Intercultural Communication in Supply Chain Management:

A Study of Communication Frictions and Solutions between Swedish & Chinese Companies

Paper within International Logistics and Supply Chain Management

Author: Joling Chiang
Mathias Svensson

Tutor: Clas Walhbin

Jönköping August 2010
Acknowledgement

During the process of writing this thesis, many people have been of invaluable help to our thesis and without their contribution, the writing of this thesis would not have been possible.

Firstly, we would like to thank our supervisor Dr. Clas Wahlbin for his support and guidance in our writing. His valuable feedback has guided us to the right direction of the study.

We would also like to thank Göran Kinnander at the Swedish Trade Council in Jönköping and Dr. Sören Eriksson at Jönköping University for giving additional information and inspiration to our thesis study.

Besides, we would like to express our gratitude to all of interview respondents who have taken part in our thesis research: Mikael Parsmo, Göran Andersson, Charlotte Härnborg, Lars-Olof Magnusson, Johan Schyllander, Mikael Karlsson and the person who has chosen to be anonymous. We deeply appreciate their time, interest and participation in the interview. We are aware that the interview has taken not only 1.5~2 hours of their precious time but also lots of efforts from them during their busy work.

Lastly, we thank our families for their infinite support and patience.

Jönköping, August 2010

___________________________

Joling Chiang

Mathias Svensson
Master’s Thesis in International Logistics and Supply Chain Management

Title: A Study of Communication Friction and Solutions between Chinese and Swedish Companies
Authors: Joling Chiang & Mathias Svensson
Tutors: Professor Clas Wahlbin
Date: 2010-08-23
Subject terms: Intercultural Communication in Supply Chain Management, Cross-cultural Communication, Communication, Culture, Sweden, China

Abstract

China’s importance in world trade is growing and as it expands, so does the trade between Sweden and China. China provides the rest of the world vast opportunities thanks to its low cost labour with ample manpower and gradually increasing expertise. It also has a huge potential in its size and market. With the increasing trade between China and Sweden at a rapid pace, the need for a research into intercultural communication, which helps to generate an efficient and effective supply chain, is also growing at an accelerative speed.

The purpose of this thesis is to look for possible problems and identify the frictions that may arise from the cause of cultural differences existing in the communication between Swedish and Chinese companies. This research is carried out from a Swedish perspective through the eyes of Swedish companies. However, the way they perceive the communication between Sweden and China and the methods they have used to adjust to the cultural differences can be good examples to those who are interested in Chinese market.

In the frame of references, a number of theories and literature related to intercultural communication were used to identify factors that influence communication between cultures, which formed the basis of the framework the authors used for the collection of primary data. This thesis was conducted through an interpretive point of view and a qualitative method was used for the collection of empirical data. The primary data consisted of interviews and the secondary data was collected through literature reviews. Thus, the empirical result was derived from the companies which have business relationship and experience of dealing with Chinese companies. Data was gathered from seven different Swedish companies located in Jonkoping County: Waggeryd Cell AB, Scandinavian Eyewear AB, Kapsch TrafficCom AB, Kongsberg Automotive, Hestra-Handsken AB, Arlemark Glas AB and Falks Broker AB.

The main conclusions of this study are namely that there are a number of cultural differences existing in the communication between Swedish and Chinese companies. In most cases, Swedish companies initially tend to make the most effort to adapt to the situation and bridge these cultural differences by applying diverse solutions. Furthermore, two critical key factors stand out as more important than the others in leading to successful communication between Swedish and Chinese companies: relationship and the concept of face. These two factors were shown to be present in all aspects of communication. Therefore, knowledge and successful incorporation of these two essential elements will be of greatest importance for Swedish companies who seek to communicate with Chinese companies.
Table of Contents

1 Introduction........................................................................................................1
  1.1 Background......................................................................................................1
  1.2 Problems.........................................................................................................2
  1.3 Purpose...........................................................................................................2
  1.4 Delimitations..................................................................................................3
  1.5 Disposition of the Thesis................................................................................3

2 Frame of References.......................................................................................5
  2.1 The Role of Communication in Supply Chain management.........................5
  2.2 Culture ...........................................................................................................6
      2.2.1 What is Culture?.......................................................................................6
  2.3 Communication & Intercultural Communication..........................................8
      2.3.1 The Meaning of Communication...............................................................8
      2.3.2 The Meaning of Intercultural Communication........................................8
  2.4 Cultural Impact on Intercultural Communication.........................................9
  2.5 Cultural Dimensions.....................................................................................11
      2.5.1 Hall's Cultural Dimensions.....................................................................12
      2.5.1.1 High Context v.s Low Context..............................................................12
      2.5.1.2 Monochronic v.s Polychronic Time.......................................................12
      2.5.2 Hofstede’s Cultural Dimensions..............................................................13
      2.5.2.1 Power Distance Index (PDI).................................................................13
      2.5.2.2 Uncertainty Avoidance Index (UAI).......................................................14
      2.5.2.3 Individualism and Collectivism Index................................................14
      2.5.2.4 Masculinity and Femininity Index (MAS)............................................15
      2.5.2.5 Long-Term and Short-Term Orientation Index (LTO).........................15
  2.6 Additional Indicators in Intercultural Communication..................................16
      2.6.1 Language.................................................................................................16
      2.6.2 Customs..................................................................................................17
      2.6.3 Face..........................................................................................................18
      2.6.4 Guanxi....................................................................................................18
  2.6.5 Distance & Time Zone Concept.................................................................19
  2.7 Intercultural Adaptation................................................................................20

3 Methodology....................................................................................................22
  3.1 Topic and Research Selection .......................................................................22
  3.2 Research Approach.......................................................................................22
  3.3 Scientific View...............................................................................................22
  3.4 Quantitative v.s Qualitative Study................................................................23
  3.5 Data Collection.............................................................................................24
      3.5.1 Primary Data............................................................................................24
      3.5.1.1 Pilot Interview......................................................................................25
      3.5.1.2 Structure of the Interview....................................................................25
      3.5.1.3 Designing Interview Questions............................................................25
      3.5.1.4 Method for Recording the Interview...................................................26
      3.5.1.5 Interview Process................................................................................26
      3.5.2 Secondary Data......................................................................................26
      3.5.2.1 Frame of References.............................................................................27
      3.5.2.2 Criticism of the Cultural Theories.......................................................27
      3.5.2.3 Sampling..............................................................................................28


Figures
Figure 1. Generic Configuration of a Supply Chain in Manufacturing ........................................ 6
Figure 2. A Model of Culture............................................................................................................. 7
Figure 3. Continuum of Cultural Variables ....................................................................................... 10
Figure 4. Hofstede’s Cultural Dimensions ....................................................................................... 16
Figure 5. Cultural Variables in Communication with Chinese ....................................................... 20
Figure 6. The Process of Cultural Adaptation .................................................................................. 21

Tables
Table 1. Translation of Theoretical Terms into Practical Terms ...................................................... 30
Table 2. The Company Interviews ................................................................................................ 31
Table 3. Summary of Case Descriptions ......................................................................................... 49
I Introduction

In this chapter, background and problems of this thesis are presented and further bring out the importance of the discussion in question. Purpose of this thesis is also stated, as well as some delimitations of the thesis. The disposition of this thesis shows the processes of how this thesis is planned and conducted.

1.1 Background

As we have entered 21st century, globalization has become more than just an economic concept or another piece of fancy jargon of the business lexicon (Rosenbloom et al., 2001). Many business breakthroughs in geographic and non-geographic boundaries have been made through advanced communication and transportation technology which have given a huge impact on global economic development in today’s business world. Business is no longer bound within a country but is expanded into diverse countries. Globalization creates a world in which people of different cultural backgrounds increasingly come to depend on one another (Chen et al., 2006). Furthermore, viewing from the past economic evolution of the world’s industrial development, there is a tendency that production lines are moving out of industrial countries to developing- and newly-industrialized countries in order to reduce production and labor costs. To be able to fulfill today’s customers' demand and satisfaction, companies are looking for a way-out for their business in exports and in countries with lower labor costs.

Nowadays, it is China who has caught most of the world’s attention and interest and has been described as the “factory of the world” with abundant amount of low-educated and low-paid workers (Eriksson et al., 2008). In the past years, China has undergone an economic and industrial changeover from an under-developed country with closed gate to the rest of the world to a country with big ambitions in involving in high standard technology. Low cost labor and sufficient man power and skill have attracted many foreign investments into China around the globe. Through these years, China has drastically turned into one of the world’s biggest producing and consuming countries, in which many companies around the world are there not only for the low production cost but also to be close to the large market, according to Eriksson et al. (2008). However, this is also no exception for many Swedish companies, such as Kongsberg Automotive, Scandinavian Eyewear AB, Hestra-Handsken, etc..

As China’s participation in the world’s economic arena continues to increase, the level of interpersonal contact between Swedish and Chinese will also grow. In order for Swedish companies to survive in today’s low-cost and high-quality customers’ demand, many of them have come to the edge of thinking over their business standpoints and strategies, seeing the connections with China as opportunity and further creating their competitive edge in this global competition. According to Swedish Trade Council’s export/import report 2009, China has increased from 1,96% (2005) to 3,19% (2009) in share of total Swedish exports and from 3,65% (2005) to 5,02% (2009) in share of Swedish imports, which has shown that China has a gradually augmenting impact to Sweden. Thus, the connection with China is simply beyond the limit of business itself but a level of cultural involvement.

Although having the right technology, telecommunications networks and supply chains in place to solve the problem of distance, there is more to distance in global business-to-business relationships than mere geography. In this matter, distance can also be defined in terms of culture so that one can think of “cultural distance” as a challenge that must be addressed by businesses from different countries around the globe who seek to deal with each
other (Rosenbloom et al., 2001). And, understanding and accepting cultural differences becomes an imperative in order to become an effective intercultural communicator in a global society (Chen et al., 2006). There have been many discussions and researches both from practical and scientific practices concerning this cultural phenomenon to business. Many things can easily go wrong when one does not comprehend the cultural difference without even knowing it. Consequently, lack of intercultural competence results in enormous losses and frictions in negotiations, sales and customer relationships (Hamacher, 2008).

1.2 Problems

The theme of cross-cultural business communication and behaviours has extensively received much attention and has been widely discussed in many literatures. Cultural differences frustrate people because their counterparts are confusing and seem to be unpredictable (Gesteland, 2005). This kind of cross-cultural confusion, resulted from different cultural norms, values, and ways of communication including verbal and non-verbal behaviours, has inspired many scholars to study and explore this field and further classify international business customs and practices into logical patterns, such as Hall’s (1990) and Hofstede’s (1980) cultural theories.

In a general cultural stereotype classification, according to Hall (1990), Hofstede (1980) and Gesteland (2005), Chinese tend to be a relationship-focused group of people who send out images like being formal, friendly, humble but reserved at first sight and involved with many things at once. And relatively, Swedish people’s images are like being deal-focused, rule-oriented, rational, reserved (national personality) and schedule-oriented. Are these characteristics reliable or applicable in the business world? Do Chinese and Swedish businessmen behave according to the cultural patterns? Would these diverse cultural patterns affect the communication in a positive or negative way? Or, have they discovered each other compatible in doing business together? What are the other influencers in communication other than culture? Based on these questions, the authors would like to find out the possible problems in actual business cooperation between Chinese and Swedish companies through the cultural differences in power distance, language, communication style, working style, relationship, time perspective, etc..

According to these theoretical concepts and discussions, such as Hall’s (1990) and Hofstede’s (1980) cultural theories and Moran et al.’s (2007) summarized cultural variables, the authors want to jointly combine these two national patterns and research on the compatibility between Chinese and Swedish businessmen in communication and further identify the critical success factors in generating a fruitful long-term relationship. As far as the authors are concerned, there is still no direct empirical study on this field. Therefore, the authors would like to research and explore this aspect of cross-cultural study in communication to bridging a fluent supply chain.

1.3 Purpose

The purpose of this thesis is to identify the communication frictions, based on cultural differences, in the supply chain context, analyze the existing problems in cross-cultural business conducts and find out the useful resolutions to the problems and improve the communication between Chinese and Swedish (limited in Jonkoping County) companies. Both of the authors have backgrounds and interests in this cross-cultural study concerning Chi-
Chinese and Swedish societies. Besides, communication is one of the main elements that links separate units together and facilitates the flow of information within the whole supply chain, which is also connected to our current field of study. Most importantly, there are more and more business conducts between Chinese and Swedish companies in a fast-growing speed. Therefore, the authors believe that this field of research will contribute to the current business situation and make the business communication smoother and more effective.

1.4 Delimitations

Culture is a very broad term that can be discussed in many different perspectives. In this thesis study, the authors focus mainly on the cultural differences based on country’s cultural norms, values and backgrounds that can lead to differentiated human behaviours. Thus, the authors limit the discussion of cultural difference within the aspects that can influence the business communication between Swedish and Chinese companies. And, the intercultural communication is also based on the case of these two national people.

Due to the width and diversity of culture between these two countries, the authors make use of a couple of cultural theories and take some renowned scholars’ related discussions as references in order to narrow down the discussion area to cultural discussion in business world. Through literature reviews, the authors have caught a grasp of main cultural discussions in business field and can overlook some minor exceptions in personal behaviours.

Furthermore, the dimension of customs, guanxi and face the authors discuss in the thesis are also too wide in different applications so that the authors cannot discuss each of them in every aspect during the limited time of interview. Therefore, the authors can only approach the questions in a more general way to discuss with the interviewees about their experiences.

Although the authors’ initial objectives are to identify the problems from the perspective of both Chinese and Swedish companies and to bridge the cultural differences between them, the authors have limited time to expand the subject on researching profoundly on both sides and have also limited financial resources to fly down to China to conduct interviews with Chinese companies which have business relationships with Swedish companies. Besides, most of the interviewed Swedish companies are reserved to reveal their Chinese partners and if they know that the authors will talk to their Chinese partners, then they might not be objective and honest towards the interview questions. Therefore, the authors’ interview research is only conducted with Swedish companies, which are also limited within Jonkoping County. Additionally, China is the world’s third biggest country and Chinese cultures can differ from province to province. However, the authors can only discuss Chinese culture based on a general scale and the interviewees’ experiences.

1.5 Disposition of the Thesis

This thesis is presented by seven chapters according to the following structure:

Chapter 1 – Introduction. The first chapter will introduce the subject to the reader by starting with the background of this thesis and further problems concerning the subject. Thereafter, the purpose of this thesis is presented, as well as some delimitations of the the-
sis. At last, the disposition of this thesis shows the processes of how the thesis is planned and conducted.

Chapter 2 – Frame of References. In the second chapter, the theoretical basis for the thesis is presented. The study begins with pointing out the importance of communication in supply chain management and later defining the main concepts, like culture, communication and intercultural communication. Then, the study is followed by presenting the variable cultural impact on intercultural communication, which is supported by a couple of prestigious scholars’ cultural theories. Thereafter, some additional critical indicators in this intercultural communication are considered in the study. At last, intercultural adaptation indicates the indispensable process and solution to the study.

Chapter 3 – Methodology. The third chapter emphasizes on the research approaches and discusses the methodological choices that have been applied to achieve the purpose of this thesis study. Thereby, the methods of data collection are discussed in detail and the reliability and the validity of the thesis are also stated.

Chapter 4 – The Empirical Study. In the fourth chapter, the questionnaire of the thesis and the interviewees of the study are introduced. The research categories of the questionnaire are translated from theoretical terms to practical terms. Subsequently, case description of each interview is presented and later integrated in the summary.

Chapter 5 – Analysis. In this chapter, the results from the empirical study are analyzed and presented in the form of theoretical material reviewed from the frame of references. The analysis of the study is therefore presented in five theoretic categories as well as some additional indicators included in the research.

Chapter 6 – Conclusions. In this chapter, conclusions from this study are drawn and discussed. The main theoretical and empirical findings are proven to answer the research questions and the purpose of this research. Advice learned from the results of this study is also presented.

Chapter 7 – Proposals for Future Studies. In this chapter, some proposals for future studies are presented.
2 Frame of References

In this chapter, the theoretical basis for the thesis is presented. The study begins with pointing out the importance of communication in supply chain management and later defining the main concepts, like culture, communication and intercultural communication. Then, the study is followed by presenting the variable cultural impact on intercultural communication, which is supported by a couple of prestigious scholars’ cultural theories. Thereafter, some additional critical indicators in this intercultural communication are considered in the study. At last, intercultural adaptation indicates the indispensable process and solution to the study.

2.1 The Role of Communication in Supply Chain management

Supply chain management has been widely-discussed by many scholars and economic experts over the past thirty years. Many supply chain models, techniques and practices, such as JIT (Just-in-Time), TQM (Total Quality Management), EDI (Electronic Data Interchange), ERP (Enterprise Resource Planning), CPFR (Collaborative Planning, Forecasting & Replenishment), etc. have been devised to maximize the goal of an efficient and effective supply chain and create the optimal values to keep customers satisfied.

Customer satisfaction and value creation are the main goals of the whole supply chain management. “No customer means no business.” Thus, the main key element to achieve customer satisfaction is to optimize the objective of supply chain management, which is to be able to have the right products in the right quantities (at the right place) at the right moment at minimal cost (Cutting-Decelle et al., 2007).

Supply chain can be considered as “the network of organizations that are involved, through upstream and downstream linkages, in the different processes and activities that produce value in the form of products and services in the hands of the ultimate customer (Christopher, 1992).” From Figure 1, we can see that in today’s supply chain management it is not only about the material flow but also the information flow, which brings all the single unities together to push through a fluent material flow. Through information exchange channels, manufacturers have better production planning to satisfy customers and customers’ voice can also be heard by the upper stream in supply chains. Fundamentally, communication between buyers and sellers is central to the supply chain philosophy (Ellinger et al., 1998).

However, in today’s global supply chains, communication is not only confined as a matter of standards, interfaces and IT-performance, but a more fundamental problem that the model of human communication is not adequate (Hamacher, 2008). Dr. Bernd Hamacher (2008) has brought up this important issue in his article “Intercultural Communication Management and Lean Global Supply Chains.” He stresses that communication in developed global supply chains cannot be reduced to exchange of part-numbers, which might only work in very simplified situations, but instead we have to consider global supply chains as complex socio-technical systems, which must be managed and equipped according to the needs of heterogeneous people involved. Thus, in this aspect, cultural elements play very critical roles in generating smooth and understandable communication dialogues in transactions of global supply chains. Apparently, cultural induced misunderstandings are an issue in global value chains and many companies place significant effort in preparation of employees to avoid cultural misunderstandings as far as possible (Hamacher, 2008) because they are clearly aware that lack of intercultural competence can easily results in enormous losses and frictions in negotiations and sales and even jeopardize customer relationships.
Subsequently, the authors will present the notions of culture, communication and intercultural communication and further adopts Hall’s (1990) and Hofstede’s (1980) cultural theories to find out the existing problems which might possibly cause frictions in communication between Swedish and Chinese companies.

