, especially with bureaucratic bodies and business partners or when prospecting (i.e., customers, recruitment). Finally, they use monetary incentives with Chinese partner to consolidate their business relationship.

The Finns who are at the the *foreign worker stage* usually hold on to their business cultural category. Trust for instance is straightforwardness, honesty and it also means the competence “to say what you do and to do what you say”. It is, in terms of delivery, or meeting deadlines and decision making, to “get the job done”. Not following these principles are considered as detrimental to doing business and, as emphasized by the interviewees, are part of Chinese co-workers recruitment's conditions and criteria. Although all the interviewees emphasized their orientation towards transparency and their reluctance to communicate too indirectly, those who gained in self-efficiency and were moving closer towards the *skilled worker stage* began to broaden their

behavioral repertoire by playing, acting, performing and pretending (see R7 p.113).

### **From skilled worker to partner**

By adopting the social behavior consistent with what they perceive from the Chinese culture they do not only learned to act but also they learned to control unacceptable behaviors (expression of impatience, anger or restlessness) when they find for instance negotiation sessions challenging in terms of content and time length:

**R7:** Maybe the biggest learning is that you cannot really lose your temper whatever happens, whatever happens...

They became more cautious politicians and consequently developed a more active participative style. Not only using westernized Chinese services as a coping mechanism but also beginning to build more actively their own network:

**R7:** And you meet him for the first time and you bring a lot of requests to say that you have to fix this and this and this can you help me, it never works in this way. So you have to have this relation established already before the problem comes, and you have to anticipate when you start the project there, you starting operating in a certain area, you need to know these guys you possibly need along the time, along the process, and you meet them, you establish a relationship with them before you need them.

Their deeper understanding and management of the emic and etic knowledge (see p.40) helps them to be more tolerant with mistakes, misunderstanding or when going through more tensed episodes

**R7:** If you have a complicated and challenging contract, of course, there are changes but then they come to you, knock your door, and say we cannot deliver it (...) thank you. We promised 100 pieces to you but we can deliver only seven to you, is it ok? Maybe you can get 5% discount, or 25% or 35% as you should, but if you understand this game and you have calculated in your own books this kind of reduction, you can leave it. (...) this happened many times, and it was great confusion in early stage, and I thought that Hey! ok we have this good contract now, fantastic. But what I learned was that they can always divide in their own way, 70% of what they have promised. Of course there are different kinds of contracts but let's say these serious important contracts which were important for us, about the lands or plantation purchases, purchase contracts, we never got what we agreed, maybe 70%, maybe 80%.

The *skilled workers* Finns presented further refined situated knowledge and especially the *partner* alike. When being interviewed, the Finns who had the more extensive experiences in China emphasized several times that they were talking about specific business fields, region, and organizational cultures (i.e., state owned company, private like company, bureaucratic bodies). Some of them were aware of different work ethics across Chinese co-workers and partners' generation, profile and business fields. Few of the Finns presented partner-like feature in that sense that it seems that they have slightly changed their requirement in terms of trust, and importantly, they as well inspire trust to their Chinese business partner. Kumar and Worm's (2003) research projects suggest that while trust is an essential component and condition for negotiations, the Chinese are moving away from an affect-based to a cognition-based trust (McCallister 1995 cited in Kumar and Worm 2003:12). Meaning that exchange of favors may be progressively more favored over human bonding. Nevertheless, with experience, the Finns are more inclined to benevolent trust. It is to say that although trustfulness, reliability, and competency are of importance, Finns hold much less on their home culture categories and seek mutual gain (see R4 p.99 and R7 p.117) beyond the different interests and sometime confusing business culture practices. They create a common ground of understanding and by using on a more off-centre approach. Throughout closer business relationships and team working process, they developed greater two ways communication and teamwork.

**R7:** There were moments discussions were quite spicy but then you need to have a very long business relation, like when I was negotiating for these lands, I had a guy from our partner organization, I was negotiating with. We were fighting sometimes but it does not matter, we were close enough, we both understood that we had to make it, it is a different thing.

### **Finns' perceptions and expectations from Chinese business people and co-workers**

In addition to cultural and patience learning, the respondents mentioned that when frustrating situations were experienced by them or other Finns, risk of a slight or pernicious shift toward an ethnocentric, devaluating and/or complaining mindset was higher. It constitutes an interesting “mindset awareness” which was mainly mentioned by those who experienced longer sojourns in China and/or Asia. Flexibility, listening skills and sensitivity to relationship cues, and among them “reading between the line”, were also mentioned as valuable skills for overcoming challenging situations. Thus, interviewees overall discourses show that they engaged in various behavioral and cognitive adjustment strategies by mutual learning and by trial and error. They have identified local constraints (i.e. structural, institutional, economical etc.) and pointed out several of the aspects they found challenging when communicating with their Chinese partners. However, although respondents are far from being unaware or insensitive to the cultural background of their co-workers, it seems that for part of them their level of expectation remained relatively “unchanged” and “high”. It remained stable in that sense that although they are/were concretely working with/in China, providing services and/or products destined to its market, working with Chinese teams and negotiating with partners who are “at home”, their discourse still seems to suggest the presence of an underlying strong wish or expectation for a faster and actually more dramatic adjustment from the Chinese part. Even though Chinese business partners and key personnel are adopting more western style business practices, it is a fact that beside their involvement in a Finnish branch for instance, they are actually daily dealing with other Chinese organizational cultures, relationship processes, business ethic, logic and networks (see Jablim and Putnam p. 24). If we refer to Lustig and Koester (2006) definition of an intercultural competent communicator and to the description of the Finns, the Chinese co-workers or negotiators who have successfully integrated the rules and norms of the Finnish company, have integrated their knowledge into their behavioral repertoire and to a certain extent they have learned to adjust to alternative patterns of thinking and behaving. Nevertheless, these cases of good adaptation may imply also a “behavioral splitting” which allows them to

behave, in a certain way with their Finnish management or business partners and in another way with a Chinese management for instance. Its implication is that their adaptation to the Finnish working and management style may not mean that their deep rooted norms, values and beliefs have necessarily or systematically changed. These could be naturally confusing and lead Finnish partner to assume too hastily that the companies and managers values are integrated by Chinese co-workers and partners. It is of special importance to be aware of this “natural” phenomenon in matters of career development, feedback, task and responsibility allocation and human resources in general.

Indeed these variables are not alone the main obstacle in doing business in China and the reasons why Finnish companies are involved in projects with Chinese organizations and partners are their know-how and their products/services’ level of technology and expertise, but still a much higher level of adjustment from the Finnish side may be needed, even if it may be perceived as a time consuming and somehow as an unbalanced relationship. As other studies and Ramström (2005: 175) reaffirm, “a long term perspective is essential for creating trust, navigating the hierarchical structure of local firms, learning about the partner and for establishing commitment, as well as for continuity in social relationship”. Moreover, while Finns acknowledge the importance of business relationship and the mobilization of affective and cognitive strategies, in their narratives and discourses, they have quite often consigned them to a secondary position or put it aside if not mentioned them at all. When reconsidering most of their accounts, two third of Finns who have been adjusting to their Chinese partners and co-workers have been more inclined to consider change or variation in the behavioral strategies rather than in the affective and deeper cognitive level. For instance, when addressing the Chinese’s indirect communication style and what was perceived as their lack of assertiveness or straightforwardness, most of them did not put forward any hypothesis about indirect communication as a way of communicating which have its own legitimacy, rational, codes or functions in Chinese social and professional life. Indirect communication was perceived, from a direct communication perspective, as a kind of distorted and confusing process, in other words as a dysfunctional communication style which was merely detrimental for reaching business goals. Due to this attribution process, it

seems that indirect communication cannot be comprehended at the same level as a direct communication style and therefore do not foster understanding on an equal basis. This “perceptual window” as Samovar and Porter (1997) define it, is part of the universal tendency to ethnocentrism and therefore may deserve awareness; despite its complexity. Indeed, on the ground, other factors are decisive: deadlines, the pressure to make the deal, the financial goal required by the negotiation and the lack of information and contextual knowledge, again highly reinforced and conditioned by the linguistic barrier. Finally yet importantly, changes in Finnish personnel occurred which had some impact on already existing process and especially on business relationships with Chinese partners. Only one third of the interviewees had business experience including extended and at the same time regular contacts with their Chinese partners in China.

