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Cultural impacts in international negotiation - negotiating with Norwegians

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Introduction

The global community and the interdependent relationships amongst its citizens is ever-growing, causing increased communication and trade across cultures. For Norway international organisations like the WTO (the World Trade Organisation), EU (European Union) and EFTA (the European Free Trade Organisation) and improvements in communication and transport contribute to constant cross-border developments. As an industrialised country Norway takes part in these forms of globalisation. International connections and relationships are established while negotiation is used as a dominant factor in the intercultural legal and business systems. Moreover negotiation as a dispute resolution option has been embraced by both Norway and the global community.

Domestic and international negotiations share many similarities, but important differences are also present. One important aspect, and difference, relates to culture as negotiation style is to a great extent determined by culture. Clashing cultures can create misunderstandings and difficult challenges for negotiating parties. Understanding cultural impacts is essential in achieving successful intercultural communication and negotiation, despite differences. Parties involved must therefore obtain an understanding and respect of cultures present. Without reflection and consideration of this aspect the negotiation process and outcome could end in failure.

The objective of this article is to examine the concept of culture, to review how Norwegian culture influences and determines negotiation processes and behaviours, and finally to give guidance on recommended approaches and behaviours in dealing with Norwegians.

International negotiation

Negotiation is defined by Carnevale and Pruitt (1992) as interaction and communication between parties trying to resolve perceived incompatible goals. Negotiation is applicable in different settings, but has core features applying across contexts:

- Parties have a conflict of interest over one or more different issues.
- Parties are engaged in communication designed to divide and exchange tangible or intangible resources.
- Compromises are possible.
- Parties make provisional offers and counteroffers to each other.
- Parties are temporarily joined together voluntarily, and their outcomes are determined jointly.1

The focus of this article is international negotiation regarding which Horacio Falcao states that, ‘people tend to only look at national culture when they go into international negotiations ... but there is also educational culture, race culture, gender culture, a religious culture. All of these also impact the way people behave and they are all cross-cultural’.2

Professor Falcao believes international negotiation contains elements of different types of cultures independent of nationality. Any negotiation, domestic or international, is intercultural or cross-cultural, the real issue concerns the extent to which...
negotiation is cross-cultural. An international negotiation is only more likely to contain elements of clashing cultures, compared to a domestic negotiation.

**Concept of culture**

**Culture**

The term culture can be applied in many contexts, but with different meanings associated. In a negotiation context it is common to define culture in terms of an identifiable group of people sharing the same values and beliefs. It is important to bear in mind that the values or beliefs are shared within subcultures. There are different types of subcultures, including educational culture, race culture, gender culture and religious culture.

According to Lewicki two important elements are common to most definitions of culture. First, culture is a group-level phenomenon in that a defined group of people shares the same values, beliefs and behavioural expectations. Secondly, cultural values, beliefs and behavioural expectations, ‘are learned and passed on to new members of the group’. As society develops subcultures evolve correspondingly.

The concept of culture is often understood as shared values or beliefs. A well-known example of stereotyping is Geert Hofstede’s research on cultural dimensions in international business. This involves conceptualising culture by understanding central values and norms. Based on these values and norms, a model is built indicating their influence on negotiation within that culture. An analysis of the research indicates four elements describing important themes; individualism/collectivism, power distance, masculine/feminine (assertiveness) and uncertainty avoidance.

The first level of prediction in communication and negotiation, especially in an intercultural negotiation setting, relies heavily on stereotyping. A well-known example of stereotyping is Geert Hofstede’s research on cultural dimensions in international business. This involves conceptualising culture by understanding central values and norms. Based on these values and norms, a model is built indicating their influence on negotiation within that culture. An analysis of the research indicates four elements describing important themes; individualism/collectivism, power distance, masculine/feminine (assertiveness) and uncertainty avoidance.

This approach is also called ‘culture as shared values’. By categorising and stereotyping different groups of people, international negotiators are provided with basic guidance on how to behave in an intercultural negotiation.

However conceptualising culture as shared values is not in itself sufficient as it does not take into consideration each individual’s uniqueness. This approach relies heavily on stereotyping negotiators. Not everybody shares the same values in the same extent in a particular culture. The characteristics of the individual must be considered when assessing the cultural impact on negotiation. Janosik (1987) identified...
dimensions, one can categorise a group of people and label them with certain features. However, the stereotype may be inaccurate or not applicable to a particular person. Categorising could lead to wrong assumptions about the individual. If the stereotype and the individual’s character do not correspond, the particular individual must be examined. Therefore when a stranger sits on the opposite side of the table, one must pay attention to the individual’s personal characteristics. This is the second component.

