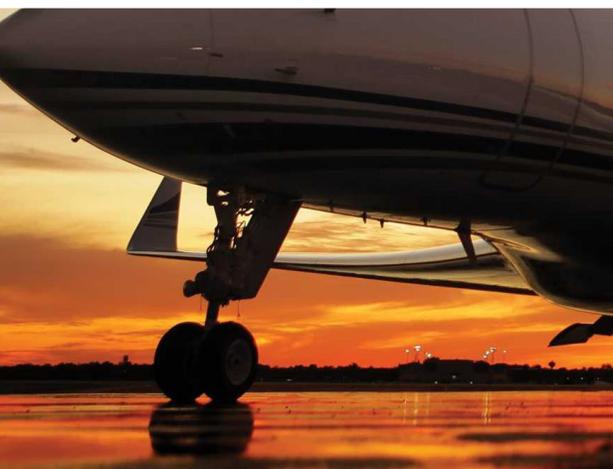




**MANUAL**



**NEGOTIATING**  
IN  
**TOP GLOBAL**  
**MARKETS**

Australia • Denmark  
Ireland • Singapore  
Sweden • Switzerland

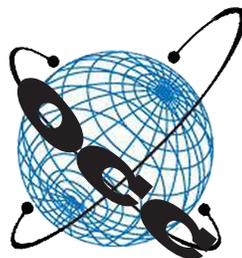




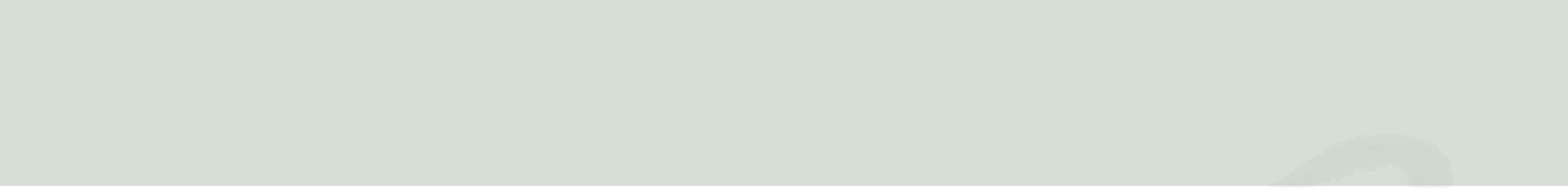
# Negotiating in Top Global Markets

*A Manual for Establishing International Business Connections*

Grace Guo, Monica Kunz, Tara McDermott  
Galeela Michael, Demeris Morse, Toni von Oepen



**Omega** Cross-Cultural Connections



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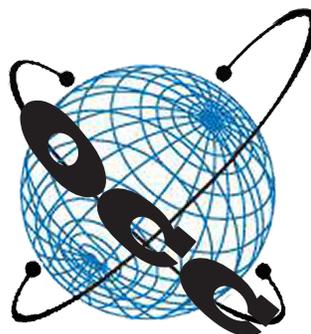
# INTRODUCTION

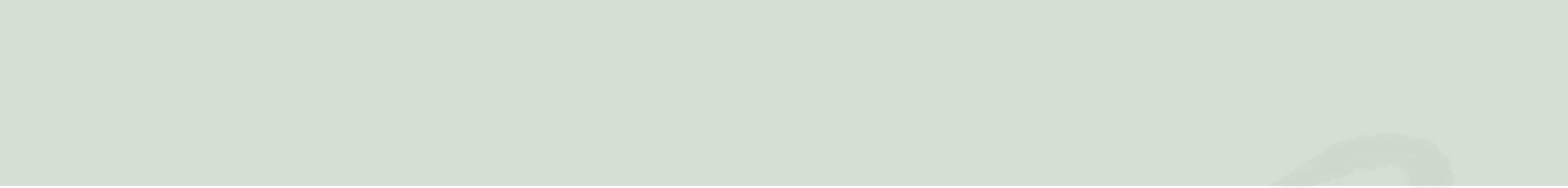
Tara McDermott and Demeris Morse

Omega Cross-Cultural Connections is a private company committed to helping American professionals establish cross-cultural business relationships around the world. In this manual, we selected countries from *Forbes*' "Best Countries for Business" 2014 article. We then compared *Forbes*' countries with the United States Census Bureau's list of top trading partners and selected the following countries the United States currently does not do business with:

- Australia
- Denmark
- Ireland
- Singapore
- Sweden
- Switzerland

This manual analyzes the business communication styles of these six countries, focusing especially on negotiation. We believe this manual will maximize the efficiency of international and professional communication in our selected countries. By utilizing a straightforward layout, direct language, and reliable sources, this manual offers business professionals a strategic guide to negotiating in top global markets.





# CROSS-CULTURAL NEGOTIATION

Monica Kunz

**W**hat does it mean when people say they “negotiate”? Does “negotiate” mean the same thing all over the world? Do all cultures view negotiation similarly? Generally, negotiation is a joint decision-making process by which parties try to arrive at a mutually favorable and acceptable agreement on matters of a shared interest. Negotiation takes place in a variety of contexts, from simple bargaining in a marketplace to the complex process of negotiating peace between two countries.

According to Christopher Moore and Peter Woodrow,<sup>1</sup> different cultures look at negotiations differently. An interaction that is straightforward in the context of one culture can quickly become conflicting because of intercultural misinterpretation. A lack of knowledge and unrealistic cultural expectation can hinder effective cross-cultural negotiation. Even if two groups speak the same language and wear similar clothing, one should not assume that they share similar viewpoints. In cross-cultural negotiations, groups not only differ in physical features, language, and business protocol, but they may also differ in the way they perceive the world.<sup>2</sup>

## **Preparation for Cross-cultural Negotiation**

Understanding the culture prior to negotiating is key to successful negotiations. Different communication styles between countries can impede cross-cultural negotiations. A business professional can prepare for cross-cultural negotiations by studying the foreign country’s cultural context through Geert Hofstede and Edward Hall’s concepts. Along with communication styles, Hofstede and Hall cover the following cultural variables that can hinder successful business negotiations:<sup>3</sup>

- Greetings
- Negotiating Styles
- Attitudes Regarding Time
- Meanings of Numbers
- Gift-Giving Customs
- Significance of Gestures

An understanding of the other party’s cultural variables will assist business professionals avoid cross-cultural pitfalls, like shaking hands instead of bowing or scheduling a meeting on a date considered unlucky to the other party. Preparation is the key to success. We hope this manual will provide American business professionals with valuable information, leading to successful cross-cultural negotiations.

<sup>1</sup> Christopher W. Moore and Peter J. Woodrow, *Handbook of Global and Multicultural Negotiation*, (San Francisco, CA: Jossey-Bass, 2010), p. 8.

<sup>2</sup> Robert Gulbro and Paul Herbig, “Negotiating Successfully in Cross-Cultural Situations,” *Industrial Marketing Management*, 25 (1996): 236-237.

<sup>3</sup> Lianguang Huang, “Cross-cultural Communication in Business Negotiations,” *International Journal of Economics and Finance*, www.ccsenet.org/ijef, accessed March 2015

# CULTURAL CONTEXT EXPLAINED

Demeris Morse

## GERT HOFSTEDE'S CULTURAL TAXONOMY<sup>1</sup>

### Power Distance Index (PDI)

Power index quantifies the unequal distribution of power and the degree of its acceptance from the least powerful members. Members of a society with a high power index recognize their place within a hierarchy. A society with a lower power index attempts to distribute power equally among its citizens.

### Individualism versus Collectivism (IDV)

A society that ranks high for individualism stresses the importance of self-reliance. Individuals tend to look after themselves and immediate family. On the other hand, a low ranking collectivist society emphasizes the group. Individuals expect to be taken care of by a particular group in exchange for their unwavering devotion and trust.

### Masculinity versus Femininity (MAS)

This index is unrelated to a culture being either masculine or feminine. Instead, it represents a culture being more competitive or cooperative. A high masculine score reflects the societies preference for competition. A competitive culture values individual achievement and materials objects as a reward of competition. In contrast, a more feminine society is more cooperative and modest.

### Uncertainty Avoidance Index (UAI)

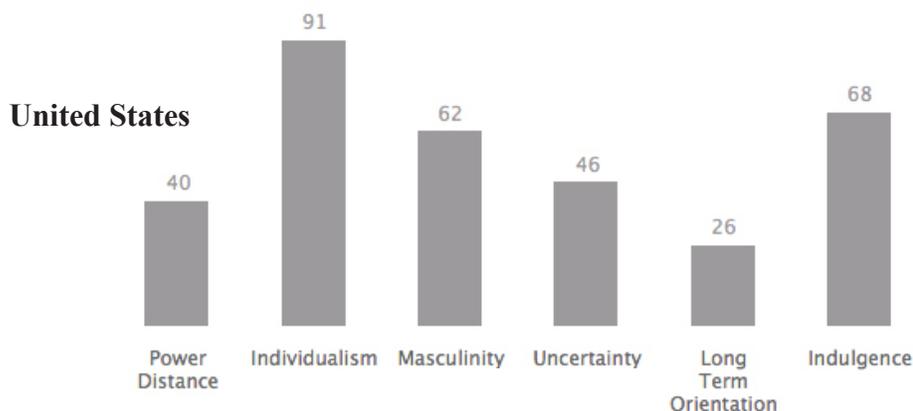
The uncertainty avoidance index quantifies the level of comfort a society feels with uncertainty and ambiguity. A low index society is relative comfortable with the unknown, while a high index society is uncomfortable and maintains strict beliefs about the future to alleviate discomfort.

### Long Term Orientation versus Short Term Normative

Low scoring societies prefer to maintain long-term traditions, rules, and friendships to help them handle future challenges. High scoring societies are adept to utilizing change to support them in future endeavors and place less importance on long-term traditions, rules, and friendships.

### Indulgence versus Restraint (IND)

Indulgence is the amount of enjoyment a person can have while they indulge in life and have fun. Restraint symbolizes a society that regulates human gratification through strict social rules.



<sup>1</sup>The Hofstede Center, <http://geert-hofstede.com>

Image courtesy <http://geert-hofstede.com/united-states.html>

## High-Context Cultures:<sup>1</sup>

Long interpersonal relationships emphasize implicit communication and the importance of the spoken word

Asian

Arab

South European

African

South American

Other Northern European

Australian

American

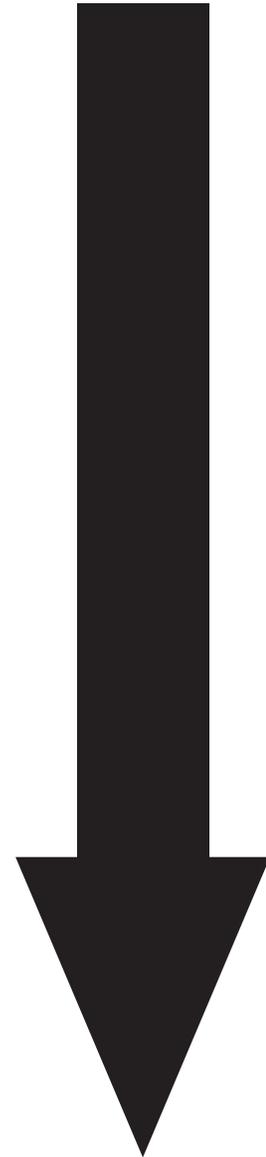
Scandinavian

German

Swiss

## Low-Context Cultures:

Short interpersonal relationships emphasize explicit communication and the importance of the written word



<sup>1</sup>College of Marin, [http://www.marin.edu/buscom/index\\_files/Page605.htm](http://www.marin.edu/buscom/index_files/Page605.htm)



Demeris Morse

# AUSTRALIA







## 1.1 BACKGROUND

America is currently negotiating a Trans-Pacific Partnership to expand trade in the Asian Pacific, including Australian markets. Australia's ideal location between the Indian and Pacific oceans is central to breaking trade barriers and connecting Eastern and Western markets. The ability to expand American politics and trade into Australia can improve the American economy by increasing profit from exports.<sup>1</sup> An in-depth understanding of Australian culture, negotiation, and business protocol can aid in successfully negotiating a trade partnership with Australia.

### 1.1.1 Cultural Diversity

As seen in Figure 1.1,<sup>2</sup> Australian demography is composed of migrants from China, India, New Zealand, and the United Kingdom.<sup>3</sup> Australia's diversity contributes to its rich variety of languages,

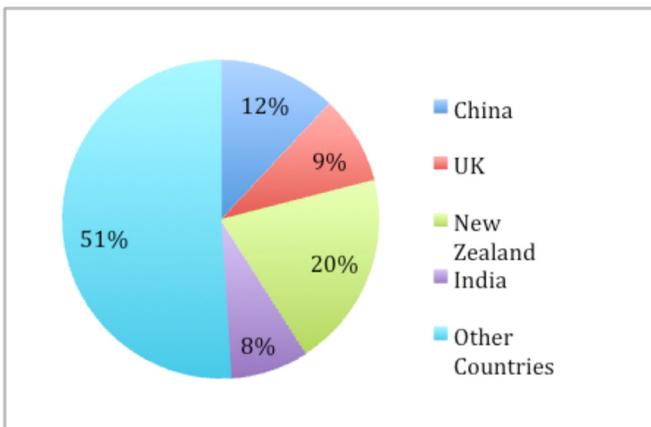


Figure 1.1 - Australian cultural diversity

religions, and ideas. Though Australian values are relatively universal, cultural differences between individuals uniquely affect communication and negotiation strategies.

