

FRONT PAGE



Universitetet
i Stavanger

**FACULTY OF SOCIAL SCIENCES,
UIS BUSINESS SCHOOL**

MASTER'S THESIS

STUDY PROGRAM:

MASTER'S IN BUSINESS ADMINISTRATION-
STRATEGY AND MANAGEMENT

**THESIS IS WRITTEN IN THE FOLLOWING
SPECIALIZATION/SUBJECT:**

STRATEGY AND MANAGEMENT

**IS THE ASSIGNMENT CONFIDENTIAL?
(NB! Use the red form for confidential theses)**

**TITLE: IDENTIFYING THE PERCEPTUAL ROLE OF CULTURAL DISTANCE IN
NORWEGIAN-BRAZILIAN BUSINESS RELATIONSHIP CONFLICT**

AUTHOR(S)
SHELLA ENJEI AMAYA

SUPERVISOR:
TERJE VAALAND

Candidate number:
5098

.....

.....

Name:

SHELLA ENJEI AMAYA

.....

.....

ACKNOWLEDGEMENT

I would like to thank all those who made it possible for me to submit this research report. My sincere appreciation goes to Professor Terje Vaaland for his unwavering commitment and guidance throughout the study. I am also grateful to PHD Student Edson Muylaert and the other team member for their valuable contribution during the data collection process. I could not have been able to do it all alone without your support.

I wish to also express my sincere gratitude to Innovation Norway, the Norwegian-Brazilian Consulate in Rio, the Norwegian Centre for International Cooperation in Education (SIU), and all the companies which took part in the interview process. I am grateful for the many insights they offered which anchored this research report, and also for their incredible willingness to contribute and promote the success of this thesis.

My heartfelt appreciation to my family, for their unconditional love, support, patience and encouragement throughout the research process. I am forever indebted to you.

TABLE OF CONTENT

ACKNOWLEDGEMENT.....	i
TABLE OF CONTENT	ii
LIST OF FIGURES.....	v
LIST OF TABLES.....	vi
ABSTRACT.....	1
CHAPTER 1: INTRODUCTION	2
1.1 Rationale for Study	3
1.2 Business in Brazil.....	4
1.3 Research Problem	5
1.4 The Research Team.....	6
1.5 Delimitations.....	6
1.6 Thesis Structure	6
CHAPTER 2: LITERATURE REVIEW	8
2.1 Business Relationships	8
2.1.1 Dynamics of Business Relationships	10
2.2 The Phenomenon of Conflict	11
2.2.1 Defining Conflict.....	11
2.2.2 Classifying Conflict	12
2.2.3 Dysfunctional and Functional Conflict	16
2.2.4 Outcome of Conflict	17
2.3 The Concept of Culture	19
2.3.1 Defining Culture	19
2.3.2 National Culture.....	20
2.3.3 Layers of Culture	22
2.4 Cultural Distance	23
2.4.1 Measuring Cultural Distance.....	24
2.4.2 Hofstede’s Cultural Dimensions.....	26
2.4.3 The Lewis Model	30
2.5 A conceptual model for studying Conflict through Cultural Distance	38
CHAPTER 3 METHODOLOGY	40
3.1 Research Design.....	40
3.1.1 Philosophical Assumptions	41
3.2 Methodology.....	43

3.2.1 Paradigm or Worldviews.....	44
3.2.2 Choice of Methodology.....	45
3.3 Research Sample	49
3.4 Data Collection	51
3.4.1 Primary Data- Interviews	52
3.4.2 Secondary data	55
3.5 Research Quality and Validity	55
3.5.1 Validity	56
3.5.2 Credibility.....	56
3.5.2 Generalizability	58
3.5.3 Reliability.....	59
3.5.4 Confirmability.....	59
3.5.5 Reflexivity.....	60
3.6 Ethical Considerations.....	60
3.7 Data Analysis.....	62
3.7.1 Familiarization.....	63
3.7.2 Identifying the thematic framework.....	63
3.7.3 Indexing.....	64
3.7.4 Charting.....	64
3.7.5 Mapping and interpretation	64
CHAPTER 4 PRESENTATION OF DATA	65
4.1 Demographic Profile of Participants	65
4.2 Presentation of Results	66
4.3 Why Conflict Occurred	67
4.3.1 Differences in Power Distance	67
4.3.2 Differences in Uncertainty Avoidance	69
4.3.3 Differences in Communication pattern	73
4.3.4 Differences in level of Trust	75
4.3.5 Differences in Attitude to Time	77
CHAPTER 5 DISCUSSION OF FINDINGS.....	81
5.1 Power Distance	81
5.2 Uncertainty Avoidance.....	82
5.3 Communication.....	83
5.4 Trust.....	85
5.5 Time Orientation.....	87
CHAPTER 6: IMPLICATIONS.....	89