As a consequence intercultural negotiation requires increased awareness. Negotiators are likely to increase constructiveness and efficiency if open to adjusting their own approach and behaviour as information is gathered. By understanding the adversary, the negotiator can modify their own approach or reach a mutual understanding.

Situational and personal versus cultural factors

Every negotiation process and outcome is established by several different factors. Culture is an important factor, but it is only one part of the puzzle. Negotiators must be careful assigning cultural differences too much responsibility in cross-cultural negotiation. Even though the intercultural negotiator tends to suspect culture for a specific behaviour or style, cultural dimensions may not be the reason. It could be situational or personal factors. Overlooking situational factors in favour of cultural dimensions was labelled ‘the cultural attribution error’ by Dialdin, Kopelman, Adair, Brett, Okumura and Lytle (1999).

A good illustration is provided by Rubin and Sander. In a negotiation between two negotiators from very different cultures one of the negotiators makes a surprising and big concession. The question is what caused the concession, or this type of behaviour. One possibility is culture, but it could also be something about the particular dispute the negotiators are engaged in, the unique interaction created by the two parties working together, or the kind of person the negotiator is. Culture is only one possible reason and is on the same level as situational or personal factors. Cultural attribution errors could be destructive for the process. A negotiator will try to understand a surprising behaviour, and then respond. If the wrong reason is surmised, the response is based on wrong premises and further problems could occur.

Cultural impact on negotiation in Norway

Norwegian culture is used to exemplify how culture can influence and shape the negotiation process and behaviour with reference to two sources, Gert Hofstede’s research on cultural dimensions and Lewicki, Saunders and Barry’s 10 ways that culture can influence negotiation. Stereotyping the foreign negotiator can provide an insight into what to expect when negotiating with Norwegians. Being aware of basic differences helps the cross-cultural negotiator adopt a constructive and efficient process, rather than falling into cultural pitfalls. However, a categorisation of Norwegian culture can only be a starting point as the individual could differ from the stereotype.

Hofstede’s cultural dimensions

Individualism/collectivism

Hofstede describes the individualism/collectivism dimension as the extent to which ‘a society is organised around individuals or the group’. In individualistic cultures people are encouraged to be independent. Norms and institutions promote individuality and individuals set out high personal objectives reflecting their expectations. Even if an agreement is acceptable, individualists may reject it to seek better alternative agreements, focusing on short-term perspectives. In collectivist cultures, on the contrary, individuals feel responsibility and loyalty to their group. By focusing on social obligations, interdependence is promoted. Personal needs are sacrificed as the group will secure the individual. Collectivists focus on reliable long term relationships, securing the group over time.

Hofstede’s research indicates that Norway has a high individuality score.
which is implemented in its approach to negotiations. However, to obtain a complete understanding of the high score one must distinguish the individual from the political structure. As a well-developed state, with a recognised and functioning structure and social welfare system, Norway is a collectivist society displaying responsibility for its members. Structurally, collectivism is emphasised as a basic Norwegian value.

On the other hand Hofstede refers to the group and not the state in relation to the concept of individualism/collectivism. As an individual the Norwegian citizen feels no responsibility for the group, but rather relies upon the public in form of the state to take responsibility. The individual believes everybody has the same chance of success, independent of material wealth and social status. Each individual should take responsibility for their own life and career, with loose ties to others except for close family. Thus, Norway as a society embraces the attribute of collectivism, a safety net making it possible for negotiators to be individualistic. Society provides individuals with a basic platform, but it is up to individuals themselves to flourish and take action.

Norwegian negotiators are therefore judged by performance and results. Their reputation and career rely on performance rather than personal connections and status. As a consequence negotiators set out high personal goals to create pressure for themselves. Such a strategy is more likely to please the negotiator’s ‘tribe’ which expects its members to perform on the highest level.

Power/distance

The power/distance dimension involves the distribution of power among society’s citizens and how less powerful members accept and expect an unequal distribution of power. A culture’s social structure can be defined as flat (egalitarian), or ranked (hierarchical). In ranked cultures social status is equivalent to social power. Interpersonal relationships are vertical, with clear authority figures making decisions. Egalitarian cultures are the opposite with flat and democratic structures in which decision-making authority is shared.

Masculinity/femininity

Masculinity, versus femininity, is judged in terms of degrees of assertiveness. Hofstede found that, 'cultures differ in the extent to which they held values that promoted career success or quality of life'. A high degree of masculinity means the culture is strongly affected by masculine values such as competitiveness. A low degree of masculinity was indicative of cultures with a higher degree of feminine values. Feminine cultures involved more empathy and search for compromises.