### 1.1.2 Australia's Cultural Index Score

Geert Hofstede's cultural taxonomy explains the fundamentals of Australian culture, as seen in the following dimensions and shown in Figure 1.2:<sup>4</sup>

- **Power Distance:** Australia is a decentralized hierarchy. Recognition of hierarchal structures is only for simplicity.

- **Individualism:** Australia is an independent society. Identity is rooted in personal accomplishments and capabilities. Individuals are highly self-reliant.
- **Masculinity:** Australia is a masculine society where competition is encouraged, and a "winner takes all" mentality dominates.
- **Uncertainty Avoidance:** Australia is a moderately uncertain society. The degree of uncertainty avoidance may depend on the targeted Australian ethnic culture.
- **Long-Term Orientation:** Australia is a normative culture that respects traditions and dislikes change. Absolute truth is the foundation for decision-making.
- **Indulgences:** Australia is an indulgent society that values living a positive and optimistic life.<sup>5</sup>

### 1.1.3 Australia is a Low Context Culture

Australians rely on straightforward and direct verbal messages to exchange ideas, information, and opinions. Non-verbal communication such as gestures and facial expressions are rarely used. The written word carries more weight than the spoken word, and documents and contracts symbolize binding agreements. Interpersonal relationships include large circles of friends and short-term relationships.<sup>6</sup>

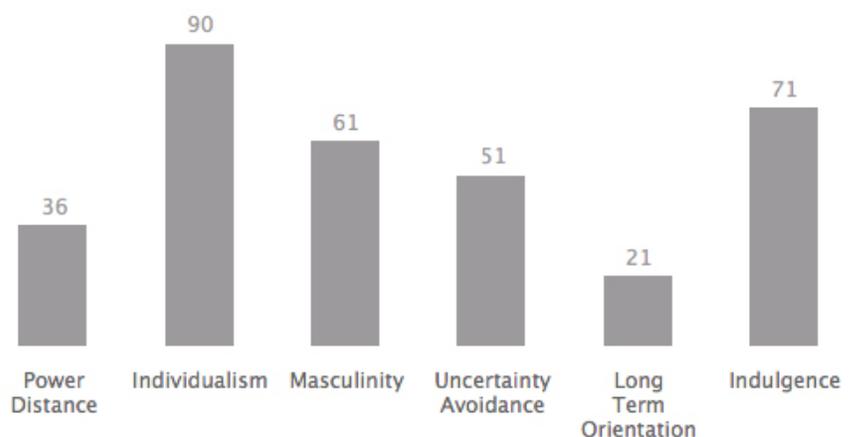


Figure 1.2 - Hofstede's cultural dimensions: Australia



## 1.2 THE AUSTRALIAN NEGOTIATOR

The preceding sections discuss qualities of Australian negotiators in terms of Hofstede's Cultural Index and Edwards Hall's Theory of Cultural Structure. A comprehensive understanding of Australian values and cultural norms are imperative to understand Australian negotiation strategies.

### 1.2.1 Australians Believe in Equality

The Australian government is highly egalitarian and strives to increase equality and minimize formal rank. Australian negotiators frequently "status level", or take measures to decrease power differences between negotiating parties. Examples of status leveling include the following:

- Rejecting formal titles and positions
- Calling people by first or last names
- Refusing to display power differences
- Treating subordinates as equals

During negotiation, Australians will treat partners as equals if their partners respect cultural norms. For an Australian business professional, equity promotes trust and a fair negotiation.<sup>7</sup>

### 1.2.2 Australians are Competitive Negotiators

According to Negotiation Theory, professionals can approach negotiation cooperatively or competitively. A cooperative approach includes interest-based bargaining where parties find win-win solutions to problems. Occasionally, a fixed pie, a specific amount of rewards that are difficult to partition equally, limits agreements. In this situation, negotiators compete to attain their desires and goals. Competitive negotiation takes a zero-sum approach where one side gains at the expense of the other.<sup>8</sup> As an individually oriented culture, Australians are competitive negotiators who believe they will only profit at the expense of the other side, a phenomena known as a "fixed pie bias."<sup>9</sup> Negotiation strategies usually follow a positional approach, focusing on what they will and will not do, what they stand to lose, and on what they mutually disagree.<sup>10</sup> Overall, Australians negotiate with a "winner takes all" attitude and disregard understanding the opposition.<sup>11</sup>

### 1.2.3 Communication and Conversational Norms

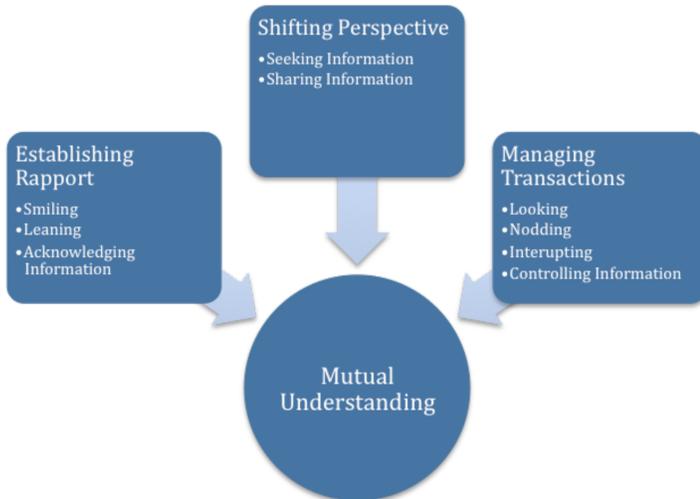
Australia is a low context culture that regards message content more important than message context. During a discussion, Australians communicate literally and do not utilize non-verbal cues. During a meeting, Australian negotiators seldom over-analyze negotiation location and personnel to interpret implied messages. Coupled with their direct mannerisms, Australians are outspoken, unreserved, and blunt. Australians easily speak their minds and are unafraid to argue their opinions in a debate. In fact, Australian negotiations frequently morph into debates, which Australians consider a form of entertainment. Typically, Australians love to banter and have witty, dry humor. Joking and teasing are common in business settings to lighten the mood. Their humor may seem offensive, but a business professional should not take it personally.<sup>12</sup>

## 1.3 NEGOTIATION STRATEGIES

Negotiation tactics balanced with competitive and cooperative strategies can increase understanding between parties and lead to a stronger agreement. The following discussion specifically tailors negotiation strategies to enhance cooperation while maintaining a competitive edge with Australian business professionals.

### 1.3.1 Build a Mutual Understanding by Discussing Interests, Not Positions

Tan defines a mutual understanding as a "state that arises from effective communication processes that results in the achievement of goals."<sup>13</sup> A negotiator can increase mutual understanding by establishing rapport, shifting perspective, and managing transactions as shown in Figure 1.3.<sup>14</sup> However, according to Fisher, the best way to understand the opposing side is to "discuss interests, not positions."<sup>15</sup> Interests represent why a negotiator takes a specific stance. When an Australian takes a position, ask why. Clarify you are asking for an explanation of their well-being, security, and recognition. Determining similar and differing interests will engage an Australian to "define the problem and reveal a solution."<sup>16</sup> Once you demonstrate your appreciation of their interests,



**Figure 1.3** - Techniques to build a mutual understanding

Australians are more likely to listen to yours. While discussing your interests, make sure to be strong and direct. Talk about where you would like to go with your business deal, but demonstrate the advantage of cooperation by being flexible to opposing ideas. Overall, a mutual understanding of interests and a firm but open mind will discourage beating the competition and encourage collaboration.

### 1.3.2 Present Facts

Australians rely on direct and explicit communication to understand a message. Australians reason from an objective point of view, and facts, testimonials, and documents are persuasive selling points.

### 1.3.3 Be Modest

Australians complain that Americans are “walking resumes”, repeatedly flaunting their achievements.<sup>17</sup> “Cutting down the long poppy”, a common saying in Australia, reflects a distaste for entitled braggarts.<sup>18</sup> Early in a negotiation, Australians will interpret status-leveling cues as indicators of how the relationship is forming. At this time, any reference to rank, title, status, and power will insult Australian norms.<sup>19</sup> Australians are wary of people that perceive themselves as superior to others, so always downplay your knowledge and expertise. Suggestions to power differences may imply ulterior motives, causing the negotiation to appear unfair and deceiving. As a result, Australians may react defensively and remain uncooperative. Overall, a negotiation that includes an egalitarian approach and status-leveling techniques aimed to

reiterate the importance of equity would increase the negotiator’s satisfaction with the process and appeal to Australian collaboration.<sup>20</sup>

### 1.3.4 Do Not Bargain

Australians prefer fair-market pricing where both parties equally benefit. Make your initial offer realistic and close to what you hope to receive. A hard exchange that makes profits and agreement terms explicitly clear is more effective than deceit and double-dealing. If you are unsatisfied, speak up and be direct. Australians appreciate businessmen who are unreserved and honest, instead of those that save-face during negotiations.

## 1.4 BUSINESS PROTOCOL

The business setting in Australia is informal. However, the business process can be quite formal and lengthy. Plan to conduct business for approximately one week in Australia.

### 1.4.1 Initial Contact and Meeting

Australians prefer to schedule business appointments at least one week in advance, so make sure you schedule events early. As a foreign visitor, you should be punctual to show your serious commitment to the meeting. However, Australians are relaxed with time so do not expect to see your partner immediately.<sup>21</sup> Australians introduce themselves by their first name and a firm handshake. Remember, titles are never used. Before negotiations begin, you should engage in friendly small talk to acquaint yourself with your partner. However, small talk will quickly develop into business formalities such as gathering pertinent information and discussing negotiation rules and requirements. Prepare yourself with the necessary information for the other side, and do not expect to talk about interests or positions until later meetings.<sup>22</sup>

### 1.4.2 Presentations

By the time Australians present, they have taken a position in the negotiation. As a result, their presentations are strong and overlook opposing concerns. During the presentation, stay focused and ask any questions about their interests. You should equally prepare your presentation with attractive visuals and plenty of data. Remember to



stay modest and do not brag.

### 1.4.3 Pace of Negotiation

The length of negotiation is long due to Australia's bureaucratic corporate structure, which requires multiple steps and signatures of approval before making a decision.<sup>23</sup> Australians are monochronic, meaning they do one thing at a time in detail. The company will take ample time to ensure the agreement is fair and equally maximizes benefits. Australians take commitments seriously, which guarantees your presentation is thoroughly considered.<sup>24</sup>

### 1.4.4 Relationships

Australians spend more time accomplishing a task versus building a relationship. However, a positive relationship is still paramount to building an Australian's trust. Make sure you spend time building rapport with your partners and their company during the negotiations. Corporate Australia involves multiple decision makers, but one high-ranking individual will make the final decision. It is important to build a good relationship with the executive that will have the final say.<sup>25</sup> Australians commonly invite foreign businessmen over for a "Barbie", local slang for barbeque. If you are invited, remember to bring a small gift from your country such as wine, beer, or food.<sup>26</sup> After the negotiation, Australians will maintain a business relationship to uphold the contract rather than build a stronger personal relationship.<sup>27</sup>

### 1.4.5 Agreements and Contracts

Low-context cultures such as Australia place more importance on contracts than a verbal agreement. Australians recognize interim agreements, but signatures finalize a deal. A final lengthy contract signed by both parties constitutes as a law-abiding agreement.<sup>28</sup> Different Australian provinces have different policies with the government. Thus, one province may not uphold a contract signed in another. You should have an Australian lawyer present when drafting and signing contracts to ensure the contract is legal in other Australian provinces.<sup>29</sup> Australians are law-abiding citizens and will expect your company to uphold the contracts. Failing to uphold your part of the agreement will be detrimental to conducting future

Australian business.<sup>30</sup>

## 1.5 CONCLUSION

According to Hofstede's cultural taxonomy, the differences between American and Australian cultures are small. The countries' similar concern for individualism and equality will make it easy for an American businessman to understand Australian interests. However, both negotiators tend to take a competitive strategy to "win" rewards from the other side, which can weaken American and Australian negotiations. Further, the American tendency to flaunt accomplishments makes Australians cautious and guarded negotiators. To negotiate successfully in Australia, an American business professional must be mindful of Australian protocol and consider adopting cooperative strategies to counter Australia's competitive nature.