6.1 Implications of the Study	89
CHAPTER 7: LIMITATIONS	91
CHAPTER 8: FURTHER RESEARCH.....	92
CHAPTER 9: CONCLUSION.....	93
9.1 Main research issue	93
9.2 Research Questions	93
9.3 Main Findings.....	93
Bibliography and References	96
Appendix 1 Interview Template.....	120
Appendix 2: Acronyms	121

LIST OF FIGURES

Figure 1 Conflict related collaboration	19
Figure 2 Cultural distance between Norway and Brazil	27
Figure 3 Lewis model of culture	31
Figure 4 Norwegian communication pattern	33
Figure 5 Characteristics of low trust societies	35
Figure 6 Linear-active culture attitude to time	37
Figure 7 Multi-active culture attitude to time	37
Figure 8 Conceptual model for studying conflict in business relationships.....	39

LIST OF TABLES

Table 1 Business relationship theories	8
Table 2 Common traits of linear-active, multi-active and reactive categories.....	30
Table 3 Philosophical assumptions with implications for practice	43
Table 4 Categorisation of informants	50
Table 5 Demographic profile of informants.....	65
Table 6 Participants perception of cultural distance as a source of conflict.....	67

ABSTRACT

Business to business relationships across cultures is growing in importance due to improved transportation, communication technologies and globalisation thus making it easier for businesses to trade across national boundaries. Building and maintaining good business relationships is imperative for international business success. However, cultural differences between parties in a business relationship may influence the strength of the relationship because the behaviour and expectation of each party is influenced by their culture. This thesis is designed to explore the perceptual role of cultural distance in Norwegian- Brazilian business relationship conflict.

This study seeks to contribute to the understanding of business relationships when parties are pressurised. The findings of this study will equip Norwegian managers with usable and intelligent information for managing cultural differences and conflict. In addition, these findings will provide relevant insights and recommendations to stakeholders wishing to establish businesses in Brazil.

The research method is a qualitative, exploratory cross-sectional study of eight Norwegian companies operating in Brazil. Data collection took place in Rio de Janeiro, over a period of two weeks. Semi-structured interviews were conducted with nine informants to find out their perception of cultural differences and how these differences affect their relationship with business partners. The participants were selected using purposive sampling involving both criterion and convenience sampling. The data was analysed through an interpretive paradigm using the Ritchie and Spencer's (1994) framework analysis. The findings reveal that cultural differences in terms of power distance, uncertainty avoidance, communication pattern, trust and attitude to time, cause misunderstanding, misinterpretation, frustrations, financial loss, etc in business relationship hence increasing the risk of conflict. Implications of the study are highlighted.

CHAPTER 1: INTRODUCTION

Internationalization, according to Schweizer et al. (2010) is a process where a firm strives to get a better position within a multitude of networks, which are mostly abroad in foreign markets. Internationalization forces the firm to deal with more complexity than when it is operating exclusively in its home country. It requires integrating more complex information about the new business environment, characteristics of distribution channels, the nature of competitors, and so on. Internationalization calls for the transfer and use of resources developed in the home country to another country in order to compete under different industry conditions. This cross-border transfer and use is difficult because the characteristics of competitors in the new country differ (Cuervo-Cazurra, Maloney, & Manrakhan, 2007). The characteristics of customers and also competitor vary across countries because of differences in religion, language, wealth, culture, structure and rivalry of industries (e.g., Ricart, Enright, Ghemawat, Hart, & Khanna, 2004; Tallman, 1992).

Hadjikhani and Håkansson (1996) and Welch and Wilkinson (1999, 2005) have studied conflict within dyads and focused on a dyad between firms in different countries and conflict within international business relationships. Another aspect of their studies is that their biggest concern is large, visible conflicts which are having a great effect on their environment. Understanding conflict and challenges in business relationships seems to be of importance (Mele, 2011; Ford, Snehota & Waluszewski, 2010; Tidström, 2009; Våland & Håkansson, 2003). Nugent and Broedling (2002) believe that appropriate strategies can improve the working relationships between business partners and can help them develop their own conflict-management, communications, and problem-solving skills.

While studying the existing research and previous studies of conflicts within the business relationships, it is arguable that many of the earlier studies have focused on buyer-seller business relationships and dyads. Furthermore, the studies have not methodically explored conflict, they only recognized it on a superficial level that conflict exists within business relationships. This study is delineated to explore conflict in business relationships within a network, thus amplifying our understanding of business relationships between Norwegian and Brazilian companies. The pre-eminence of managing conflict in inter-organizational relationships has been recognized by scholars since Pondy (1967) published his work on "*Organizational conflict: Concepts and models*", who have provided perspicacious studies on the subject. However, there are still unfilled gaps in this field that need to be further explored.