Figure 1.: Generic Configuration of a Supply Chain in Manufacturing (Vrijhoef et al., 1999)

![Diagram of a Supply Chain]

2.2 Culture

With the world’s economic evolution, many companies from industrial countries are inclined to move their industries to the Third World countries (including four BRIC countries) or to outsource from different parts of the world, which facilitates the globalization processes in terms of international trade in the supply chain. The globalization process, in which we are all getting closer and closer each other through consumerism, ideology, and knowledge about each other (Featherstone, 1990; Hylland Eriksen, 1993). World has also become flatter with the support of new media high-technology, such as popularization of Internet, mobile phone, Web video, etc., to narrow the communication gap caused by the distance. As the world is getting flatter, we start to wonder if culture does matter. Yes, culture does count (Moran R. T., et al., 2007)! According to Moran R. T., et al. (2007), we are likely to find communication failures and cultural misunderstandings that prevent the parties from framing the problem in a common way and thus make it impossible to deal with the problem constructively. Fundamentally, culture is considered the driving force behind human behavior, which is applied everywhere in the world.

2.2.1 What is Culture?

*Culture is the shared set of beliefs, values, and patterns of behaviors common to a group of people (Schermerhorn, 1996).*

In order to find the causes to communication failures and further improve the phenomenon of cultural misunderstandings, it is necessary to fully comprehend what exactly culture is and how it impacts on the cross-cultural communication. Generally speaking, culture has been discussed and defined in many literature reviews over the decades; many authors have their own perception concerning the definition of culture.
Hall (1990) advocates that culture can be likened to a giant, extraordinary complex, subtle computer and cultural programs will not work if crucial steps are omitted, which happens when people unconsciously apply their own rules to another system. Hofstede (2001) treats culture as the collective programming of the mind that distinguishes the members of one group or category of people from another. From his perspective, culture determines the uniqueness of a human group in the same way personality determines the uniqueness of an individual and it consists of both visible (symbols, heroes, rituals subsumed under practices) and invisible (values) elements (Hofstede, 2001).

According to Trompennars and Hampden-Turner (1997), culture is the way in which a group of people solves problems and reconciles dilemmas. Culture comes in layers like an onion which contains three layers outer to inner as: the products of cultures, values and norms and basic assumptions. The deeper one gets involved in a culture, the more implicit factors one can discover and experience. That is the essence of a culture, which people perform without thinking why they react that way. Each culture distinguishes itself from others by different national characters and ways of thinking and doing things.

Furthermore, according to Ting-Toomey (2006), culture is defined as a system of knowledge, meanings, and symbolic actions that is shared by the majority of the people in a society, where the cultural socialization process influences individuals’ basic assumptions and expectations, as well as their specific orientation outcomes in different types of cultural dimensions. Likewise, Fong (2006) concludes that culture is a social system in which members share common standards of communication, behaving, and evaluating in everyday life. She purports that language, communication and culture are intricately intertwined with one another.

Simply put, culture is the rules for living and functioning in society. In other words, culture provides the rules for playing the game of life (Gudykunst, 2004; Yamada, 1997). The rules differ from society to society and one must know how to apply those rules in a particular society. Problems and misunderstandings start to arise when different rules are applied when one enters another cultural society. However, culture does affect one both consciously and unconsciously.

Figure 2: A Model of Culture (Trompennars et al., 1997)
2.3 Communication & Intercultural Communication

2.3.1 The Meaning of Communication

Communication is the management of messages with the objective of creating meaning. (Griffin, 2003)

Klopf (1991) defines communication as “the process by which persons share information meanings and feelings through the exchange of verbal and nonverbal messages.” According to Hall (1990), communications experts estimate that 90 percent or more of all communication is conveyed by means other than language, in a culture’s nonverbal messages. However, other than language barrier, “the silent language”, that includes a broad range of evolutionary concepts, practices, and solutions to problems which have their roots in the shared experiences of ordinary people (Hall, 1965), is another key factor to which we need to pay attention.

Communication is a process of circular interaction involving a sender, receiver, and message (Moran et al., 2007). A message delivered from sender to receiver conveys different meanings based on the interpretation of both sender and receiver, who perceive the message according to their cultural frame of references. In other words, an individual’s self-image, needs, values, expectations, goals, standards, cultural norms, and perception effect the way input is received and interpreted (Moran et al., 2007). Consequently, communication does not necessarily mean understanding. Understanding occurs only when the two individuals have the same interpretations of the symbols and behaviors being applied in the communication process. Therefore, under the same cultural norms and standards, people learn and adapt to perceive similarly the ways and the messages they communicate with each other.

2.3.2 The Meaning of Intercultural Communication

Intercultural communication occurs whenever a message produced in one culture must be processed in another culture. (Samovar et al., 2006)

From the term of intercultural communication, we can obviously perceive that the communication is between different nations or cultural backgrounds. Lustig and Koester (1998) defines intercultural communication as “the presence of at least two individuals who are culturally different from each other on such important attributes as their value orientations, preferred communication codes, role expectations, and perceived rules of social relationship.” In other words, communication is undoubtedly influenced by cultural norms, values and perceptions which exist in society.

As the world is getting flatter, communication is not bound to be only within one society or between individuals from the same country. Communication across borders is becoming frequent and common in the global business world as globalization creates a world in which people of different cultural backgrounds increasingly come to depend on one another. (Chen & Starosta, 1998). On this intercultural level, we need to take not only the language barrier into account, but also the part of “silent language” mentioned by Hall (1990), who suggests that understanding the silent language “provides insights into the underlying principles that share our lives.”
Cultural communications are deeper and more complex than spoken or written messages. The essence of effective cross-cultural communication has more to do with releasing the right responses than with sending the “right” messages (Hall, 1990). Besides, nonverbal messages are highly situational in character; they apply to specific situations and are seldom explained in words (Hall, 1990), which results in increasing challenges in cross-cultural communication. Usually, inappropriate or misused nonverbal behaviors can easily lead to misunderstandings and sometimes result in insults (Samovar et al., 2006). For instance, people from the same country tend to have similar frequency of communication over the communication methods, feelings and message interpretation because they tend to share the same cultural values and norms. In addition, people from similar cultural and linguistic background have also bigger chance to comprehend each other, such as Scandinavians. In other words, cultural similarities often facilitate understanding and communication, whereas the cultural differences often cause miscommunications and conflict (Triandis, 2000).

Intercultural communication is also linked to national culture (Jensen, 2003; Hofstede, 1980) and each cultural world operates according to its own internal dynamic, its own principles, and its own laws – written and unwritten (Hall, 1990). However, understanding and accepting cultural differences becomes an imperative in order to become an effective intercultural communicator in a global society (Chen & Starosta, 2005). And, it is clear that knowledge of intercultural communication can temper communication problems before they arise (Samovar et al., 2006). To sum, knowing what kind of information people from other cultures require is one key to effective international communication (Hall, 1990). And, the key element to well understand cultural assumptions is to get to know your own before others. Moreover, we also have to respect that our communication partner might have other experiences, and has been socialized to experience his or her world as real (Berger & Luckmann, 1966).

### 2.4 Cultural Impact on Intercultural Communication

After having understood what culture is and what role communication plays between different cultures, the authors can further look into how culture influences the communication and why it causes problems and misunderstandings between different culture backgrounds.

Moran R. T., et al. (2007) represent a framework of continuum of cultural variables (ref. Figure 3.), in five different aspects linked to culture, such as communication (low / high context), **power** (egalitarian / hierarchical), **time** (monochronic / polychronic), **collectivity** (group / individual), and **structure** (predictability / uncertainty), for better understanding cultural differences along several primary dimensions after they drew the conclusion from several scholars’ studies, such as Hall’s (1990) and Hofstede’s (1980) cultural theories.

**Figure 3.**: Continuum of Cultural Variables (Moran et al., 2007)
For example, collectivist cultures have languages that do not require the use of “I” and “you” (Kashima & Kashima, 1997, 1998). In these cultural patterns, interests are based on a group of people, relationship is extended, risks are shared, and people tend to care about how other people look at them. On the contrary, “I” identity is promoted in individualistic cultures in which independence and individual thinking are highly encouraged. Even since the childhood, children are raised in different principles. In Asian families, children tend to sleep in one room with the parents to develop the bond between parents and children or to share a room with other siblings to cultivate the brotherhood or sibling bond. In contrast, children in Western families are put in a separate room from the parents or siblings in order to develop their ability of independence and responsibility to themselves. Hall (1983, 1990) has distinguished two patterns of time that govern the individualistic and collectivistic cultures, such as monochronic and polychronic cultural time pattern. M-time patterns usually compartmentalize time schedules to serve individualistic-based needs, and they tend to separate task-oriented time from socio-emotional time; conversely, P-time patterns tend to hold more fluid attitudes toward time schedules, and they tend to integrate task-oriented activity with socio-emotional activity (Ting-Toomey, 1994). Relationship, here, is especially important and is seen as the top priority over everything else. When both sides do not have the same perception regarding time schedule, problems or conflicts can easily arise in between. People from monochronic culture might take the fact that people from polychronic culture do not respect the time agreed as a personal insult (Hall, 1990).

Power distance described in Hofstede’s (1980) cultural theory is also viewed as another important indicator to the cultural communication difficulty. People from hierarchical cultures see status and material life extra important because they are how they demonstrate their power and existence. Status originates from the class or the family you come from. Seniority is highly-respected and implemented in these cultures. In contrast with hierarchical cultures, people from egalitarian cultures tend to earn their status or respect through the achievements they have strived for. Therefore, job positions are open to any age range. They also enjoy the freedom to question their boss or supervisors, which is seen as another way of working things out and stimulating a better work result. As a result, when a senior manager from a hierarchical culture meets a young manager from an egalitarian culture, he might refuse to deal with the young manager due to his age no matter how professional he is in this matter.
Hall (1976, 1983, 1990) has also distinguished two patterns of context that prevail in individualistic and collectivistic cultures, such as high-context (HC) and low-context (LC) cultural pattern. In HC cultures, information integrated from the environment, the context, the situation, and nonverbal cues gives the message meaning that is not available in explicit verbal utterance (Andersen & Wang, 2006). This results from the fact that HC cultures tend to be relationship-intensive cultures in which people interact with others quite frequently. Thus, they do not require explicit information or repeat the same information every time they meet. On the contrary, in LC cultures, most messages are communicated through explicit code, usually via verbal communication (Andersen, 1999a; Hall, 1976). Relationship relatively is not the main focus and privilege in LC cultures. Hence, LC messages must be detailed, unmistakably communicated, and highly specific (Andersen & Wang, 2006). However, at a meeting, a LC person might have difficulty understanding a HC person and complain that the HC person never gets to the point.

Uncertainty is a cultural predisposition to value risk and ambiguity (Andersen et al., 2002; Hofstede, 1980). High uncertainty avoidance is negatively correlated with risk taking and positively correlated with fear of failure (Andersen & Wang, 2006). Hofstede (1980) also maintains that countries high in uncertainty avoidance tend to display emotions more than do countries that are low in uncertainty avoidance. Therefore, disagreement and nonconformity are not appreciated in high-uncertainty-avoidance cultures. Furthermore, Gudykund’s Anxiety/Uncertainty Management Theory (1993, 1995) suggests that more secure, uncertainty-tolerant groups are more positive and friendly toward people from another culture. Briefly, in high-uncertainty-avoidance cultures, “what is different is dangerous”; whereas in low-uncertainty-avoidance cultures, “what is different causes curiosity”.

Based on the above-mentioned cultural variables, the authors come to realize the reasons why a specific group of people behave in certain ways under some circumstances. For instance, the communication in China is often considered “indirect” by foreigners because initial attention is dedicated to the establishing of a personal relationship among the parties to a business transaction (Dragga, 1999). Moreover, the emphasis on “harmony” in Chinese culture leads Chinese people to exhibit minimal displays of public emotion and to avoid saying “no” in interactions (Chen, 2001). Communication failures and conflicts arise only when one tries to apply his/her cultural cues in another cultural system. Simply put, culture poses communication problems because there are so many variables unknown to the communicators. As the cultural variables and differences increase, the number of communication misunderstandings also increase (Moran et al., 2007). However, through the learning and understanding of different cultural backgrounds, it can become much easier to conduct a communication with a foreign counterpart and to prevent the possible conflicts and misunderstandings in interactions.

2.5 Cultural Dimensions

In this section, the authors would like to discuss several cultural dimensions of Hall’s (1990) and Hofstede’s (1980) cultural theories, which would possibly influence the cross-cultural communication and mentality in a certain way, and identify the national characteristics of Sweden and China accordingly. Furthermore, the authors will discuss and create the research questions based on these dimensions.
2.5.1 Hall’s Cultural Dimensions

2.5.1.1 High Context v.s Low Context

Hall (1990) defines that context is the information that surrounds an event which is inextricably bound up with the meaning of that event. This dimension is used to describe the sufficiency of the information people release in an event and to see how relationship evolves within different cultural settings. The concept of “how much information is enough” varies fundamentally in diverse cultures. According to Hall (1990), the cultures of the world can be compared on a scale from high to low context.

In a high context culture, the way of communication tends to be affluent but implicit in the way that they can communicate more economically by virtue of frequent communication possibilities between people. Therefore, they do not need to require nor expect much in-depth background information for most of the regular transactions. Besides, from this point, the authors can realize that high-context people, such as Chinese, usually have extensive information networks among family, friends, colleagues and clients, and they are used to being involved in close personal relationships. Most importantly, information flows in a business context is fairly free and open between everyone in a company.

In contrast, low-context people, such as Scandinavians, are inclined to compartmentalize their personal relationships, their public area, and many other aspects in life, which leads to a consequence that they are in a desperate need to acquire clear, explicit and detailed background information each time they interact with others, which results from the fact that they lack extensive, well-developed information networks comparatively. Furthermore, the information flows are controlled in an organization and are only shared among those who are in charge. Open disagreement is seen as a way of problem-solving in contrast with harmonious pursuit of high-context societies.

Consequently, when these two different context people meet up with each other, problems may easily occur if one does not comprehend the way of how the other acts and responds. For instance, high-context people can easily get annoyed or irritated when low-context people insist on giving them information they do not need. On the contrary, low-context people are often bewildered and perplexed when they do not get enough information from high-context people. However, based on this difference, the authors can expect to see some conflicts in the business conduct between China and Sweden. Moreover, the authors need to consider another aspect here concerning personal space in communication. Hall (1990) mentions that in northern Europe, the bubbles (personal boundary) are quite large and people keep their distance; whereas, Chinese are used to be surrounded by people.

2.5.1.2 Monochronic v.s Polychronic Time

Time concept in a business world plays a very essential role in bridging relationships and coordinating activities. If one side does not well understand how the other side perceives the time system in question, it may cause un-estimated loss in business or even harm the relationship itself unconsciously. In order to help us proceed smoothly in the business world, Hall introduces the world with two most important time systems: Monochronic & Polychronic.

Monochronic time system, according to Hall (1990), simply means paying attention to and doing only one thing at a time and the schedule is at the top priority over everything else.
Time is highly respected and people tend to talk about it as though it were money, as something material that can be spent, saved, wasted, and lost. Therefore, in this culture, keeping others waiting can be seen as a personal insult or a signal that the person is not well-organized and cannot keep to a schedule. Under this time governance, people are sealed off from one another and prefer not to be interrupted. Consequently, relationship is secondary to time and people seem more low-context and need a lot of background information every time they interact. As Hall (1990) mentions in the book “understanding cultural differences: Germans, French and Americans”, Scandinavia is dominated by the iron hand of monochronic time.

Contrast with monochronic time system, polychronic is the total opposite. Hall (1990) defines that polychronic time means being involved with many things at once. It is characterized by not only the simultaneous occurrence of many things but also a great involvement with people. Simply put, completing human transactions is more important than holding to schedules. To polychronic businessmen, the close links to clients creates a reciprocal feeling of obligation and a mutual desire to be helpful. As a matter of fact, this culture is highly relationship-oriented and people have strong tendency to build life-time relationships and commit to them. Obviously, social and professional lives are interwoven in this culture.

Clearly, interactions between these two different time systems can be seen very stressful and challenging if both parties are not able to comprehend the hidden messages in the language of time in the other culture. However, based on the theory, the authors can easily identify the possible conflicts existing between China and Sweden in this matter.

2.5.2 Hofstede’s Cultural Dimensions

Hofstede (1980) defines culture as “the collective programming of the mind which distinguishes the members of one human group from another.” And, to disclose these differences or similarities made known through his research he originally intended for four dimensions matched with a score to signify its placement within this dimension; however, later a fifth dimension was added, the long term and short term orientation index.

2.5.2.1 Power Distance Index (PDI)

The Power Distance Index (PDI) deals with extent of the distance in power between people in different levels in the power hierarchy and the acceptance of the unequal distribution of power by leaders as well as by followers (Hofstede, 1980). According to Mulder (1977), the definition of power distance is “The power distance between a boss B and a subordinate S in a hierarchy is the difference between the extent to which B can determine the behavior of S and the extent to which S can determine the behavior of B.” A higher score indicates a larger distance in power, while a lower score indicates a smaller distance.

Hofstede (1980) characterizes high PDI countries as highly dependent on seniors and elders, and these countries put emphasis on that one does not criticize seniors, that seniors may reproach an employee, while the employee is severely limited in bringing up critique. Employees are also less willing to provide information to somebody who is not their superior. In a low PDI country inequality between employer and employee is perceived as something that is necessary for society and organizations to function, but is also something that should be reduced and kept under control as much as possible.
Sweden and China have a huge difference in the power distance index according to Hofstede (1980); Sweden has a score of 31, while China has a score of 80.

2.5.2.2 Uncertainty Avoidance Index (UAI)

The Uncertainty Avoidance Index (UAI) is concerned with how cultures deal with uncertainty and ambiguity Hofstede (1980). Uncertainty avoiding cultures try to avoid unstructured situations that are unusual or unfamiliar situations and they avoid these situations through enactment of strict laws and rules. While a country with high tolerance for uncertainty feels a lower need for control and can allow dissent and less defined rules. A high value in this index indicates that the culture has a low tolerance towards uncertainty and will do its best to avoid it; while a country with a low score have a higher tolerance towards uncertainty and a lower need to control it.

Hofstede (1980) describes a high uncertainty avoidance country as needing to have short run reaction to short run feedback, a tendency to want to solve pressing short-term problems rather than develop long-term strategies, an unwillingness to break rules, even if it can be in the company’s best interest to do so, and a dislike of working for foreign managers because of the uncertainty of doing so, in other words “what is different is dangerous.” While countries with low UAI can allow for more uncertainties in planning and operations.