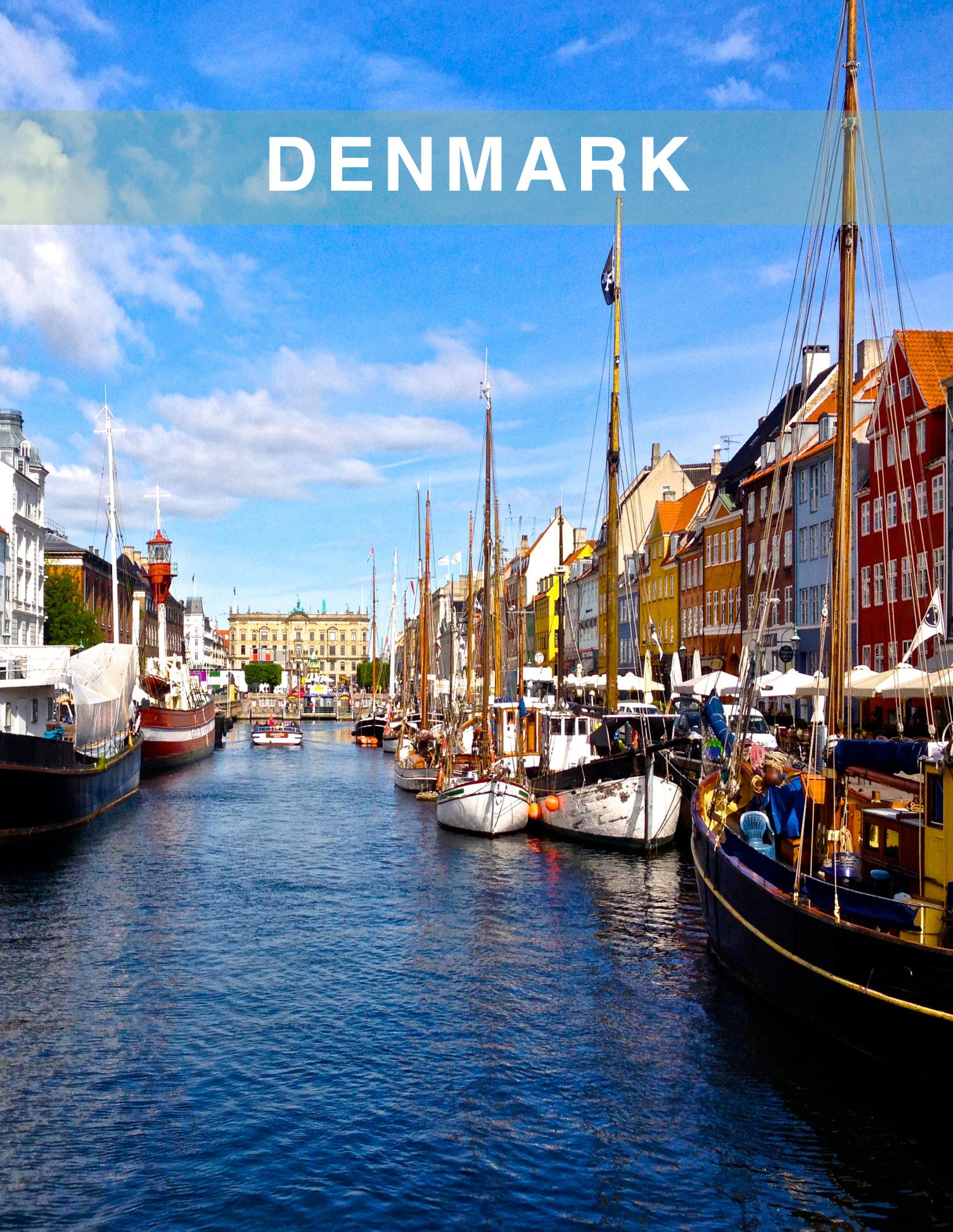
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- <sup>3</sup> Net Overseas Migration, 2014, Annual Report, p. 3, <http://www.abs.gov.au/ausstats>, Accessed March 2015.
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- <sup>11</sup> Lothar Katz, p. 3.
- <sup>12</sup> Olekalns, Mara, p. 291.
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- <sup>14</sup> Data excerpted Margaret Tan, “Establishing Mutual Understanding in Systems Design: An Empirical Study”, via JSTOR, accessed March, 3, Figure 1.3.
- <sup>15</sup> Roger Fisher and William Ury, p. 55.
- <sup>16</sup> *Ibid.*, p. 55..
- <sup>17</sup> Terri Morrison and Wayne A. Conaway, *Kiss, bow, or Shake Hands*, (Massachusetts: Adams Media, 2006), p. 23
- <sup>18</sup> *Ibid.*, p. 23.
- <sup>19</sup> Olekalns, Mara, p. 292.
- <sup>20</sup> *Ibid.*, p. 293.
- <sup>21</sup> *Ibid.*, p. 28.
- <sup>22</sup> Lothar, Katz, p. 3.
- <sup>23</sup> *Ibid.*, p. 25.
- <sup>24</sup> Olekalns, Mara, p. 290.
- <sup>25</sup> Terri Morrison and Wayne, A. Conaway, p. 26.
- <sup>26</sup> *Ibid.*, p. 26.
- <sup>27</sup> Olekalns, Mara, p. 290.
- <sup>28</sup> Lothar, Katz, p. 4.
- <sup>29</sup> Camille Schuster and Michael Copeland, p. 28.
- <sup>30</sup> *Ibid.*, p. 29.



Toni von Oepen

# DENMARK







## 2.1 BACKGROUND

Denmark’s modernized economy features a high-tech agricultural sector and world-leading firms in maritime shipping, renewable energy, and pharmaceuticals. With its expanding market, low corruption rate, and high dependence on foreign trade, it is an ideal country for business. Out of 146 nations, *Forbes* ranked Denmark as the top country worldwide for business.<sup>1</sup> However, while the United States is one of Denmark’s top five export countries,<sup>2</sup> Denmark does not even rank within the United State’s top 15 trading partners.<sup>3</sup> New business ventures in Denmark’s relatively untapped market could prove highly beneficial. This section provides insight into Danish business culture, negotiation strategies, and business protocol.

## 2.2 THE DANISH NEGOTIATOR

The Danish possess a direct and straightforward attitude, and they may initially appear reserved and cautious.<sup>4</sup> However, once trust has been established, business negotiations can proceed freely.

### 2.2.1 Hofstede’s Cultural Dimensions

The Danish culture is explored using Hofstede’s cultural dimensions, as summarized in Figure 2.1. With a low power distance score and a high individualism score, Danes prefer an equal workplace where employees are held responsible for their individual work.

However, while Danes expect self-proficiency,

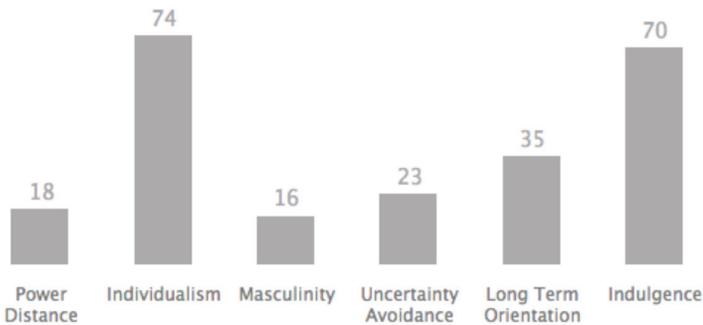


Figure 2.1 - Hofstede’s cultural dimensions: Denmark

they also emphasize the welfare of others. In Denmark, attention is directed towards the quality of life; achievements, success, and competition

are not ranked as highly as they are in the United States. Danes are willing to spend on themselves and are generally known as happy, optimistic people. Some unpredictability in the workplace is not considered problematic, as revealed by a low uncertainty avoidance score. The only area where the Danish significantly differ from the United States is their masculinity score. Denmark ranks low, meaning they are a “feminine society,” in which society values the quality of life and caring for others, which is shown in Figure 2.2. The United States is a masculine society driven by competition, achievement, and success.<sup>5</sup>

## Work-Life Balance

9.8



Figure 2.2 - This illustrates the Danish emphasis on personal life over work life

### 2.2.2 Cultural Context

Denmark is a low context culture, meaning information and opinions are communicated in a direct, straightforward manner. The Danish make their opinions or questions known, and business communication in Denmark is very clear-cut.<sup>6</sup>

When negotiating with a Danish businessperson, employ a direct and straightforward style of communication. Telling lies, making false demands, or claiming “limited authority” could jeopardize trust. Remember to keep everything direct, honest, and simple.<sup>7</sup>

### 2.2.3 Monochromic Time

Denmark has a “rigid time” culture, meaning meetings always begin on time and visitors are rarely kept waiting. Make sure to be punctual for all business appointments and social engagements, as tardiness will convey poor time management and incompetence.

Danish monochromic culture transfers directly into their work style. Danes prefer to address one item at a time. They will systematically work themselves down lists of goals and actions and any interruptions or digressions are considered rude.<sup>8</sup>



## 2.3 NEGOTIATION STRATEGIES

The Danes, like the Americans, are deal-focused, meaning you do not need to establish a relationship in order to make business agreements. Danes like to get down to business quickly with limited amount of small talk. Expect to be talking business in the first meeting; this is how Danes prefer to get to know their counterparts. Danes prefer the following values when making business negotiations:

- Directness
- Modesty
- Punctuality
- Equality
- Efficiency
- Factuality

The Danish are modest people and you will rarely hear them promote themselves or their skills.<sup>9</sup> Simultaneously, Danes are also very direct; they will not shy away from saying “no” and will openly tell you if they find something inadequate. Additionally, equality in the workplace is very important to Danes.<sup>10</sup> There is no hierarchical system in the workplace, and the line of command from boss to employee is very short. Bosses encourage employees to express opinions in the workplace and take these opinions into consideration when making business decisions. Strong negative input from even a minor member of the company could cause the rejection of a proposal.<sup>11</sup>

### 2.3.1 Business Conversation

Though a few minutes of small talk may be allowed, be prepared to immediately talk business. Danes prefer a straightforward, honest, but humble approach.<sup>12</sup> The Danish have an emotionally reserved communication style and will understate their achievements and make self-deprecating remarks. Boastfulness or self-promotion is strongly discouraged as it is considered brazen and unprofessional. You will gain trust most quickly by remaining factual and willing to share information. While all of your information does not need to be shared, if it becomes obvious you are withholding key facts, it will hurt your negotiation process.<sup>13</sup>

### 2.3.2 Negotiation

Directness and honesty are key traits in negotiations. It is best to open with an offer close to what you really want and start negotiating from this point. Emotional negotiation techniques or small talk should be avoided. Focus on facts, make strong arguments, and provide information when asked.<sup>14</sup> To Danes, negotiating is a joint-problem solving process. They encourage and take into account everyone’s opinions. They believe in win-win situations and are willing to give concessions as long as you do as well. Do not try to negotiate an aggressively one-sided bargain. You should try to avoid open confrontation, and instead remain calm, friendly, patient, and persistent. If a dispute does arise, focus on logical reasoning, state the facts, and remain open-minded.<sup>15</sup>

### 2.3.3 Bargaining

Expect the bargaining stage of negotiations to be relatively short. Prices rarely move by more than 10 to 20 percent. Danes are not fond of bargaining and strongly dislike haggling. Fairness is very important to them and they dislike aggressive sales techniques. Danes may use pressure techniques, during which they open with their best offer and are then unwilling to deviate from it. Be careful when using similar pressure techniques, however. Make sure to clearly explain your offer and avoid aggressiveness. Also, avoid using pressure techniques applying a time pressure, as these may backfire. Danes will also employ defensive techniques while negotiating, including the following:

- Asking probing, direct questions
- Making promises
- Keeping an inflexible position

Research your business partners extensively before the meeting in order to field these questions and bring the negotiations to a logical conclusion.<sup>16</sup>

## 2.4 BUSINESS PROTOCOL

The business setting is generally more egalitarian and relatively informal compared to business behaviors in other cultures. However, you should dress conservatively and remain reserved until invited to become more informal. It is not necessary



to show overt signs of respect to customers and people of higher status. The Danes have few etiquette rituals.<sup>17</sup>

#### 2.4.1 Prior to business meeting

When making initial contact, you should always schedule a meeting in advance. Avoid making meetings after 4pm on weekdays and do not plan meetings for Saturdays, Sundays, or national holidays. In addition, summer is a time of leisure, and it can be seen as inconsiderate to schedule meetings during July and August. Many firms close during these two months.<sup>18</sup>

Prior to a meeting, you should send out a written agenda. Danes will expect this agenda to be followed exactly, and you should notify your business counterparts immediately if last minute changes arise. Come well prepared and be ready to answer questions.<sup>19</sup>

#### 2.4.2 Meeting and Greeting

Be sure to be punctual to every meeting as Danes dislike wasting time. If you will be more than five minutes late, be sure to call ahead with an explanation. When arriving to your first meeting, come well prepared as most of the discussion will center on business.

Greetings are casual. A firm handshake while maintaining eye contact is the norm. Danes will often introduce themselves with their first name, but you should refer to them by their title and surname until invited to use their first name. Be sure to bring ample business cards, as you will exchange cards at your first meeting. There is no need to have the card translated. It should show your professional title clearly, without any advanced degrees as demonstrated in Figure 2.3. When

presenting the card, smile and keep eye contact. Be sure to take a few moments to look at the card you received.

#### 2.4.3 Hosting a Meeting

Meetings will either start with a few minutes of small talk or get right down to business. Presentations should be simple, factual, and easily understandable. Try to avoid overloading your presentation with facts, as written protocols may work against you. Handout materials do not need to be translated into Danish.