As economies globalize and organizations increasingly form cross-border relationships, there is a re-emergence of interest in the management problems caused by national cultural differences (Kanter & Corn, 1994). A conflict can originate from different sources such as disagreements, worse-off situations, decline of trust and cultural differences, which can even lead to business divorce (Våland, Haugland, & Purchase, 2004). Doing business with people from different cultures is a complex task, which could lead to conflicts if not properly managed. Furthermore, people often assume cultural heterogeneity creates tensions for organizations. Even within a single country, organisations often prefer homogeneity to heterogeneity, because shared experiences and culture are a basis for trust. Even though national cultural differences clearly exist at some level of generality, it is not easy to specify how the presence of such differences affects business relationships. Tensions between organizations which seem to be caused by cultural differences often turn out, on closer examination, to have more significant structural causes (Kanter & Corn, 1994). Therefore, there is a need to identify the role of cultural differences in cross national business relationships.

While cultural differences are accepted as an important factor in organizational studies (Gerhart, 2008), there is considerable debate within the international relations literature on the role of cultural difference in business relationships. Zartman (1993), argues that culture has a negligible effect. On the other hand, Cohen (1996), argues that culture and cultural difference are fundamental issues affecting conflict in business relationships. Shenkar (2001) further argues that culture is omnipresent in all social relations, be they conflictual or otherwise, regardless of whether relations are considered at the individual, substate, or international levels. The discussion presented in this thesis argues that culture does play a major role in business relationship conflict.

1.1 Rationale for Study

My area of research is how cultural distances affect Norwegian companies doing business in Brazil. To the best of my knowledge, the topic is an unexplored area within the overarching context of inter-organizational relationship conflict. Studies have been carried out on Norwegian-Brazilian business relationships, with a focus on governance mechanisms, as an underlying force of undesirable events (Brattembø & Runestad, 2017; Balo & Haaland, 2017). However, none of them specifically identifies the role of cultural distance in relationship conflict. The limited studies available on Norwegian-Brazilian business relationships in general, propagates the need to properly assess and understand how to improve relations

between the two countries. Therefore, understanding the perceptual role of cultural differences in relationship conflicts, makes a good foundation for understanding business relationships. Several articles in Norwegian media in recent years highlight how foreign companies have run into serious trouble because of a lack of understanding of Norwegian business and work culture. Norwegian companies will face the same problem if they do not identify and understand important cultural differences and find ways of mitigating their effects on their business relationships.

The intent of this exploratory study on site in Rio De Janeiro is understanding how informants in Norwegian companies, perceive cultural differences, as well as how they perceive these differences to cause relationship conflicts. This will be done, through in-depth interviews on-site with participants. The data collected will then be used to have informants answer two research questions that relate to the research problem. The first research question focuses on the perceived cultural distances. The second question focuses on how the perceived distances cause conflicts in business relationships. The aim of the study is to assess how major cross-cultural theories classify the Norwegian and Brazilian culture, and also provide empirical evidence regarding how conflicts in business relationships can be influenced by cultural distances between the parties.

1.2 Business in Brazil

When Brazil opened up its economy to the international companies in the 80s, the country experienced a vast increase in foreign investment. During that time, a few Norwegian companies entered the Brazilian market, but the bigger number of Norwegian companies which are now operating in Brazil have entered the Brazilian market during the last decade. According to statistics in 2006, there were about 60 Norwegian companies in Brazil, and today the number is around 100.

Brazil is the third largest market for Norwegian suppliers, actually the largest market for Norwegian firms outside the OECD area, with about NOK 25 billion in turnover and the world's largest offshore market for international supplies and service industry, according to figures by Rystad Energy. Brazil is now considered the world's most attractive area for offshore oil exploration, and Norwegian companies in the oil & gas and maritime sectors have been flocking to Brazil in the last few years. According to CMI report, The Norwegian Ministry of Foreign Affairs also encourages the business relationships between Norway and Brazil by supporting, smoothing dialogue, and promoting collaboration between organizations in the two countries.

Notwithstanding recent economic and political problems, Norway is the fifth largest foreign investor in Brazil. The entrance of so many Norwegian companies in Brazil during a relatively short period of time and the rapid growth of Norwegian investments in Brazil, creates a demand for understanding the Brazilian business and work culture. This also makes different issues of business relationships extremely important, both for the companies and the people that work in them. It is natural to assume that Norwegian companies will first and foremost seek to adapt to differences that actually pose a challenge to the companies, but according to Ritter (2007) relationships are different in strength and all relationships are not cooperative. Conflict as Durate and Dacies (2003) claimed is the dominant form of interaction between members of a dependent network and it is completely inevitable in business-to-business relationships and especially if there is an interdependency between two businesses.

1.3 Research Problem

Many Scholars acknowledge that identifying the origins of conflict is fundamental to understanding inter-organisational conflict (Yang, Lei, Liu & Li, 2017; Lumineau, Eckerd & Handley, 2015; Våland, 2002). Conflicts can be caused by cultural distances between parties in a business relationship. In this study I seek to explore conflict in business relationships between Norwegian and Brazilian companies by looking at cultural distance as an underlying force. This study is also part of an ongoing project. This gives a significant and innovative perspective in the current inter-organisational conflict studies.