## **6.1 Discussion**

An impressive homogeneity emerged from **Finns’ self-description**, which fit match and conform without any nuances to the description of Finns’ tendencies conveyed in earlier studies (Salo-Lee 1994, Sallinen-Kuparinen 1986). They unanimously perceived themselves as very straightforward, going to the point, operational, in that sense that they were target and problem solving oriented. Such a conformist self-image is maybe due to the widespread of the “sophisticated stereotypes” about Finns but through the interviews, obviously it appears as a consensual auto-stereotype. This stable and repetitive self description is very “practical” in that sense that it may be self-protective and offers a very clear positioning and a contrast between Chinese business actors’ actions and communication style, which are typically described as so diffuse and difficult to grasp, and the Finns’, somehow comforting, self concept of transparency and directness. In addition, as Lehtonen (2005:5) states “although such perceptions may implicitly value the in-group when compared to others, they are more than that: they are also evaluations against some absolute ideal or relative standard based on a more general understanding of the qualities of groups and individuals in general”. Another issue, which would need further investigation, is to consider whether recognizing diversity within their group

may not be appropriate, not desirable, or at least considered as relevant to explicitly express or focus on by the interviewees themselves.

Differences and similarities can coexist in any interpersonal and intercultural communication (Martin and Nakayama, 2008). The relationship between similarities and intercultural relationship formation is an interactive one, greater perceived similarities facilitate a communicative relationship (Gudykunst and Mody, 2002). Beyond the obvious and visible cultural differences, when asked if they found any **similarity or common points** with their partners or co-workers, it seems that for more than half of the Finns there were no possible similarities or parallel to be drawn between them and Chinese as individuals or at any other specific, general or more global level. Although it may be largely due this study's research questions focusing on differences, I nevertheless assume that difference and similarities coexist in communication interactions between cultures and recognizing the humanity of individuals lead to progress toward accepting them as equals (See Kelly 2008:275). It seems that the perceived cultural distance or gap and the lack of understanding and knowledge (including language) about Chinese (business, socio economic...) culture "naturally" contribute to obscure their humanity and in simpler words dehumanize them. Furthermore as Gill (2003 cited in Petkova and Lehtonen 2005) explained, "When people make judgments about individual group members in real-life contacts, they tend to set their stereotypes aside but nevertheless continue to use them when making judgments about the group". In other words, the search for similarities is an important ethical component because it enables you to seek out important common ground that helps you decide how to treat other people regardless of their culture. The similarities that unite people (...) may range from the obvious to the subtle (Samovar, Porter and McDaniel, 2007:408).

Finns cited the **lack of international business preparedness** as an obstacle in negotiations and a gap in working with new co-workers, which is expected to evolve in the right direction and intended to be bridged with time through adoption of international business standards. Indeed Chinese overall policy is oriented toward country's greater modernisation and a appropriation of

international business standards and technologies; one of the results is that more and more companies and Chinese working for foreign firms have adopted certain practices which fit to European organizations and Western markets. Although senior Chinese business managers are said to be difficult to find, proficiency in English is slowly but progressively enhancing since it is part of the present Chinese educational curriculum and a growing number of young Chinese complete studies (i.e. business, sciences, management) abroad, not to mention the growing presence of foreign teachers in China. This future evolution seems to be perceived as a solution to challenges they encounter and is expected to be the future remedy which will smooth business operations and process in China, and in a word, reduce business communication uncertainty regardless of other cultural dimensions such as cultural norms, values and rules. International preparedness, the standardizations of business practice procedures in China are only part of the challenge. In absolute terms, does a complete westernization of business practices in China guarantee successful long term business cooperation or deal in general and in the interest of everyone or in accordance with ones work values, economic ideology and national culture and objectives? Is it a divergent, convergent and/or a crossvergent phenomenon? (See Ralston, Holt, Robert, Terpstra and Kai-Cheng, 2008) Does a unitary European management approach exist? (see Perlitz and Seger 2004) What do Western and European catch-all terms cover? Are economic development and westernization absolutely convergent? (see Vandermeersch 2004). How to harmonize and/or fully adopt business practices which are not based on the same cultural, philosophical, historic, and economic pillars? (see Jullien 2005). As the anthropologist Philippe Descola points out (see Descola and Pauli 2012), civilization or what is nowadays more commonly called culture also refers to a stage of humanity evolution. This concept is easily associated with the idea of a degree of accomplishment. The term culture, when used as a reference to civilization is an attempt to qualify this degree of accomplishment whose implicit final point, when placed on a scale, is the one of Western Europe at a certain stage of its historical trajectory. Finally yet importantly, China is part of a larger region, which invites one to consider the presumed economic world gravity center in a more flexible way. Although this region is far from being a monolithic bloc or unit nevertheless,

Korea, Japan and China constitute on their own 30 % of the world population, not counting South-East Asian countries.

Is **standardization** always realistic and/or make sense in a more than one billion population society presently involved in socio-economic mutations and changes? To give an example, a project having a higher impact on the local environment (i.e. forest and paper industry) in terms of environment, social cost, impact, technology transfer, employment, political stakes, or regional development will necessarily involve, directly or not, more diverse actors and pressure in the decision, negotiation process and implementation stages. In addition, as Shi and Wright (2003:322-323) explain, “It must be realized that the Chinese counterpart might be torn between **competing loyalties**. The Western preoccupation with making “the deal” is tempered, therefore, as the Chinese side might have a wider picture in mind. (...) As well, it would be unwise to underestimate the depth of these feelings toward the Motherland. From a Western viewpoint, a general understanding of how a large scale project might fit into national or provincial development plans can be valuable, as negotiations can then be couched in terms that fit into a broad national or regional framework”. Although **national concern** may be only one of the factors impacting negotiations, it may also explain the various levels of difficulties and complexity faced by the Finns and their divergence of perceptions. Indeed selling “merely” goods or services in China presents other kind of challenges but on another side may require a less complex process, impact and proportionally involves less time and resource consuming operations, in terms of business plan and its implementation.

Before sending Finnish business people to China, readings, training or conversations for instance about cultural facts and features can be adressed and discussed, if time and training is allocated to it and especially if **companies’ policy** allow and promote it. Nevertheless the managers ‘cultural training is far too short if not existing at all, and mostly perceived by the respondents as disconnected of the daily business reality. Reflection upon experience and training and action planning all along the process, especially for Finnish business people living in China or often being in contact with their Chinese

partners and co-workers may be considered. Intercultural (business) communication courses or reflection sessions should take place during the sojourn, so the participants could refer to concrete situations, define their need and posit their approaches in relation with the processes they experience. Therefore a **deeper cultural knowledge** (organization, economy, history and social issue) would be beneficial to Finnish business people, especially in the case of long term and larger scale project (i.e. joint venture, and Finnish branches' multicultural teams). This business and cultural knowledge should also include knowledge of the specific region in which the project is taking place. Knowing one's region is therefore essential (Shi and Wright, 2003) as different regions in China are in different stages of economic development and also maintain different relationships with the central political power, with the capital. It might also be that negotiating strategies/tactics (on both sides) need to be modified to take these regional dichotomies into account.