All the most important agreements and decisions should be recorded in a written summary. As Denmark possesses a low context culture, written and signed contracts are always preferred.<sup>20</sup> Additionally, gift giving in normal business settings is rare, and you do not need to bring gifts to meetings. However, if you are invited to a business contact's home, bring a gift. Be sure to open gifts in front of the gift giver.<sup>21</sup>

### 2.5 CONCLUSION

Denmark exemplifies a modern, well-balanced economy. With large sectors in agriculture, IT, pharmaceuticals, and renewable energy, they are at the forefront of the worldwide market. Expanding into this market will benefit American companies, and awareness of Danish culture, key values, and specific negotiation techniques will greatly facilitate the transition into this market. Danish business people are modest, punctual, direct, and straightforward. They believe in give-and-take and are willing to make concessions if it results in a success for both parties. Overall, the Danish are fair and understanding business partners, and you will gain their respect and loyalty if you are direct, honest, and factual.



Figure 2.3 - This is an example template of what Danes expect to see on a business card



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Tara McDermott

# IRELAND







### 3.1 BACKGROUND

The purpose of this section of the manual is to understand Ireland as a negotiator, provide strategies to negotiate with the Irish, and define business protocol in Ireland. Ireland is one of the top countries in the world for international business, ranking fourth in *Forbes*' December 2014 "Best Countries for Business" list.<sup>1</sup> Table 3.1<sup>2</sup> summarizes *Forbes*' analysis of Ireland and establishes the country's credibility for business.

**Table 3.1 - *Forbes* Ireland statistics**

<b>GDP</b>	<b>\$221 B</b>
<b>GDP Growth</b>	<b>0.6%</b>
<b>GDP/Capita</b>	<b>\$41,300</b>
<b>Population</b>	<b>4.8 M</b>
<b>Inflation</b>	<b>0.6%</b>

The Irish economy is modern, trade-dependent, and dominated by industry and services sectors.<sup>3</sup> Main exports include scientific research compounds and packaged pharmaceuticals,<sup>4</sup> and top Irish businesses range from food production, business technology, and manufacturing,<sup>5</sup>

As a low context culture focused on direct dealings and success, Irish business is conducted at a slightly different pace than American business. When dealing with the Irish, American business professionals should be humble, warm, direct, and factual, and they should not rush business dealings. The information presented in this section will help create lasting business relationships with the Irish, ultimately benefitting all parties involved.

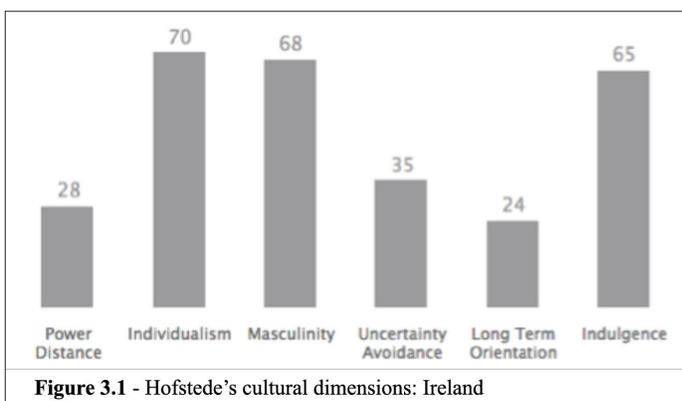
### 3.2 THE IRISH NEGOTIATOR

Successful international negotiations require a thorough knowledge of the culture's style of communication. This section utilizes Geert Hofstede's country comparisons to describe key features of Irish business culture.<sup>6</sup> This section also incorporates Edward Hall's theory on cultural structure, which defines Ireland as a low context culture.

#### 3.2.1 Hofstede

According to Hofstede's country comparisons, Irish business culture values independent and self-

reliant employees. Business life is success-oriented and individuals are selected for promotion based off their achievements and accomplishments. Figure 3.1 summarizes Ireland's ranking through Hofstede's country comparisons.<sup>7</sup> Simultaneously, Irish business culture respects tradition, imaginative solutions, and optimism in the workplace.<sup>8</sup>



#### 3.2.2 Cultural Context

Ireland is a low context culture, meaning the Irish tend to be logical, individualistic, and action-oriented.<sup>9</sup> Table 3.2<sup>10 11</sup> highlights low context practices important to Irish business culture.

**Table 3.2 - Selected Dimensions of Low-Context Culture**

Dimension	Low-Context Cultural Dimension
Individualism	<ul style="list-style-type: none"> <li>Individual Initiative</li> <li>Self-Assertion</li> <li>Personal achievement</li> </ul>
Communication Style	<ul style="list-style-type: none"> <li>Written word</li> <li>Straightforwardness</li> <li>Openness</li> </ul>
Time Orientation	<ul style="list-style-type: none"> <li>Productivity</li> <li>Efficiency</li> <li>Monetary value</li> </ul>

Thus, negotiators should structure their proposals with regard to their success-oriented, imaginative, and objective Irish audience. When presenting to a low context audience, the presenter should assume the audience has no prior knowledge of the business transaction. Business professionals should provide ample background information regarding the proposal or the business in question.

### 3.3 NEGOTIATION STRATEGIES

Negotiating a deal in Ireland requires a different



approach than the usual American business deal. American business meetings are usually focused on a deal or the negotiation, not the fostering of personal relationships. In Ireland, relaxed conversation precedes every business meeting. You should allow plenty of time for a business transaction, and you should strive to be open and humble.<sup>12</sup> Above all, the Irish appreciate the following traits in business dealings:

- Humility
- Directness
- Factuality
- Warmth

Begin the business dealings by gaining trust and credibility, and then move into business conversation and negotiations.

### 3.3.1 Gaining Trust and Credibility

The pre-meeting socialization period is a time to build rapport, and you should follow along with the initiated topics.<sup>13 14</sup> Strive to be warm without being overly friendly; the Irish value reserve alongside friendliness.<sup>15</sup> Avoid taboo subjects, like religion,<sup>16</sup> Anglo-Irish relations, sexual orientation, and crime.<sup>17</sup> Additionally, the Irish do not appreciate exaggerated claims or bragging,<sup>18</sup> and you should present yourself humbly and establish credibility through hard facts and data.<sup>19</sup> Do not rush this pre-meeting socialization period and allow the conversation to end naturally before proceeding to more serious matters.

### 3.3.2 Business Conversation

Once the period of socializing ends, business conversations will begin. It is crucial to be straightforward, humble, and factual, and you should keep your thoughts brief and clear. The Irish do not trust those who portray themselves as superior or exaggerate their achievements or wealth.<sup>20</sup> Thoroughly research your business partners prior to the meeting and be prepared to answer questions, as the Irish enjoy open discussion.<sup>21</sup>

### 3.3.3 Negotiation

When negotiating, appear unrushed, cool-headed,

and focused. Be prepared to bargain over prices, and avoid pressuring your Irish business partners into a speedy deal.<sup>22</sup> Focus on how the deal benefits the Irish and frame your proposal with regard to the Irish business environment, not the American. If negotiations become tense or difficult, remain calm and friendly. The Irish will not forget a slight, and you will likely not regain their trust as business partners.<sup>23</sup> Instead, take a step back and re-focus your approach on how it benefits your Irish business partners. Approach both positive and negative aspects of your proposal openly and allow time for debate, bargaining, and discussion.<sup>24</sup>

## 3.4 BUSINESS PROTOCOL

In the business setting (as with negotiation), you should appear humble and warm and present all thoughts factually and directly. Meetings can be highly structured or informal, sometimes taking place in pubs or bars. Before any business meetings, familiarize yourself with the expected attendees and prepare questions and answers for the inevitable discussion. Preparation is key, and the Irish will respect a foreigner who can offer new ideas in a culturally respectful manner.

### 3.4.1 Meeting and Greeting

Irish business meetings can be both formal and informal, taking place in offices, pubs, or hotel bars. Regardless of the venue, you should dress conservatively and act professionally. In order to appear serious and responsible, arrive on time to meetings.<sup>25</sup> Your Irish business partners may not be as punctual (the Irish are generally not as time-conscious as Americans), but they still expect foreign visitors to be prompt.<sup>26</sup> Introductions and greetings are done with a firm handshake, and it is important to maintain good eye contact throughout, as this demonstrates trustworthiness.<sup>27</sup>

During a meeting, the same principles as negotiation apply: humility, directness, factuality, and warmth. Business professionals should not rush the pre-meeting socialization period, and they should not exaggerate accomplishments or details. Additionally, they should be prepared to discuss topics fully, and should prepare questions and answers before the meeting.



### 3.4.2 Hosting a Meeting

When initiating a meeting with an Irish audience, do not assume the audience has prior knowledge of the business transaction or proposal. Make sure your audience is aware of the details of the meeting long before it takes place (i.e., what they need to bring or prepare). Pubs, hotels, and offices are all appropriate venues for Irish business, and you should call ahead to reserve space and make sure the venue will hold the meeting attendees.<sup>28</sup> Water and refreshments should also be provided.<sup>29</sup>

When the meeting begins, allow time for necessary socializing, introductions, and discussion. Make sure your audience feels welcome, and shake hands with everyone attending the meeting.<sup>30</sup> When speaking, keep your information brief, factual, and direct. A secretary should record the minutes and subjects discussed during the meeting as well, to send out afterwards. Finally, welcome discussion and do not interrupt your Irish audience while they are speaking.<sup>31</sup>

### 3.4.3 Following a Meeting

After hosting a meeting, send the minutes, final decisions, and signed contracts to all necessary participants.<sup>32</sup> As a low context culture, the Irish value the written word over spoken agreements and hard copies of the meeting's results are important to distribute. If any details need to be confirmed following a meeting, a phone call is acceptable and appreciated over an email.<sup>33</sup> Finally, it is not uncommon to go to a pub following a meeting. If this is the case, make sure to follow your Irish business partners' leads and buy a round for your associates if necessary.<sup>34</sup>

## 3.5 CONCLUSION

Ireland offers numerous business opportunities for the American business professional, but preparation prior to interacting with Irish businessmen and women is critical. As a low context culture, the Irish value directness and factuality in a business transaction. Prior to the beginning of a meeting or negotiation, time is allowed for socialization and building of relationships and rapport. It is crucial to be warm and humble especially in this pre-meeting period, as well as throughout the business

dealing. Business professionals should keep their proposals brief and direct, and they should be prepared to discuss dealings and bargain at length. Overall, the American business professional should remember to be humble and direct at all times, as this will earn the respect of the Irish and lead to solid future business relationships.



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- <sup>33</sup> Ibid
- <sup>34</sup> Ibid





Grace Guo

# SINGAPORE







## 4.1 BACKGROUND

Ranking second in the 2014 World Economic Forum's Global Competitiveness Report,<sup>1</sup> Singapore possesses one of the world's most mature financial infrastructures and pro-business environments. Singapore's highly connective, globalized free-market economy establishes the country as the business epicenter in the Asian Pacific. As Figure 4.1<sup>2</sup> shows, Singapore boasts rich ethnic diversity, and its official languages include English, Mandarin, Malay, and Hokkien.<sup>3</sup> This multicultural social dynamic requires foreign business professionals to adjust negotiation styles to accommodate for the Singaporean negotiator's background.

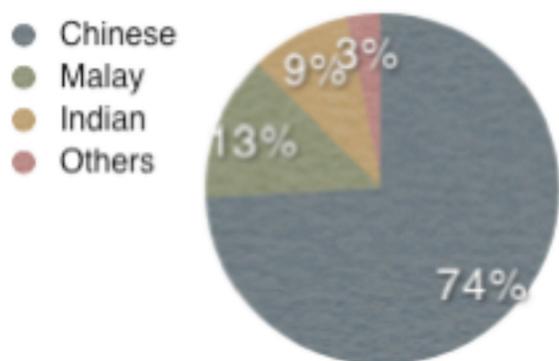


Figure 4.1 Ethnic Groups in Singapore

### 4.1.1 Singapore's Cultural Index Score

According to social psychologist Geert Hofstede, as Figure 4.2 depicts,<sup>4</sup> Singapore is a collectivist culture with an emphasis on harmony and cooperation. Power is centralized; employees are expected to obey managers and executives. A low masculinity score in Hofstede's Cultural Index indicates that Singaporeans are modest people who value consensus rather than competition in the workplace. A low uncertainty avoidance score indicates that they are extremely factual. Singapore scores high in long-term orientation, revealing their high regard for perseverance and commitment. Singapore's intermediate indulgence score indicates that Singaporeans are materialistic but not extremely indulgent.<sup>5</sup>

## 4.2 THE SINGAPOREAN NEGOTIATOR

Singapore's globally integrated and technologically innovative market may appear more modern and westernized than other Asian countries. However, its educational system, paternalistic and bureaucratic corporate structure, high-context communication style, and *kiasu* cultural mentality make Singaporeans rather passive and uncompromising negotiators.