Both Sweden and China have similar values within this index, with China having a score of 30 and Sweden having a score of 29.

2.5.2.3 Individualism and Collectivism Index

The Individualism Index shows the relationship between the individual and collectivity (Hofstede, 1980). Collectivism is the degree that persons within a culture are incorporated into groups. Individualist cultures put more emphasis on the individual to manage or handle things by himself/herself; while a collectivist culture would have a higher tendency to form strong and unified groups that protect and help each other. A higher score in this index means that the culture is more individual-oriented while a lower score means that the culture is more oriented towards collectivism.

Countries with high individualism are characterized as having a clear divide between their obligations to their company and to their own free time. They, therefore, have clear boundaries between their professional life and their personal life. Collectivist societies, on the other hand, consider obligations to groups such as a company to be of more importance and there is a feeling of time not belonging to oneself but a commodity that is shared by a group, therefore having less clear boundaries between professional and personal time. Collectivist societies, due to their stronger tendency towards group orientation, will also be relationship-oriented in their way of doing business and as a result, they are less inclined to do business outside of a relationship. And, before doing business, they will first attempt to create relationship if none is existent from the start. Collectivist societies attempt to avoid conflict and maintain harmony by the use of indirect speech in order not to offend somebody; this is also known as high context communication that puts more responsibility on the receiver to interpret a message clearly. Highly individualistic countries use a low context way of communication, which means that they tend to communicate their requests and demands in a more direct way.
Sweden and China have very different scores with Sweden having 71 points and China having 20 points.

2.5.2.4 Masculinity and Femininity Index (MAS)

The Masculinity and Femininity Index (MAS) (Hofstede, 1980) deals with the traditional male and female values according to the Western culture. Hofstede (1980) found that men’s values differed vastly between different cultures while women’s values in comparison had a much smaller range. The range of men’s values ranged from being assertive and competitive, which were the values most different from women’s values, to modest and caring that were the values most aligned with women’s values. Therefore, the MAS index measures the gap between male and female values that exists in a culture. In this index, a high score is more leaning towards masculinity while a low score leans toward femininity.

A country with a low masculinity score will have a culture that considers that work is not an essential part of a “person’s life space”, while the opposite is true for a country with a high masculinity score. This is also described in the motto “work in order to live” for low masculinity countries and “live in order to work” for high masculinity countries. Countries with low MAS index consider managers to be an average person just like anybody else and that difference in position is a necessity brought on by the need for order, while for a high masculinity country managers are considered people that occupy a higher standing in society and as result of this, they are considered better than average people.

In this index Sweden has a score of 5 (the lowest score among all surveyed countries) while China has a score of 66.

2.5.2.5 Long-Term and Short-Term Orientation Index (LTO)

The Long-Term Orientation Index (LTO) is the fifth index that was added after the original four and shows the different time orientation of different cultures (Hofstede, 1980) and as defined by Hall, et al. (1989) “reflects the extent to which a society has a pragmatic and future-oriented perspective rather than a conventional, historic, or short-term point of view”. Hofstede (1980) states that the values upheld by cultures with long term orientation are those that work towards future goals such as thriftiness and perseverance in the face of adversity, while cultures with a short term orientation values are oriented towards those that are concerned with the past and present such as respect for tradition, the fulfillment of social traditions and avoiding the loss of face and honor. A country with low score has a short-time horizon, while a country with a high score has a long-time horizon.

A culture with short-term orientation will expect and work towards quick and immediate results, while a culture with long-term orientation will look towards future gains and may disregard short-term losses in order to achieve this. A culture with a long-term orientation will seek long-term cooperation and commitment and will put a higher value on networking. A culture with short-term orientation will cherish their leisure time more, while a culture with long-term orientation will be inclined to set their leisure time aside to work towards a long-term goal.

Sweden has a score of 33 while China has a score of 118 (ranking the highest of all surveyed countries).
2.6 Additional Indicators in Intercultural Communication

2.6.1 Language

In China, there are several spoken languages, such as Mongolian, Tungusic, Korean, Turkish, Tibeto-Burman (Kjellgren, 2000) but the majority, Han people (approximately 93% of the population), speaks Chinese and the mandarin dialect is spoken by approximately 70% of Chinese speakers. In addition, Chinese language is further sub-divided into several dialects, such as Shanghainese, Cantonese, Hakka, etc.. These dialects are so different from each other that a person only speaking Cantonese cannot understand a person who speaks mandarin (Perkins, 2000).

As for the difficulty of learning Chinese, United States Foreign Service Institute (FSI) is an agency that educates foreign personnel for duty abroad. According to them, it requires 2400 hours for a person with English as his/her mother tongue to reach an operational degree of fluency in Chinese (Kane, 2006). This is quite a long time in comparison with other European languages such as Swedish which the time given to reach the same level of fluency is merely 575-600 hours (International Migration Outlook, 2009). Another difficulty of the Chinese language, according to Boos et al. (2003), is that extra care should be taken in the translation of Chinese, due to hidden meanings that are not conveyed correctly in direct translation. Therefore, extra attention should be paid when one chooses an interpreter who is able and willing to translate these hidden meanings. However, it can be difficult and em-
barrassing for Chinese people to explain these things due to the differences in cultural background.

As to the Swedish language, it is spoken as a mother tongue by 8.5 million people around the world (Svenska, 2010) and 7.8 million of them reside in Sweden. Since Swedish is such a small language and is not much spoken or taught outside Sweden, it has extremely limited usefulness as a medium for international communication. Therefore, English is the default language for international communication both in Sweden and outside its border, according to Cunningham (2010).

2.6.2 Customs

In addition to the dimensions mentioned above, it is indispensable to note the existence of customs in different societies, which might also potentially affect the effectiveness of relationship-building or the interaction of communicative parties. For instance, for the first contact with a Chinese potential partner, it is more efficient and effective to build up the relationship through a third party because Chinese people have a strong preference not to do business with a total stranger. As Gesteland (2005) concluded, “A third-party introduction bridges the relationship gap between you and the person or company you want to talk to.” Besides, trust, which is one of the main elements in a cooperative relationship, grows quickly and becomes a guarantee through the introduction of the third party.

When meeting a Chinese partner, it is recommended by John Hooker (2003) that the visitor should present his or her card first, held between thumbs and forefingers of both hands towards the recipient. Moreover, name card should be treated in a respectful manner after the exchange of name cards since Chinese people see it as an “extension of oneself.” It represents one's esteem, one's honor, and one's identity (Mia Doucet, 2008). If gifts are presented at the first meeting or special occasions, they should not be opened immediately but after one leaves (Moran et al., 2007), which is different from Swedish manner. Here, one should notice that clock is not appropriate to be presented as a gift because it is an omen of death (Hooker, 2003). According to Gesteland (2005), handshake is the most common form of physical contact among the business people all over the world but the touch behavior is not recommended for the first meeting to avoid misinterpretation. However, once you have known each other better, body contact can be seen as a positive signal of friendship.

Relationship-building is often prior to business in a collectivist society in compliance with Hofstede’s (1980) cultural dimensions. Shortly put: “no relationship, no business”. However, in relationship-focused markets the relationship you build with your counterpart will have a strong personal component in addition to the company-to-company aspect (Gesteland, 2005). Thus, privacy in this matter is not highly regarded due to the Chinese strong emphasis on personal relationships and living together in extended families (Moran et al., 2007). Chinese people are taught to be humble and modest under the influence of Confucianism so compliments are ordinarily received with denials glory, gratifying or merited, is itself never a righteous objective (Sam Dragga, 1999).

Additionally, if one is invited to a dinner with Chinese partners, there are a few table manners he or she should pay attention to. In China, it is a custom to eat in polychronic fashion by sharing a number of dishes (Hooker, 2003) and to toast other persons at the table throughout the meal (Moran et al., 2007), so it is not appropriate to drink alone. During the
meal, one should know that no one inserts chopsticks upright in the rice bowl because it reminds Chinese people of incense sticks used in temple death rites (Hooker, 2003).

There are some common customs applied in modern Chinese society that one should also know even though they might not directly affect the communication with Chinese people. For example, red color is considered a lucky color, lucky number 8 (for wealth), 9 (for longevity), 6 (for going smoothly), 168 (for fortune), etc. as described in the book of “Zhongguo Fengsu Gaiguan (Overview of Chinese Customs), by Yang Cui Tian (1994)”. This book also mentions that some Chinese people are very sensitive to Feng Shui and believe in the dates which should be applied when performing some special activities like marriage, funeral, childbirth, etc. When conducting the business with Chinese partners, one should keep in mind that there is a different perception when making an appointment. On the Chinese side, appointment can be made within a short period of time, which may not be acceptable to Swedish people, according to the different time planning attitude described in Hall’s (1983, 1990) monochronic and polychronic cultural dimensions.

2.6.3 Face

According to Dong et al. (2007), the concept of face has many definitions but they claim that the definition which best captures the complexity of the Chinese concept of face is as defined by Ho (1976) as “the respectability and/or deference that a person can claim for him/herself from others, by virtue of the relative position he occupies in the social network and the degree to which he is judged to have functioned adequately in the position as well as acceptably in his social conduct.” Moreover, in compliance with Dong et al.’s (2007) statement, any business man planning on operating in Asia, particularly in China, “must be aware of the influence of face on business communication”.

Ho (1976) argues that there are three situations that can lead to the loss of face. Firstly, it is the failure to meet others’ expectations which are connected to his/her social status. Secondly, one is not being treated in a respectful manner in accordance with how much he/she feels his/her face deserves. Thirdly, people in close relationship or connection with you fail to perform their social roles.

Although Westerners have similar concepts of presenting oneself positively to others and avoiding embarrassing oneself in front of others, Kim (1998) argues that “the concern for face will be higher in Asia than in the West” and Scheff (1988) states that the consequence of someone losing face is that he feels rejected by people around him, causing him/her to feel shamed and humiliated. Varner and Beamer (1995) go even further and argue that “For the Chinese, losing face socially is comparable to the physical mutilation of one’s eyes, nose or mouth!” Furthermore, the cost towards the person who has caused the face loss can be severe and will at the very least end the co-operation and may even lead to retaliation (Ambler et al., 2000).

2.6.4 Guanxi

Guanxi is a concept that most closely can be translated into relations or connections (Tsang, 1998). To have guanxi is to have relations with people who can later be asked to perform favors and Pye (1992) describes guanxi as “guanxi (interpersonal relationships) in essence is built upon friendship or intimacy oriented toward continued exchange of fa-
vors.” A person with whom you have guanxi with can in turn have guanxi with other people making up a network of contacts that can be called upon when in need of a favor (Seligman, 1999). The importance of having guanxi cannot be underestimated when one does business in China and Ju (1995) states that “It is the most important social business resource of an individual Chinese.” and furthermore adds that “Nothing can be done in China without guanxi.”

If a favor is asked of someone you have guanxi with, then it is expected that you would later repay this person with a favor (Alston, 1989). However, this can be a favor that is asked in return much later and could be of a larger or smaller magnitude. The position of the person doing the favor and receiving the favor can be vastly different and as Alston (1989) explains it as “A singular feature of guanxi is that the exchanges tend to favor the weaker member. Guanxi links two persons, often of unequal ranks, in such a way that the weaker partner can call for special favors for which he does not have to equally reciprocate. An unequal exchange gives face (respect, honor) to the one who voluntarily gives more than he receives.” Moreover, Chinese people do not clearly distinguish between personal favors and organizational favors and a personal friend may ask for an organizational favor and vice versa (Seligman, 1999). However, money and effort are needed to establish and maintain guanxi and a cost-benefit analysis should be done before entering guanxi (Tsang, 1998).

In Western societies, there is also a build-up of a network that helps you to accomplish certain things in business. The main difference between networks and guanxi is the attitude towards its usage. In China, it is a natural thing to make use of your connections and doing so is often preferred than going through the official way, mostly because it is usually a faster and more efficient way. Since it is done through friends or relatives, some trust already exist (Seligman, 1999). However, as Su and Littlefield (2001) states that it is difficult for many Westerners to distinguish between what constitutes a favor through guanxi and what constitutes corruption. And, many such favors might border on corruption, and some might question its legitimacy. However, as Copeland and Griggs (1985) describes that “The informal (guanxi) structure is there for a reason: the official system does not work. The unofficial system is a legitimate solution that creates jobs and allows business to function.”

### 2.6.5 Distance & Time Zone Concept

The geographic distance between China and Sweden is quite large, compared to the distance to other European countries. With the advances in communication technologies, people today have a wide variety of ways to connect with each other. Given a greater number of communication channels, the impact of geographic distance is diminishing and the world is getting smaller and smaller (Blieszner & Adams, 1992; Wood, 1995). Nevertheless, the distance still exists. Furthermore, the transportation time for goods to travel between these two countries is also very essential to take into consideration.

Today, there is more possibility and flexibility to travel from Sweden to China with a direct flight route, which is a lot shorter through the air-frontier of Russia and currently there are regular direct flights, which takes about 8 hours (Air China, 2010), from Stockholm to Beijing with the distance of more than 7,700 kilometers by standard way of air travel (Zhonghua Renmin Gongheguo Dashiji (Almanac of People’s Republic of China), 1989). Traveling to other important cities in China from Beijing is considered relatively convenient nowadays through the frequent inland flights and well-developed train networking service.
Thanks to the China’s industrial zone policy for the economic development, most of the industrial areas are located alongside the east coasts, which facilitates the process of shipping out the goods from China. The transportation time of shipping the goods between Sweden and China takes roughly 5 weeks according to Seabay International Freight Forwarding Ltd. (2010).

In addition to spatial distance, time zone is also a critical factor that companies need to take into account. China has effectively only one time zone which is UTC+8 and has not used daylight saving time since 1992 (Liu, 1998); therefore, China is either seven (winter time) or six hours (summer time) ahead of Sweden. In this case, Sweden and China can still have some overlapping working hours. Thus, Swedish companies can make good use of the time before noon to contact their Chinese partners, who are in the afternoon working hours.

![Figure 5: Cultural Variables in Communication with Chinese](image)

### 2.7 Intercultural Adaptation

Adaptation according to behavioral and biological sciences is the process of changing in a direction that increases the congruence or fit (Xiaohua Lin, 2004), cultural adaptation occurs when individuals increase their congruence or fit towards a new culture (Gudykunst & Kim, 1984). This need for a fit comes from differences in cultures, where a fit is needed to bridge the gap and Janssen (2001) speaks of finding compromising solutions for these differences and states that failure to do so will lead to additional difficulties in the management of business relationships.

Black, Mendenhall, and Oddou (1991) argues that learning and practicing new behaviors contribute to the adjustment of a new culture and that cross-cultural adaptation, first and foremost, takes place through individual factors. Firstly, it is the individual’s attribute that allows one to adjust to the new culture and secondly, it is the individual’s attribute that allows the host cultures participants to adjust to the individual and his/her culture.
However, communication is two-way and Young Yun Kim (2001) states that there are three factors which are outside of an individual’s control when it comes to intercultural adaptation: Host Receptivity, Host Conformity Pressure and Ethnic Group Strength. Host receptivity is the degree that a host culture is receptive to receive and acknowledge strangers into its social communication networks. Host conformity pressure is the degree of pressure exerted on the outsider to conform and adapt to the host culture. Ethnic group strength is the degree to which the host culture perceives the guest cultures position as legitimate and makes changes to accommodate the out-group.

The actual process of cultural adaptation, according to Walsh (1973), is three-leveled that is, to understand, to adjust and to learn. Understanding pertains to accepting and acknowledging the cultural differences. Adjusting is to adjust one’s behavior to match the behavior of another’s culture and learning is the highest form of adaption when one has learned how to integrate parts of the other person’s culture into one’s own.

Language is the tool used in communication and therefore, it follows that knowledge of another culture’s language is an important factor in understanding and adapting to another culture. Knowledge of a culture’s language is not only about the linguistic knowledge, it also brings about knowledge of the usage of the language in everyday situations and how the language is interpreted and spoken in formal and informal settings (Young Yun Kim, 2001) and in other words, it enables individuals to learn to think in the way the native speakers think (Brown, 1991).

As a catalyst for adaptation is the potential and commitment towards long-term benefit, Morgan & Hunt (1994) describes this as relationship commitment which they define as something “that occurs when an exchange partner in an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it.” Therefore, in a relationship between individuals or organizations between different cultures, “one of the effects of relationship commitment is its driving toward adaptive behavior between parties (Xiaohua Lin, 2004).”

**Figure 6.: The Process of Cultural Adaptation (Walsh, 1973)**
3 Methodology

The third chapter emphasizes on the research approaches and discusses the methodological choices that have been applied to achieve the purpose of this thesis study. Thereby, the methods of data collection are discussed in detail and the reliability and the validity of the thesis are also stated.

3.1 Topic and Research Selection

According to Jankowicz (2005), “you should choose a topic that you are likely to do well and already have some prior academic knowledge about.” In the authors’ case, we both have experience of living, working and studying in China and Sweden, and both have backgrounds in linguistics. Therefore, the authors decided to combine this background with the pursuit of the degree in Supply Chain Management to a topic that associates with the communication which is essential for businesses to operate the chain of supply in an intercultural context between Sweden and China. Saunders et al (2009) argues that “it is important to think of your future when choosing research topic”, and both authors plan to pursue careers which involve with supply chain management and communication between the West and East.

3.2 Research Approach

There are two types of scientific reasoning you can take in your research: deduction and induction (Ritchie and Lewis, 2003). These approaches deal with the way of how knowledge is attained. Deduction starts with one or more premises that can later be proven true or false through logical reasoning, which means that deductive reasoning uses evidence to support a conclusion. Induction is based on observation of facts that will be the basis for a conclusion, which means that evidence is used to arrive at a conclusion.

The authors have used an inductive approach and have not used any prior premises as a basis for this research. As a result, the authors will use the evidence which is collected through primary data as the basis for the conclusion.

3.3 Scientific View

There are two different worldviews that a researcher can embrace during his/her research: interpretive and realist/positivist (Daymon and Holloway 2002). The interpretive worldview is commonly associated with qualitative methods and is concerned with understanding social reality through the subjective view of the participants within it. The realist worldview is concerned about perceiving reality through an objective viewpoint and is mostly associated with quantitative methods. It interprets the world through laws of cause and effect that is applied in different contexts and times.

An interpretive view is suitable when trying to comprehend the meanings and intentions of the people that are studied (Myers, 2009, Saunders et al., 2009). The authors have written this thesis through the interpretive view since the authors are interested in finding out the circumstances concerning the research questions through the subjective viewpoint of the participants. Furthermore, the authors both have experience of living and working in both
Sweden and China. Thereby, this makes it difficult to follow a fully objective route as it is required by a realist viewpoint.