As a result of the above, the following research problem emerges.

Identifying the perceptual role of cultural distance in Norwegian-Brazilian business relationship conflict.

The following two research questions are the means of assessing the research problem.

1. *What are the perceived cultural differences between Norwegians and Brazilians?*
2. *How do these perceived differences cause challenges in their business relationships?*

The first research question is related to the informants' perception of cultural distance where the informants give their viewpoint of the cultural differences between Norwegians and Brazilians. The aim is to assess whether the informants actually perceive differences in culture between Norwegians and Brazilians. The second research question relates to how the informants perceive the identified differences as a source of relationship conflict. The aim of this question is to find out if cultural distances is a source of conflict between Norwegian and Brazilian business partners. It is the findings I obtain here that will help me to answer my

research problem and best explain Norwegian-Brazilian business relationships. Therefore, identifying the elements responsible for strengthening business relationships and reducing conflicts is important.

1.4 The Research Team

The research team consisted of three members. Two students from the UIS Business School, who travelled from Norway, and a PhD candidate from Coppead Business School, who acted as the team leader. The team consisted of two females and a male, with different ages, different levels of work experience, educational and cultural backgrounds. The research period 14 days, and was exclusively conducted in the city of Rio de Janeiro, Brazil.

1.5 Delimitations

Delimitation refers to the planned and justified scope of the study beyond which generalisation of the results was not intended. This study identifies two important delimitations.

1. The study explores cultural distance in Norwegian-Brazilian business relationships.
2. The study is limited to eight Norwegian companies doing business in Brazil. These companies are connected to different industrial sectors, such as oil and gas, Insurance, service Industry and Sea Broking.

1.6 Thesis Structure

A brief summary of the study is presented below. The research report is structured and presented in the following eight chapters:

Chapter 1: Introduction. This lays the foundation of the study including an explanation of the research problem.

Chapter 2: Literature review. This is a review of the related theories and previous research. This chapter provides the operational definitions relevant to this research and puts into perspective the theoretical and empirical considerations for conflicts and comparing national cultures. It aligns the study with existing theories in the discipline of conflicts and cultural distance and identifies significant themes.

Chapter 3: Research design and methodology. This presents a detailed description of how the research and analysis is to be conducted, including analysis tools to be applied during the data analysis. In other words, it justifies the research design and strategy, techniques for data collection, presentation and analysis.

Chapter 4: Presentation of the data. This presents results of the study in different formats such as tables, verbatim statements and a narrative as they relate to the findings.

Chapter 5: Discussion of findings. This discusses the results as they relate to the literature review and addresses the research problem.

Chapter 6: Implications of the study. This gives recommendations on actions which can be taken to improve business relationships.

Chapter 7: Limitations. This highlights areas where the research is limited.

Chapter 8: Future research. This chapter identifies areas for potential future research.

Chapter 9: Conclusion. This chapter provides observations and conclusion of research findings.

CHAPTER 2: LITERATURE REVIEW

In this chapter, I will define business relationships and analyse the different characteristics in relation to cultural distance. I will provide a critical view on previous cultural distance studies including contextual and methodological limitations. This chapter will contain existing theory, knowledge and arguments on business relationships, conflicts in business relationship and cultural distance.

2.1 Business Relationships

There has been a lot of research done on business relationships, however, understanding what actually a relationship is or defining the analytical concept of a relationship is challenging, because relations can vary in content, strength and duration. The term "relationship" can mean a variety of things depending on how it is applied. It can be taken to mean any type of co-operation, from coercive supply relationship to strategic alliances (Webster, 1992). Relationship can be understood as a complex process that takes place between all business actors when dealing with marketing and purchase, conforming to Ford and Mouzas (2013) and Huang and Wilkinson (2013). There exist, about six well known and commonly used theories for understanding inter-organisational relationships. The table below shows these theories.

Theory:	Sources
Agent-Principal Theory	(Eisenhardt, 1989; Brickley & Dark1987) (Emerson, 1962)
Industrial Network Approach	(Våland, 2002; Håkansson & Snehota, 1995)
Interactional Approach	(Håkansson, 1989)
Political Economy Theory	(Reve & Stern, 1986; Reve & Stern, 1980)
Transactions Cost Theory	(Williamson O. E., 1985)
Relational Contracting Theory	(McLaughlin, McLaughlin, & Elaydi, 2014; Mooi & Gilliland, 2013; Macaulay, 1963)

Table 1- Business relationship theories

Typically, these authors hold rigid assumptions on the motives for cooperation among independent organizations and on the boundaries for this co-operation. It is often assumed that organizations co-operate because they have to, not because they want to. Some of these theories focus on the B2B relation between two actors by addressing problems that arise due to differences in goals between the actors, recognising that there is an industrial domain for which organisations must operate in. Whilst others concentrate on the bigger industrial atmosphere and acknowledge that business relationship between two or more companies are necessary for the industrial environment to create and sustain value.