### 4.2.1 Understanding Personal and Corporate Backgrounds

Edith Ching, Professor of Business Administration at the National University of Singapore, illustrates in her article that Singapore's examination-oriented and "spoon-feeding" educational program leaves little space for individuality and creativity. Thus, Singaporeans do not advocate alternative or personal perspectives during negotiations.<sup>6</sup> Furthermore, early specialization in the sciences, technology, humanities, or commerce makes Singaporeans experts in their chosen field. Therefore, they may be uncompromising and unwilling to adopt different perspectives.<sup>7</sup>

### 4.2.2 Communication Style

While Singaporeans communicate more directly than other Asians, they avoid direct rejection in business proceedings. Deflective responses such as "we will consider your demands" and an unwillingness to say "no" are common. Singaporeans sometimes smile to mask embarrassment, and it is important be aware of nonverbal communications during negotiations. American professionals should also manage their

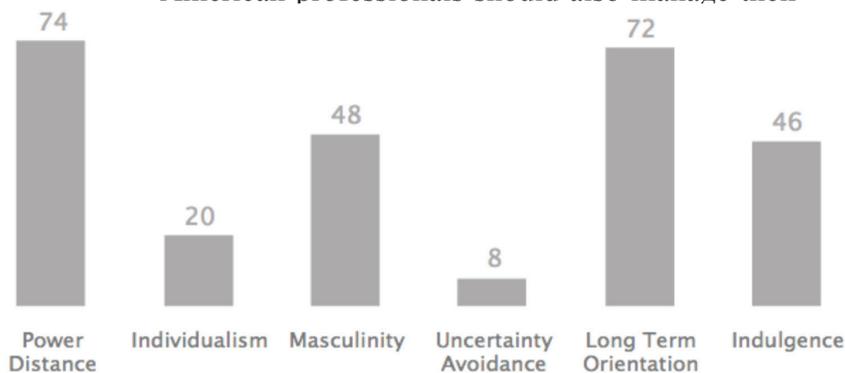


Figure 4.2 - Hofstede's cultural dimensions: Singapore



body language, as Singaporeans consider prolonged eye contact with superiors as disrespectful.<sup>8</sup> Please refer to Appendix A for a specific case study on cross-cultural business negotiations between an American high-tech company and a Singaporean pharmaceutical company. The case study demonstrates the obstacles that Charles, a young American negotiator, experienced adjusting from a low to a high-context culture and communication style.

#### 4.2.3 Negotiation Style

Singaporeans value interpersonal networks and often give preexisting business connections preference when negotiating with several companies. Establishing friendly personal relationships is a crucial step towards cooperative negotiations. Consistency and commitment are highly valued in Singapore, and a sudden change in negotiators may revert progress. Should a disagreement occur during negotiations, remain polite and use logical reasons to persuade rather than arguments to dispute.<sup>9</sup> Keep in mind that a meeting is usually a place to announce consensus or proposed alterations. It is not a place to settle debates.

Singaporeans are goal-oriented, pragmatic, and straightforward negotiators; they tend to focus on tangible outcomes and maximized benefits. They are extremely practical and often conduct several parallel negotiations to explore all business potentials. Compared to the westernized managers educated overseas, older and traditional Singaporean managers often approach a disagreement with a zero-sum mentality.<sup>10</sup> Additionally, Singaporeans will withdraw from negotiations if they think their business counterparts are stalling a deal.<sup>11</sup>

#### 4.2.3 Cultural Influences on Negotiation Style

A 2002 study published in *Thunderbird International Business Review* illustrates the preferred negotiation style of Singaporean managers from different ethnic backgrounds.<sup>12</sup> All ethnic groups prefer analytical, factual, normative, and intuitive negotiation styles. The conclusions of this study are summarized in the following list:

#### *Chinese Singaporeans*

- Prefer thoughtful proposals outlining benefits for both parties.
- Appreciate supporting arguments in a proposal.

#### *Indian Singaporeans*

- Value interpersonal relationships and harmony.
- Abide by their perspectives
- Avoid compromise
- Take risks

#### *Malay Singaporeans*

- Work with energy and enthusiasm
- Prefer proposals with exciting possibilities
- Avoid conflicts and distressful situations
- Value personal and social relationships

#### 4.2.4 *Kiasu* Mentality

*Kiasu* is defined as “the obsessive concern with getting the most out of every transaction and a desire to get ahead of others”.<sup>13</sup> This mentality is a common characteristic among Singaporeans, and it can dictate their negotiation style and tactics.

A study of *kiasu*’s impact on task performance at Texas State University suggests that both “positive” and “negative” *kiasu* increase competitive outcome and achievement. Positive *kiasu* tactics are associated with maximization,<sup>14</sup> as demonstrated by a Singaporean negotiator’s use of multiple negotiations to find the most beneficial contract. Negative *kiasu* tactics are deceitful, as seen when a Singaporean negotiator may purposely misrepresent certain information, enforce time pressure, inflict guilt, and send misleading non-verbal communication signals to gain momentum in negotiations.<sup>15</sup>

### 4.3 NEGOTIATION STRATEGIES

Many Singaporean companies conduct business within a network of familiar contacts based on previous collaborations or common cultural backgrounds.<sup>16</sup> In addition to Singapore’s highly competitive free market economy, this reduces U.S. companies’ leverage over negotiation. Knowledge of Singaporeans’ negotiation styles and communication strategies can reduce



misunderstandings resulting from cultural differences.

#### 4.3.1 Mirroring Communication style

Mirroring is a form of non-verbal communication, where one person mimics another's postures, gestures, and language.<sup>17</sup> Numerous studies show that mirroring not only creates smoother interactions, but it may also enhance the imitator's persuasiveness.<sup>18</sup> Singapore is a high-context culture with an indirect communication style. You should practice using indirect suggestions and rejections. Rather than using bold statements, try signaling your intentions and opinions nonverbally. Singaporeans are collectivists with high team values, and you should display your strength as a team during negotiations.

#### 4.3.2 Local Connections

You should utilize local Singaporean connections as much as possible. Local connections should be natives with a good reputation in Singapore's business world.<sup>19</sup> Local natives will possess valuable knowledge of the local market economy and could act as advisors on business dealings. Additionally, a Singaporean vouching for your reputation will increase your business value and give your business partners incentive to collaborate with your company. Finally, local connections can act as mediators should a conflict arise.

#### 4.3.3 Questions

Singaporeans value harmony and avoid conflicts and rejection. It is common for Singaporeans to deflect probing questions, and you should formulate your questions specifically and carefully.

#### 4.3.4 Technology

Singapore's economic development focuses on technologically advanced industries.<sup>20</sup> Highlight the technological products and advantages of your company during negotiation.

### 4.4 BUSINESS PROTOCOL

In the business setting, you should be punctual, friendly, well prepared, and appropriately attired in conservative business clothes.

#### 4.4.1 Greetings

You should be observant of Singapore's diverse cultural and religious variety by utilizing the different greetings displayed in Table 4.1 for your specific audience. Singaporean society values gender equality and many women hold executive positions. Only shake hands with businesswomen if they offer a handshake. Always address professionals by their official title and name, and use prefixes if the person does not have a professional title.<sup>21</sup>

**Table 4.1** - Greetings according to ethnicity and background

	Chinese	Malay	Indian
Singaporean	A bow, often combined with a handshake.	Careful not to offer your hand to the opposite sex.	Only westernized Hindu will shake hands with the opposite sex.
Traditional	Gentle handshake lasting up to twelve seconds.	Known as the Salaam, both parties offer one or both hands, touch each other's hand (s) briefly before resting your hand (s) to your heart.	Known as the namaste, join palms of your hands together, combine with a slight bow. Women may use this to greet traditional Indian man.

#### 4.4.2 Business Meetings

Singaporeans are accustomed to executing a task in established ways. Negotiators may present predetermined clauses and conditions during meetings, and you should not initiate debates over specific terms and conditions. Singaporeans value harmonious collaborations. During presentations and negotiations, you should focus on the possible agreements to establish a cooperative atmosphere before discussing terms.

#### 4.4.3 Decision Making

Decision-making is centralized in Singapore's bureaucratic corporate management system, and correspondence between the negotiators and their executives usually prolongs the negotiation.<sup>22</sup> Decisions normally require group consensus after



negotiating the individual terms and conditions. Winning the votes of key executives and stakeholders will increase your standing overall, since Singaporeans rarely challenge their superiors and are likely to vote accordingly.<sup>23</sup>

#### **4.4.3 Agreements and Contracts**

Writing and signing the final agreements with detailed terms and conditions is a formality in Singapore. To protect your company's property rights, make sure to patent and register all products in Singapore. Companies with ethnic Chinese background may consult astrologers for a "lucky" day to sign the contracts. Respect this custom and do not push for an earlier date.<sup>24</sup>

#### **4.4.4 Personal Relationships**

Personal relationships are important but not essential during negotiations. A traditional Chinese Singaporean negotiator may value personal relationships more than a westernized Singaporean negotiator. Instead, you should focus on building trust by showing commitment and good work ethic. Focus on presenting yourself well to the company and team rather than the individual.

### **4.5 CONCLUSION**

A high-context communication style allows Singaporeans to be direct and competitive without compromising harmonious interpersonal relationships. Although deeply cultural, the Singaporeans are also extremely professional and business-oriented. Professionalism, commitment, good work ethic, cultural awareness, and sensitivity to interpersonal interactions are crucial elements for successful negotiations in Singapore.



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Galeela Michael

# SWEDEN







## 5.1 BACKGROUND

Sweden's economic platform is based on openness to global trading investment and a high business freedom score.<sup>1</sup> Their high-performing economy sculpts a financial safety net for their citizens, due to the reduction of government interaction. Sweden's economy relies on wood, high-grade ore mining, hydroelectric power, and tourism industries. The most important export goods are electrical and telecom equipment, machinery, crude oil, passenger cars, paper, pharmaceuticals, foodstuffs, textile products, footwear, iron, and steel. In addition, Sweden has one of the world's most transparent and efficient public institutions, with very low levels of corruption.<sup>2</sup> This, coupled with a high GDP per capita, as displayed in Figure 5.1, makes Sweden one of the most practical business partner for the United States.

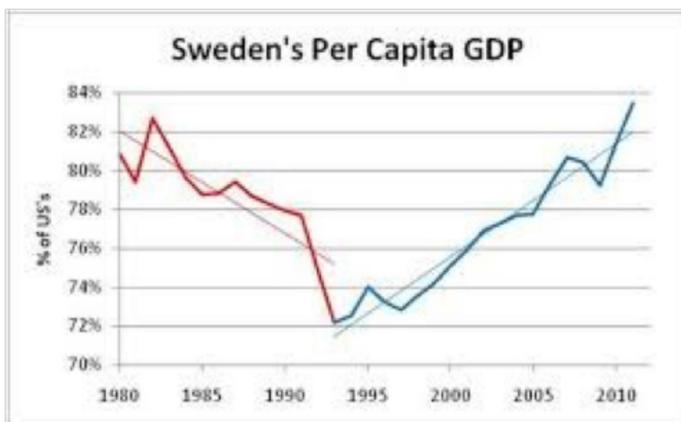


Figure 5.1 - Growth in Sweden's Per Capita GDP

### 5.1.1 Swedish Cultural Background

Sweden is a part of the Scandinavian Peninsula, bordering Norway and Finland. The total population of Sweden is approximately 9.5 million, and one-fifth of the total population is immigrants. Sweden's official language is Swedish, a primarily Germanic language. In 1995, Sweden emerged as a part of the European Union, but the country still uses the Swedish Krona.

## 5.2 THE SWEDISH NEGOTIATOR

Hofstede's Dimensions of Cultural Variability is a good resource to understand Swedish cultural behavior.<sup>3</sup> Although Sweden and the U.S. score similarly in many dimensions, there are enough differences to require a brief overview of the

Swedish negotiator from Hofstede's perspective.

### 5.2.1 Power Distance

Sweden scores low on this dimension, with a score of 31, meaning Swedish business style emphasizes independence, equal rights, accessible superiors, and management styles that facilitate and empower. They prefer to decentralize power, and managers typically rely on the experience of team members. Employees dislike control, and their attitudes towards managers are informal. Communication also tends to be direct and participative.

### 5.2.2 Individualism

Sweden is an individualistic society, with a score of 71. This score signals a high preference for a loosely knit social framework in which individuals are expected to support only themselves and their nuclear family. The employer/employee relationship is a contract based on mutual advantage and hiring, and promotions are based exclusively on individual merit.

### 5.2.3 Masculinity

Sweden is a "feminine society", with a score of five, where a balance between leisure time and work is important. The Swedish concept of "Lagom" in Figure 5.2 highlights this balance, and the Swedish government enforces "lagom" by guaranteeing ample free time and flexible work hours. "Lagom" is fundamental to Swedish business and ensures that employees maintain an equal work to life balance.<sup>4</sup>



Figure 5.2 - Lagom

Employees expect their manager to be supportive, and decision-making is done through involvement. Managers strive for consensus, as Swedes value equality, solidarity, and quality in their working lives. Swedes will discuss extensively to attain



consensus, and they will resolve conflicts through negotiation and compromise.

#### 5.2.4 Uncertainty Avoidance

Sweden scores low on this dimension, with a score of 29, revealing a low preference for avoiding uncertainty. Low uncertainty avoidance societies maintain a more relaxed attitude, where practice counts more than principles and society tolerates deviance from the norm. Accordingly, in Swedish societies, people believe that there should be no more rules than necessary and, if they are ambiguous or do not work, they should be abandoned or changed.