In Hofstede’s model Norway is characterised as very feminine. Usually, Norwegian negotiators nurture consideration and collaboration rather than masculine values like competitiveness and problem-solving. Negotiators are seeking mutually beneficial outcomes. Issues are not defined as problems but as joint challenges.

Uncertainty/avoidance

The uncertainty/avoidance element can be described as the degree to which a culture’s members are comfortable with uncertain, ambiguous and unstructured situations. The uncertainty level can range from ‘rapid change and novelty’ to ‘stable and secure’. Negotiators from cultures with a high degree of uncertainty avoidance apply strict rules, safety nets and demands of guarantees to avoid unfamiliar situations. Negotiators tend to be more emotional as well. Societies with a low degree of uncertainty avoidance are less governed by rules and more open towards differentiating opinions and
Flexible solutions. Negotiators in such cultures are more withdrawn, not showing emotions.\textsuperscript{34} Norway has, according to Hofstede, a relatively low degree of uncertainty avoidance.\textsuperscript{35} This means Norwegian negotiators are usually able to adapt to foreign negotiation contexts and settings. They are open to flexible solutions, seeking alternatives. At the same time Norwegian negotiators are emotionally cold and lacking in nuance. They emit an image of calmness, their directness and honesty almost seeming brutal. However if the directness is likely to lead to conflict it can instead turn into consensus and compromise.\textsuperscript{36}

**Ten ways in which culture can influence negotiation**

**Definition of negotiation**

The basic definition of what is negotiable differs widely among cultures, from contract to relationship.\textsuperscript{37} Norwegian negotiators tend to view negotiation as purely about business. Business is normally separated from personal life. However, a lasting and trustful relationship is seen as important, but not a precondition, for initiating negotiation. Norwegian negotiators may step cautiously and be reserved, causing slow progress until trust is established. As trust is established, one can expect both loyalty and respect in return.\textsuperscript{38} Such features are valued by Norwegian negotiators because they create common ground should a difficult situation arise.

**Negotiation opportunity**

Cultures differ in viewing negotiation as a distributive bargaining process or an integrative process.\textsuperscript{39} Hofstede’s research indicated that Norway has a feminine culture characterised by a low power/distance and uncertainty/avoidance score, but with relatively high individualism. Based on this research Professor Rognes assumes that Norwegian negotiators are not suited to distributive bargaining, claiming Norwegian culture is more suitable for integrative negotiations.\textsuperscript{40}

**Selection of negotiators**

Cultures differ in the selection of negotiators. Criteria such as gender, age, status, experience, family connections, seniority and knowledge of subject matter are weighed differently, leading to different results and expectations.\textsuperscript{41} As Norway is an egalitarian society\textsuperscript{42} negotiators chosen are often individuals viewed as best suited to handle the negotiation, independent from subjective criteria as social status, age, gender and family connections. Usually objective criteria like experience with negotiations and knowledge of subject matter are valued. Such qualities are believed to create a negotiation platform more likely to lead to lucrative outcomes.

**Protocol**

The protocol criterion relates to a culture’s formality.\textsuperscript{43} Norwegian negotiation culture is relatively informal, at least compared to hierarchical cultures. It is normal etiquette to greet a stranger by using both first and family names, unless the person has an academic title. This is an introductive stage until the Norwegian negotiator is comfortable with the other’s presence and character.\textsuperscript{44} Norwegian negotiators will not let protocol stand in the way of an acceptable agreement, but
protocol is subject to interpretation, contributing to impressions about an adversary. A wrongly applied protocol can be interpreted as a lack of respect.

Communication

Communication is an essential part of negotiation. It can take place both verbally and by body language and both types are influenced by culture. Since each culture has its own communication style, misunderstandings can occur in intercultural negotiations. The negotiator risks insulting, provoking or embarrassing the other party. The negotiator also risks not being understood, being misunderstood or having their message not register at all.

Norwegians communicate mainly verbally, non-verbal communication such as body language being seen as inappropriate in negotiation. Verbal communication style is usually direct, straightforward and honest. As a consequence TTLBs (Tricks, Theatrics, Lies and Bluffs) are neither appreciated nor practised. Instead negotiators are direct, almost brutally so, in their communication style, expressing what they exactly think, feel and mean. If a proposal is disliked, Norwegians do not find it difficult to express a short ‘no’.

Even though Norwegians appreciate and practice honesty, it is not always carried through in conflict situations and if an issue could raise difficulties negotiators may avoid telling the entire truth. Uncomfortable with confrontations and conflict, they can gloss over the issue obstructing decision-making.