3.4 Quantitative v.s Qualitative Study

For the selection of research strategy, the choice stands between two options: *quantitative* and *qualitative study* (Bryman and Bell, 2003). Quantitative research is a research strategy based upon usage of quantification in collection and analysis of data; while qualitative research is a research strategy that is based on an emphasis on words in a more extent than quantification of the collection and analysis of data.

The advantage of quantitative method is that it is highly structured and the data which is produced can be subjected to statistical analysis (Wilkinson, 2000); this approach allows for a researcher to present findings in a numerical manner. Quantitative method is associated with a positivist ideal that allows the researcher to act as a neutral observer which allows for a higher degree of objectivity (Darmer and Freytag, 1992). Furthermore, quantitative study combined with probability sampling allows for a high degree of generalization.

Speaking of the advantages of qualitative methods, Richie and Lewis (2003) state “Qualitative methods are used to address research questions that require explanation or understanding of social phenomena and their contexts. They are particularly well-suited to exploring issues that hold some complexity and to studying processes that occur over time.” And Daymon and Holloway (2002) further states “Qualitative research which is connected to an interpretive worldview has great potential for the study of communication from the viewpoint of those involved.” Finally, Myers (2009) states that a qualitative study is ideal for studying cultural aspects of people and organizations.

Silverman (2010) argues that the choice of research strategy should be based on your research question, what you want to achieve and what is practical. At first, the authors considered the use of a quantitative approach, mimicking Hofstede’s (1980) approach in a Swedish-Chinese intercultural communication context and with the addition of other aspects and dimensions for an extended scope. Later, the authors encountered three problems within this approach.

First problem is that a highly structured questionnaire would not allow for further information added from the authors’ side, such as follow-up questions if there were anomalies detected in the answers. Zikmund (2000) here states that “an advantage of personal interviews is the ability to probe if a participant’s answer is brief or vague.”

Secondly, due to the complexity of our research question, a questionnaire would have to be overly extensive to cover all possibilities in order to ensure the depth needed to answer the question.

Thirdly, the authors did not deem that it is feasible to get a large sample of companies to take the time to fill in questionnaires and therefore, the authors assumed that the response rate would be low. Zikmund (2000) states “while some people are reluctant to participate in a survey, the presence of an interview generally increases the percentage of people willing to complete the interview. Respondents are generally not required to do any reading or writing – all they have to do is talk. Most people enjoy sharing information and insights with friendly and sympathetic interviewers.”
Due to these perceived problems and the authors’ opinion that the above-mentioned advantages of conducting a qualitative study is more suitable for this study, such as for studying complex subjects and it being ideal for the cultural study of people and organizations, the authors have decided on using a qualitative approach.

3.5 Data Collection

Researchers distinguish between two types of data: **secondary** and **primary data** (Zikmund 2000). Secondary data is data that has been collected for another purpose than that of the project, which is currently researched and is also referred to as historical data. Primary data is data that has been collected for primary use by the project being researched.

3.5.1 Primary Data

When choosing the method for data collection, “the researcher should determine the most practical, efficient, feasible, and ethical methods (Marshall and Rossman, 2006).” When conducting qualitative research, there are several methods and Lee and Lings (2008) states that “There are four methods associated with qualitative research. These are observation, focus groups, reviewing documentary sources of data and interviewing.”

Observation, which entails to directly observe the situation you want to study since it would be unpractical and unfeasible to directly observe communication as it unfolds between participants in this study. Therefore, the authors chose not to use this method of data collection. Focus groups, which involves several participants simultaneously involved in an interview process, was also not considered to be a feasible or a relevant method for data collection in this case. Reviewing documentary sources of data as a source of primary data was not considered since documents were not considered useful and there would be issues concerning confidentiality of such document sources. The authors, therefore, drew the conclusion that the **interview method** would be the ideal technique of data collection for primary data to ensure that participants’ opinions were represented accurately and that the research question was answered correctly.

According to Darmer and Freytag (1992), there are five types of qualitative interview methods: **Explanatory interviews**, **In-depth interviews**, **Goal-oriented interviews**, **explorative interviews** and **focused interviews**. Explanatory interviews are used when you are seeking knowledge of something you have vague prior knowledge about and the questions are designed in a way to increase knowledge within the field studied and are often used in pilot studies. In-depth interviews are designed to give insight into something you already have basic knowledge about. Goal-oriented interviews are designed to give knowledge about one particular area in which you ask specific questions about. Explorative Interviews are interviews conducted when the data material collected is processed and information is missing which requires further explanation. And, focused interviews are interviews designed to give comprehension about certain predetermined themes, which the interviewer has made sure to focus on.

During the research, the authors have made use of the explanatory interview for use in the pilot interview to test the validity of our interview guide framework. Afterwards, the authors have conducted focused interviews for collecting primary data in order to ensure that each topic was given an answer.
3.5.1.1 Pilot Interview

The authors firstly conducted an unstructured interview in order to test the completeness of the interview guide framework. The interview lasted considerably longer than the following semi-structured interviews and required approximately four hours. After the interview, the authors made modifications to include other aspects that the authors found influential in intercultural communication.

3.5.1.2 Structure of the Interview

There are three types of structure for an interview Darmer and Freytag (1992): structured, semi-structured and unstructured. The structured interview is only useful if it can correctly address your research question and with an unstructured interview, you cannot be certain that each interview will address the objectives of the research question making an analysis problematic. The authors have, therefore, chosen a semi-structured interview method. In a semi-structured interview, it is the interviewers’ responsibility to ensure that each theme is addressed while still allowing for a natural and flowing dialogue.

3.5.1.3 Designing Interview Questions

The interview questions were designed from analyzing the references and determining the factors that can influence intercultural communication. The references used are the cultural dimensions based on Hofstede’s (1980) and Hall’s (1990) cultural theories, as well as some other factors that were perceived to influence the cross-cultural communication. This was further explained in the section of frame of reference.

Daymon and Holloway (2002) argue that when designing the questionnaire, “questions should be designed, according to the participants’ level of understanding, and should therefore be expressed in a way that is meaningful for them, which means avoiding academic or specialist jargon. Therefore, when designing the questions for the interview, the authors altered the description of the theoretical descriptions into more colloquial descriptions. The alterations are as follows:

1. Power was kept as Power
2. Communication was changed into Communication Style
3. Structure was changed into Agreements
4. Collectivity was changed and divided into Relationship & Working Style
5. Time was expressed as Time Perspective / Planning
6. Language was kept as Language
7. Guanxi was incorporated into Relationship
8. Face was included in Customs
9. Time zone and Distance was incorporated into External Factors
3.5.1.4 Method for Recording the Interview

Patel and Davidsson (1991) argue that “when conducting interviews, recording the participants will influence the answers you get and the participants will feel more compelled to appear rational and logical when giving their answers.” Lagerholm (2005) further states that “it can prevent the participants from speaking naturally and being honest.” Therefore, the authors have decided to take notes during the interview process and then directly, after the interview, write down a more detailed summary.

3.5.1.5 Interview Process

At first, the authors tried to set an interview time as within one hour so that it would not take too much time from the interviewees and would avoid that the interviewees lost momentum towards the end. However, after conducting a pilot interview, the authors discovered that one hour would be too short for interviewees to share their experiences, so the authors decided to inform the interview participants that the interview would take up to two hours. When conducting the actual interviews, they took roughly one hour to two hours of the effective interview time. The authors interviewed the persons who are in charge of communications with China in each company, which was usually one person due to the personnel availability of the companies participating. Most of the interviews were conducted face-to-face and in English language with both authors present to take notes. There are three exceptions apart from this. In the case of Arлемark and Hestra-Handsken, there was only one author present and moreover the interview language was in both English and Swedish in the case of Hestra-Handsken. And, in the case of Falksbroker, there was only one author present and the interview was conducted by telephone in Swedish language. Besides, the authors have also provided the choice of being anonymous to all of the respondents by the exclusion of either personal name, company name or manufactured product. In this case, one respondent has requested to be anonymous and will be entitled as Respondent A in this thesis.

3.5.2 Secondary Data

Zikmund (2000) states that researchers are able to build on their previous research to conduct their new study. In the literature reviews, the authors found several materials that had researched on the factors concerning intercultural communication which the authors used to build upon in this study.

Secondary data has been collected from multiple sources. The library databases at Jonkoping University have been used to collect journals, articles, theses and books relating to the authors’ research. Statsbiblioteket in Gothenburg has also been used to collect secondary data.

The keywords used are, for instance:

1. Intercultural Communication in Supply Chain Management
2. Intercultural Communication
3. Cultural Theories, ex. Hall, Hofstede, etc.
4. Cultural phenomena, such as face, quanxi, customs, etc.

5. China (language, geography, etc.)

3.5.2.1 Frame of References

Miles and Huberman (1984) suggest that researchers in qualitative studies have a range of options, when it comes to selecting prior instrumentation (predefined methods and measures). No prior instrumentation allows for phenomena that may be hidden by prior instrumentation. However, if you make use of “considerable prior instrumentation, you can avoid the gathering of superfluous data and allow for comparison.”

The authors have designed a theoretical framework based on the researches of Hofstede (1980) and Hall (1990) on culture as the basis for the factors that can influence intercultural communication. When the authors approached Hofstede’s (1980) cultural dimensions, two dimensions were found to overlap in the factors that were perceived to influence intercultural communication with the characteristics of the other dimensions by Hofstede (1980) and Hall (1990). These were the Long-Term and Short-Term Orientation Index and the Masculinity and Femininity Index. Therefore, those two dimensions were not neither used as a basis for the questions, nor asked in the interview, nor used in the final analysis.

Based on other reviewed literature, the authors have also added other factors that can influence communication, such as language and customs. Besides, the authors have also added aspects that are considered more specific for communication with Chinese, such as the concept of face and guanxi. Further relevant aspects were also added from the source of the pilot interview the authors conducted and did not find covered in the literature reviews, such as distance, time zone and method of communication.

3.5.2.2 Criticism of the Cultural Theories

There have been some criticisms directed to Hofstede’s (1980) cultural dimensions and Hall’s (1990) cultural theory.

Criticism towards Hofstede’s (1980) study is that the research was only performed within the company IBM and would therefore be influenced by the organizational culture prevalent in IBM (Baskerville, 2003) and Baskerville (2003) further states that “his survey was of one organization and may not be applicable to other contexts.” Another criticism brought forward is that Hofstede (1980) puts a nation’s culture in one or the other end of a spectrum in his dimensions. As Tim Ambler and Morgen Witzel (2000) states, concerning the Chinese culture, “Hofstede is a prisoner of his own (Dutch) culture and frankly, this type of research is hocus-pocus. The Chinese are not either individualist or collective but both at the same time”.

Criticism towards Hall’s (1990) cultural theory is that he does not clearly categorize or rank countries on behalf of low-/ high-context or monochromic / polychromic cultures as Richard Mead (1998) comments. He further argues that Hall’s (1990) model is built on qualitative insights rather than quantitative data although he mentions a couple of general countries as examples. Moreover, Richard Mead (1998) also criticizes that no countries exist exclusively at one end of the scale or the other, and all countries show high-context and low-context cultural behavior at different points but Hall (1990) does not clarify this point,
which might give people some biased stereotype of how a specific culture is like. For instance, China is classified as polychromic in terms of general culture, but when it comes to punctuality for business meetings, many Chinese are monochromic today (Hooker, 2003; Gesteland, 2005; Moran et al., 2007).

The authors address these criticisms for the reason of not applying their theories as the only indisputable facts but as a basis for what may be the factors in influencing the intercultural communication. Therefore, in this research, the authors’ findings may very well contradict the conclusions of Hofstede’s (1980) and Hall’s (1990) cultural theories.

### 3.5.2.3 Sampling

When finding a sample for your research, there are two main types of sampling: probability and non-probability sampling (Cooper and Schindler, 2001). Probability sampling is random and every individual relevant to the study has a chance of selection; while non-probability sampling is subjective and allows the researcher to choose the sample, according to the defined standards.

When finding and selecting participants, the authors have used non-probability sampling, and have confined sampling of members to those that conform to certain criteria.

The authors looked for participants who would satisfy the following criteria:

1. Located in Jonkoping County in order to allow for face-to-face interviews.
2. Small-, medium- or large-sized companies in all kinds of industries that allow a wide variety of data collection for the study.
3. Have business relations and communication with companies located in China.

All of the companies interviewed in this study fulfilled these criteria.

### 3.6 Validity and Reliability

#### 3.6.1 Reliability

In order to determine the goodness or quality of a study, researchers have used the notions of validity and reliability (Daymon and Holloway, 2002). These measures are, however, based upon the measurement of objectivity, which is not consistent with a qualitative based on subjectivity. Therefore, in order to make use of these two measurements, it “forces you to redefine some of the features of reliability and validity (Daymon and Holloway, 2002).”

Reliability, when conducting quantitative research, is based upon the measurement instrument used and the degree that it can produce the same answers and results if performed twice (Daymon and Holloway, 2002). However, when conducting a qualitative study, the researcher is an integral part of the measurement instrument. Therefore, it is unlikely that another researcher or even the same researcher who conducts the same research by using the same instrument of measurement would get the same results. Darmer and Freytag (1995) further argue that qualitative interviews with an interpretive viewpoint are not only impossible to replicate but the process of doing so is entirely worthless since no further insight is gained.
In order to increase the degree of reliability in this study but at the same time retain the characteristics of a qualitative study, the authors used a semi-structured interview guide, which would allow researchers to follow the same process. The authors have also, after summarization of the interviews, allowed the participants to verify the contents to ensure that subjective bias from the authors’ side has been minimized.

3.6.2 Validity

Validity, according to Daymon and Holloway (2002), can be separated into internal and external validity. Internal validity is concerned with the degree that the findings of a study can be deemed true and if it correctly reflects the goal of the research and the social reality of the participants within the study. And, external validity is the degree that generalization that can be made according to your study. However, this notion is based upon a realist worldview, which is not entirely compatible with an interpretive worldview.

In order to assure a high degree of internal validity, the authors have allowed the participants to take part of our findings. This study cannot generalize outside of the scope of the participants interviewed. However, it is the authors’ belief that the findings in this study can still be useful for companies which seek to initiate business with China or currently face problems in communication with Chinese companies.


4 The Empirical Study

In this chapter, the questionnaire of the thesis and the interviewees of the study are introduced. The research categories of the questionnaire are translated from theoretical terms to practical terms. Subsequently, case description of each interview is presented and later integrated in the summary.

4.1 The Research Questions

The authors’ research questions are derived from the analysis of the mentioned cultural theories and some additional external factors that may in some way affect business communication. Subsequently, questions categorized according to Moran et al.’s (2007) analysis on cultural variables (ref. Figure 3.), which is the summary of the cultural theories resulting in communication variances, are translated into more understandable terms for the interviewees. The interview guide is made into nine different categories with adaptation stage and proposed solution in the last. The example can be found in the Appendix 1.

Table 1. Translation of Theoretical Terms into Practical Terms

<table>
<thead>
<tr>
<th>Theoretical Terms</th>
<th>Practical Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power</td>
<td></td>
</tr>
<tr>
<td>Egalitarian</td>
<td>Low Power Distance (Hofstede, 1980)</td>
</tr>
<tr>
<td>Hierarchical</td>
<td>High Power Distance (Hofstede, 1980)</td>
</tr>
<tr>
<td>Communication Style</td>
<td></td>
</tr>
<tr>
<td>High Context</td>
<td>High Context (Hall, 1990)</td>
</tr>
<tr>
<td>Low Context</td>
<td>Low Context (Hall, 1990)</td>
</tr>
<tr>
<td>Structure</td>
<td></td>
</tr>
<tr>
<td>Predictability</td>
<td>High Uncertainty Avoidance (Hofstede, 1980)</td>
</tr>
<tr>
<td>Uncertainty</td>
<td>Low Uncertainty Avoidance (Hofstede, 1980)</td>
</tr>
<tr>
<td>Collectivity</td>
<td></td>
</tr>
<tr>
<td>Group</td>
<td>Collectivism (Hofstede, 1980)</td>
</tr>
<tr>
<td>Individual</td>
<td>Individualism (Hofstede, 1980)</td>
</tr>
<tr>
<td>Time</td>
<td></td>
</tr>
<tr>
<td>Monochronic</td>
<td>Monochronic (Hall, 1990)</td>
</tr>
<tr>
<td>Polychronic</td>
<td>Polychronic (Hall, 1990)</td>
</tr>
</tbody>
</table>
4.2 The Company Interviews

As the authors have mentioned in the delimitation, the interviewed companies are only limited in Jonkoping County area. There are in total seven interviewed companies, which are involved in all kinds of different industries, in this research project six of them were interviewed personally and one of them by telephone. The interviews were performed mainly in English but one of them was done in a mix of both English and Swedish and another in merely Swedish. Due to the long cultural adaptation process through years of experiences, the interviewees usually had quite much to share. Thus, the interview time with each interviewed companies required approximately 1.5~2 hours. There was no recording during the interviews and the interviewees are generally open towards the interview questions. In some cases, the authors were requested not to publish their examples outside of the academic field. Besides, one of the interviewees requests to remain anonymous in this study.