#### 5.2.5 Indulgence

Sweden scores high in the indulgence dimension, with a score of 78, meaning the Swedish preserve and enjoy leisure time, and they possess optimistic outlooks on business and life.

### 5.3 NEGOTIATION STRATEGIES

Negotiating in Sweden is similar to negotiation in the United States. However, the following negotiation strategies address subtle differences between the two cultures, and the strategies presented here will empower you with tools to efficiently negotiate with the Swedish.

#### 5.3.1 Face-to-Face Communication

Depending on the situation, introductions in Sweden may be difficult. A third party will generally introduce you to new business contacts.<sup>5</sup> The Swedes are friendly and open in discussions but reserve their speech for important topics. Regardless of status, Swedes address professionals by first names. Speaking a few words of Swedish is a kind gesture. Table 5.1<sup>6</sup> shows some common phrases in Swedish and their English translations.

However, your Swedish colleagues will probably switch to English rapidly. Swedes do not rely on nonverbal communication, and they keep their body language and hand gestures to a minimum. Lastly, shake hands with everyone present in a business or social setting when greeting or leaving.

#### 5.3.2 Business Relationships

Compared to other Northern European countries, Swedish people enjoy discussion and conversation.

The Swedish value the spoken word, so verbal agreements are respected. However, written contracts finalize deals after a handshake and verbal agreement. Written agreements act as legal documents in case of conflict, but verbal agreement solidifies a deal. Swedes will discuss and express their political values fluidly, creating a platform to negotiate without limitations. The Swedish democratic culture in decision-making and discussion of concealed issues is universally recognized.

#### 5.3.3 Making Contact

You should gently initiate conversation with Swedish business professionals. Swedes like planning and procedures, and they appreciate similar gestures in their partner's communication.<sup>7</sup> The Swedish communication style is very direct and open, and you should get to the point quickly to avoid wasting time. Swedes tend to be good listeners and expect you to be as well. Interrupting is considered rude, and you should wait your turn before speaking.

Swedes like to establish informal relationships quickly. However, the Swedish segregate their private and business life, and this informality does not amount to intimacy. To maintain their personal space, Swedes tend to stand far apart when conversing. With the exception of a swift and firm handshake, you should respect this personal space and avoid unnecessary physical contact. While speaking, you should maintain strong eye contact and avoid talking with your hands in your pockets.

**Table 5.1** - Common Swedish phrases

English	Swedish
Hello	Hej
How are you?	Hur mår du?
I'm good, thank you	Tack, jag mår bra
Thank you very much	Tack ska du ha
You are welcome	Varsågod/Ingen orsak
My name is	Mitt namn är
What is your name?	Vad heter du?
Good morning	God morgon
Good evening	God eftermiddag
Good night	God natt



## 5.4 BUSINESS PROTOCOL

You should follow standard business protocols in Sweden, including attention to detail, punctuality, and equality throughout organizations.

### 5.4.1 Meetings and Negotiations

To conduct business in Sweden, make appointments at least two weeks in advance.<sup>8</sup> Punctuality is important in business and social engagements, and the Swedish dislike tardiness. Additionally, the Swedish value business professionals with knowledge and experience and enjoy meticulously planned and logically organized proposals and presentations. In the first meeting, the Swedish will evaluate you, your company, and your proposal. Big decisions and agreements are made after several meetings. Do not show emotions during negotiations and always remain cool, calm, and collected during discussion. The Swedish consider consensus the only avenue for decision-making, and you should not appeal solely to top-level executives for support. In many cases, the power to make a decision will fall to middle managers, who may even pass the decision to lower levels.

### 5.4.2 The Role of a Manager

The Swedish value the specialized knowledge that employees at all levels bring. In Sweden, as in most egalitarian cultures, individual achievement merits a position of authority. While respect of authority is important, employees at all levels of the organization are free to aspire to those positions. The role of the leader is to harness and develop group talent. Leaders act as the final authority in decision-making, but they do not dominate the discussion or generation of ideas. Leaders address praise to the entire group as well as to individuals.<sup>9</sup>

### 5.4.3 Approach to Change

Even though they are cautious in business, the Swedish are some of the most rapid high-tech innovators in the world. However, Sweden's intercultural competence and readiness for change is low, meaning change is slow to occur and met with low enthusiasm. In order for change to take hold, the group must see change as beneficial. The negative ramifications of failure on both the individual and the group dramatically affect Sweden's attitude toward risk.

### 5.4.4 Approach to Time and Priorities

Sweden is a controlled-time culture, and adherence to schedules is important and expected.<sup>10</sup> In Sweden, missing a deadline is a sign of poor management and inefficiency. People in controlled-time cultures will tightly schedule their time, and you should provide and adhere to project milestones. Effective cross-culture management depends on the individual's ability to meet deadlines.

## 5.5 CONCLUSION

To successfully negotiate with the Swedish, American business professionals should follow the guidelines provided in this section. The Swedish value coming to a consensus, and conducting business in Sweden relies heavily on negotiation. The economic growth and transparency of Swedish industries makes Sweden one of the most promising business markets for the United States. With preparation, American business professionals can enjoy long-lasting and solid business relationships with this top country for international business.



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Monica Kunz

# SWITZERLAND







## 6.1 BACKGROUND

Switzerland, also known as the Swiss Confederation, is one of the most competitive economies in the world because of its economic and political stability. Switzerland is also one of the top ten wealthiest countries in the world, enjoying one of the highest GDP per capita.<sup>1</sup> According to *Forbes*, Switzerland is one of the top countries in the world for international business, ranking ninth in its “Best Countries for Business” list.<sup>2</sup> Switzerland’s economy includes a highly accomplished and extremely skilled labor force that benefits from low unemployment.<sup>3</sup>

Switzerland’s major industries are machinery, chemicals, watches, textiles, and precision instruments. While limited in raw materials, Switzerland produces high-value added exports by fabricating raw material imports, and they have the world’s highest manufacturing economy.<sup>4</sup> As an example of their export acumen, Switzerland exports 85% of their pharmaceuticals and 95% of their Swiss watches and is the leading insurance exporter in Europe. Figure 6.1<sup>5</sup> shows how half of the Swiss population is employed in the highly developed service sector, which includes financial, insurance, pharmaceuticals, and tourism. The machine and metal industry employs 40% of the population and the agriculture sector employs 10% of the population.

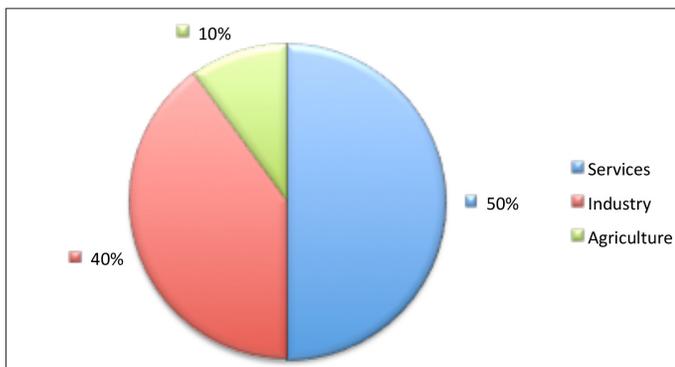
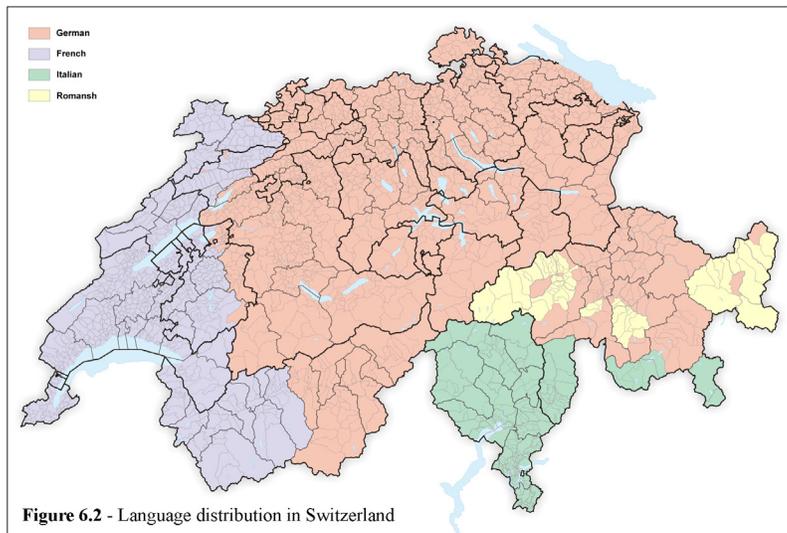


Figure 6.1 - Employment sector distribution

### 6.1.1 Swiss Cultural Background

Swiss businesspeople are experienced intercultural communicators because of Switzerland’s immense cultural diversity<sup>6</sup> as Figure 6.2 shows.<sup>7</sup> Switzerland is landlocked with several major European countries that strongly influence the country’s languages and cultural practices.<sup>8</sup> Switzerland has four official languages, and the population includes the German Swiss majority, French and Italian Swiss minorities, and smaller groups of indigenous Romansh, as well as a number of immigrant cultures. Additionally, many of the Swiss speak English, along with two additional languages.



In business dealings, an awareness of a regions’ and/or cantons’ (sovereign state) cultural influence can dictate the communication style in negotiations. The Swiss are proud of their multi-cultural country. In fact, the Swiss can be ethnocentric and cautious about outside foreign influences, especially in areas outside of the country’s primary international business centers of Zurich or Geneva. It is important to be aware of this attitude because it can affect your business negotiations.<sup>9</sup>

The political climate of Switzerland also influences the communication and business style of the Swiss people. Lars Feld and Gebhard Kirchgässner<sup>10</sup> argue, in their research on Switzerland’s economy, that direct democracy (the only one in the world) affects Swiss culture and communication style. Switzerland’s direct democracy political culture



incentivizes Swiss citizens into gathering all pertinent information before making decisions, thus empowering them with a say in the decision-making process. This political culture bleeds into the business culture, where information and the opinions of everyone involved in a negotiation are considered and consensus is the goal.<sup>11</sup>

## 6.2 THE SWISS NEGOTIATOR

One of the primary rules in negotiating is to “prepare, prepare, prepare”.<sup>12</sup> Cultural context influences business relations and communications,<sup>13</sup> and it is helpful to prepare for negotiations by learning Swiss cultural behavior.

### 6.2.1 Hofstede’s Cultural Dimension

Hofstede’s Four Dimensions of Cultural Variability can help business professionals understand cultural difference between Swiss and American societies.<sup>14</sup> Although Switzerland and the U.S. score similarly on the Hofstede scale (Figure 6.3<sup>15</sup>), the differences warrant a brief overview of the Swiss negotiator. Keep in mind that Hofstede analyzes Switzerland as one overall country, without considering the German, French, and Italian regional influences. Additionally, considering the cultural influence from surrounding border countries can help you avoid breaking protocol.

The Swiss desire for security (risk averse) and low power distance leads to a hierarchical and consensus social structure. However, in most Swiss organizations and businesses, there is a strong sense of hierarchy with a tendency towards a top-down management style. The German Swiss appreciate independence and equality more than the French Swiss do. The French Swiss believe everyone has their proper place, so hierarchy is welcome and challenging leadership is unpopular. Switzerland is a success-oriented culture, and this trait is more noticeable in the German-speaking parts of the country.

### 6.2.2 Cultural Context

Switzerland is a low-context culture that focuses on words to convey

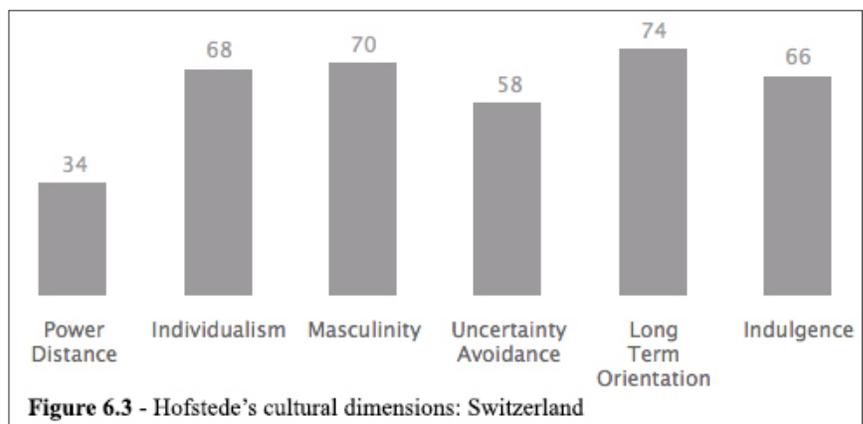
meaning and messages are literal. According to Edward T. Hall’s research, the German Swiss have the most direct communication style and the French Swiss are less direct. Because the overall Swiss communication style is more direct, non-confrontational, and unemotional, all of the Swiss cultures are likely to reach thoughtful, well-considered, and fair decisions.<sup>16</sup>

Switzerland is a monochronic society, and time is a precious commodity. As task-oriented businesspeople, the Swiss do not like to waste time. In a country of watchmakers, being a few minutes late is a poor reflection on a business professional’s value. Punctuality is of utmost importance, as well as diligently adhering to deadlines and timetables.