Time sensitivity

A negotiator’s relation to time is largely determined by culture. Cultures differ to a great extent on matters of time, varying from focusing on punctuality and time management to ‘playing’ with schedules, deadlines, and structure.

Norwegians are extremely time focused, living by strict rules of punctuality and time management. According to the French time is ‘almost a phobia’ with Norwegians. For example in business settings it is common and expected to arrive 10 minutes early for appointments, arriving late being a sign of disrespect. If a meeting is scheduled to end at a certain time, Norwegians will strive to end as scheduled. Punctuality is a consequence of time-management and organised agendas. By respecting the scheduled time, Norwegian negotiators believe the participants stress efficiency (an important element in Norwegian negotiation). Therefore, Norwegian negotiators tend to get straight down to business, avoiding perceived unnecessary and irrelevant small talk.

However, it is fair to say Norwegian views on time are self-contradictory. Due to its egalitarian society group members have the right to voice opinions, causing drawn out decision-making processes. In addition there has been a development towards focusing on details in agreements and contracts, causing additional time demands.

Risk propensity

Willingness to take risks varies among cultures. Negotiators from high-risk cultures tend to move early and make decisions on a minimal platform of knowledge. A solid platform of knowledge, consulting with several people and thinking decisions through are typical features for low-risk negotiators. The extent of risk willingness influences both the negotiation agenda and outcome.

Norwegian negotiators are seen as moderate risk takers. Due to an egalitarian culture the group is often consulted. Decisions are taken on documented objective facts, but not until every aspect has been discussed properly. A contract will normally reflect these features, focusing on details and contingencies.

Nature of agreements

Culture influences both the concluding agreements and the agreement form. Due to substantial reliance on codified commercial laws Norwegian agreements and contracts were traditionally informal, short and not focused on details. However, Scandinavian drafting tradition has lately been influenced by American-type drafting. One example is due diligence. Due diligence was an unknown concept 10 years ago but is now undertaken on a regular basis. Today contracts are often lengthy and detailed, containing terms and conditions on both core agreements and contingencies.

Verbal agreements and handshakes are usually respected and kept, even though they are not legally binding. This is partly due to Norwegian honesty and directness. Agreements are normally formalised by signing. Once signed, adherence to terms and conditions apply, otherwise they will be enforced through the legal system.

Emotionalism

The use and display of emotions in negotiation vary from culture to culture. In interviews with French negotiators Scandinavian counterparts were described as unsubtle and lacking nuance; they were too serious, rather cold and lacked imagination. This impression is in line with Norwegians’ use of body language, which is rarely used in negotiation. Body language often indicates strong emotions which could be uncontrollable by negotiators. These may jeopardise efficient, rational and practical negotiation processes. Therefore, emotions are rarely shown in a negotiation, but it is not a sign of lack of interest. In the interviews with French negotiators the calm presence of Scandinavian negotiators was confirmed but the image of calmness was sometimes found insulting.

Recommended approach to negotiating with Norwegians

In an intercultural negotiation, culture clash can cause misunderstandings and problems. By studying the other party’s culture a negotiator can obtain a basic insight of expectations. This is a general guide to negotiating with Norwegians based on cultural insights.

Preparing

Before the negotiation it is advisable to know the conflict on a detailed level. This involves facts, advantages and disadvantages for both parties. This is important because Norwegian negotiators reach an agreement at the level of details and eventualities. Moreover a lack of knowledge could be viewed as lack of interest. Norwegians are relatively pragmatic,
so a prepared agenda clearly listing personal issues and goals is preferable. Expect to stick to the agenda throughout the negotiation. When preparing your package offer, remember that Norwegian negotiators prefer honesty and directness. Prepare a package within the bargaining range as moderate opening positions are used. Package offers within the insult zone may be seen as disrespectful.

In Norway results and outcomes are dominant objectives. As a consequence, it is common to have the right people placed in the negotiation from the beginning.

**Behaviour**

First of all, make an appointment, and be on time. Punctuality cannot be stressed enough. The same view applies to deadlines and schedules.

Norway is an egalitarian society where fundamental personal values and genuineness are respected. Genuineness is an essential factor for achieving trust. Due to the Law of Jante modesty is generally appreciated. Bragging about success and material wealth does not impress but is rather an indication of superficial personal values.

Negotiate logically and base arguments on documented and detailed facts, not emotional claims. Emotions are seen as not necessarily sensible and logical, while well-documented facts are perceived as both rational and convincing. A decision will normally be based on a solid platform of detailed and documented facts. Avoid superficiality, overstated arguments and hyperbole because Norwegian negotiators are not impressed by them. Express exactly what you think, feel and mean as this is not seen as rude. However, it is seen as rude to interrupt when somebody else is talking.