Table 2. The Company Interviews

<table>
<thead>
<tr>
<th>Location</th>
<th>Waggeryd Cell AB</th>
<th>Scandinavian Eye wear AB</th>
<th>Kapsch TraficCom AB</th>
<th>Kongsberg Automotive</th>
<th>Hestra-Handsken AB</th>
<th>Arlemark Glas AB</th>
<th>Falks Broker AB</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Vaggeryd,</td>
<td>Jonkoping City</td>
<td>Jonkoping City</td>
<td>Mullsjö, Jonkoping</td>
<td>Jonkoping City</td>
<td>Jonkoping City</td>
<td>Anderstorp,</td>
</tr>
<tr>
<td></td>
<td>Vaggeryd,</td>
<td></td>
<td></td>
<td>City</td>
<td></td>
<td></td>
<td>Jonkoping County</td>
</tr>
<tr>
<td></td>
<td>Jonkoping County</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td>Paper Pulp</td>
<td>Eyewear</td>
<td>Road Traffic</td>
<td>Automotive</td>
<td>Gloves</td>
<td>Glass</td>
<td>Metal Trading</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Telematic System</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experiences with China</td>
<td>10</td>
<td>8</td>
<td>14 (end, 2004)</td>
<td>5</td>
<td>45</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>(year)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date of interview</td>
<td>2010.04.15</td>
<td>2010.04.09</td>
<td>2010.03.30</td>
<td>2010.03.23</td>
<td>2010.04.28</td>
<td>2010.04.14</td>
<td>2010.05.25</td>
</tr>
<tr>
<td>Interviewee (work position)</td>
<td>Respondent A</td>
<td>Mikael Parsmo</td>
<td>Göran Andersson</td>
<td>Charlotte Hårnborg</td>
<td>Lars-Olof Magnusson</td>
<td>Johan Schyl-</td>
<td>Mikael Karlsson</td>
</tr>
<tr>
<td></td>
<td>(high position)</td>
<td>(supply chain manager)</td>
<td>(senior sales</td>
<td>(logistics manager)</td>
<td>(vice president)</td>
<td>lander (owner)</td>
<td>(vice director)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>manager)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Means of interview</td>
<td>Face-to-face</td>
<td>Face-to-face</td>
<td>Face-to-face</td>
<td>Face-to-face</td>
<td>Face-to-face</td>
<td>Face-to-face</td>
<td>Telephone</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Language of interview</td>
<td>English</td>
<td>English</td>
<td>English</td>
<td>English</td>
<td>English &amp; Swedish</td>
<td>English</td>
<td>Swedish</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Duration of interview</td>
<td>2h</td>
<td>2h</td>
<td>2h15</td>
<td>1h35</td>
<td>2h</td>
<td>2h</td>
<td>1h20</td>
</tr>
</tbody>
</table>
4.3 The Case Descriptions

4.3.1 Waggeryd Cell AB

Waggeryd Cell AB is an independent Softwood BCTMP producer, wholly owned by ATA-Holding AB, a major Swedish producer of sawn timber. Waggeryd Cell AB which is presently situated in Vaggeryd Community, with latest certificated recycling technology in generating a good environment to the community. The company was founded in 1989 and since 1999; the company has been implemented with new strategy decisions that turn over the company to a new leaf. Their product comprises of treated wooden chips, which mainly come from the company’s own sawmills. Today, Waggeryd Cell AB with turnover 60 million USD (2009) and 45 employees is quite a competitive wood pulp supplier who sells about 100% of its products (production capacity: 125,000 tons/year) to many European and Asian countries, like China. After last year’s recession, Chinese market share of the company’s export has massively increased. With the growing importance in Chinese market, Respondent A, who takes in charge of sales and technical supports, visits his Chinese local agents and customers at least three times a year.

Operations in China

Waggeryd Cell has two representative Chinese agents who play very important roles in bridging between Waggeryd Cell and its local customers in China. One agent is located in Beijing and the other is in Shanghai. Their function is to take care of most of the basic customers’ requirements, sales, problem solving, communication, etc. with local customers so that once Respondent A comes to China, he can effectively make the best of his time there to support. Respondent A, the interviewee to our thesis questionnaire, explains that Waggeryd Cell holds a long-term cooperative attitude towards its customers and the power situation between them is quite balanced.

Experiences and Adaptation from dealing with Chinese companies

**Power:** Respondent A is 43 years old and he began the cooperation with Chinese at age 33. Concerning age and position, he feels that he is more respected than before. Age is also a measurement of trust on Chinese side when it comes to technical questions. Nevertheless, he claims that although age is important, there are more young people involving with high level management in Chinese companies nowadays. High position can also catch attention from the counterparts but it depends on the individuals you talk to. There is also a tendency that Chinese counterparts may divulge less information to somebody who is young or has a low position. Respondent A stresses further that it is critical to talk to the right person in order to get quick answers. His solutions are to give his agents the responsibility to arrange the right people to meet up with and to adapt to the local foods habits to show respect.

**Language:** The communication language is mainly English but sometimes, his local agents and customers communicate in Mandarin for a better understanding. Local agents have good English ability and play an important role as translator here. Therefore, language barrier does not affect communication in this case thanks to the local agents. Respondent A agrees that having knowledge of either Swedish or Chinese for both parties will facilitate the communication but he is not up for having either of them as business language. Local agents offer the best solution to this matter.

**Communication Style:** In Respondent A’s viewpoint, his Chinese counterparts are very direct in conveying their messages now because the business relationship has been in a
long-term orientation and customers are more professional than before. In his opinion, Chinese are sometimes reluctant to admit mistakes and they prefer to talk around things. Besides, he perceives that relationship-building does not take up so much time and it is quite similar with other Swedish companies. The frequency of communication is not high and they talk only when needed. Even though, he visits China a few times a year. Through his experiences with interacting with Chinese, he felt that Chinese did not seem interested via their language tone and they seemed quite reserved in behaviors before but he has learned to understand them much better. Most importantly, local agents act as a facilitator here and help to solve lots of customer problems in the first hand.

Agreement: From Respondent A’s experiences, in early period of cooperation, he has encountered many Chinese companies who did not follow what they had agreed in the contract or they tended to break off the contract due to the cheaper price they found later on. Today, Waggeryd Cell has cultivated a long-term business relationship with its Chinese customers and these customers do follow the rules consistently. The company’s adaption is to contact with banks for relevant information and offer his customers volume-based contracts. If they do not play by the rules, Waggeryd Cell will switch to other customers.

Working Style: It is very flexible to contact Respondent A’s Chinese partners at any hour and he also gives the same opportunity to them in the beginning of the cooperation. Nevertheless, he still carries out his business affairs with them during normal office hours.

Relationship: Relationship comes along with trust and stable high quality. Without relationship, both sides require longer time to test and verify their business dealings. With relationship, things can go more smoothly and a sudden office-drop-by with the person in question is easier and more efficient. To Respondent A, relationship is good in the way to a long-term cooperation, which is very important; otherwise, it is only about price and quality. Reorganization in one company can affect the existing relationship, which can raise new questions or requirements or might reduce the purchasing volume or even stop purchasing, for instance. Chinese counterparts appear to prioritize their benefits over the mutual benefits but Waggeryd Cell applies tailor-made quality with volume-based contracts to generate a win-win situation for both.

Time Perspective: In Waggeryd Cell’s case (a seller position), there is no different attitude towards deadlines for both sides. It is also quite similar for both sides to reply a request within a normal period of time.

Customs: Respondent A thinks that customs generally do not affect business communication that much but small gift-giving can be seen as a plus for the relations and meal-treating can be taken care of by host country, which stands for hospitality. In order to keep face for Chinese counterparts, Respondent A tends to explain things nicely when it comes to problems or complaints or avoids direct talks about mistakes. It is preferable that foreigners follow the host country’s customs but it is understandable if they offend them by unawareness. Local agents in this matter also can provide help and Respondent A personally likes to know the culture.

External Factors: Time zone difference does not appear to Respondent A as a problem. He thinks that the situation with China is much better than with US. At least, with China, there are still some overlapping working hours. As to the spatial distance, it takes only a few hours to fly to China and besides, modern telecommunication technology has helped to narrow down the distance. Email is used mainly for document record and telephone and SMS message are also used for the communication with Chinese counterparts. Respondent
A tries to adapt to time zone difference and usually he makes use of the morning time to deal with Chinese affairs when they are still at work.

**General solutions to improve communication:** Respondent A recommends to have local people working on the spot to give direct support in all possible matters. In the initial stage, it is recommended to go through agency for market development.

### 4.3.2 Scandinavian Eyewear AB

Scandinavian Eyewear AB (SE), earlier well-known as Skaga in eyewear industry, is currently situated in Jonkoping city. The company was founded by a Hungarian Lajoz Lazar, who came to Sweden earlier to sell eyewear frames produced by his own factory in Budapest but was forced to stay in the end due to the incident of property confiscation by his Hungarian government, in 1948. Later, after several acquisitions, the company was purchased by Rviks Invest, which drove the company to another level and began the cultivation in eyewear design, in 1999. The company’s turnover in 2009 is around 90 million SEK and there are currently 36 employees. There are more than 200,000 eyewear frames being sold per year and Scandinavia remains the biggest market of SE’s although SE also exports to many other countries. SE’s successful factors are to focus on eyewear design, logistics and marketing. Since 70’s, SE has started production cooperation with Italian companies and even owns a factory there. In December of 2002, SE was ready to move the production line to China. Now, China and Italy occupy relatively 60% and 40% of SE’s whole production. According to Mikael Parsmo (2010), more and more production is being moved to China from Italy because of the machine innovation and growing machining standard in China.

**Operations in China**

Mikael Parsmo, the interviewee of this thesis, works as supply chain manager at Scandinavian Eyewear (SE) and takes care of sourcing, production development, purchasing and distribution. He has been working closely with Chinese companies in 7,5 years. With the market development and machine innovation in China, SE has gradually moved a lot of their production from Italy to China. SE outsources a lot from China and has contacts with many factories but presently purchase mainly from one of them. This main cooperative Chinese company is bigger in size and production volume compared to SE but SE has succeeded in keeping a good relationship with the top management in its counterpart’s company. SE particularly focuses on having a long-term relationship with its partners and the quality of products. They try to visit China four times a year.

**Experiences and Adaptation from dealing with Chinese companies**

**Power:** Mikael is 44 years old and he was in the age of 37 when he began the contact with Chinese. He thinks that age and position can result in different outcomes when dealing with Chinese companies. Generally, Chinese tend to respect elder more because they believe that age comes with more experiences but it does not mean that they do not respect profession so basically it depends on different people. He does not use title when communicating with his partners but with new companies in order to gain more respect. From his experiences, higher position and age can definitely help to get more information. He mentions that it is important to communicate with high positions in China because his contact persons with low position have difficulty in helping sometimes. After all, his partner company responds to a request efficiently.
**Language:** English is the main business language between Mikael and his Chinese partners. He does not use any translator because his contact persons speak good English. It does not happen often that he is misled by their language mistakes. He just needs to pay extra attention to listen and identify from their reactions to see if they fully understand otherwise he will use easy words instead. It can be a bit problematic when it comes to technical explanations. Both sides do not perceive language as barrier to communication and try to work cooperatively in a profession way. By knowing the partner’s language, it could be more involvement and he could also supervise the local production line. Besides, he could be able to find out more information and problems. In his opinion, it is critical to learn how other people think, repeat questions, and show respect and interest in their culture for relations.

**Communication Style:** In Mikael’s point of view, Chinese people are not direct when conveying messages and consequently they can easily lose focus in the conversation. His solution to this situation is to be straight-forward but humble when communicating but try to avoid causing face-losing situations. It does take more time to communicate with Chinese companies due to their indirectness and relationship issue but the key point is to understand how they work. Both sides prefer to keep frequent contact to reach a good information feedback. Usually, he takes initiative to give more information to Chinese partners to make sure a stable delivery services. Language tone is indeed different and he used to take it as they were angry or unwilling to communicate. Body language can send out a lot of messages. Solutions to this matter are to be prepared and need to have overview about the partners and understand the situations in China. For instance, try to understand their way of working and place order at the right time to generate a smooth delivery.

**Agreement:** Mikael states that Chinese have difficulty in sticking to what they have said. In other words, they are not strict toward business agreements. Relationship and hand-shaking means more than words in the papers. However, long-term relationship is what SE seeks here and they do not execute the punishment terms in the contract but try to sort things out together with their partners. They prefer to have a direct talk with the high management level and use the relation to solve problems but only use it when it is necessary.

**Working style:** Mikael expresses that his Chinese partners are flexible and willing to work overtime so that he can often contact them at any time and so can they to him, which leads to the consequence that Mikael is often bound to his work even during weekends or holidays. This does affect the Swedish way of working but Mikael has adapts to it and this has also given the Chinese side no excuses for not fulfilling delivery schedules.

**Relationship:** The relationship is perceived as a very important factor to receive attention and get noticed, especially in the situation when a small company deals with a big company. Usually, business begins with dinner in China and relationship is a must and facilitator in communication. And, reorganization of personnel in a company can also affect the cooperation. Therefore, it is vital to have a good relation with the high management to get new contact person in case the old one goes. The agreements are based on mutual benefits, which results in a long-term relationship.

**Time Perspective / Planning:** Regarding the attitude towards deadlines, Mikael thinks that both sides have different planning attitude. The Chinese side usually has problems with keeping up with deadlines due to the shortage of capacity. In order to solve this problem, SE needs to forecast long time ahead and place orders in advance and they also keep continual updates to keep track of their production progress. Both sides are very fast at replying to a request. Other than the clear planning schedule, both sides should discuss the
market situation and production capacity so that they can face the potential problems together and get prepared for it. For instance, presently the Chinese side is facing manpower shortage after the economic crisis since many people got laid-off. So now, it is difficult to have enough people working for the increasing orders.

**Customs:** According to Mikael’s senior manager, it was very formal in China to wear suit for business occasions but Mikael found out himself that it was actually quite casual and it could also differ from business to business or person to person. Regarding customs, Mikael claims that both sides try to act in a professional way. From his experiences dealing with Chinese, he has noticed that Chinese people have difficulty admitting mistakes; therefore, sometimes he admits to have made some mistakes in order to save his counterparts’ faces even though it is not him who has caused the problems. Mikael says that it is more important for him to get problems solved than to argue whose fault that was. In his opinion, people have to have chances to make mistakes and to learn from the mistakes! He has no experiences concerning taboos in China but reasonably thinking, foreigners can be excused from unconsciously offending host country’s customs. Mikael thinks that it is good to be direct, clear and responsible with foreign partners. “Be patient to explain problems and do not shout or show much emotions”, says Mikael. Besides, try to have good relations with high position management to get the priority over business dealings.

**External Factors:** Time zone difference is not a big problem in Mikael’s eyes but an advantage when both sides can have more time to think before they respond to a request on the next day. Spatial distance is no longer an obstacle in international business conducts either thanks to the high-tech inventions, such as Internet and airplane. Email has drastically shortened the distance and is also the main method which Mikael and his colleagues use for the communication with China because the written form can be kept as records. Besides, Scandinavian Eyewear has a local person stationed in China to supervise the production lines on the spot, which might induce high costs but is worth of the price, says Mikael. There is no special adaptation on this issue for the sourcing part, which is different from dealing with the customer relation, which requires more adaption to customers. Simply, they work in their own tempo and learn the time zone difference.

**General solutions to improve communication:** In the end, Mikael proposes several points in improving the communication with Chinese people. Firstly, try to be humble and understanding towards Chinese business partners. Secondly, it is recommended to do the homework before entering the new market. Be responsible for what you do and start contacting new potential suppliers. Thirdly, organize a visit to China and have a face-to-face communication and be there to understand how they work. Meanwhile, check their standard equipments and their ability and capacity to supply consistently. Lastly, work hard on relationship-building in the early stage of the cooperation.

### 4.3.3 Kapsch TrafficCom AB

Kapsch TrafficCom, located in Jonkoping city, is one of the world’s leading suppliers of road traffic telematic systems, products and services. The company was founded within the SAAB Group in 1991 and later at the beginning of year 2000, it became part of Kapsch AG, an Austrian company founded over a hundred years ago with a main focus on telecom and the use of telematics in complex transport systems. Thus, the company is headquartered in Vienna, Austria. Today, there are around 130 employees stationed in Jonkoping and the turnover for 2009 is approximately 500 million SEK. Kapsch develops and delivers
primarily electronic toll collection systems and offers traffic management solutions focusing on traffic safety and control, electronic access systems and parking management systems to 36 countries in Europe, Australia, Latin America, Middle East, Asia Pacific and in South Africa.

**Operations in China**

Kapsch TrafficCom in Jonkoping is currently not in charge of Chinese market since 2004 when it was decided that Austrian headquarter should take over the market. According to the interviewee Göran Andersson (Senior Sales Manager), Kapsch in Jonkoping used to have a very good connection with Chinese market and had established a local office, where there were two Chinese employees taking care of the local connections and one Swedish manager visiting periodically, in Guangzhou for a couple of years. Now, all Chinese business is taken care of by the headquarter in Vienna. Until today, Kapsch in Jonkoping still keeps contacts and does business with other Asian countries.

**Experiences and Adaptation from dealing with Chinese companies**

**Power:** Göran is 60 years old and he was in the age of 45 when he began the contact with Chinese. From his experiences, position and age did matter in the communication with his Chinese counterparts because Göran noticed that they tended to pay more attention when a senior person was speaking and they had more eye contact with that person. He also explains that this situation is changing when there are more young people occupying more important positions. New generation is more open-minded and is also less extreme when it comes to respecting elders. He also mentions that if you have decision making power, they will not go over your head to get an agreement. Göran’s tactic to deal with Chinese counterparts was to send the right person to the right customer to avoid the unwillingness of divulging information from their side. Göran perceived the difference in cultures already in the start and he felt it was a common sense to respect others.

**Language:** English was the main business language between Göran and his Chinese partners. Translation in brochures was required often to make sure Chinese customers fully understand Kapsch’s products and competitive edges. Although Chinese people have generally better knowledge of English today than before, it can still be troublesome with their difficult English accent. Therefore, Göran preferred to reconfirm by email after they had a discussion. Language is not seen as a barrier to communication by Göran and to have knowledge of your partner’s language can of course help with the communication but somehow, he does not think that it matters that much. He actually got some help from the Swedish Trade Council in China and also had a local assistant to help in market development. He used Chinese translation in brochures and his business card.

**Communication Style:** Göran states that there were not much business discussion in the beginning but from those initial meetings they got to know each other and developed some kind of relation in order to further open up to be more direct and speak about business. At times, their indirectness confused Göran. He was not sure if they understood what he had said or they did not agree or they just did not want to tell more information. Moreover, they never say no. At this point, it was good to have a local assistant who could interpret the situation. The communication with his Chinese partners was perceived time-consuming because meetings could take long time and they were so indulged in small details. The frequency of communication with local partners in China is high in this industry and fast response time is a must. Language tone does not affect communication that much although the accent is perceived difficult to understand. Body touch can be an indicator that rela-
relationship is getting closer. Local partners are nearly a must and can definitely help to
improve the communication and secure a better understanding with local customers.

Agreement: Göran explains that it was often legal departments took care of this discus-
sion. Hand-shaking was already a symbol of written agreement. In this case, they had con-
sidered each other as friends so any complications arose during the cooperation, they
would find a solution together no matter what was stated in the contract. Kapsch used
standard contracts with some slight changes if customers required.

Working style: Göran’s Chinese partners were very flexible with working hours and he
could nearly contact them whenever he wanted but email was still the most common way
of contact. Equally, they could have the same expectation from Swedish side. Normally,
Göran dedicated more time to work under tender processes because his Chinese counter-
parts requested quick responses.

Relationship: A good relationship helps to open up discussions about everything, says
Göran. When the relationship evolved as friendship, they would have some private activi-
ties together. For instance, he would invite them home for dinner or to a hockey match.
Having a relationship also makes it easier to get in contact with a person and even drop by
at any time. The agreements were based on a win-win situation for reaching a long-term re-
relationship. Relationship develops tighter through face-to-face communication because trust
increases through personal interactions in China.