## 6.3 NEGOTIATION STRATEGIES

Negotiating in Switzerland is similar to negotiations in the United States; conversations are generally impersonal, brisk, orderly, planned, and task-oriented. It is important to be well-prepared for a business meeting in Switzerland. The Swiss divide their time efficiently. The Swiss tend to be calm and use non-aggressive arguments, and they prefer empirical evidence and facts as a means of persuasion. Negotiation is a problem-solving process that leads to an acceptable agreement between all parties. The Swiss follow the win-win concept of negotiating and prefer to come to a consensus in negotiation decisions. Trust and respect are extremely important to the Swiss businessperson.<sup>17</sup> To negotiate effectively with the Swiss, you must possess the following traits:

- Patience





- Thoroughness
- Preparedness
- Straightforwardness
- Punctuality
- Efficiency
- Calmness
- Non-aggressive

### 6.3.1 Business Conversation

The German Swiss prefer to get straight down to business. The French and Italian Swiss spend more time conversing and enjoy small talk about their country's beauty, soccer, and skiing. The Swiss are extremely private people and do not like to share private information until a personal relationship is firmly established. The Swiss are very earnest and sober people, and you should avoid using humor and jokes when negotiating because it may be perceived as mockery. It is extremely important that you avoid interrupting the Swiss negotiator until they have completed their point of view, and you should only offer yours when asked. The Swiss are extremely attentive and rarely forget, so you should present your ideas carefully because errors can damage your negotiation process.<sup>18</sup>

### 6.3.2 Negotiation Pace

Patience is your friend when negotiating with the Swiss. The Swiss are methodical in their planning and negotiating process, especially the German Swiss. Negotiating and decision-making can be a slow process, as the Swiss prefer to carefully gather information and work through agreement details.<sup>19</sup> Deductive analysis and thorough explanations are expected from your negotiations. Swiss business professionals believe in high-quality over fast pace.

### 6.3.3 Bargaining

Although the Swiss have a long negotiation process, the price is rarely negotiable. Your initial offer should be very close to your actual asking position. The Swiss will not bargain or haggle and do not appreciate the other party attempting to do so. A non-negotiable price is part of the Swiss straightforward and non-aggressive character. The Swiss do not like pressure tactics because they are upfront and direct, and they expect to reach a fair agreement for all parties without haggling. Emotional communication is not a part of Swiss

culture, and they believe facts and empirical evidence are most valuable.<sup>20</sup>

## 6.4 BUSINESS PROTOCOL

The business climate in Switzerland is very formal, conservative, and regulated. Meetings are punctual and behavior is reserved. You should dress well and be very polite. Business attire includes nice suits for men and pantsuits or conservative length skirt-suits for women. Although the Swiss appreciate wealth, they do not like ostentatious and overt displays of wealth. Jewelry should be elegant and simple, and a Swiss watch is a nice touch.<sup>21</sup>

### 6.4.1 Prior to Meeting

To conduct business in Switzerland, formal introductions are necessary. Having a local Swiss connection is essential to making future business connections.<sup>22</sup> Appendix B is a case study of what happens if you do not follow Swiss business protocol in this context. You must be well prepared prior to any meeting. The agenda details all topics, and time frames are set in a logical order and is strictly observed.

### 6.4.2 Meeting and Greeting

You must have plenty of business cards, as you will hand a business card to everyone you meet, including the receptionist and the secretary. Include your business title on your business card; it determines your status with the company, which is meaningful to the Swiss businessperson and valuable in negotiations. If your company has longevity, you should put the start year on your card, as well, because the Swiss appreciate businesses that are proven.<sup>23</sup> Although most Swiss businesspeople speak English, it is a nice touch to have one side of your business card printed in the language of the region you are visiting,

As stated earlier, punctuality is extremely important. You should arrive no later than five minutes before the meeting time to make a good impression. You must shake hands with everyone present (in a social context, even children). In German Swiss regions, greet men and women by handshake. The French and Italian Swiss regions



are more demonstrative than their German Swiss counterparts, and you may kiss cheeks with women and shake hands or kiss cheeks (depending on the length of the relationship) with men in these regions.<sup>24</sup>

It is important to address all people as Mr. or Mrs., followed by their surname. In the German region use Herr and Frau; in the French region Monsieur and Madame; and in the Italian region Signore and Signora. First names are not used until personal the relationship is established, and your business partner invites you to use informal titles.<sup>25</sup>

will result in long-lasting and profitable business relationships.

### **6.4.3 Nonverbal Language**

It is important to avoid speaking loudly, the Swiss are reserved and prefer quiet tones. The Swiss look at poor posture negatively, so avoid slouching and stretching. You should also avoid using the following hand gestures because the Swiss find them insulting:<sup>26</sup>

- Pointing your index finger to your head
- Pointing with just your index finger and not your whole hand.
- Putting your hands in your pockets

### **6.4.4 Following a Meeting**

The Swiss want to have everything in writing after negotiations; including all details of the agreement and signatures of the involved parties. The Swiss prefer to secure everything legally, but keep in mind, if you were to bring a lawyer to the negotiations, your Swiss partners may misconstrue the gesture as a lack of confidence in the Swiss word. After details are in writing, the Swiss are unwilling to budge or make any changes on the agreement. Any follow up conversations should be in writing, including email, because the Swiss prefer a paper trail.<sup>27</sup>

## **6.5 CONCLUSION**

Doing business with the Swiss is a straightforward process yielding positive results, if followed correctly. The Swiss like to deliberate extensively in negotiations to produce a well-made and long-lasting final agreement. These characteristics are why Switzerland is one of the best countries in the world for business, and negotiation on their terms



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- <sup>7</sup> World of Maps: online Maps and Travel Information, “Map of Switzerland,” <http://www.worldofmaps.net/en/europe/map-switzerland/map-languages-switzerland.htm>, accessed in March 2015.
- <sup>8</sup> Verónica Garza González and Luis González Salinas, “Negotiations with Switzerland: profile of an opportunity,” <http://www.ur.mx/LinkClick.aspx?fileticket=UO9PzE7swpQ%3d&tabid=2636&mid=11687>, accessed February 2015.
- <sup>9</sup> Katz, *Negotiating International Business*, p. 1.
- <sup>10</sup> Lars R. Feld and Gebhard Kirchgässner, “Direct democracy, political culture, and the outcome of economic policy: a report on the Swiss experience,” *European Journal of Political Economy* 18, (2000): 307, Science Direct, <http://www.sciencedirect.com/science/article/pii/S0176268000000033>, accessed February 2015.
- <sup>11</sup> Katz, *Negotiating International Business*, p. 5.
- <sup>12</sup> Paul A. Herbig and Hugh E. Kramer, “Do’s and Don’ts of Cross-Cultural Negotiations,” *Industrial Marketing Management*, 21 (1992): 295.
- <sup>13</sup> James W. Neuliep, *Intercultural Communication: A Contextual Approach*, (Thousand Oaks, CA: Sage Publications, 2012), p. 10.
- <sup>14</sup> The Hofstede Center, “What about Switzerland?,” <http://geert-hofstede.com/switzerland.html>, accessed February 2015.
- <sup>15</sup> Ibid.
- <sup>16</sup> Jacinta Akerboom and Nathasja Boon, *Cultivating Cross-Cultural Acumen: A Guide to Managing, Meeting, and Negotiating*, (Amsterdam, Netherlands: Hogeschool van Amsterdam, 2013), e-Book, p. 142.
- <sup>17</sup> Ibid.
- <sup>18</sup> Cross-Cultural Business Skills, “Negotiation Styles in Switzerland,” <http://www.minorccbs.com/skills/negotiations/item/negotiation-styles-in-switzerland>, accessed February 2015.
- <sup>19</sup> Expatica, “Doing business in Switzerland: Swiss business culture,” <http://www.expatica.com/ch>, accessed in February 2015.
- <sup>20</sup> Terri Morrison and Wayne A. Conaway, *Kiss, Bow, or Shake Hands: The Bestselling Guide to Doing Business in More Than 60 Countries*, (Avon, MA: Adams Media, 2006), p. 491.
- <sup>21</sup> Akerboom and Boon, *Cultivating Cross-cultural Acumen*, p. 145.
- <sup>22</sup> Expatica, “Doing business in Switzerland...”
- <sup>23</sup> Morrison and Conaway, *Kiss, Bow, or Shake Hands...*, p. 491.
- <sup>24</sup> Frank L. Acuff, *How to Negotiate Anything with Anyone Anywhere Around the World*, (New York, NY: Amacom, 2008), p. 122.
- <sup>25</sup> Morrison and Conaway, *Kiss, Bow, or Shake Hands...*, p. 493.
- <sup>26</sup> Expatica, “Doing business in Switzerland...”
- <sup>27</sup> Acuff, *How to Negotiate Anything...*, p. 125



# CONCLUSION

Tara McDermott

This manual provides the American business professional with information regarding the unique business and negotiation communication styles of Australia, Denmark, Ireland, Singapore, Sweden, and Switzerland. Negotiation strategies for each country include the following:

## **Australia**

- Remain modest
- Negotiate with an open-minded and firm approach
- Persuade with facts and testimonials

## **Denmark**

- Be punctual
- Share information to build trust
- Avoid emotional displays and arguments

## **Ireland**

- Allow time for conversation before meetings
- Establish credibility through facts and data
- Remain humble and friendly during negotiations

## **Singapore**

- Utilize business connections
- Understand non-verbal language
- Identify *kiasu* negotiation tactics

## **Sweden**

- Seek a consensus with all decisions
- Negotiate directly and unemotionally
- Avoid humor

## **Switzerland**

- Seek a consensus with all decisions
- Negotiate directly and unemotionally
- Avoid humor and jokes

Collectively, these countries represent unrealized cross-cultural business opportunities for American professionals. This manual addresses these business opportunities by providing the cross-cultural background information that is needed for executing successful negotiations in top global markets. Preparation with the correct use of this manual can help foster long-lasting business relationships, ultimately leading to the creation of jobs and a connected global business environment.

# ABOUT OUR TEAM



**Demeris Morse:** Demeris is a Biopsychology major at the University of California, Santa Barbara (UCSB). She has visited Costa Rica, Mexico, and Brazil. She hopes to travel to more countries in the future.



**Galeela Michael:** Galeela is a Global Studies and Economics double major at UCSB. She is originally from Ethiopia and has lived in Ethiopia, Kenya, and Tunisia. She has traveled to Italy, India, France, Mexico, UAE, and Jamaica. She plans to study in Istanbul, Turkey, Fall of 2015.



**Grace Guo:** Grace is a Global Studies and Art History double major at UCSB. She is originally from China and lived there until age twelve. While at UCSB, Grace studied in Florence, Italy for a semester. Additionally, she has traveled to Germany, Czech Republic, Netherlands, France, Croatia, Spain, England, Japan, and Korea.



**Monica Kunz:** Monica is a Communication major at UCSB. She has traveled to Panama, San Blas, Costa Rica, Mexico, Austria, Sweden, Netherlands, Switzerland, France, Italy, England, Germany, Thailand, Spain, Portugal, Hong Kong, and South Korea. She has extensive experience in research writing and has worked as a professional graphic designer.



**Tara McDermott:** Tara is a Molecular Biology major at UCSB. While at UCSB she studied for a year in Istanbul, Turkey. Tara traveled extensively throughout Europe, specifically to Ireland, Spain, England, Austria, Czech Republic, Hungary, and Netherlands. In her UCSB course Writing 107B, she worked with a group of five people to create a 50-page destination marketing plan. Tara acted as chief editor and was in charge of printing the final document.



**Toni von Oepen:** Toni is a Biology major at UCSB. She is originally from Germany and lived there until age ten. She continues to visit Europe almost every summer. She spent time in Italy, Austria, Switzerland, France, Luxembourg, Germany, and England.



# APPENDIX



## APPENDIX A: Cross-Cultural Business Negotiations with High-Context Cultures

Grace Guo

**Abstract:** Charles, the negotiator in this study, is a thirty-year-old American working for Emerson Tech, a company which designs technological advanced laboratories for pharmaceutical companies. Charles is a potential candidate for a major promotion to be the project operation manager in Southeast Asia. He earned this opportunity to conduct his first cross-cultural business negotiation by displaying his independent, efficient, and assertive work ethic. However, Charles was rather frustrated by Singaporean negotiators' passivity, and slow paced negotiation style during his initial meetings with the Singaporean negotiator, William. Eager to impress his manager with a contract, Charles began to speed up the negotiation with direct and probing questions, and demanded for quick agreements on detailed terms and conditions. However, the pace of negotiations slowed down, Singaporean negotiators began to schedule meetings further apart. This case demonstrates the importance of observing signifiers in high-context communication, and learning to adjust one's negotiation style and strategies during meetings with Singaporean negotiators.