These cultural keys are interesting ways to reduce negative attribution, take perspective and have a more global picture of the diverse issues which are at stake in negotiations. On the other hand, as several respondents mentioned, putting a **stronger emphasis on affective strategies** may well have a deeper and positive impact on the quality of the business relationship. As suggest Kumar (see p.19), business relationships characterized by a high degree of positive affect is better positioned in coping with strategic ambiguities of the negotiation process. Showing a determined commitment to understand the other part can be highly valued by business partners, since it fosters the willingness to collaborate and find joint-solutions. This long-term option requires a diversity management oriented human resource policy, investment in time and training.

Although Finns' strategy, efficiency concepts and communication style are challenged in the various Chinese business environments, they do not seem to be overwhelmed by them, first because, often leaders in their field, they had been in a sense, object of a previous "selection" by their Chinese business partners. Secondly, they engaged in behaviour, cognitive and affective adjustment strategies that lead them to communicate, to a certain extent, more efficiently and in term of pure results, most of the projects and negotiations had

lead to concrete and sometimes-successful outcomes. A strong correlation was found between the length of personal cross-cultural experiences in the settings and the development of their intercultural awareness and sensitivity, which resulted in noticeable effects on their outlook and according to them, highly facilitated their work (see 4.7 p.108). In addition, one third of the respondents said that, when comparing their previous experience, China is not more difficult than other emerging markets (i.e. Latin America). Concerning Finnish branch and Chinese co-workers management and teamwork, several specific cases of efficient coordination and close working relationships based on trust and loyalty have been reported and they are judged as being the key of success in China. Nevertheless this social capital, as Kumar and Worn (2002) define it, has to be fructified and maintained and will evolve. Finns describes themselves as offering high added-value products or services and respect deadlines and contract terms, and they do it using generally direct communication styles and an operational and target oriented working style. Despite this matter of fact, the present international situation is comparable to an economic war, competition at all levels is increasing internationally and within China and future evolution of the country's economic environment policy is not free of orientation changes.

Finally, according to a conversation, I had with a Chinese woman working for a Finnish multinational and one of the Finnish respondents, despite the fierce competition in current Chinese job market, working for a foreign company is not anymore a "must", nor the only option for a young graduated Chinese. Some national companies are considered as more attractive in terms of benefits and/or would better match certain Chinese workers 'career plans therefore the risk of a high turn-over rate exists. Regarding the lack of Chinese senior managers, younger employers' training investment in time and difficulty expressed by the interviewees about finding trustful and networked co-workers, taking into account the cultural dimension in managing a branch in China is critical to the health and success of an international company and to the morale of all workers (Kim and Paulk, 1994), Finnish and Chinese.

## 6.2 Limitations of the study

Since I could not conduct this study in China, Finnish business people's Chinese counterparts have not been interviewed. Their voices and perspectives are lacking and there is no data about their perceptions which do not allow to make possible links, comparisons, additional observations or deepen our understanding about the context, the process, the differences, similarities of perceptions or any other more specific issues. For instance, aspects of interpersonal communication such as face threatening and social relationship are scarcely reported by interviewees. Close questions with characteristics or aspects to be chosen by the interviewee would have provided more precise answers but I did not choose open ended questions, assuming that each method has its disadvantages (i.e. scale with degree). I took due note of a comment made by one of the interviewees, the questions had a negative overtone, which according to him, indicated that differences and problems were indirectly too much emphasized in the study and thus inferred a certain type of answers. Although this single comment may not necessarily be applied to the whole set of questions during the interview process, it reminds one of the bias risks inherent within any research interview and especially in questionnaire design. Women are underrepresented in the study due partly to the fact that there are far fewer women involved in negotiation and management tasks and operation in certain occupational sectors within Finnish companies dealing with China. This study fails to identify more specifically the different kind of reality and dimensions that words such as «trust», «clarity», «competence» and “organized” for instance, may cover from the Finns' perspective. Trust, for instance, is largely mentioned by the Finnish as an important factor for good business cooperation, it is also important to their Chinese counterpart (and any other business partner), and especially if we take for granted that Chinese business culture is more people-oriented and entrustment process differs. So, where are the point(s), the stage(s), the cycle or “area” in which these two obviously different entrusting processes may be more and less likely to meet or diverge? (see R8 p.96). Again, for that purpose a study involving a least the two or three parts (negotiators and any mediator, agent or interpreter) would be more relevant.

On the other hand, interviewees reported the importance of self-control skills that would alleviate feelings of anger, frustration and tensions in order to limit clashes. They are often mentioned (half of the interviewees) but quite often alluded to or minimized and not at all described. Regarding the limited time available, the number of interviewees and the amount of issues raised by the interview questions and/or spontaneously addressed by the interviewee, I could not focus my questions any longer on these episodes.

Another point is that the Finnish companies and agents are operating in very different geographic and cultural areas. If we assume that, within such a complex and large business environment, there are inter-regional differences or variations in business practices, governmental, provincial regulations and local market situations, then this study fails to give more than a rather general glimpse at the circumstances in which the negotiation process and outcomes have taken place. For such a purpose the choice of a larger scale study, a complementary region focused ones and larger and more homogeneous samples of interviewees would be necessary and complementary.

Indeed, it is extremely difficult to strike a balance between so many variables that may be over-emphasized, unexplored, neglected or not taken into account. Since there are so many variations within and between cultures and within Chinese culture, the fragile and disputable relationship between national culture (Chinese and Finnish), the multifaceted and multidimensional aspects of different negotiation or working contexts make constant the risk of losing focus or drawing misleading conclusions.

Finally, another factor of limitation, *per se*, is that most of the interactions described here are indirect ones. Indirect ones in that sense that the respondents are indeed taking actively part in negotiations and in various interactions with Chinese co-workers and business-partners but the language barrier and the various intermediates (i.e. interpreter, mediators, other intermediates, and Chinese negotiators) bring into play a specific type of interaction. Therefore, it not at all comparable to a study involving persons, strictly speaking, negotiating face to face, and using for instance the same language, whatever

their level of English proficiency. Group dynamic, speech, turn-taking rhythm, eye contacts, communication setting and constraint like time management, to name only a few, are rather different. These imply adjustments in term of perspective and possible conclusions about the perception induced and reported during the type of interactions under study. There is a risk of not acknowledging that the language barrier is not only limiting business actors but also the studies about them, which may lead to studies going round in circles. Another alternative which may allow to have access to other level of perception, is that studying negotiation process should not only be focused on the business person but also on the duo, the trio if not the team that is made up of the “main” negotiator, the interpreter, any additional intermediate negotiator, local or not.

### **6.3 Suggestions for further studies**

The limitations specific to this small-scale study are obvious, they are due to the size of the sample, methodological and theoretical choices such as a stronger emphasis on cultural factors. Nonetheless, even at lesser extent, it indirectly addresses the other issue of the complexity, limits and scope of intercultural communication research approaches. China is so vast and refers to an equally large diversity in terms of population (including overseas Chinese), cultures, language and physical environments, to name only a few. On one hand, the state of knowledge about doing business in China have changed and significantly grown in Finland and elsewhere, on the other hand, all these experiences and studies refer to individuals’ experiences and “lenses” at different years, in different business fields in different part of China. Therefore, any suggestion, predictive or prescriptive rapport report is constantly open to modifications or refinement based on individual’s experiences, perceptions and observations. If these capital of experience is not easily transferable from a person to another, it can nevertheless be shared and sustained and why not evolve toward an always more aware, enlightened and dynamic Finnish (business) culture about their Chinese (business) partners’ culture.