Time Perspective / Planning: In Kapsch case, they needed to make their Chinese cus-
tomers understand in advance the importance of planning when placing a new order be-
cause the leadtime for the different products had to be taking care of. Usually, the Chinese
counterparts gave quick responses and they also expected the same from the Swedish side.
Kapsch tried to meet the schedules.

Customs: It is quite common to present a gift for the first meeting and concerning treating
someone to meals, it is often the host company that takes care of it. In Göran’s opinion,
Asians are more aware of face-keeping manners and know how to not offend the other
party. In order to prevent face-losing situations, he suggests having private discussions with
Chinese partners instead of confronting them in public. Furthermore, customs might mat-
ter but foreigners are excused if they are not aware of the traditions.

External Factors: Time zone difference has both advantages and disadvantages in cross-
national communication. For instance, when the Swedish side is at sleep, the Chinese side
is at work so the Swedish side can get a quick reply the next day at work. If the Swedish
side is eager to have an answer in the afternoon, the Chinese side is off work and even at
sleep. In the early stage of relationship establishment, face-to-face communication was very
important to Chinese people. Therefore, it required more long travelling hours and fre-
quent visits. Email was the most common communication method between Göran and his
Chinese partners. Skype was used for telephone conference and SMS was also applicable if
a quick, short reply was needed. Since Kapsch was in a selling position so they had to ad-
just to the working hours of their partners.

General solutions to improve communication: To start up the cooperation, it is prefer-
able to go through the Swedish Trade Council which has good experiences dealing with
Chinese people and has relatively good governmental connections. Göran also suggests
surveying some potential partners and organizing a business trip to China to evaluate the
possibility in person. It is also a plus to get references from local connections or Swedish
Trade Council that have more knowledge about the reputation of local companies. Most importantly, do not rush to sign any exclusive agreements.

4.3.4 Kongsberg Automotive

Kongsberg Automotive (KA), one of many important subcontractors to the automotive industry, is a multi-national company who manufactures automotive parts and provides system solutions to vehicle makers, like BMW, Mercedes-Benz, Renault, Volvo, etc. around the world. KA was founded in 1987 and is headquartered in Kongsberg, Norway. KA, with revenues of about MEUR 623 (2009) and approximately 9,000 employees, has almost 50 facilities in 20 countries (www.kongsbergautomotive.com). In 1996, KA purchased the company Scandmec, one of world’s leading manufacturers of radiators for cars, in Mullsjö through acquisition, which doubled up the company’s turnover. The unit in Mullsjö is the company’s most complex and most completed unit in many ways with roughly 500 employees (Eriksson et al., 2008). Later, KA decided to move a big part of production lines to Poland and China.

Operations in China

In 2005 Kongsberg Automotive decided to open up a factory, in which there are about 50 employees, in Wuxi, China, to closely supply their customers, like Audi, Ford, etc. The components are sent from the factory in Mullsjö. Meanwhile, Kongsberg Automotive can begin doing business with local manufacturers, make good use of local suppliers in China and most importantly, be close to big Chinese market.

Experiences and Adaptation from dealing with Chinese companies

Power: Charlotte Härnborg, the interviewee of the thesis, works as logistics manager (Automotive Systems) at Kongsberg Automotive. She is 35 years old and she was in the age of 30 when she began the contact with Chinese. From her point of view, there is no difference in age when she conducts business with her Chinese partners because most of their contacts are done by email or telephone. As to position, it does say something in this matter. Chinese counterparts tend to take you more seriously if you hold a high position. She recites that if she signs with her title she gets a better reply. In Kongsberg group, they contact people based on the responsibility instead of demanding someone who is senior. Nonetheless, Chinese counterparts tend to involve high position mangers when it comes to conflicts or problems.

Language: English is the main company language in the whole Kongsberg’s group. Therefore, there is no translator involving in the business conducts. There used to be some structure mistakes and mistakes in small words for both sides. Swedish can speak a bit of “Swenglish” and Chinese counterparts have more difficulty in pronunciation so often they remain contact in written form. Charlotte agrees that having knowledge of either language in both sides can facilitate the communication but it also depends on the level of the language in question. She does not consider English as a barrier to communication since they have learned from each other’s way of communication.

Communication Style: Charlotte perceives that her Chinese counterparts’ communication style tends to be more indirect in the beginning of the cooperation but it has been adapted to be direct now because there was more misunderstanding when a new system was implemented in the new factory in China. They communicate often until the issue in question
is settled. She used to have the feeling that Chinese monotonous language tone was difficult to perceive if they are being ironic or not, for instance. Nevertheless, Chinese counterparts liked to say “thank you” a lot in the beginning. Chinese counterparts have adapted to a European straight-forward style of working and communication. She also repeats questions several times until they are answered.

**Agreement:** This does not appear to be a problem in Kongsberg’s case because the unit in China is also part of Kongsberg group.

**Working style:** Charlotte thinks that her Chinese partners are quite flexible with working hours. She can reach them outside of their working hours when it comes to emergency cases and vice versa but she has never received a call after work, which appears that Chinese respect Swedish office hours.

**Relationship:** Charlotte agrees that relationship does facilitate the communication. She gives an example that if you have met the person you work with, it is hard to be angry with that person when conflicts occur. In her case, she only keeps the regular business relationship for the job’s function. When it comes to the reorganization of personnel within Kongsberg’s group, they normally send an email to present themselves. In her point of view, her Chinese counterparts often neglect the fact that they need to work things out in a mutual, beneficial way. Conflicts or misunderstandings can easily happen when they do not understand the whole picture. For instance, they do not update information about safety stocks or keep a low safety stock based on their own benefits. However, they tend to involve managers in conflicts and after discussing the matter, they try to implement a new solution.

**Time Perspective / Planning:** Regarding the attitude towards lead-times, there is a big gap between both sides’ perceptions in time. For example, Chinese counterparts keep low safety stock and think that the lead-time they plan is good enough for Swedish side but in fact, Swedish side requires longer lead-time. Charlotte thinks that one of the reasons leading to this misunderstanding is that it is normal to push people to work faster and put pressure on suppliers in China, which is totally different way of working style than in Sweden. Nonetheless, it does not appear to be a problem for both sides to reply quickly to a request. She mentions that often it depends more on personality than nationality.

**Customs:** Charlotte has only experiences receiving Chinese customers in Sweden so she does not have clear ideas about how customs can affect communication but she thinks that foreigners should be excused from something they are not aware of. Swedish people are very open to understand the situation and adapt to it. As to face-keeping manner, she says that Chinese never admit their mistakes in the email. They often involve managers into problems to solve conflicts.

**External Factors:** In Charlotte’s opinion, it would be better if they were in the same time zone because you can reach each other at the same working hours. Nevertheless, Kongsberg is quite used to working in an international environment because they have company units around the world in different time zones. They often communicate with each other through email and telephone. They adjust to have telephone conference in the morning and there are also several Europeans, who help to improve the situation and offer the direct support, stationing in China.

**General solutions to improve communication:** Charlotte suggests to have a frequent face-to-face communication to improve the spatial and cultural differences. In that situation, language plus body language can definitely help each other understand better. Besides,
it is hard to be angry with someone you know. There should be also more cultural training sessions or personnel exchanges at Kongsberg so that cultural involvements can avoid unnecessary misunderstandings.

4.3.5 Hestra-Handsken AB

Hestra-Handsken AB, situated in Hestra, Jonkoping County, is one of the leading international glove brands in skiing, outdoor recreational and leisure. The company was founded by Martin Magnusson in 1936 and is now run by the third generation of Magnussons: brothers Svante and Claes. There are about 38 employees working with design, administration and logistics handlings in Hestra for the turnover about 155,338,000 SEK (2009). The company has its unique quality and design and has been cooperating with many outstanding professional athletes in the world. In 2009, Hestra-Handsken has sold over million pairs of gloves. The market has been expanded to many European countries, North and Latin American countries, and Japan. The company purchases all materials from different parts of the world and produces gloves in countries, like Hungary, Romanian, Taiwan and China, in which China takes up about 90% of the company's final product imports.

Operations in China

Lars-Olof Magnusson, second generation of Magnusson and currently vice president of Hestra-Handsken, saw the opportunity in China and already began to import from China since 1961. Later, he decided to go into China to explore the market in person in 1965 through a trip to Asia with Swedish Wholesaler Union (Sveriges Grossistförbund). China was not then on the list of visiting countries so later he chose to leave the group and go alone into China. Since then, the company has been having a stable cooperation with some Chinese suppliers in Kanton, PingHu, Dalian etc. and even has acquired partial ownership in the factory in Kanton. The cooperation with Chinese suppliers has been very successful and rewarding through many years of business relationship. He describes that the business relationships have evolved into friendships.

Experiences and Adaptation from dealing with Chinese companies

**Power:** Lars-Olof is 85 years old and he was in the age of 36 when he began the contact with Chinese. From his years of experiences, he feels that Chinese people still have certain degrees of respect toward age and position. They tend to have more confidence in elder people and think that age comes along with experiences. High position can also easily receive attention from counterparts. Decision-making process can take some time, which results from the hierarchy system in China. The Chinese workers are used to taking orders and not taking the initiative to make decision. One more reason is that old generation cannot speak English so it needs to go through young generation, who can speak English, to old generation. The situation has becoming better and better since there are more and more people speaking good English in China today.

**Language:** English is the main business language between Hestra-Handsken and its Chinese suppliers. Translator was not applied in the communication with Chinese in the beginning but is nowadays used for the reason to understand Chinese mentality better. In the early stage, Chinese generally did not have good English, which caused a bit of problems there, but it has turned out much better now with their ability in English. Sometimes, the language is not required to read through what your partners think through years of cooperation and body language can also mitigate the shortage of language ability. Knowing your
partner’s language can undoubtedly help the communication, especially with local workers who do not speak English. Consideration and patience are critical elements in narrowing the gap of language. To get support from a local guide or through some governmental institutions can help bridge the contact with local companies.

**Communication Style:** The communication with the company’s Chinese partners is perceived quite direct. Lars-Olof explains that the communication with Chinese takes longer time due to the language problem, not their indirectness. The contact with partners is maintained as often as it requires. Basically, Lars-Olof did not experience any problems caused by language tone or nonverbal behaviors.

**Agreement:** Lars-Olof recites the early experiences he had with Chinese concerning agreement adherence was quite painful. From his experiences, Chinese companies used to treat the agreement lightly as papers only, which means that they could amend the deal or price when it no longer suit them. Yet this kind of behavior does not happen any longer today according to him. He also experienced that Chinese liked to make too much promise which they were not aware if they could keep up with it, which results in delay in deliveries and expensive processes. Nowadays, the situation is much better because Hestra-Handsken has learned how Chinese people do business. Many Chinese companies have also learned how to do business with foreign companies. Communication plays a very important role in solving this sort of problems. Besides, to understand and consider each other's situations can help to mitigate the matter. Generally, it is important to respect people and their cultures.

**Working style:** Lars-Olof considers that his Chinese partners are very flexible regarding working hours and so does he to them. Despite the fact they can reach each other at any time, both sides try to respect and adapt to each other’s working hours.

**Relationship:** Relationship is very important in every country, says Lars-Olof. It helps improve the communication and forms long-term-oriented business cooperation. Through relationship, people understand each other better. Reorganization of personnel in one company can actually affect the business between companies but it has not struck Hestra-Handsken much. Honesty and balanced mutual benefits generate long-term cooperation. Therefore, Lars-Olof recommends to be honest with business, respect others, put yourself in someone else’s shoes, and listen to others.

**Time Perspective / Planning:** There is no problem with attitude towards deadlines between both sides in spite of unpredictable shipment congestion problems sometimes. According to Lars-Olof, this has been improved a lot thanks to the better infrastructure today. Nonetheless, due to the long lead-time from Chinese side, Hestra-Handsken has learned to place orders in advance according to their forecasting plans. Both sides are also quick to reply to requests. Through years of cooperation experiences, they have learned more about Chinese ways of working, holiday periods, manpower condition, etc. to adjust their planning.

**Customs:** Customs, in Lars-Olof’s opinion, might affect business communication but he has not experienced anything particular in this matter. He expresses also that people should be excused from something they are not aware of, culturally. Gift-giving is not applied in Hestra-Handsken because they conceive Swedish business morals when dealing with them. He contests that business should be based on mutual benefits but not about buying people. Besides, by holding his Swedish typical way of being straight-forward and expressing feelings directly, he upset a Chinese manager from which he learned how important face-
keeping in Chinese society. In Sweden, it is just about letting the others know how you feel; whereas, in China, they might take it personally. Here, it is about observing and learning from Chinese people and learn to adapt to it but most importantly, be yourself is recommended.

**External Factors:** Time zone does make difference in business conducts but it does not cause any big problems. On the contrary, Lars-Olof considers time zone difference as an advantage because both sides can make best of the time when one side is at work during the other is at sleep. With today’s technology in transportation and telecommunication, spatial distance is no longer a hinder to communication. Email is often used in contacts with China for document record as well as Skype for conference.

**General solutions to improve communication:** It is vital to be honest with businesses and business partners, which is the premier element to build up a long-term relationship. In China, face-to-face communication is superior and valuable overall because it creates personal contacts and trust through face-to-face connection. Furthermore, learn and adjust to the people and culture you have contacts with. In the initiative stage of starting the cooperation with Chinese companies, it is recommended to go through some business delegation trips or governmental institutions for some knowledge and recommendation for local markets and companies. Local guides or friends are also important sources.

### 4.3.6 Arlemark Glas AB

Arlemark Glas AB in Hedenstorp Industrial Area is one of the oldest wholesalers in glass industry in Jonkoping. The company was founded by Erik Arlemark in Gothenburg in 1960 and was later moved to Huskvarna in 1962 and about two years ago (2008), it was settled in Jonkoping’s new industrial area Hedenstorp to open up a new chapter for the company. The company today is run by Erik Arlemark’s grandchildren: Johan Schyllander and his brother Mats. The company’s turnover last year is roughly 17 million SEK and there are 6 employees. Arlemark specializes in glass purchasing and sales. Their customer range is mainly focused in Sweden and the sources of their products earlier came from some Eastern European countries and since five years ago, they started to turn their attention to China. Today, Arlemark purchases approximately 30% of their products from China.

**Operations in China**

Arlemark keeps contacts with 4~5 Chinese companies and presently purchases from 1~2 of them in order to accumulate big quantities for purchasing negotiation. Johan Schyllander, the interviewee to our thesis questionnaire, states that Arlemark has a very good relationship with their Chinese partners although Chinese partners are in a more powerful position regarding company size and sales volume. Arlemark has gained their respect by on-time payment and has gradually formed a long-term business relationship.

**Experiences and Adaptation from dealing with Chinese companies**

**Power:** Johan is 37 years old and he was in the age of 33 when he began the contact with Chinese. From his point of view, there is no difference in age when he conducts business with his Chinese partners but position does say something in this matter. He recites that there are more young people emerging in high level management in his partner company and his contact persons are roughly in his own age. Before getting himself into trouble, he has already filtered out those who could not conduct a smooth cooperation. Therefore, to
him, there is no problem in getting the right information by virtue of age or hierarchy but the key point here is to ask the right person.

**Language:** English is the main business language between Johan and his Chinese partners. He explains that some of his contact persons have difficulty speaking English but they can still write surprisingly good English. Pronunciation is considered as the largest language barrier. Although he thinks that having the knowledge of counterpart's language can improve communication, it still depends on the language level you have in the language to decide to have it as business language. His way of adaptation is to be patient and flexible. He has learned to speak slowly and repeat asking if they do not appear to understand the questions. Written form is seen as a good way to solve the problem and the professional terms for glass products are quite generally united to help avoid misunderstanding in communication.

**Communication Style:** Johan perceives that generally it appears very indirect communication style in China but the business conversation with his Chinese partners is quite direct because they have learned to be more direct with their foreign customers. Besides, their European market manager is Belgian with an open mind-set who has helped to improve the situation. In Johan’s eyes, Chinese tend to give long explanation about problems or mistakes and sometimes their indirectness can cause big troubles. He declares that when Chinese mention “it’s a small problem”, it is in fact “a big disaster” and when it is a disaster, it is actually “the end of the world”. Consequently, the communication is time-consuming and inefficient. Therefore, Johan recommends being very precise and specific with the questions you are asking and being aware of the words between the lines in Chinese’s talks. The frequency of communication with Chinese partners is almost every day when business is under process. Furthermore, he thinks that language tone is not a problem but the spoken English itself. Body language shows emotions and it is also a way to see if the partner understands the question, which requires some experiences and local common sense. He suggests not to question counterpart’s behaviors but show respect.

**Agreement:** In Johan’s mind, his Chinese counterparts are very strict and consistent when following rules and regulations. Normally, they keep what they have promised. There is no special personal favor that has been asked over the business relationship. Johan’s business philosophy is to find the right partner, who is reliable and capable, to cooperate with so that he tends to exclude those who are not able to follow agreements consistently in the beginning. Besides, he likes to clarify the rules of the game with his Chinese partners in the early stage of the cooperation so they both are clearly aware of how their counterpart conducts business.

**Working style:** Johan says that his Chinese partners are very flexible with working hours and they are used to working too much and late. He can, therefore, contact them almost whenever he wants but within some respect. Relatively, his Chinese partners can also access to him under the same condition. Nevertheless, email is still the main communication method between them due to the language problem so they often wait for the answer within an acceptable period of time.

**Relationship:** Johan tends to keep affairs with Chinese counterparts divided into two parts: business and private talks. In a business talk, he is more a straight-forward person when it comes to business negotiation. In contrast, in a private talk, he is more flexible and builds friendship upon the business relationship. Through years of experiences, he realizes relationship-building does help communication in a positive way. He says, “Business is all about relationship in China, if you don’t like it then there is no business.” The reorganiza-
tion of the personnel in either company can bring big changes in the business dealings so it is very important to build new relationship and introduce yourself to new contact persons. Business agreements are basically based on both sides and mutual benefits. Therefore, information exchange and periodical visits to your foreign partners are critical in this issue.

**Time Perspective / Planning:** Regarding the attitude towards deadlines, Johan thinks that his Chinese partners are doing a good job in delivery schedules. Both sides are quick in replying to a request. His partners are fairly honest about the deadlines by sharing updated information and explain the order fulfillment capacity to Johan. On his side, he also educates his Swedish customers the truth and facts about long lead time and if they prefer to purchase products at a lower cost from China and they are encouraged to have some stocks in case.

**Customs:** Customs can affect business communication in a certain way but foreigners can be reasonably excused by local customs or taboos for their unawareness. Gift-giving is more or less on a friendship basis because Johan believes that a win-win business relationship should not be based on gift-giving. Treating meals is, however, something a host should take care of. Both Chinese and Swedish do not like losing face or being placed in an embarrassing situation. Therefore, Johan recommends avoiding face-to-face / phone-to-phone confrontation by using email instead so that both sides will have time to think over the problems and react in a more appropriate way. Respect others, ask and observe how people behave, learn and be humble are the solutions to this issue.