Nevertheless, the above theories show consistency and similarities in two main aspects. Firstly, they all ascertain that, no business can exist as an isolated phenomenon, because relationships are important and profitable for business success. Secondly, all relationships between two companies are usually part of a bigger network consisting of many dyads, and organizational networks, which in turn belong to an industrial atmosphere. Studies such as, the IMP interaction model (Håkansson & Snehota, 1995), dynamics of industrial networks (Georgieva, Easton, Brooks, & Wilkinson, 2008), the natural progression of the Transaction Cost Theory approach (Williamson O. E., 2010), the past and future of marketing theory (Wilkinson & Young, 2013) and practices of business networking (Ford & Mouzas, 2013), present this to have well-grounded empirical basis. These theories can be considered alternatively and complementarily depending on unit of analysis and the phenomenon being studied.

Research interest in business to business marketing has moved its perspective from analysing single transaction episodes to analysing existence, development and termination of organisational relationships between companies. Anderson, Håkansson and Johanson (1994) suggest that dyadic interorganisational relationships are influenced by relationships external to the dyad. Thus, change of relationship cannot be attributed to dyads alone. Halinen and Törnroos (1995) came to a similar conclusion when they stressed that disconnected changes within the organisational dyad resulted from relationships external to the dyads which may in turn influence further relationships within a network of relations. Therefore, I will focus on business relationship between two or more actors taking part in a bigger industrial environment, implying that the relationship will be influenced by externalities. Thus, conflicts in these relationships could arise because of externalities such as cross-cultural distances, even though the actors themselves might be unable to deal with them due to inability to adapt to these cultural differences.

Companies doing business in other countries, have to rely on relationships with other companies to achieve their goals. When companies or organisations enter into a business relationship, a framework is created for which subsequent interactions can take place. Such interactions could be activities such as coordinating, interdependent production, logistics, development, administrative activities and resources. Understanding the importance of building and maintaining good relationships with business partners is essential for companies planning on a long-term scale, (Håkansson & Ford, 2002). This is because engaging in longer term relationships tends to enhance satisfaction, stabilize production processes, and prices, facilitate planning and reduce uncertainty concerning partner behaviour. Thereby improving trust. Furthermore, Schurr, Hedaa and Geersbro (2008) speak of the entropy that any business relationship will experience if left unchecked and not renewed by inducing resources (commitment & energy) into the relationship. This shows that properly understanding, developing and maintaining business relationships across national boundaries is essential for business success. Within this comes the issue of cultural distance. Therefore, for me to properly assess the role of cultural distance as an underlying force in relationship conflict, acknowledgement of the complexity and the content of the relationships is needed. Even though, challenges occurring, due to cultural differences are only one part of the relationship, but they provide indications of how the overall state of a business relationship.

2.1.1 Dynamics of Business Relationships

The study of the dynamics of business relationships has given rise to two different streams of research. On the one hand, majority of the researchers have been interested in the positive phase of formation and development, while on the other hand, a minority have tried to apprehend their negative phase and degradation, dissolution or restoration. In the latter field of research, studies have tried to capture the phenomena related to conflicts, deterioration and termination of relationships, by analysing the main reason behind their dissolution, the disengagement strategies or the various stages of the dissolution process. Others have been devoted to the study of the process by which a termination can be avoided once the relationship has entered the dissolving stage. Analysing discrete transaction episodes and relationships as the product of consecutive episodes result in the identification of constructs such as conflict, power, communication or trust relevant to the business relationship.

Business relationships between companies will be affected by both positive and negative incidents. A negative incident can be defined as a deviation from the expected by either or all parties in the relationship and caused by a failure or change in the interactions (Holmlund &

Strandvik, 2005). Negative incidents are a wide term and can range from conflicts, misunderstandings, stress, challenges etc. Such incidents are perceived to be disturbances in a business relationship which can change the dynamic in the relationship.

Cross-national business relationships may cause management challenges. When the parties to a relationship are from different countries and cultures, the cultural distance may easily cause conflicts which are difficult to handle. Improperly managed conflicts and problems often lead to a weakening of the relationship and even to a counterproductive business divorce (Alajoutsijärvi, Möller & Tähtinen, 2000; Jameson, 1999; Lusch, 1976; Deutsch, 1973). Due to the attention level and sensitivity related to negative phase in a business relationship, I will focus on the issue of conflict in business relationship, concentrating on culture as a predisposing factor that causes conflict in business relationship. The motive for exploring conflict in Norwegian-Brazilian business relationship is that, conflicts may cause a relationship to weaken (Holmlund-Rytkönen & Strandvik, 2005; Tähtinen & Halinen, 2002). Secondly, the conflict perspective is valuable because it is considered to be managerially useful and actionable (Stauss, 1993). Using the above inter organizational approaches makes for a stable and well-grounded platform to examine cultural distance in relation to the overall business relationships conflict. Therefore, I argue that to understand the source of challenges in terms of cultural distance, one must acknowledge that they are in turn part of a bigger set of dimensions, all forming the dynamics of a relationship.