In that purpose studies including significant periods of observation and investigation on the ground, interview and video of key business actors and participants (i.e. interpreter, mediators...) in situation would be precious material. Some deeper knowledge of the specific region and the given field of action (i.e. product or service, degree of technicality, business actors, market and organization), through interviews, may allow to better understand, identify or take into account other factors. A joint study involving Chinese and Finnish researchers' or observers would also be an insightful contribution. A case-by-case approach is fundamental and the personality of the business actors' impact on situations are highly difficult to measure out but cannot be ignored either. It would be also interesting, if such a significant sample of interviewees could be gathered, to make a study involving Finnish business people having to a certain extent a Mandarin or Cantonese language proficiency level allowing them to have *a priori* a further understanding and insight on their perceptions, their counterparts, the negotiation process and content.

Table 4 underlines the assertion that the development of cultural sensitivity is not only closely related to an accumulation of experiences or the integration and use of diverse type of knowledge, but also to an essential variable, namely time. If time is an underestimated variable in the target, result oriented Finnish or Western companies it seems that it is also absent, not enough emphasized or assigned to a place of insignificance in most of the studies addressing intercultural business communication between China and Western countries. If time in terms of duration of stay, length of experience, of operation and process is not taken into account or more thoroughly presented through a time/phase scale when reporting other business individual or group interactions, consequently a part of these experiences and somehow part of the drawn conclusion and obtained results remain somehow decontextualized. This is of importance from a human resource standpoint. Indeed, it has implication for the preparation, the selection and the follow-up on the future cross cultural business actors (see Shapiro et al., 2008). Prior and while entering business relationships with Chinese business people, workers would be provided with a more realistic and somehow demystified view of doing business with their new partners and co-workers. The numerous general audience publications on doing

business with Chinese partners and cross cultural business culture theoretical knowledge do not prevent critical incidents, culture shocks and/or disappointment and may even, in certain cases, foster prejudices or focus on somehow caricatured or overemphasized cultural differences. Integrating, at the light of the current (cross) cultural knowledge, that an individual working more or less in immersion, in a given (business) culture environment will have the possibilities to pass through phases of learning while developing his own understanding and operating tools and will move across stages of cultural sensitivity development through time and sometimes demanding effort, is essential. It could make a difference in terms of perspective, and attenuate psychological distance and balance business actors' level of expectation. Finally taking into account that business actors are acquiring new knowledge, while juggling between different kinds of knowledge and that they may evolve toward broader intercultural communication competences and greater skills in managing diversity, it may also be possible to recognize the skills and competencies acquired by the worker beforehand and/or when he is back in his headquarter in Finland. It's also valid and interesting to consider that on the other business partners' side, business actors are similarly developing their cultural sensitivity and are subject to a learning process, whatever its specificities and modalities. Further exploring this knowledge and its nature would give a further insight into the way it is assimilated, acquired and applied (see Shapiro et al., 2008), which would be a practical and further contribution to intercultural communication training designs.

It is a fact that a typical characterization and generalizations about Finnish business people perceptions and business experience in China are impossible; it is also true concerning the Chinese key personnel and business people. Most interesting is that it appears that some similar results (i.e time management, business relationship development features) have been found in other studies and publications which focus on business between Finland and other countries than China (Vaahterikko 2006, Isotalus 2002, Kumar and Worn 2003) but also on other countries than Finland, which are also doing business with Asian countries (Kim and Paulk 1994, Goldman 1994, Ams 2008). It means that although there are commonalities between countries, cultural and geographical

areas, certain variables seem to not be only related to given national cultures and/or to specific business interaction, relationships between specific countries. In that case, the research reviews need to be broadened and compared, variables and its presentation need to be refined and discussed under different angles, which is far beyond the scope of this small-scale study. It would be a precious complementary insight to investigate how and to what extent certain cultural patterns features and variable could be also examined by taking into account the course or phase of a country or a geographical area's historical, socio-economical and political development.

## BIBLIOGRAPHY

- Adler, Nancy J. (1997). *International dimensions of organizational behaviour*. 3<sup>rd</sup> ed. Cincinnati: South-Western College.
- Alasuutari, P. (1995). *Researching culture: qualitative method and cultural studies*. London: Sage.
- Alon, I. (2003). *Chinese Culture Organizational Behaviour and International Business Management*. Westport: Praeger.
- Ams, B. (2008). *Les nouvelles pratiques du business en Chine*. Maxima Laurent du Mesnil Editeur.
- Anderson, J.A. (1996). Thinking qualitatively: Hermeneutics in sciences. In M.B. Salwen & D.W. Stacks (Eds), *An integrated approach to communication theory and research* (pp. 45-49). Mahwah, NJ: Erlbaum
- Arifon, O. and P. Ricaud. (2005). L'art du décentrement, ou comment la sinologie de Francois Jullien éclaire la médiation culturelle. In: Chartier, P. and Marchaise, T. (eds.), *Chine/Europe: Percussions dans la pensée*. Paris, Presses Universitaires de France, 111-128.
- Baker, C. (1997). Membership Categorization and Interview Accounts. In: Silverman, D. (ed.), *Qualitative Research: Theory, Method and Practice*. Thousand Oaks, CA: Sage, 130-143.
- Banks, S. and Banks, A. (1991) Translation as Problematic Discourses in Organizations. *Journal of Applied Communication Research*, 223-241.
- Barna, L. (1997). Stumbling Blocks in Intercultural Communication. In L.A. Samovar, and R.E. Porter (Eds.), *Intercultural Communication: A Reader*. 8<sup>th</sup> ed. Belmont, CA: Wadsworth.
- Baskerville, R, F. (2003). Hofstede never studied culture. *Accounting, organization and society*, 28 (1), 1-14.
- Beck, A. (1988). *Love is never enough*. New York: Harper and Row.
- Berg, B. L. (2001). *Qualitative Research Methods for the Social Sciences*. 4<sup>th</sup> ed. Boston: Allyn and Bacon.
- Boisot, M. and J. Child 1986. 'From Fiefs to Clans and Network Capitalism: Explaining China's Emerging Economic Order'. *Administrative Science Quarterly* 41: 600-28.
- Bond, M.H. (1994). *Beyond the Chinese Face: Insights from Psychology*. Hong Kong: Oxford University Press.

Bond, M. H, and K. K. Hwang (1986). The social psychology of Chinese people. In: M. Bond (Ed). *The Psychology of the Chinese People*. Hong Kong: Oxford University Press, 213–266.

Brislin, W. And C. H. Hui (1993). The preparation of managers for overseas assignments. In: L. Kelley and O. Shenkar (Eds.) *International Business in China*. London: Routledge, 233-258.

Burgoon, J. K. (1995). Cross-Cultural and Intercultural Applications of Expectancy Violations. In: R.L. Wiseman (ed.) *Intercultural Communication Theory*. Thousand Oaks, CA: Sage, 194-214.

Burgoon, J. K. and A. S. Ebesu Hubbard (2005). Cross-cultural and Intercultural Applications of Expectancy Violations Theory and Interaction Adaptation Theory. In W.B. Gudykunst (ed.). *Theorizing about Intercultural Communication*. Thousand Oaks, CA: Sage, 149-171.

Byrne, Bridget (2004) Qualitative Interviewing. In: Clive Seale (ed.). *Researching Society and Culture*. London: Sage Publications

Chang, H. C. (2008). Language and words: communication in the Analects of Confucius. In M.K. Asante, Y. Miike and J. Yin (eds.). *The global intercultural reader*. New York: Routledge, 95-112.