While negotiating, communicate verbally in a direct manner, and avoid the use of body language, which is rarely used as a tactic or response. Showing strong emotions or aggression is not recommended. Norwegian negotiators thinking it indicates a negotiator unable to control emotions and this could jeopardise a rational, practical and efficient negotiation process. A calm, reserved and gentle appearance is preferred.

**Negotiation procedure**

Professor Rognes concluded that the Norwegian negotiation culture is more suited to integrative bargaining, where mutually beneficial outcomes are the objective. Expect Norwegian negotiators to ‘talk business’ after a few minutes meeting, seating and greeting. It is advisable to start negotiating by declaring one’s position regarding issues and goals, and thereafter agree upon an agenda. Expect to stick to an agreed agenda because deviations are not appreciated. Therefore all issues should be mentioned initially. Raise any difficult issues as Norwegians generally dislike negotiations involving confrontations and tend to minimise such situations or even avoid them.

Efficiency is important, negotiation not being viewed as a time-consuming process. However as shown above, Norwegians are also thorough, focusing on details and preferring to think through every aspect.

Do not use TTLBs as a part of your repertoire. Be direct and relate to Norwegians as a group when negotiating, because the group must be convinced. If commitments are given, stand by them because it indicates personal character and trustworthiness.

Norway and Scandinavia are generally on top of the corruption free cultures in the world. Proposals which could be understood as a bribe should therefore not be offered.

**Conclusion**

Cross-cultural relationships and connections are extremely complicated and intertwined, causing an increasing interdependence between countries and societies. Members of the global community rely upon negotiation as a resolution technique to resolve issues, disputes and incompatible goals. The practical question, for the cross cultural negotiator, is what to expect from the other party, what type of behaviour is expectable, what type of negotiation style is expectable. Some insight is provided by culture. By stereotyping, certain characteristics are identifiable by the negotiator. An insight of what to expect is achievable.
By learning about the Norwegian culture the foreign negotiator may increase the accuracy, and decrease the uncertainty level.

The foreign negotiator has prepared herself or himself, learned about the Norwegian culture, and obtained certain expectations. What the foreign negotiator does not know is that the Norwegian negotiator has lived and studied for many years in the US, obtaining an American perspective. The stereotype of a Norwegian is no longer applicable to the particular individual. Now the individual must be taken into account. First by asking questions, observing and interacting, the negotiator is able to form a true picture. Unexpectedly, the Norwegian negotiator makes a surprising concession, changing the negotiation drastically. Why? In a cross-cultural negotiation the process is influenced by several factors. The reason for the behaviour could be cultural, but the cause could also be personal or situational.

This scenario raises the question in which degree cultural stereotyping and knowledge actually is helpful in a cross-cultural negotiation.

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Endnotes
4. Above note 3 at p 413.
6. Above note 5.
7. Above note 5.
8. Above note 5.
10. Above note 10.
11. Lewicki, above note 3 at p 414.
12. Lewicki, above note 3 at p 418.
13. Lewicki, above note 3 at p 418.
15. Above note 5.
16. Above note 5.
17. Lewicki, above note 3 at p 413.
25. Lewicki, above note 3 at 415.
26. Brett, above note 22 at p 100.
28. The Law of Jante was first described by Aksel Sandemose in the book En flyktning krysser sitt spor. Sandemose believed the social norm illustrated human’s immanent wickedness and ability to crush fellow human beings. Today the Law of Jante is used to describe the egalitarian society in Norway.
30. Lewicki, above note 3 at p 416.
31. Lewicki, above note 3 at p 415.
32. Hofstede, above note 27.
33. Lewicki, above note 3, 416.
35. Hofstede, above note 27.
37. Lewicki, above note 3 at p 420.
41. Lewicki, above note 3 at p 420.
42. Katz, above note 24 at p 3.
43. Lewicki, above note 3 at p 420.
44. Katz, above note 24 at p 4.
45. Lewicki, above note 3 at p 421.
47. Unknown author, above note 36 at p 3.
48. Lewicki, above note 3 at p 422.
49. Above note 36 at p 3.
51. Above note 30.
52. Lewicki, above note 3 at pp 422-23.
54. Lewicki, above note 3 at 423.
57. Lewicki, above note 3 at p 423.
58. Above note 36 at p 2.
59. Above note 36.
60. Above note 36 at p 7.
63. Above note 36 at p 4.
64. Katz, above note 24 at p 4.
66. Brett, above note 22 at p 103.