2.2 The Phenomenon of Conflict

2.2.1 Defining Conflict

There are diverse definitions of conflict stemming from different theoretical and or empirical perspective, with some of them being specific whilst others are of a broader nature (Tidström, 2009). Pearson (2002) states that a conflict is usually undefined due to its generally easy acceptability. The fact that conflict is used as a synonym for other related concepts such as competition, tension, opposition, disagreement, dispute and antagonism, makes it difficult to define (Rahim, 2011). It is possible to identify the fundamental differences between these concepts even though they are used as synonyms. Defining conflict is important for trustworthiness of scientific studies.

Stern and Gorman (1969) in their research on channels stated that channel conflict exist when a channel member perceives the behaviour of another to be impeding the attainment of its goals, or the effective performance of its instrumental behaviour patterns. Brown (1983) suggested a

straight forward definition by defining conflict as incompatible behaviour among parties whose interest differ. Conflict is “an interactive process manifested in incompatibility, disagreement or dissonance within or between social entities (individuals, groups, organizations etc)” (Rahim, 2011, p. 16). Rahim (2011) argues that aspects of conflict will vary with different types and sizes of project, different procurement systems, different legal regimes and different personnel, thereby making generalisation difficult. Pondy (1967) advocates for a better understanding of conflict by outlining stages of conflict episodes and developing a general theory of organizational conflict based on a process perspective. He defined conflict as a dynamic process with a sequence of conflict episodes, with each consisting of five different stages: 1) latent conflict, 2) perceived conflict, 3) felt conflict, 4) manifest conflict and 5) conflict aftermath.

A thorough perusal of the literature on conflict reveals that most definitions agree on the following about conflict:

1. Conflict is a process involving two or more parties in a relationship with opposing interest.
2. A party must perceive the opposing interest of the other for there to be conflict.
3. Conflict involves beliefs by each party that the other will foil its interest.

Admittedly, there is some divergence of opinion as to what the “other” is opposing. There is no specific definition found concerning conflicts within business networks. However, since concerns, goals, aims, values, interests and aspirations are rather closely akin, any definition of conflict, specifying that at least one of the severally interconnected actors perceives incompatibility in relation to the other actors is appropriate (Tidström, 2009). It should be noted that the existence of incompatibilities, disagreements or differences within or between social entities does not necessarily, mean that conflicts occur. The threshold level of intensity must be exceeded before a conflict can occur, otherwise the conflict will be of insufficient intensity that will be ignored by the parties. Incompatibilities and disagreements in themselves, are not sufficient. This threshold of conflict awareness differs among individuals, implying that some might become involved in a conflict sooner than others in similar circumstances (Baron, 1990).

2.2.2 Classifying Conflict

It is natural for conflicts to occur in any kind of relationship. Rahim (2011) proposes two different bases for classifying conflicts. Firstly, it can be classified on basis of its source, which are the prior conditions of the conflict, e. g goals, values, interest, and culture. This

classification enhances the understanding of the nature and implications of the conflict. The second basis of classification is according to the level from which the conflict originates, whether it is between people or organizations. In the past, writers have explored conflict on distinct levels. March and Simon (1958) differentiated between individual conflict, Organizational conflict (group or individual conflict within an organization) and inter-organizational conflict (conflict between organizations or groups). Rahim (1986) also presented a comparable classification. While highlighting the importance of communications in conflict, Putnam and Poole (1988) provided thorough coverage of three conflict levels, these are, interpersonal, intergroup and inter-organizational. Organisational conflict using the level from which it originates can be classified as intra-organizational, or inter-organizational (Rahim, 2011). I will focus on inter-organizational conflicts in this thesis because I am investigating conflicts between Norwegian and Brazilian companies.

A. Inter-organizational conflict:

Inter-organizational conflict is conflict between two or more organizations. It usually occurs when there is high level of competition between firms or when there are opposite attitudes and values between two or more organisations in a relationship. Mergers, takeovers and acquisitions may also result in inter-organizational conflict (Likert & Likert, 1976). Pondy (1967) highlights three important aspects in understanding inter-organisational conflict. Firstly, each conflict relationship is made up of a sequence of inter-locking conflict episodes which each exhibits a sequence or pattern of development. Secondly conflict may be functional as well as dysfunctional for the individual and the organization. Lastly, conflict is intimately tied up with the stability of the organization, implying it is a key variable in the feedback loops that characterize organizational behaviour.