Chen, G. & Starosta, W. (1998). *Foundations of intercultural communication*. Lanham, Maryland: University Press of America.

Chen, G. & Starosta, W. J. (1998). Intercultural communication competence: a synthesis. In B. R. Burleson, ed. *Communication Yearbook 19*. Thousand Oaks, CA: Sage, 353-383.

Chen, G. M. & W. J. Starosta, W. (2005). *Foundations of intercultural communication*. Lanham, MD: University Press of America.

Chen, L. (2002). Communication in Intercultural Relationships. In W. B. Gudykunst & B. Mody (Eds.) *Handbook of International and Intercultural Communication*. 2<sup>nd</sup> ed. Thousand Oaks, CA: Sage, 224-258.

Cheng, A. et J.P. Tonnac (2007). *La pensée en Chine aujourd'hui*. Paris: Gallimard, collection Folio essais.

Creswell, J. W. (1998). *Qualitative Inquiry and Research Design: Choosing Among Five Traditions*. Thousand Oaks : Sage.

Cross, S.E. (1995) Self-construal, coping, and stress in cross-cultural adaptation, *Journal of Cross-cultural psychology*, 26(6), 673-697.

- Cuche, D. (1996). *La notion de culture dans les sciences sociales*. Repères 205. Paris : La Découverte.
- Czarniawska, B. (2004). *Narratives in Social Science Research*. London: Sage.
- Descola, P. (Speaker) and Paoli, S. (Producer). (12 Feb. 2012). *3D Le journal: La civilisation et le célibat des prêtres* [Radio program]. Podcast retrieved from <http://www.franceinter.fr/emission-3d-le-journal-la-civilisation-et-le-celibat-des-pretres>. Radio France Inter.
- Duran, R. (1983). Communicative adaptability. *Communication Quarterly*, 31, 230-236.
- Eagly, A., & Chaiken, S. (1993). *Psychology of Attitudes*. NY: Harcourt, Brace Jovanovich.
- Fang, T. (1999). *Chinese Business Negotiating Style*. Thousand Oaks, CA: Sage.
- Fang, T. (2003). A critique of Hofstede's Fifth National Dimension. *International Journal of Cross-cultural management*, 3 (3), 347-368.
- Fang, T., V. Worm, and R. L. Tung (2007). Changing success and failure factors in business negotiations with the PRC. *International Business Review* 17 (2008), 159-169.
- Faure, G.O, Y. Ding. Chinese culture and negotiation: strategies for handling stalemates. In Alon, I. (2003). *Chinese Culture Organizational Behaviour and International Business Management*. Westport: Praeger, 85-98.
- Flanagan, J. C. (1954). The critical incident technique. *Psychological Bulletin*, 51, 4, 327-359.
- Frey, L.R., Botan, H.B., Friedman, C.H. and Kreps, G.L. (2000). *Investigating Communication: An introduction to Research Methods*. Englewood Cliffs, NJ: Prentice Hall
- Gill, Michael J. (2003) Biased against "Them" more than "Him": Stereotype Use In Group-directed and Individual-directed Judgments. In: *Social Cognition* 21, 5:321-348.
- Gao, G. and S. Ting-Toomey (1998). *Communicating Effectively with the Chinese*. Thousand Oaks: Sage.
- Goldman, A (1994). Communication in Japanese multinational organizations. In R.L. Wiseman & R. Shuter (Eds.) *Communicating in Multinational Organizations*. Thousand Oaks: Sage, 45-74.
- Gore, K. (2007). *Networking Cultural Knowledge*. Helsinki: WSOY

Greene, J.O. and B.R. Burlison (eds.) (2003). *Handbook of Communication and Social Interaction Skills*. New York: Lawrence Erlbaum Associates.

Gudykunst, W.B. (1995) Anxiety/Uncertainty Management Theory: Current Status. In: R. L. Wiseman (Ed.), *Intercultural Communication Theory*. Thousand Oaks, CA: Sage, 8-58.

Gudykunst, W.B. (Ed.) (2003). *Cross-Cultural and Intercultural Communication*. Thousand Oaks, CA: Sage.

Gudykunst, W.B. (Ed.) (2005). *Theorizing about Intercultural Communication*. Thousand Oaks, CA: Sage.

Gudykunst, W.B. and Young Yun Kim (1984). *Communicating with Strangers*. Reading, MA : Addison-Wesley.

Gudykunst, W.B. and Young Yun Kim (1997). *Communicating with Strangers: an approach to intercultural communication*. 3<sup>rd</sup> ed. New York: Mac Graw Hill.

Gudykunst, W.B. and Young Yun Kim (2003). *Communicating with Strangers: an approach to intercultural communication*. 4<sup>th</sup> ed. New York: Mac Graw Hill.

Hall, E. T. (1959). *The silent language*. New York: Doubleday.

Hall, E. T. (1976). *Beyond culture*. New York: Doubleday.

Hall, E. T. (1994). Monochronic and polychronic time. In L.A. Samovar, and R.E. Porter (Eds.), *Intercultural Communication: A Reader*. Belmont, CA: Wadsworth, 264-271.

Hammer, M.R. (2005). The intercultural Conflict Style Inventory: A conceptual framework and measure of intercultural conflict resolution approaches. *International Journal of Intercultural Relations*, 29, 675-695.

Hammersley, M. (1992) *What's Wrong With Ethnography? – Methodological explorations*. London: Routledge.

Hofstede, G. H. (1991). *Cultures and Organizations: Software of the Mind*. New York: Mc Graw-Hill.

Hofstede, G. H. (2001). *Culture's consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations*. Thousand Oaks: Sage.

Holstein, J.A. and J.F. Gubrium (1997). Active interviewing. In: Silverman, D. (ed.), *Qualitative Research: Theory, Method and Practice*. Thousand Oaks, CA: Sage, 113-129.

Holstius, K. - Salminen, H. (1995). *Kiina-Projekti: kiinalainen mosaiikki-suomalaisten liikesuhteiden syntyyn ja kehitykseen Vakuttavia Tekijöitä*. Publications of the Turku School of Economics and Business Administration. Discussion and Working Papers 3:1995: Turku

House, J. 2001 April. A stateless language that Europe must embrace. *Guardian Newspapers*. [www.guardian.co.uk/education](http://www.guardian.co.uk/education) [Date accessed 19.04.2001]

Isotalus, E. (2002). *Critical success factors of Finnish-Mexican interpersonal communication in business context*. Master's Thesis. Department of communication. University of Jyväskylä.

Jablin, F.M. and L.L. Putnam (2001). *The new handbook of Organizational Communication: Advances in Theories, Research, and Methods*. Thousand Oaks: Sage

Jandt, F.E. (1995). Culture's influence on perception. In: Jandt F.E, *Intercultural Communication: An Introduction*. Thousand Oaks: Sage, 133-146.

Jandt, F.E. (2001). *Intercultural Communication: An Introduction*. Third ed. Thousand Oaks: Sage

Kelly, W. (2008). Applying a critical metatheoretical approach to intercultural relations: The case of U.S.-Japanese communication. In: Asante, M. K., Miike, Y. and J. Yin (eds.). *The Global Intercultural Communication Reader*. NY: Routledge, 263-280.

Jullien, F. (2005). *Conférence sur l'efficacité*. Paris: Presse Universitaire de France.

Kaislaniemi, I. (2003). *Suomalainen silkkitie: Suomalaisyriyten kokemuksia selviytymisestä Kiinassa*. Helsinki: Sitra-Tekes-Finpro raportti.