**External Factors:** Time zone does not affect communication that much between Johan and his Chinese counterparts since the business is conducted through email mostly. Moreover, time zone difference is not an unknown phenomenon to modern people so it is understandable that there is a big time difference between Sweden and China, as well as the spatial distance. To Johan, email communication facilitates communication and narrows down the spatial distance.

**General solutions to improve communication:** Johan suggests learning how to communicate with both sides and a translator or a local person help definitely help the communication. Feedback loop is considered very critical when dealing with Chinese so double check emails and repeat questions if both sides do not appear to understand. Be humble and patient to learn more about the culture more than just the business, which shows more respect and that you do care about them. In the beginning stage to a cooperative relationship, it is recommended to open your eyes and be suspicious about the offer or request. Relationship with Chinese takes time to build up and if possible, visit the place and see the condition yourself. Preferably, schedule a few suppliers to visit during the same trip. Make good use of exhibitions or trade fairs where companies in participation are more reliable. It is also very important to obtain some recommendation through local friends or social networking.

### 4.3.7 Falks Broker AB

Falks Broker AB is situated in Anderstorp, Jonkoping County. Since the company is a trading company, they do not have their own factory either in China or Sweden. Everything is bought according to the specifications of the customers. The products they trade are based on complex metal components for the manufacturing industry and they specialize on purchasing from “Greater China”, which includes China (Mainland), Hong Kong and Taiwan.
Björn Falk founded the company in 1989 and there are 5 employees presently with a yearly turnover of approximately 9.2 million kronor (2009).

**Operations in China**

In 1989, Björn Falk started looking around for companies that could manufacture all procedures of a product at a low cost while retaining good quality. At first, they looked for potential suppliers in Estonia, Poland and India, but couldn’t find a suitable supplier due to various reasons. In the end, they found an agent in Hong Kong which could act as an agent to the suppliers in South China. Later, they have made use of other agents and middlemen who allow them to access to other suppliers in China. Sinter is supplied to them through Taiwan due to the fact that they can supply this product according to their high quality standards. They would like to move most of their production to Mainland China but in the case of sinter, it is not possible due to aforementioned problems. Moving parts of the production is also not possible due to political reasons which restrict moving goods between Taiwan and Mainland China.

**Experiences and Adaptation from dealing with Chinese companies**

**Power:** Mikael Karlsson, interviewee of the thesis and also vice director of the company Falks Broker AB, is 46 years old and started working for Falks Broker AB at the age of 43, but had earlier worked at IKEA at the age of 26 and had since then the contact with China. From his experience, he feels that age has had an influence on communication, and the younger you are, the more difficult it is to be taken seriously. As he grew older, he felt that he has received a more positive attitude from his Chinese counterpart. It applies the same for the importance of professional position. The higher title, the easier it is to influence one’s counterpart and to get answers and results in a timely manner. When it comes to decision-making process by his Chinese counterpart, he then says that everything is run from the top and therefore nothing will start to happen until the boss has had a chance to have his comment on the matter.

As to the solutions and adaptations he uses to deal with the aforementioned problems, he uses the influence of his “director” title to get answers and to get things done when other employees have trouble solving certain problems. He has also learned to always find ways of contacting directly with the person in charge than to go the indirect way from bottom to top. In this aspect, he does not feel that the Chinese side has made any adaptations to better ease communication.

**Language:** Mikael uses only English for communication but they have employees who can speak Chinese and can interpret sometimes when they communicate with a counterpart who cannot speak English. In some of the cases, the people he communicates with have a low level of English so that he has to be meticulous when communicating to make sure that there are no misunderstandings. He feels that it is an obstacle that they cannot communicate in their mother tongue, but he does not feel that it is a huge problem. However, if one party were able to communicate in the other party’s mother tongue, it would be easier to be on the same wavelength with each other. Besides, he mentions that if you can speak your counterpart’s language, you will get a much deeper understanding of him/her. The solution for Falks Broker is to have their own personnel in China who can speak both English and Chinese.

**Communication Style:** Communication with Chinese can sometimes be direct and sometimes indirect, depending on the situation, but in general he feels that they are a bit more careful and indirect when conveying their message, which makes communication more
time-consuming. Especially when something has gone wrong, they want to avoid losing face, but this in turn makes it difficult to correct mistakes. He sometimes feels that he has to pull out information and that the Chinese counterpart withholds information. In Mikael’s case, there is quite frequent communication in order to minimize risk for misunderstandings. He comments that if they did business with Swedish suppliers, there would be less frequency in communication. When it comes to nonverbal behavior, they do not show disagreement or lack of understanding when they do not agree to something or cannot understand. He feels the language tone is intensive but friendly. His solution is to not put the Chinese on the situation where they can lose face and always allow them to blame somebody else than himself or herself.

**Agreements:** When it comes to agreements, he feels that agreements can sometimes be unreliable and he cannot take anything for granted. If there is any ambiguity, then there is a risk that they will exploit it and you cannot leave anything to chance. On the other hand, as to rules, as long as they are clear and unambiguous, they will follow and comply with them. However, if they feel that the rules are not beneficial, they could make exceptions. The changes they have implemented are very strict routines of check-ups to control that everything is done correctly. Moreover, they know that only writing a contract is not enough.

**Working Style:** Mikael feels that Chinese are very flexible in their working hours. They can work weekends or holidays if needed. Sometimes, he can communicate with them even after their normal office hours. However, he does not feel that they have the same requirements from them when it comes to this flexibility. They do not communicate with him after his working hours. There has been no particular problem in this area, so no changes have been needed. On the contrary, his Chinese partner does respect his time after work, which could entail some adaptation from their side.

**Relationship:** Mikael thinks that relationship does affect communication. The better relationship you have with your counterpart, the easier it becomes to communicate. Having good relationship can definitely open up new possibilities for cooperation. Reorganization in the company will change the relationship since you will lose your contact person that you have established a relationship with. Otherwise, you have to start from scratch again. From Mikael’s experiences, both parties are concerned that some agreements are only done for one party’s concern, which makes it difficult to find a win-win situation. However, if you have a good relationship, it will definitely mitigate this problem. Their solution within the company is to have as many people as possible to visit their partner to prevent loss of relationship from a eventual reorganization.

**Time Perspective / Planning:** He thinks that Chinese expect much faster results than what they can provide and that they can make decisions very quickly. However, when it comes to deadlines, they quite often fail to reach their deadlines, but once they fail, they do not fail by a large margin. As to responding to a request, he feels that they are very quick. They have probably the same expectations from Swedish people but will most likely get disappointed with the slow feedback. From his viewpoint, the Swedish side has grown to expect fast replies but does not feel obliged to reply back at the same speed. He adds that even though they try to change it, they can only do to a limited extent.

**Customs:** When it comes to customs, there are no great differences between Swedish and Chinese people in this regard. Chinese might be a bit more intense and are more hospitable, which might make the Chinese side feel that the Swedish side is a bit cheap in hosting guests. Face has a huge affect on communication and requires extra attention in the communication. If you make somebody lose face, it might jeopardize the future communica-
tion. As to customs and taboos in China, he feels that they are quite tolerant of mistakes and that they do not influence communication in any relevant way. His solution is to avoid making the counterpart lost face by confronting them directly and bringing up sensitive things in public. In the end, if there is something that has to be taken up directly, you have to just accept that you will step on somebody’s toes.

**External Factors:** The difference in time zone makes the communication time shorter between these two countries. It can slow down the process and increase difficulty to reach people after their working hours, even though it is still possible to reach them after work. In general, it is an obstacle but he feels that sometimes it can be positive when you send something in the evening and then his partner has half a working day to work on the request or accomplish the task before the next morning. The distance between Sweden and China will offer fewer opportunities to meet but with E-mail, telephone and Skype, etc. it is not a problem to communicate. Nonetheless, it influences the frequency of face-to-face meeting that is essential for relationship-building. The methods they use for communication is mostly E-mail and secondarily Skype. Telephone is seldom used due to the costs but it is necessary to explain some issues over the phone sometimes. The Chinese side has adapted to the difference in time zone by working night shifts.

**General solutions to improve communication:** He suggests that it is very vital to gain experience in communication. Their method has been to always be honest, play with an open card, and adjust to what they say so that it does not embarrass their counterpart. However, he stresses that there is no Columbi egg solution (a solution which is easy to replicate once you know how to perform it) that one can mimic and that solves everything.

### 4.4 The Interview Summary

Among the interviewed companies, the authors can identify the role of the company dealing with their Chinese counterparts, by which it can also affect the results of each categories in the questionnaire. Among these seven companies, two of them have the position as sellers, four as buyers and one of them owns its production factory in China. Based on the interview results, the authors find out that the results can be slightly influenced by the position, the role of company and the relationship involved.

<p>| Table 3. Summary of Case Descriptions |</p>
<table>
<thead>
<tr>
<th></th>
<th>Waggeryd Cell AB</th>
<th>Scandinavian Eye wear AB</th>
<th>Kapsch TraficCom AB</th>
<th>Kongsberg Automotive (own company unit)</th>
<th>Hestra-Handskens AB</th>
<th>Arlemark Glas AB</th>
<th>Falks Broker AB</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Power</strong></td>
<td>Age &amp; Position: significant but young generation is emerging</td>
<td>Age &amp; Position: significant but young generation is emerging</td>
<td>Age: less important Position: significant</td>
<td>Age &amp; Position: significant but young generation is emerging</td>
<td>Age: less important Position: significant</td>
<td>Age: less important Position: significant</td>
<td>Age &amp; Position: significant</td>
</tr>
<tr>
<td><strong>Language</strong></td>
<td>Good English</td>
<td>Good English</td>
<td>Difficult English accent but good English writing</td>
<td>Difficult English accent but good English writing</td>
<td>Early: Bad English After: Good English</td>
<td>Difficult English accent but good English writing</td>
<td>Low level of English</td>
</tr>
<tr>
<td><strong>Communication Style</strong></td>
<td>Generally: indirect Agent: direct</td>
<td>Indirect</td>
<td>Indirect</td>
<td>Indirect</td>
<td>Direct</td>
<td>Generally: indirect Agent: learned to be direct</td>
<td>Tend to be indirect Direct sometimes</td>
</tr>
<tr>
<td><strong>Agreements</strong></td>
<td>Early: fickle After: follow agreements</td>
<td>Have difficulty in keeping their words</td>
<td>Relationship means more than written agreement</td>
<td>Same company: no experience Early: fickle After: better in keeping words</td>
<td>Sticking to rules Unreliable agreements</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Working Style</strong></td>
<td>Flexible with working hours</td>
<td>Flexible with working hours</td>
<td>Flexible with working hours</td>
<td>Flexible with working hours Flexible with working hours</td>
<td>Flexible with working hours</td>
<td>Flexible with working hours Flexible with working hours</td>
<td></td>
</tr>
<tr>
<td><strong>Relationship</strong></td>
<td>Important</td>
<td>Important</td>
<td>Important</td>
<td>Important but does not matter much for her work</td>
<td>Important</td>
<td>Important</td>
<td>Important</td>
</tr>
<tr>
<td><strong>Time perspective / planning</strong></td>
<td>Seller: Both have good delivery expectation Seller: try to meet schedules</td>
<td>Problematic</td>
<td>Problematic</td>
<td>On-time delivery On-time delivery</td>
<td>On-time delivery</td>
<td>On-time delivery Problematic</td>
<td></td>
</tr>
<tr>
<td><strong>Customs</strong></td>
<td>Less influential Face-keeping: significant</td>
<td>Less influential Face-keeping: significant</td>
<td>Influential Face-keeping: significant</td>
<td>No experience Face-keeping: significant No experience Face-keeping: significant</td>
<td>No experience Face-keeping: significant</td>
<td>Influential Face-keeping: significant</td>
<td>Less influential Face-keeping: significant</td>
</tr>
<tr>
<td><strong>External Factors</strong></td>
<td>Time zone: positive Time zone: advantage</td>
<td>Time zone: advantage &amp; disadvantage</td>
<td>Time zone: better in the same time zone</td>
<td>Time zone: advantage</td>
<td>Time zone: positive</td>
<td>Time zone: advantage &amp; disadvantage</td>
<td></td>
</tr>
</tbody>
</table>
Power

Through the interview results, most of the interviewees agree that age and position matter a lot in Chinese society as well as in business dealings. They purports that age and position affect the personal judgment at the first sight. Chinese tend to respect elder people and pay more attention at the people with higher position. Nevertheless, two of the interviewees (Johan from Arlemark & Charlotte from Kongsberg) have another opinion which is a bit different than the rest. They consider that age has less significance than position. From their experiences, they do not feel that they are less respected due to their age but position does give critical impact in terms of business. However, according to the other three respondents, there are signs of this phenomenon changing as the management layer is evolving with a stream of younger generation, which may lessens the fact that elder people receive more respect in the business domain.

The main solution suggested by five of the interviewees is to find the right person to talk to so that questions can be quickly answered and problems solved in a timely manner. For instance, Lars-Olof from Hestra-Handskens says that he sometimes has to conduct communication through younger people because of their higher level of English language. And, to cooperate with local agent is also an efficient solution to support in all aspects.

Language

In the interviews, none of the respondents can speak Chinese nor have conducted business with counterparts who speak Swedish. Therefore, the English language has become the dominant business language between the interviewees and their Chinese counterparts. Three of the interviewees express that their Chinese partners or local agents have good English ability while four of them say that their Chinese partners have very bad, difficult English pronunciation but generally their English writing is good. However, from the interviewees’ experiences, most of them agree that the level of English in China has been and is improving a lot. To all of the interviewees, language is not considered to be a key source of friction in communication. For example, Lars-Olof from Hestra-Handskens feels that the language barrier can be mitigated through years of cooperation and through learning the counterparts’ body language. Other solutions mentioned are to cooperate with local agents and to have employees stationed in China.

Communication Style

The finding indicates that six of the interviewees think that their Chinese counterparts are indirect in conveying messages. In general, they tend to talk around things and can never say no. Most of the time, the Swedish companies need to listen to the message between the lines in order to catch the real meaning sent by their Chinese counterparts. Nevertheless, three of them who agree that Chinese are indirect also say that their agents or partners are sometimes direct or learn to be direct through the experiences of dealing with Westerners. Only one out of six (Lars-Olof from Hestra-Handskens) thinks that Chinese have a direct communication style and attributes what is perceived as indirectness as language problems. As for the frequency of communication, the answers vary. Three of the respondents say that it is frequent. Göran from Kapsch says that communication is frequent but it is normal within their industry and Respondent A from Waggeryd expresses that it is not so frequent
but they communicate only when needed. And, the remaining two have no particular opinions on the frequency of communication.

Most interviewees mention that language tone and body language were confusing at first, but they have learned to interpret them to some degree later. Concerning the language tone, some respondents say that it sounds monotonous, which in the beginning could be perceived as if they were uninterested, reserved or unwilling to communicate. Moreover, Mikael from Scandinavian Eyewear even has a feeling that they could sound angry. The rest do not express any special opinion about the tone, while one (Charlotte from Kongsberg) feels that it was intense but friendly. As for body language, most of them have no particular opinions but two respondents (Respondent A from Waggeryd & Mikeal from Falksbroker) feel that Chinese are reserved, while one (Johan from Arlemark) feels the total opposite way and says that Chinese show emotion in their body language.

The suggestion is not to be overly direct in communication when there is a risk to make your counterpart lose face and some of the respondents have also suggested cooperating with a local agent who has knowledge of these matters. When it comes to body language, most of them have learned to understand it through experiences.

**Agreements**

Concerning agreements, two of the interviewees (Mikael from Scandinavian Eyewear & Mikael from Falksbroker) express that Chinese have difficulty in following what they have agreed. Three other interviewees have roughly the same experience that Chinese do not follow their agreements and then have learned to have different strategies to deal with the problem. Thus, after implementing these strategies, they feel that they can rely on their Chinese counterparts much more. However, the Kongsberg's case does not apply here since the company unit in China is a part of their own company. Thus, they do not have problems with agreements and one of the respondents (Göran from Kapsch) was not directly involved in the process and has no special opinion on the issue.

The solutions vary in different situations and cases. In order to avoid problems, for instance, two of the respondents (Mikael from Scandinavian Eyewear & Göran from Kapsch) say that handshake (verbal agreement) between two persons in a business relationship is worth more than a written contract. And, Respondent A from Waggeryd Cell also had reliance on relationship but would rather exclude those who do not follow the rules as a solution. Similarly, Johan from Arlemark has also employed this latter-mentioned tactic and would clarify the rules of the game with his partner in the beginning stage of the cooperation. Lars-Olof from Hestra-Handsken has learned how Chinese conduct business and vice versa, which leads to the reduction of broken agreements whereas Mikael from Falksbroker chooses to implements strict routines to make sure that things were done properly.

**Working Style**

Every interviewee in this study affirms that Chinese are very flexible with their working hours and they can basically contact them whenever they want but within some respect. However, two respondents (Mikael from Scandinavian Eyewear and Göran from Kapsch) feel that they have similar requirements from the Swedish side, while another two (Char-
lotte from Kongsberg and Mikael from Falksbroker) feel that they do not; whereas, the other remaining three say that it is possible for the Chinese side to contact them at any time but it happens rarely.

**Relationship**

All of the interviewees of this thesis contend that relationship-building does help to facilitate the communication and also lead to a higher degree of trust. From their experiences, a good relationship generates many benefits in business dealings. And, with good relationship, the Chinese partners tend to have good attitude in cooperation and give priority and convenience when needed. Reorganization in either company also influences the relationship and can also lead to huge changes in the existing cooperation.

The most recommended method to cultivate relationship with Chinese companies is to visit them in person periodically. And, respect your Chinese counterpart, listen to them and try to base the cooperation on a win-win situation are also the solutions to enhance the relationship.

**Time Perspective / Planning**

From the interview results, the authors can identify three different categories concerning this matter. Firstly, among the interviewees, two of them (Respondent A from Waggeryd Cell & Göran from Kapsch) hold the position as seller; therefore, their answers are not fully comparable in this case. Normally, it is seller’s duty to make on-time deliveries. In their position, they comment that they try to meet delivery schedules and both sides have good delivery expectation. Secondly, three other interviewees think that both sides do not have the same attitude towards delivery planning which implies that there are often delays in the shipment planning. For example, Mikael from Scandinavian Eyewear finds it very problematic and this has forced them to make forecasts long time ahead and place order several months in advance in order to make sure the deliveries are consistent. And, Mikael from Falksbroker says that although they often fail to reach their deadlines, they do not do so by a large margin. The third result shows that the remaining interviewees (Lars-Olof from Hestra-Handsken & Johan from Arlemark) are very pleased about the cooperation they have with their Chinese partners. Unanimously, they consider that their partners have done a good job at making on-time deliveries.