Most of the research within inter-organisational conflict is focused on a dyadic business relationship. But some researchers argue that inter-organisational conflict cannot fully be understood within the boundaries of a single dyad (Welch & Wilkinson, 2005; Våland & Håkansson, 2003). The business network approach purports that each industrial relationship is affected directly or indirectly by other relationships. Hence a proper understanding of inter-organisational conflict can be achieved by viewing the phenomenon as part of its context. There are many elements that reveal the phenomenon of inter-organisational conflict. However, this thesis will focus on two aspects of interest. Firstly, the main sources of conflict occurrence and the intensity in the business network. Secondly, the role of cultural distance in inter-organisational conflict.

B. Causes of Inter-organizational Conflict:

The conceptual foundation underlying the study of inter-organizational relations in marketing channels stresses that conflict is inevitable. The cause of a conflict can sometimes be difficult to identify but it is essential. Improper diagnosis of the cause of a conflict is likely to lead to a wrong problem solution (Tidström, 2009). The result of the diagnosis indicates the need and type of intervention appropriate for managing conflict. The applicability of process models of inter-organizational conflict is generally supported, and there is evidence that the primary causes of inter-organizational conflict are goal incompatibility, domain dissensus, perceptual incongruities, and cultural distances (Reve & Stern, 1979). Other sources include power differentials, competition over scarce resources, negative interdependence between work units, or ambiguity over responsibility or jurisdiction (Yang et al., 2017; Panteli & Sockalingam, 2005). Increased activity and resource interdependencies makes it more difficult for the parties to create proper dividing lines hence causing interface problems, uncertainties and increasing the risk of conflict (Pondy, 1969).

Goal incompatibility, commitment and involvement are three factors explaining sources to conflict (Rosenberg & Stern, 1971). In economic exchange both parties interact in order to make money. Willingness and ability to cooperate, commitment and involvement are thus connected to economical win-win for both parties. If the parties have contradictory goals, conflicts will arise, which might lead to losses of bonus. However, it is arguable that the risk for having contradicting goals is minimal unless there is an absence or existence of a faulty incentive system. Lack of commitment from parties will lead to reliance on formal and hierarchical mechanisms e.g. contracts to secure transactions. These contracts are difficult to specify under conditions of uncertainty and variability of partner obligations, hence increasing the risk of conflicts. Rosenberg and Stern (1971) also claim that conflicts can be caused by differences in perception by parties on decision making process. This is because dissimilar or unclear perceptions on dealing with interdependent activities and links will enhance the risk of conflict. Alliances may yield role conflict, emerging from incompatibility among role expectations of two or more individuals (Hopkinson, 2001), whereas companies engaging in innovation alliances risk creating conflict by acting opportunistic or being a victim of opportunistic behavior (Cheng & Sheu, 2012). Conflict in a buyer-supplier relationship could originate from competition between the parties involved (Tidström, 2009)

Interdependence between organisations is often related to power. According to Bucklin and Sengupta (1993), an unbalanced division of power, which can be interpreted as a situation

where one of the actors is more powerful than the other(s) in a business relation, can give rise to conflicts. Empirical findings by Lusch (1976), Wilkinson (1981), and Dwyer (1980) suggest a correlation between the use of non-coercive/coercive power and conflict. It is assumed that non-coercive power increases the willingness to cooperate and reduces conflict (Wilkinson, 1981), meanwhile the use of coercive power enhances conflict. This is because in inter-organizational business relationships, activity, resource and actor structures are interdependent hence requires a high degree of smoothness, flexibility, and adaptability among the actors involved. Use of threats and coercive power weaken this possibility, thus increasing the risk of jeopardizing project progress and causing conflict.

Another source of inter-organizational conflict can be related to trust. In a business relationship, a conflict can result from interconnected events that have an impact on the relationship. Våland (2002) found that conflict events were significantly more associated with informal governance mechanisms than formal mechanisms. These events may over time decrease the level of trust between the parties, hindering the value placed by parties on the relationship, thus leading to a dysfunctional conflict (Cheng & Sheu, 2012). From a value-based relationship perspective, trading in the relationship becomes increasingly costly when trust is no longer a factor contributing to a lowering of the trading cost (Ibid). It is assumed that relationship costs, potential risk of conflict and need for contractual safeguards are reduced by relational closeness, stimulated by inter-organizational trust (Thorgren & Wincent, 2011). Walker (1972) claims that mutual learning reduces conflict because they are better bargainers knowing the other sides' priorities and accommodation levels. This confirms the suggestion by Kemp and Ghauri (1999) that trust and norms, which are a result of long term development, reduce the potential for conflict. This implies short term relationships may have limitations for developing norms and trust.

Cross cultural business relationships involve relations between organizations with different cultures. Each organization has goals, values, norms and traditions specific to them which are deeply rooted in their operations. Differences in norms, perceptions and values between the actors will make it difficult for actors to understand the behavior of each other. This can lead to conflict because one actor may consider the values of the other actor(s) as inconsistent with their own values. Cooperation in business usually requires one actor to compromise their values. This may cause the actor who had to compromise to feel degraded thus increasing the risk of conflict (Tidström, 2009). An equal leadership style and organizational culture are important elements in an industrial relationship (Bucklin & Senguta, 1993).