Kervinen, L. 2009 July. Kiinan kauppavaltuuskunnan vierailu toi maiden yritykset yhteen. *Helsingin Sanomat* [11.07.09].

Kauhanen, T. (1996). *Kiina markkina-alueena..* Helsinki: Fintra-julkaisu no3.

Kim, M. S. (2002). *Non-western perspectives on human communication: implication for theory and practice*. Thousand Oaks: Sage.

Kim, Y. (1995). Cross-Cultural Adaptation: An Integrative Theory. In R.L. Wiseman (Ed.) *Intercultural Communication Theory*. Thousand Oaks: Sage, 171-193.

Kim, Y. and S. Paulk (1994). *Intercultural Challenges and Personal Adjustments: A Qualitative Analysis of the Experience of American and*

Japanese Co-Workers. In R.L. Wiseman & R. Shuter (Eds.) *Communicating in Multinational Organizations*. Thousand Oaks: Sage, 117-140.

Kim, M. S. (1993). Culture based interactive constraints in explaining intercultural strategic competences. In R.L. Wiseman & J. Koester (Eds.) *Intercultural communication competence*. Newbury Park, CA: Sage, 132-149.

Koivisto J.V. and M. Lampinen (2001). Crossing National and Corporate Cultures: In depth analysis of the Cross-cultural organization in the integration of a Finnish firm's acquisitions case in Hong Kong. Helsinki: Helsinki School of Economics, working papers W-288.

Kolmonen, J. (2006) *Challenges and possible solutions of governing social relations: a study of Finnish companies operating in reforming China*. Helsinki: Helsinki School of Economics

Krippendorff, K.(2004). *Content Analysis: An Introduction to Its Methodology*. 2<sup>nd</sup> ed. Thousand Oaks: Sage.

Kumar, R. and W. Worm (2003). Process Ambiguities in Sino-Danish Business Negotiations. *The Copenhagen Journal of Asian Studies*, 18, 5-22.

Kumar, R. and W. Worm (2002) *Social capital and the dynamic of business negotiations between the northern Europeans and the Chinese*. Denmark, Aarhus: Aarhus School of Business, working papers 02-3.

Kumar, R. 1999. 'A Script Theoretical Analysis of International Negotiating Behavior'. *Research on Negotiation in Organizations* 7: 285-311.

Lassere, P. and H. Shütte (2006). *Strategies for Asia Pacific: Beyond the crisis*. second ed. New York: NYU Press.

Lampinen, M. (2001). *Cross-cultural management communication: Finnish companies in H.K.* Helsinki: Helsinki School of Economics.

Lehtonen, J. (2005). Stereotypes and Collective Identification. In: D. Petkova and J. Lehtonen (Eds.), *Cultural Identity in an Intercultural context*. Finland, Jyväskylä: University of Jyväskylä. Publication of the Department of Communication, 61-85.

Leung, K. (2006). The rise of East Asia: Implications for research on cultural variations and globalization *Journal of International Management* 12 ( 2), 235-241.

Lin, Y. 1989 [1936]. *My Country and My People*. Singapore: Heinemann Asia.

Lowe, S. (2003) *Chinese culture and Management Theory*. In Alon, I. (ed.), *Chinese culture, Organizational Behavior and International Business Management*. US, Westport: Praeger, 3-26.

- Lustig, M.W. and J. Koester (2003). *Intercultural competence: Interpersonal Communication Across Cultures*. 4<sup>th</sup> ed. New York: Allyn and Bacon.
- Lustig, M.W. and J. Koester (2006). *Intercultural competence: Interpersonal Communication Across Cultures*. 5<sup>th</sup> ed. New York: Allyn and Bacon.
- Mc Sweeney, B. (2002). Hofstede's model of national cultural differences and their consequences: A triumph of faith- a failure of analysis. *Human relations*, 55 (1), 89,118.
- Macdonald, S and B, Hellgren (2004). The Interview in International Business Research: Problems we would rather not talk about. In: Marshan-Piekkari, R. and C. Welch (eds.) *Handbook of Qualitative Research Methods for International Business*. Cheltenham: Edward Elgar Publishing, 264-281.
- Martin, J. N. and T. K. Nakayama (2008). Thinking dialectically about Culture and Communication. In: Asante, M. K., Miike, Y. and J. Yin (eds.). *The Global Intercultural Communication Reader*. NY: Routledge, 83-94.
- Maruyama, M. 1982. Four different causal metatypes in biological and social sciences. *III Self-organization and dissipative structures: Applications in the physical and social sciences*, ed. W. C. Schieve and P. M. Allen. Austin: University of Texas Press.
- Moilanen, J. (1997). *Guanxi: liiketoiminta kulttuurialueella*. Finland, Tampere: Bamoral Trade Service.
- Murphey, R. (2004). *East Asia: A New History*. 3<sup>rd</sup> ed. New York: Pearson Longman.
- Nojonen, M. (2007). *Guanxi: The Chinese Third Arm*. Helsinki: Helsinki School of Economics.
- Olsen, M. (1978). *The Process of Social Organization: Power in Social Systems*. Second Edition. New York: Holt, Rinehart and Winston.
- Peng, M. 2000. *Business Strategies in Transition Economies*. London: Sage.
- Perlitz, M, and F. Seger (2004) European cultures and management styles. *International Journal of Asian Management*, 3: 1-26
- Porter, M. E. (1996). What is strategy? *Harvard Business Review*, November-December, pp. 61-78.
- Pye, L.W. (1982). *Chinese Commercial Negotiating Style*. Oelgeschlager, Gunn & Hain.

Query, J. L., and Kreps, G. L. (1993). Using the critical incident method to evaluate and enhance organizational effectiveness. In S. L. Herndon & G. L. Kreps (Eds.), *Qualitative research: Applications in organizational communication* (pp. 63–77). Cresskill, NJ: Hampton.

Ralston, D. A, C. P. Egri, S. Stewart, R. H. Terpstra and Kaicheng, Y. (1999) Doing Business in the 21<sup>st</sup> Century with the New Generation of Chinese Managers: A Study of Generational Shifts in Work Values in China. *Journal of International Business Studies*, 2<sup>nd</sup> Quarter, 30, 2.

Ralston, D. A, Holt D. H, Terpstra, R. H, Kai-Cheng, Y. (2008) The impact of national culture and economic ideology on managerial work values: a study of the United States, Russia, Japan, and China. *Journal of International Business Studies* 39, 8–26.

Ramström, J. (2005). *West meet East: A study of Cross-institutional Business Relationship between Finnish/Swedish and overseas Chinese Firms*. Åbo: Åbo Akademi University Press.

Rokeach M. (1960). *The open and closed mind: investigations into the nature of belief systems and personality systems*. New York: Basic Books.

Rokeach, M. and Ball-Rokeach S. J. (1989). Stability and change in American values, 1969-1981. *American Psychologist*, 44: 775-784.

Sallinen-Kuparinen, A. (1986). Finnish communication reticence: perception and self reported behavior. *Studia philologica Jyväskyläensia* 19., University of Jyväskylä.

Salo-Lee, L. (1994). Suomalaiset ja kiinalaiset viestijöinä/vahvuuksia ja ongelma-alueita. In P. Isotalus (ed.), *Puheesta ja vuorovaikutuksesta*. Jyväskylä, Finland: University of Jyväskylä, 103-114.

Samovar, L.A. and Porter, R.E. (eds.) (1991), *Intercultural Communication: A Reader*. 8<sup>th</sup> Ed. Belmont, CA: Wadsworth.