### CASE BACKGROUND

Nathan, Emerson Tech's negotiator who conducted the pre-negotiations and project presentations, had to leave the case for a crisis situation in China. Charles was ecstatic to substitute for Nathan in this negotiation; with the promotion coming up, Charles was eager to negotiate and finalize agreements, which included detailed terms such as unit prices of required technologies, suppliers, and project timelines. For Charles, Singaporeans are highly westernized, fluent in English, and accustomed to conducting business negotiations with Americans, especially because the United States is the biggest investor in Singapore.<sup>1</sup> With Emerson Tech's professional expertise, his extensive research, and no language barriers, Charles expected to sign the contract with the Singaporean pharmaceutical company within two months of negotiation.

### First and Second Impressions

Charles arrived to the meeting with immense confidence, but was immediately puzzled by the Singaporean negotiators' interest in Nathan's absence, rather than the project itself. The Singaporean negotiators, William, seemed surprised that Nathan was replaced, but remained friendly and interested in negotiating with Charles.

Charles attempted to bring the attention back to the case by highlighting Emerson Tech's experience and technological expertise in building research labs. However, without knowing that William was a technological specialist, Charles was unable to answer many of the detailed technological questions. He informed Williams that he will contact the team's technology expert, and answer those questions in the next meeting.

Eager to establish progress, Charles began to focus on negotiating the prices for resources and labor. He gave the bottom-line offers of the project, but William expressed that the company has a tight budget, and that he must deliberate with his superiors about this price offer. When Williams returned during the next meeting with a lower offer, Charles immediately rejected the price during meetings, without consulting his team or superiors. Charles presented several other prices that was lower from his initial offer by importing parts from less reputable suppliers. He asked Williams for his opinion on the suppliers and his new price offers; William responded with friendly smiles, and expressed that he would consider the offers. A month passed by, Charles attempted to schedule future meetings with William and his team, but experienced many delays. Charles was confused by William's friendly demeanor, yet passive responses. While Williams

## APPENDIX A: Cross-Cultural Business Negotiations with High-Context Cultures (cont)

continued to show interest in the project during negotiations, they did not reach an agreement on any terms.

### **Analysis and Solutions**

Charles's experience is common among American negotiators had to adjust from low-context to high-context culture and communication style. As presented in Chapter four of this manual, Singapore is a high-context culture, where people tend to use indirect languages to convey messages, avoid direct rejections, and give face to others to create harmonious and collaborative relationships.<sup>2</sup> Doing business in Singapore also rely on reliability and established business networks;<sup>3</sup> while Charles was motivated, professional, and prepared, he did not have the personal relationship that Nathan established with William. William simply did not know Charles personally, and therefore was uncomfortable conducting business right away.

Furthermore, while Charles tried to demonstrate his ability and expertise during negotiations, he failed to demonstrate team collaborations when he had to contact his technical expert separately to answer William's questions. Charles's well-prepared presentations showed his individual strength rather than team's effort and contribution. Although Charles considered individualism as an admirable quality, William saw this as the team's in-cohesiveness, and therefore a weakness in a collaborative project.

Charles immediately started discussing specific price offers to make progress, while he should have discussed possible agreeable terms to establish potentials for partnership. Price offers are delicate subjects which require many rejections and readjustments; discussing prices right away may discourage potential business partners. While Charles interpreted, "we will consider your offer," literally, William is actually deflecting from directly rejecting the offer. William's smiles and friendly demeanor was out of politeness, rather than satisfaction. While William was giving face to Charles with passive responses and indirect rejections, Charles bluntly rejected William's offer in front of everyone at the meeting. Charles not only lacked the sensitivity to William's high-context communication style, but his low-context communication caused William his face, thus made him less likely to cooperate with Charles.

Fortunately, Nathan returned to the negotiation, and traveled to Singapore with Charles for later business meetings. Nathan's personal foundation with William, in addition to his combined expertise and professionalism with Charles, encouraged William to renegotiate the terms and prices for this project. Furthermore, after another six meetings, Williams became more direct with his bottom-line offers and expectations for the project, which allowed the negotiation to progress. During meetings, Nathan and Charles's collaborations showed collectivist team effort, which gave William confidence to work with Emerson Tech.

In conclusion, Charles had the best intentions, all the information and resources he needed for a successful negotiation with William, yet he lacked the sensitivity to high-context culture and communication style. Too focused on business, Charles failed to observe the delicate indirect and non-verbal signifiers. Nathan's return, and his teamwork with Charles gave William the confidence in their abilities to achieve as a team. Nathan was an important mediator in this situation; his personal relationship with William alleviated the tightened atmosphere during meetings. This case demonstrate how insight into Singapore's high-context culture and communication style could prevent and resolve obstacles during business negotiations.

## APPENDIX A: Cross-Cultural Business Negotiations with High-Context Cultures (cont)

<sup>1</sup> Export.gov, “Doing Business in Singapore,” <http://www.export.gov/singapore/doingbusinessinsingapore/index.asp>, accessed on February, 2014.

<sup>2</sup> Kwok Leung and Dean Tjosvold, *Conflict Management in the Asia Pacific* (Singapore: John Wiley & Sons, 2005), p.131.

<sup>3</sup> Lennie Copeland and Lewis Griggs, *Going International: How to Make Friends and Deal Effectively in the Global Marketplace* (New York: Random House), p.35.

## APPENDIX B: Swiss Case Study

Monica Kunz

John Berger is a brilliant mechanical engineer. John went to a top engineering school in the United States, and he is extremely good at designing precision mechanics. John works as an independent designer. John is a big fan of watches; he probably has ten different ones that he cycles through on a weekly basis. On his personal time, John spent some time looking at the internal components of an old watch of his and he discovered that he could improve upon the precision time keeping components of the watch; the balance wheel and the hairspring. After extensive research and work, John believes he has created the most high quality components for watches, yet.

The Swiss reputation on watch design is world-renowned and only the Swiss would marvel at John's design and improvements. John knew if he could get Swiss watchmakers to see his work, he would be the exclusive maker for all Swiss watch balance wheels and springs.

Knowing how much the Swiss appreciate quality work and because John believes his design is of utmost quality, he started calling the top Swiss watchmakers to arrange a meeting to show his quality design. After a month of unreturned calls, John thought it might be better to show his work in person. John gathered examples of his new component designs and booked the first flight to Geneva.

John went to the first watchmaker business on his list. He approached the receptionist in his business casual dress, in an attempt to be unpretentious, and he asked if he could see the president, telling her he had a component design that would “knock his socks off.” The receptionist quickly escorted Paul off of the premises.

What did John do wrong in his approach with the Swiss watchmakers? Why would the Swiss not be interested in using a high quality component in their high quality watches? If John were able to do it all over again, what could he do differently?

### Analysis

According to Terri Morrision and Wayne Conaway in their book, *Kiss, Bow, or Shake Hands*,<sup>1</sup> Switzerland has an “old-boy network” when it comes to connections. Vital to doing business with the Swiss is having an influential contact that can introduce you. The Swiss conduct their business formally and they place a great important on appointments made in advance.<sup>2</sup> They are not spontaneous<sup>3</sup> and prefer to be fully prepared with an agenda before meetings and discussing business.

John could have avoided unreturned phone calls and being escorted out of the Swiss watchmaker business office if he had prepared in advance. If John did not have any personal or professional connections, he could have reached out to business associates to see if they had any connections. If that failed, he could contact the United States State Department to see if they could help him with business connections. Perhaps, John could contact the US Embassy in Switzerland to determine if there was a program in place; introducing US business professionals to Swiss businesses. The extra effort could have helped John with introductions, and this may have resulted in a return phone call.

John should not have shown up at a Swiss business without a prior appointment because the Swiss do not conduct meetings without a prepared agenda. John's unannounced visit would not be welcome in the

## APPENDIX B: Swiss Case Study (cont)

Swiss business culture. As stated earlier, the Swiss are extremely formal. They place a great emphasis on appearance,<sup>4</sup> and they are conservative in their dress. Perhaps because he is an engineer, John is not accustomed to formal business dress. If John had prepared ahead of time, he could have learned the Swiss business dress code and dressed appropriately. Dressing in business casual does not make a good first impression in Switzerland, especially if you want the Swiss to take you seriously in business.

The Swiss businessperson always exchanges business cards with everyone they encounter, and this includes secretaries and receptionists. Without presenting a business card<sup>5</sup> to the receptionist, John broke Swiss business protocol, which did not help him after arriving without an appointment.

John's greatest problem in this case study is he did not prepare. Preparation is key to doing business in general, but adding the cross-cultural dimension to business negotiation makes preparation even more important. If John had done research on Swiss business protocol and culture, he would most likely be the exclusive maker of Swiss watch balance wheel and spring components.

<sup>1</sup> Terri Morrison and Wayne A. Conaway, *Kiss, Bow, or Shake Hands: The Bestselling Guide to Doing Business in More Than 60 Countries*, (Avon, MA, Adams Media: 2006), p. 487.

<sup>2</sup> Frank L. Acuff, *How to Negotiate Anything with Anyone Anywhere Around the World*, (New York, NY, AMACOM: 2008), p. 121.

<sup>3</sup> Expatica, "Doing Business in Switzerland: Swiss Business Culture," [http://www.expatica.com/ch/employment/business-culture/Doing-business-in-Switzerland-Swiss-business-culture\\_101552.html](http://www.expatica.com/ch/employment/business-culture/Doing-business-in-Switzerland-Swiss-business-culture_101552.html), accessed February 2015.

<sup>4</sup> Ibid.

<sup>5</sup> Lothar Katz, *Negotiating International Business, The Negotiator's Reference Guide to 50 Countries Around the World*, [http://instruction2.mtsac.edu/rjagodka/BUSM\\_51\\_Project/Negotiating/Switzerland.pdf](http://instruction2.mtsac.edu/rjagodka/BUSM_51_Project/Negotiating/Switzerland.pdf), accessed February 2015.

## APPENDIX C: Country Facts

Toni von Oepen

<b>Australia</b>	<b>Denmark</b>
Capital: Canberra	Capital: Copenhagen
Official Language: English	Official Language: Danish
GDP: \$1.5 Trillion USD	GDP: \$324 Billion USD
Gross Household Income: \$43,960 USD	Gross Household Income: \$25,172 USD
Currency: Australian Dollar	Currency: Danish Krone
Population: 22.5 Million	Population: 5.6 Million
Major Religion: Roman Catholic 25%, Anglican 17%, Unaffiliated 22%	Major Religion: 90% Protestant
Type of Government: Constitutional Monarchy	Type of Government: Monarchy
<b>Ireland</b>	<b>Sweden</b>
Capital: Dublin	Capital: Stockholm
Official Language: English	Official Language: Swedish
GDP: \$221 Billion USD	GDP: \$552 Billion USD
Gross Household Income: \$23,721 USD	Gross Household Income: \$27,456 USD
Currency: Euro	Currency: Krona
Population: 4.8 Million	Population: 9.7 Million
Major Religion: 84.2% Christian (Roman Catholic)	Major Religion: 66% Christian
Type of Government: Republic	Type of Government: Parliamentary Democracy
<b>Singapore</b>	<b>Switzerland</b>
Capital: Singapore	Capital: Bern
Official Languages: English, Malay, Tamil, Standard Mandarin	Official Language: German, French, Italian, Romansh
GDP: \$296 Billion USD	GDP: \$646 Billion USD
Gross Household Income: \$3,164 USD	Gross Household Income: \$30,745 USD
Currency: Singapore Dollar	Currency: Swiss Franc
Population: 5.6 Million	Population: 8.1 Million
Major Religion: Buddhist 34%, Christian 18%, None 16%, Muslim 14%	Major Religion: Roman Catholic 38%, Swiss Reformed 26.9%, Unaffiliated 21%
Type of Government: Republic	Type of Government: Democracy

## APPENDIX D: US Embassy Contact Information

Toni von Oepen

<b>Australia</b>	<b>Denmark</b>
Capital: Canberra Yarralumla, ACT 2600	Dag Hammarskjölds Allé 24, 2100 København, Denmark
Phone: (02) 6214-5600	Phone: (+45) 33 41 71 00
Hours of Operation: 8:30am to 5pm, Monday through Friday	Fax: (+45) 35 43 02 23
	Hours of Operation: 8:30am to 5pm, Monday through Friday
<b>Ireland</b>	<b>Sweden</b>
42 Elgin Road Ballsbridge Dublin 4, Ireland	Dag Hammarskjölds väg 31, 115 27 Stockholm, Sweden
Phone: +353 1 668-8777	Phone: +46 8 783 53 00
Hours of Operation: 8:30am to 5pm, Monday through Friday	Fax: +46 (0) 8 783 5480
	Hours of Operation: 8:30am to 4:30pm, Monday through Friday
<b>Singapore</b>	<b>Switzerland</b>
27 Napier Road, Singapore 258508	Sulgeneckstrasse 19 CH-3007 Bern, Switzerland
Phone: (65) 6476 9100	Tel: 031 357 70 11
Fax: (65) 6476-9340	Fax: 031 357 73 20
Hours of Operation: 8:30am to 5:15pm, Monday through Friday	Hours of Operation: 9:00 am to 12:30pm, 1:30 pm to 5:30 pm, Monday through Friday