In addition to one respondent, all of the interviewees say that both sides respond quickly to a request. However, Mikael from Falksbroker further adds that the Chinese side responds quickly to their requests but they might feel disappointed with the slow feedback from the Swedish side.

The solutions offered by the respondents: two of them (Mikael from Scandinavian Eyewear & Lars-Olof from Hestra-Handsken) use long-term forecasts. Mikael couples this with transparency in their processes while Lars-Olof suggests learning more about China and adjusting the planning accordingly. However, Johan from Arlemark informs his customers about keeping safety stock to cover for the unpredictable delays in shipment.

**Customs**
Customs is a very wide term that contains many diverse aspects. In this discussion, the authors use a general concept of customs, “gift-giving” and “meal-treating” to guide the discussion and the authors also include face as one factor of customs but as a separate question.

All of the interviewees do not think that customs or taboo does affect communication to a significant degree from the perspective of being a foreigner. And, as a foreigner, you are excused if you make an unconscious mistake in breaking any taboos or customs. When it comes to face-keeping, all of the respondents agree that this is a very important key factor when they deal with Chinese people. Three of the respondents say that the consequence of saving face is that the Chinese side is quite reluctant to admit mistakes from their side. Mikael from Falksbroker stresses that the failure of allowing somebody to save face could easily jeopardize the future communication.

The main solutions offered are to not be too direct in the communication with Chinese and to avoid putting your counterpart in an embarrassing situation by arguing with him/her in public. For instance, Johan from Arlemark prefers to use E-mail as the main method of communication to ensure that enough time is made available for the reflection before replying so that both parties can react in a more appropriate manner. And, Mikael from Scandinavian Eyewear even had experience to admit some mistakes he had not made in order to keep the harmony and make things run smoothly for both sides.

**External Factors**

All of the interviewees of this thesis do not consider geographic distance between Sweden and China or time zone difference as a huge problem. Three of the interviewees contently cite advantages of the difference in time zone. For Lars-Olof from Hestra-Handsken, the advantage is that it allows the Chinese side to work on something when the Swedish side is sleeping and the Chinese side can have the result ready in the morning when the Swedish side starts working. And, Mikael from Scandinavian Eyewear says that it allows extra time for the Chinese side to contemplate something before replying. However, two of the interviewees (Göran from Kapsch & Mikael from Falksbroker) think that the situation is both an advantage and disadvantage because the Chinese side can work while they are asleep and have an answer ready for them in the morning when they start working, but the disadvantage is that if they are eager to get a quick reply in the afternoon, people are virtually off from work or at sleep in China. As to Charlotte from Kongsberg, she thinks that it would be better if they were in the same time zone so that she could contact her Chinese counterparts during the same working hours as hers. When speaking of the spatial distance, most of the interviewees agree that this is not a huge problem in this modern era; however, two respondents (Göran from Kapsch & Mikael from Falksbroker) say that this spatial distance makes it difficult to meet for both sides as the face-to-face communication is vital in the relationship management.

When it comes to the method of communication, the most used form of communication by all of the respondents is E-mail and three of them use Skype as a secondary choice. Three respondents mention the benefits of E-mail as they are able to document what has been written.

The two respondents (Respondent A from Waggeryd & Göran from Kapsch), who are in a selling position, have been more disposed to adaptation and have done so by focusing their
use of working hours that coincide with their counterparts. In Falksbroker’s case, the Chinese side has, however, adapted by having night working shifts.
5 Analysis

In this chapter, the results from the empirical study are analyzed and presented in the form of theoretical material reviewed from the frame of references. The analysis of the study is therefore presented in five theoretic categories as well as some additional indicators included in the research.

5.1 Power

In the interviews, all of the respondents say that position do matter in communication with their Chinese counterparts. However, when it comes to the importance of age, only two of the respondents express that they do not feel that age matters in their business dealings with Chinese. The authors believe that the reason for this difference in opinion is that Charlotte from Kongsberg exclusively has only contact with her Chinese counterparts over the phone and E-mail. Moreover, the communication is also within one company, which would make the chain of command more important than seniority. As for Johan from Arlemark, he states that he has only met his Chinese counterparts who are roughly in his own age. Therefore, both of them have not encountered the problem in this issue.

A problem with power and age having a strong influence in communication, as the authors perceive it, is that in most of the cases one has to contact a person in a high position in order to get things done quickly and smoothly, but these people are not always the persons who are directly involved in the project, which results in a less efficient type of communication. Therefore, the “right person” as mentioned by the interviewees in this case would be the person who has decision-making power but who may or may not be directly involved in the process. The authors believe that a similar problem may apply if a younger or a person in lower position from the Swedish side communicates with the Chinese counterpart. Although he may be directly involved with the process, he might receive more attention if he goes an indirect route through his superiors. What the authors can observe here is that the Swedish side has adapted by choosing to defer to the Chinese position by moving the communication from the persons directly involved in the operations to managers higher up and less involved with the process in some cases.

According to Hofstede’s (1980) Power Distance dimension as mentioned earlier, Sweden has a score of 31, while China has a score of 80. The authors’ findings from the study, according to the observation, confirm that high power distance is observed in the communication with Chinese from the Chinese side according to the participants’ viewpoint. The participants perceive that there is a big difference in position and the perception of age. However, due to the reason that the authors cannot interview the Chinese side, the authors cannot clearly determine through the study if there is a perception of low power distance in Sweden. Nonetheless, the Swedish side finds difficulty in this issue and to be obliged to adapt seems to be a sign of a low power distance.

5.2 Language

Although none of the participants or their counterpart have adapted to learning the other side’s language, they are still able to uphold an operational degree of communication. This indicates that this level of adaptation is not necessary for the level of communication and cooperation they currently have. Furthermore, the investment of time and energy on learning a language, especially a very different one like Chinese or like Swedish with few speak-
ers, could be too costly. Additionally, if another side’s language, which is to become the main language of communication, is entirely dependent on which level the people involved can achieve in the language and if this level can exceed the communication in English. Nevertheless, nearly all of the interviewees mention the benefits of knowing each other’s mother tongue. The main benefit of knowing the local language is to be able to communicate with those who cannot speak English and also increase the scope of communication. The other benefits mentioned are to be able to easily build and maintain relationships and to be on the same wavelength of communication as one respondent describes it.

5.3 Communication relating to Communication Style

The Chinese counterpart, according to the finding of this study, is found to be indirect when conveying messages. In the authors’ opinion, this is closely tied to conserve one’s face and to ensure that nobody is offended. However, the authors believe that this style of communication can be very problematic in the beginning, especially if you are not prepared for it, but later you will find a way of saying things directly in an indirect way. When it comes to body language and understanding the language tone, the authors affirm that the best way is to learn it through experiencing it yourself since this is a tacit skill and there are no clear solutions.

Concerning the frequency of communication, if the Swedish side could perceive indirectness in their Chinese counterparts, the authors can then anticipate seeing a higher frequency of communication to compensate this indirectness. Higher frequency is observed by three of the respondents, but the authors believe that this is not enough to link this result to the indirectness of communication. In the authors’ opinion, it seems that the Swedish side has made the most adaptation by being less direct in communication with their Chinese counterparts.

According to Hall’s (1976), in the high context/low context dimension, China leans towards to a high-context type of culture where people are more involved with each other, which also shows a more relationship-extended type of society. And, by virtue of frequent communication, messages conveyed around people and groups tend to be ambiguous and implicit. From the interview results, the authors discover that six out of seven companies state that their Chinese partners are quite often indirect when conveying messages, which indicates that most of the Swedish companies have suffered from the consequences of indirectness in business conversation.

5.4 Structure relating to Agreements

The authors have observed that most of the respondents have or have had problems with their Chinese counterparts who tend to not follow agreements. Three of them state that they have used relationship as a way to increase certainty in business with Chinese. Relationship in this context can be seen as a commitment to do the best of one’s ability to solve any circumstances that may arise during cooperation, instead of strictly following a set restriction of agreements to solve these circumstances as dictated by a contract. The authors have also observed that even in this dimension the Swedish side has made most of the changes to bridge the distance in this dimension by opting for a more relationship-oriented way of conducting business in some cases.
Hofstede (1980) puts China in the scale of 30 in the Uncertainty Avoidance Index and Sweden 29, which indicates the least difference from any other indexes. Both sides have, in most cases, shown signs of low uncertainty avoidance by finding solutions that do not strictly adhere to contracts or at least the Swedish respondents have shown an acceptance for this way of making arrangements. However, although the Chinese side shows low uncertainty avoidance by not strictly following agreements, the authors cannot ascertain to what degree Swedish companies follow their agreements through this study.

5.5 Collectivity relating to Working Style & Relationship

In the case of working style, all of the respondents have said that their Chinese counterparts are very flexible with their working hours; whereas, only in two cases, the authors have noticed that they markedly request the same from the Swedish side. Therefore, the authors conclude that the Chinese side has adapted the most in this case.

Relationship, as the authors perceive it, is the basis for a successful cooperation with a Chinese counterpart. The stronger the relationship is, the easier it is to conduct business. Its importance has extensively extended into all aspects of communication. In the authors’ opinion, as long as the perceived long term rewards outweigh the arising problems, the cooperation should continue to be existent. This mix of business and personal connection seem to have been adopted by the Swedish side with very few problems. However, none of the interviewees mention that any business relationship developed into “close friendship”, which demonstrates that the relationship is limited to the business realm.

In the Hofstede’s (1980) Individualism and Collectivism Index, China has a score of 20, while Sweden has a score of 71. Countries that have a low score in this index, thus, are more collectivist and do not clearly separate their obligation between their work place and personal life. This can be observed in the Chinese side’s flexibility when it comes to working hours that spills over into their personal time. As to relationship, the authors find that it is a very important factor in business communication with Chinese, which is a characteristic Hofstede (1980) describes as a typical case of countries with a low Individualism Index.

5.6 Time relating to Time Perspective / Planning

From what the authors have observed, there are some differences in the attitudes toward planning and perspective of time, which can lead to difficulties in the beginning. The adaptation the authors observe from the Swedish side is to accept that there is a difference and adjust their planning accordingly.

Hall (1983) describes Sweden as having a monochronic time orientation and China as having a polychronic time orientation. However, many Chinese are monochronic today when it comes to punctuality for business meetings (Hooker, 2003; Gesteland, 2005; Moran et al., 2007). The authors find signs among some of the interviewees that China has a polychronic time orientation by not entirely abiding by deadlines, but there was also those who mention that Chinese are good on making on-time deliveries, which indicates a monochronic time orientation or as a result of adaptation from the Chinese side in those cases.
5.7 Customs (including Face and Guanxi)

As the authors have noticed, none of the respondents have experiences of customs, such as gift-giving and treating people to meals, that could lead to a big impact on communication. Treating people to meals is seen as something natural and not as something that would have special customary importance. Although the authors use the terms of gift-giving and treating people to meals as a guide, no other aspects of customs were specifically mentioned by the interviewees, which implies that knowledge of customs and role of customs in communication is trivial.

The importance of preventing the other party from losing face and its importance in communication is consistent with the literature that was reviewed. Face manifests itself as reluctance from the Chinese side to mention or admit mistakes. The importance of face is also observed from the participants’ changes in behavior towards their Chinese counterparts. The adaptation in behavior brought up during the interviews is to be less direct in communication, especially when their counterpart makes mistakes or when problems occur.

During the interviews, the authors do not find anything that can indicate guanxi as defined as a concept that entails a “friendship or intimacy oriented toward continued exchange of favors (Pye, 1992).” Relationship, as the authors observe between the Swedish side and their Chinese counterparts, is used as a basis for trust and commitment for a more successful conduct of business. And, there seems to be no indication of obligation to provide favors for each other beyond their business relationship. Besides, the authors has not observed that their relationship allow either party to tap into a vast guanxi network through the person with whom they had a relationship.

However, guanxi is a proven and observed phenomenon, which makes the authors come to the conclusion that although guanxi is an existent phenomenon, it is not deemed necessary or unable to flourish due to the inability to generate enough benefit in this type of communication. There can be many reasons for this, but the authors believe that the main reason is that both parties are not located in each other’s countries; thus, they do not need governmental or further business contacts to conduct their businesses with either country.

5.8 External Factors

The external factors, such as time zone difference and distance, have had little impact on communication thanks to technical innovations that make it easier to communicate and also most likely because of the fact that there are still several overlapping working hours between Sweden and China. However, as stated by two of the respondents, the authors believe that distance is a hinder in building and maintaining relationships, which has shown to be vital in communication with Chinese. Gesteland (2005) also argues the importance of face-to-face contact. He confirms that relationship-oriented business people tend to be less comfortable discussing problems in writing or over the telephone and expect to see their business partners in person often.
6 Conclusion

In this chapter, conclusions from this study are drawn and discussed. The main theoretical and empirical findings are proven to answer the research questions and the purpose of this research. Advice learned from the results of this study is also presented.

The purpose of this thesis is to find problems that exist in intercultural communication between Swedish and Chinese companies. After having discovered these problems, the authors’ aim is to find solutions and suggestions to counterbalance these differences.

After have analyzed these seven different cases, the authors found that there were quite many problems that arose during the communication between Swedish and Chinese companies. All of the companies interviewed were, however, able to adapt and find their own way of solutions to overcome these obstacles, in spite of the difficulties resulted from the cultural differences.

When it comes to the adaptation of overcoming these obstacles, the authors found that it was mostly the Swedish side that had adapted to the Chinese side. Nonetheless, it is difficult to say it for certain because the authors have only conducted interviews with the Swedish side. The authors assert that one of the most important factors, which allows for this level of adaptation, is the characteristic of low uncertainty avoidance in the Swedish culture that tolerates a higher acceptance of different cultures. Speaking of the degree of intercultural adaptation in accordance with the three levels of adaptation suggested by Walsh (1973), the authors found that the participants were able to understand and adjust their behaviors to their counterparts. Even though the third level “learning” is to integrate parts of the counterparts’ culture into one’s own culture, the authors conclude that this is not required for the level of communication that Swedish and Chinese companies have but it might be more evident when one lives and works in a foreign country.

Lastly but most importantly, the authors identify two of the most remarkable key elements that appear in many aspects of communication between this cross-cultural business relationship: relationship and the concept of face. Relationship is shown to be extended in all aspects of communication and acts as the facilitator for all successful communication; whereas, the concept face is another vital factor in maintaining and building a successful relationship. Therefore, being able to allow the Chinese counterparts to avoid losing face will definitely ensure a more harmonious communication. To be concluded, in the authors’ opinions, being able to learn and become skilled at these two elements is the main key to overcoming the barriers in business communication with Chinese.
Proposals for Further Studies

In this chapter, some proposals for the future studies are presented.

Our suggestions for further research are as follows:

1. Performing a similar study but through the Chinese perspective.

2. More focused research on the factors relationship and face role in communication between Swedish and Chinese companies.

3. Differences in communication based on one specific industry or region in China.

4. A similar study conducted 10 years later to see if there have been any changes.
8 References


9 Appendix

9.1 The Interview Guide

* Company Profile:

* Operations with China:

**Power**

* Age of the person communicating: _______

* Gender & Position: _______

* Length of Co-operation: _______

* Power situation / position of the company: _______

1) Do seniority (age) and position make any difference in communication when you conduct business with your Chinese counterpart? And, how big of a role do they have in communication?

   a) Is there a stronger preference from either party to deal with somebody who holds a senior position when conducting communication with their counterpart?

   b) Is there less willingness from either party to divulge information to somebody who is younger or has a lower position in the hierarchy?

   c) How does the distance in power (hierarchy) affect the decision-making process? Does your counterpart take longer time to respond because of the need to consult someone who is higher up in the hierarchy?

2) Adaptation / Solutions?

Did you solve it? How did you solve it? How did you adapt?

**Language**

1) What language is used for communication?

2) Are there any common language mistakes, which can easily cause misunderstanding, made by your counterpart?

3) Is language a barrier to communication? How does it affect communication?

4) How would the knowledge of either language (Chinese / Swedish) make any difference in the communication?

5) Adaptation / Solutions?

Did you solve it? How did you solve it? How did you adapt?
**Communication Style**

1) How direct or indirect is your counterpart in conveying his/her messages? And how does that affect the communication?
   
   a) Does the difference of High- and Low-context communication cause any friction?
   
   b) Is communication with either party considered time-consuming and inefficient?

2) How do you perceive the frequency of communication between you and your counterpart?
   
   a) Is there a need from either party to get continual updates?

3) How does the perception of the language tone or nonverbal behavior seem to you?
   
   a) Does the language tone or nonverbal behavior affect the perception of the messages conveyed by either party?

4) Adaptation / Solutions?
   Did you solve it? How did you solve it? How did you adapt?

**Agreements**

1) How strict is your counterpart to adhere to rules and regulations?
   
   a) Does either party feel that the other party strictly adheres to rules and regulations?

2) How consistent is your counterpart to follow already agreed terms?
   
   a) Does either party tend to be more fickle about the earlier agreed terms?

3) Adaptation / Solutions?
   Did you solve it? How did you solve it? How did you adapt?

**Working Style**

1) How flexible is your counterpart when it comes to working hours?
   
   a) What are the expectations of reachability of either party outside of working hours?

2) Adaptation / Solutions?
   Did you solve it? How did you solve it? How did you adapt?

**Relationship**

1) How does relationship-building influence communication?
a) Does relationship-building help or hinder in communication?

b) Does reorganization in one company change the relationship between companies?

c) Is there any concern that agreements are conducted with concern for only one party’s benefit?

2) Adaptation / Solutions?
Did you solve it? How did you solve it? How did you adapt?

Time Perspective / Planning

1) How big of a difference is there as to when results are expected to be realized (attitude towards deadlines)?

2) How big is the difference in the time each party replies to a request?

3) Adaptation / Solutions?
Did you solve it? How did you solve it? How did you adapt?

Customs

1) How do Chinese/Swedish customs affect business communication? (e.g. gift giving, treating people to meals, etc.)

2) How does face-keeping manner affect the communication between both parties?

3) Are foreigners excused from the host country’s customs or taboo?

4) Adaptation / Solutions?
Did you solve it? How did you solve it? How did you adapt?

External Factors

1) How much does the difference in time zone ameliorate or hinder the communication?

2) How much does spatial distance affect communication?

3) What method do you use for communication? E-mail, Skype, telephone, etc.

4) Adaptation / Solutions?
Did you solve it? How did you solve it? How did you adapt?

General solutions to improve communication