Samovar, L.A. and R.E. Porter. (1997). An introduction to Intercultural Communication. In: Samovar, L.A. and Porter, R.E. (eds.), *Intercultural Communication: A Reader*. 8<sup>th</sup> Ed. Belmont, Calif.: Wadsworth, 5-26.

Samovar, L.A., R.E. Porter and E.R. McDaniel. (2007). *Communication between cultures*. 7<sup>th</sup> Ed. MA.: Wadsworth.

Schwartz, S. H. (2006) A theory of Cultural Value Orientations: Explication and Applications. *Comparative Sociology*, 5 (2-3), 138.

Shapiro, J.M, J.L. Ozanne and B. Saatcioglu (2008). An interpretive examination of the development of cultural sensitivity in international business. *Journal of international business studies*, 39, 71-87.

Shi, X. and P. C. Wright (2003). The potential impacts of national feelings on international business negotiations: a study in China context. *International Business review*, 12, 311-328.

Shi, X and R. Westwood 2000. 'International Business Negotiation in the Chinese Context'. In J. T. Li, A. Tsui and E. Weldon (eds) *Management and Organizations in the Chinese Context*. London: Macmillan.

Silverman, D. (2000). *Doing Qualitative Research: A Practical Handbook*. Thousand Oaks, CA: Sage.

Singer, M. R. (1998). *Perception and Identity in Intercultural Communication*. Yarmouth: Intercultural Press.

Siira, K., Rogan, R. G. and J. A. Hall (2004). "A spoken word is an arrow shot": A comparison of Finnish and U.S. Conflict management and face maintenance. *Journal of Intercultural Communication Research*, vol.33, No 2, 89-102.

Spangle, L. M. and M.W. Isenhardt (2003). *Negotiation: Communication for Diverse settings*. Thousand Oaks: Sage.

Spitzberg, B.H. and W.R. Cupach (1984). *Interpersonal Communication Competence*. London: Sage.

Ting-Toomey, S. (1994). Managing intercultural conflicts effectively. In L. Samovar, & R. Porter (Eds.), *Intercultural communication: A reader* (pp. 360-372). Belmont, CA:Wadsworth.

Ting-Toomey, Stella and Ge Gao (1998). *Communicating Effectively with the Chinese*. Thousand Oaks, CA: Sage.

Ting-Toomey, Stella (1999). *Communicating Across Cultures*. New York: Guilford Press.

Triandis H. (1988). Collectivism and Individualism: A reconceptualization of a basic concept in cross cultural psychology. In: C. Bagley & G.Verma (Eds.), *Cross-cultural studies of personality, attitudes, and cognition*. London: Macmillan, 60-95.

Trompenaars, Fons and Charles Hampden-Turner (1993). *Riding the Waves of Cultures: Understanding Cultural Diversity in Business*. 2<sup>nd</sup> ed. London: Nicholas Brealey.

Usunier, J. (1996) Cultural Aspect of International Business Negotiations. In P.Ghauri & J. Usunier (eds.), *International business negotiations* (pp. 93-118). Oxford, UK: Pergamon

Vaahterikko-Meijia, P. (2001). *Cultural Differences in Ibero-Nordic Communication*. Finland, Jyväskylä: University of Jyväskylä.

- Vandermeersch, L. (2004). *Le nouveau monde sinisé*. 2<sup>nd</sup> ed. Paris: You Feng.
- Van Maanen, J., (1983), (ed.) *Qualitative Methodology*, Beverley Hills, Sage.
- Vatanen, A. (2003). *Leader-follower relations in an intercultural Chinese context: personal, interpersonal and behavioural influences and impact on work contribution*. Helsinki: Swedish School of Economics.
- Vihakara, A. (2006). *Patience and Understanding: A Narrativ approach to managerial Communication in a Sino-Finnish Joint venture*. Turku: Publications of the Turku School of Economics and Business Administration.
- Victor, D.A. (1992). *International Business Communication*. New York: Harper Collins.
- Weisz, J.R., Rothbaum, F.M. and Blackburn, T.C. (1984). Standing out and standing in: The psychology of control in America and Japan. *American Psychologist*, 39, 955-969.
- Worm, V. (1995). *Nordics Business Men's Perception of the chinese as business partners: Reasons, Consequences and Remedies*. Working papers from the Institute of International Economics and Management. Copenhagen Business School.
- Worm, V. (1997). *Vikings and Mandarins: Sino scandinavian Business Cooperation in Cross Cultural Settings*. Copenhagen: Munksgaard
- Yum, J. O. (1988). The impact of Confucianism on Interpersonal Relationships and Communication in East Asia, *Communication Monographs*, 55 (dec), 374-388.
- Zufferey, N. (2007). De Confucius au romancier Jin Yong. In: Cheng, A. et J.P. Tonnac. *La pensée en Chine aujourd'hui*. Paris: Gallimard, collection Folio essais, 75-102.

## APPENDICES

**Appendix 1:** Interview structure and themes

**Appendix 2:** List of challenging aspects when working with Chinese business partners and key personnel.

**Appendix 3:** List of self-adjustment strategies and recommendations

## Appendix 1: Interview structure and themes

- ❖ The Finnish business interviewee's former experiences, in relation to China or otherwise, as well as his/her company activities.
- ❖ The kinds of situations/activities/projects they were involved in, alongside Chinese business partners and key personnel.
- ❖ The kinds of actors they met, how frequently they met them and the duration of their meetings.
- ❖ General perceptions of the main organizations' Chinese representatives that they had to deal with.
- ❖ How they sought information about their partner and about Chinese (business) culture.
- ❖ Their view about Chinese ways of networking or what is more commonly referred to as "*guanxi*".
- ❖ Perceptions of their Chinese team and/or colleagues work and communication styles.
- ❖ Perceived cultural differences when communicating with Chinese.
- ❖ Challenging experiences when working and/or dealing with Chinese business partners and key personnel.
- ❖ The sources of misunderstanding which were, according to them, due to cultural differences.
- ❖ Questions about language issues.
- ❖ Finnish interviewees' adjustment strategies and problem solving approaches.
- ❖ When being confronted with uncertainty, unclear issues or misunderstandings, what they did to prevent or clarify the situation and the methods they used.
- ❖ What they think about their partners' efficiency or problem solving approaches.
- ❖ The attributes (skills, attitudes, behaviors) they found the most important for dealing with potential or actual Chinese actors and organizations.

- ❖ The way their communication with Chinese co-workers and business partners evolved with time.
- ❖ How communication over time changed the effect of initial (cultural) differences and/or divergences.
- ❖ Perceived similarities with their Chinese counterparts.
- ❖ Strengths of their Chinese business partners and co-workers and how they believe these should be developed.
- ❖ Their experiences as a possible learning opportunity.
- ❖ Impact of their experiences on their professional practice.
- ❖ How they would describe their way of doing business. Their view about Finnish style(s) of doing business (if differences exist).
- ❖ Their recommendations to Finnish business actors or colleagues who plan to work with Chinese.

**Appendix 2:** List of challenging aspects when working with Chinese business partners and key personnel.

<i>Category</i>	<i>Reported by Finnish business actors</i>
<b><i>Language and communication behavior</i></b>	
<b>Language</b>	<ul style="list-style-type: none"> <li>❖ Inadequate English language skills.</li> <li>❖ Misunderstandings related to terminology (trade and technical terms).</li> </ul>
<b>Verbal/ nonverbal behavior</b>	<ul style="list-style-type: none"> <li>❖ Difficulty and trouble in understanding and identifying more expressive or dramatic behaviors' meanings (in addition to not understanding Chinese language).</li> <li>❖ Do not express openly their opinion.</li> <li>❖ Express themselves in a too indirect way, too many hidden messages.</li> <li>❖ They do not challenge or question decisions.</li> <li>❖ Talkative, not to the point.</li> <li>❖ Lack of clarity.</li> </ul>
<b>Communication during negotiations</b>	<ul style="list-style-type: none"> <li>❖ Asking for a lot of additional information and especially concrete examples.</li> <li>❖ Tactics related to complaining. Manipulation, Misleading discussions.</li> <li>❖ Tactic of lying by omission, not telling entire truth, having a secret agenda.</li> <li>❖ Ambiguity, lack of transparency in their discourses, not stating clearly their own position, purpose or goal.</li> <li>❖ Lack of flexibility and openness in implementing new techniques or working methods are proposed.</li> </ul>

<p><b>Communication channel</b></p>	<ul style="list-style-type: none"> <li>❖ Reliance on written communication (i.e. minutes and bureaucratic procedures).</li> <li>❖ Priority to face-to-face communication.</li> <li>❖ Maintaining continuous link and exchange between the Finnish higher management and the Chinese middle one.</li> </ul>
<p><i>Work style/orientation</i></p>	
<p><b>Work performance</b></p>	<ul style="list-style-type: none"> <li>❖ Need for specific job assignment and detailed instructions.</li> <li>❖ Trusting more on (human) “muscle power” and number than in tools.</li> </ul>
<p><b>Work competence</b></p>	<ul style="list-style-type: none"> <li>❖ Do not take initiative and lack of assertiveness</li> <li>❖ Do not make decisions.</li> <li>❖ Chinese over 40-50 years old lack of appropriate business skills by lack of proper education/ training.</li> <li>❖ Not looking forward, short term view.</li> <li>❖ Lack of organization.</li> <li>❖ Local way of handling matters differs from international business standards.</li> <li>❖ Lack of international preparedness.</li> <li>❖ Low tolerance for their own working mistakes.</li> </ul>
<p><b>Trust, company knowledge, value and loyalty</b></p>	<ul style="list-style-type: none"> <li>❖ Lack of understanding and support for company philosophy.</li> <li>❖ Issue of trust between Chinese and Finnish business partners and co-workers. Finding trustful partners and co-workers.</li> <li>❖ Some executives are reluctant to adopt Finnish/Western management practices (Finnish branch in China).</li> </ul>

<p><b>Information transmission and accessibility</b></p>	<ul style="list-style-type: none"> <li>❖ Difficulty in obtaining statistics and information about Chinese companies or markets. Difficulties in assessing information credibility or usability.</li> <li>❖ Not-open or explicit dissemination of information when encountering malfunctions or obstacles (i.e. technical problems, errors in factories...)</li> <li>❖ When Chinese employees face a problem related to their work, they do not report it to management.</li> </ul>
<p><i>Management style/Orientation</i></p>	
<p><b>Hierarchy</b></p>	<ul style="list-style-type: none"> <li>❖ Difficult to know the order of the hierarchy and connections (vertically and horizontally) on the Chinese partner's side (i.e. within organizations).</li> <li>❖ Difficulties in identifying all the participants around a negotiation table.</li> <li>❖ Concerns related to status</li> <li>❖ Difficulty in obtaining feedback or follow-ups due to hierarchical reasons</li> <li>❖ Responsibilities are too concentrated</li> </ul>
<p><b>Decision making</b></p>	<ul style="list-style-type: none"> <li>❖ Very lengthy decision making process contrasting with very short term notice once a decision is made</li> <li>❖ Time-consuming negotiation sessions</li> <li>❖ Difficulties in knowing who is the decision maker</li> <li>❖ Continuous changes to contract terms</li> <li>❖ Lack of flexibility and compromise</li> </ul>

### Appendix 3: List of self-adjustment strategies and recommendations

<i>Finnish business actors' self adjustment strategies</i>
<i>Cognitive strategies</i>
<ul style="list-style-type: none"><li>❖ Reading about Chinese culture, understanding their society and the way it functions.</li><li>❖ Learn about informal cultural knowledge, learn about unwritten rules.</li><li>❖ Acquire conversational topics for building relationships. Having conversations about Chinese and Finnish culture is a good start when being at restaurants and other more informal place and occasions.</li><li>❖ Observing in order to have a better understanding of “how things work.”</li><li>❖ When observing new or different situations or scenes, compare them to your own culture; find differences but also commonalities and equivalences maybe useful.</li><li>❖ To a certain extent, make connections or reflections on your former experience(s) in other countries.</li><li>❖ Try to learn and speak Chinese, even at an elementary level.</li><li>❖ Read between the lines as you would do in your own country</li><li>❖ Develop your listening skills, listen actively to your counterpart's point of view.</li><li>❖ Identify values which are important to both parts in a given negotiation</li><li>❖ Identify and acknowledge other ways to proceed and operate other than one's own.</li><li>❖ Identifying who has the most influence within groups of colleagues, employees or negotiators (leaders, mentors...)</li></ul>

## *Finnish business actors' self adjustment strategies*

### *Affective strategies*

- ❖ Be patient
- ❖ Respect differences
- ❖ Accept that a situation may progress step by step, don't try to obtain everything at once (problem solving, negotiations process, meeting deadlines...)
- ❖ When building, presenting a product or negotiating, also be focused on communication processes and not only on technical issues and immediate outcomes.
- ❖ Know one's own shortcomings and accept them
- ❖ In challenging situations, try to avoid making hasty conclusions, keep and maintain a positive outlook. See them from other perspectives.
- ❖ Be humble, avoid arrogance and a complaining mindset.
- ❖ Be open-minded and expect differences.
- ❖ Be curious, willing to learn and understand. Show interest in your partner's culture.
- ❖ Take time and give time to relationship building.
- ❖ Personalize your communication style and your message.
- ❖ Develop trustful relationships with your Chinese colleagues
- ❖ Respect and take into account seniority

## *Finnish business actors' self adjustment strategies*

### *Behavioral strategies*

- ❖ Speak slowly and enunciate clearly. Give time to people to follow up your message.
- ❖ Repeat messages. Find examples, comparisons and different ways of explaining the same thing
- ❖ Use simpler words and sentences
- ❖ Use visual forms of communication (i.e. schema)
- ❖ Use written forms of communication (i.e. task listing)
- ❖ Prioritize face to face communication
- ❖ Keep contact with customers by visiting them on a “regular basis”
- ❖ Encourage Chinese co-workers to express their opinion and give them responsibilities
- ❖ Learn language and culture by asking and discussing it with co-workers.
- ❖ Stressing one's own know how and its benefits rather than being too focused on international (business) standards.
- ❖ Use written documents to clarify and confirm contract terms, and especially meeting outcomes. Issue negotiation meeting minutes systematically.
- ❖ Prepare your meetings very well.
- ❖ Clarify the meanings of words used regularly within your working team (Chinese and Finnish)
- ❖ When possible use your partners' terminology
- ❖ Surround yourself with a competent and trustworthy team.
- ❖ Build your own network.
- ❖ Diversify your circle of acquaintances (not only Finnish) and listen to others' experiences in China
- ❖ Be sensitive to concerns relating to status. Initiate main negotiations, discussions or any meeting between people with the same hierarchical status.
- ❖ Technology arguments are not the only focus, commercial settings and beginnings should be emphasized when negotiating
- ❖ Initiate the main negotiations, discussions or any meetings between people with the same hierarchical status. Be sensitive to status concerns
- ❖ Be less direct and find more diplomatic ways to communicate when commenting or pointing out some aspects of your colleagues' work.