Pondy (1967) argues that “conflict generates pressures to reduce conflict, but chronic conflict persists and is endured under certain conditions, and consciously created and managed by the politically astute administrator” (p. 319). A conflict may not be exclusively bad or good, but must be evaluated in terms of organizational and individual functions and dysfunctions (Ibid.)

2.2.3 Dysfunctional and Functional Conflict

Though conflict is usually thought of as a challenge, it could be a positive occurrence in or organization which can bring about change. Two main types of conflict are dysfunctional (negative conflict) and functional (positive conflict). Dysfunctional conflicts constitute unhealthy behaviors such as distorting information to harm other decision makers, hostility and distrust when interacting with each other, or forming barriers during the decision-making process (Ruekert & Walker, 1987). Dysfunctional conflict has an opportunistic side because many members place an emphasis on needs when influencing others (Barclay, 1991) and on information gate keeping (Jaworski & Kohli, 1993). Cheung (1999) further adds that dysfunctional conflict has harmful consequences such as misuse of resources, distortion of information by a decision maker, and the formation of barriers during the decision-making process. These unhealthy behaviors will decrease the level of cooperation, the coordination of strategy activities, and the quality of strategy planning and implementation (Ruekert & Walker, 1987). Thus, it is reasonable to argue that the occurrence of conflicts hinders the contribution of better relationships to effective inter-organizational strategy quality (Ibid). Instinctively, conflict has a negative implication as it gives rise to unpleasant feelings or situations such as stress, tension, anger, resentment, and frustration, thereby hindering business relationships (Skarmeas, 2006).

Conflict itself is not always bad (Pondy, 1992; Deutsch, 1973). Creativity, innovation, and adaptation are often born out of stress, passion, and tension and conflict avoidance may lead to timidity, irresolution, and inertia (Tjosvold, 1997; Pascale, 1990). When disputes between parties are task-oriented and focused on censorious differences about how common objectives can be achieved, conflict is functional because the amalgamation that arises from the unbiased opposition of the diverse perspectives generally surpasses the individual perspectives themselves (Amason, 1996; Schwenk, 1990). Therefore, functional conflict can be defined as an evaluative appraisal of the results of recent efforts to manage disagreements (Anderson & Narus, 1990). It refers to situations where conflict aftermath or outcome results in long-term benefits to both exchange partners (Rawwas, Vitell, & Barnes, 1997; Hunt, 1995). This type of conflict enhances relationship effectiveness through improved pattern of decision making,

reduced likelihood of future destructive conflict, greater satisfaction and feelings of self-efficacy among exchange partners, more mutually beneficial solutions, and better goal achievement (Tjosvold, 1997; Pruitt & Rubin, 1986). Tidström (2009) argues that a functional conflict is a resource for the relationship, which makes the relationship both efficient and well-functioning.

According to Pondy (1976), conflict may be functional or dysfunctional if it facilitates or inhibits organisation's productivity, adaptability and stability. This is because, other things being equal an organisation will have better value if it is more productive, can increase its cohesiveness and solvency, and can adapt easily to changing internal and environmental pressures. It follows that, assessment of the functionality or dysfunctionality of conflict is post hoc and based on conflict outcomes (Balabanis, 1998)

2.2.4 Outcome of Conflict

The intensity of conflict is related to its importance and outcome. The importance may be related to the issue of conflict. A conflict may be perceived as important if it is caused by critical factors that may also greatly impact future conflicts. The degree of importance of a conflict will depend on the level of strategic importance of the issues and the number of actors involved. For example, conflicts resulting from strategically important issues will be considered more important than those resulting from routine tasks (Tidström, 2009). The outcome of a conflict can be considered as a result, or consequence of a conflict. It can be difficult to identify because of the challenges in identifying the end of a specific conflict situation. Analysis of conflict is dependent on the perception of actors involved, hence it could be viewed as positive or negative or both (Tidström, 2009). Whether or not an inter-organisational conflict is judged benign or malign depends ultimately on the outcome.

Even though effects of conflict are attributed to be largely negative by most researchers, some have pointed to positive consequences. While most of its effects are deleterious, conflict can have positive results. At moderate levels, it is thought to improve group efficiency and productivity (Chesler, Crowfoot & Bryant, 1978; Derr, 1978). This seems especially true for non-routine tasks (Jehn, 1993). It can stimulate creativity, improve the quality of decisions (Cosier & Dalton, 1990), challenge old ideas, develop greater awareness of latent problems and at times more accurately reframe issues. Personal development, better self-awareness and learning (Touval, 1992; Tjosvold, 1991) can also take place. It can inspire the change and

adaptation necessary for organizational survival (Robbins, 1974,1978) or a mid-level conflict might defuse more serious ones (Coser, 1956).

Rahim and Bonama (1979) summed up this perspective by describing the conflict productivity relationship as an inverted U curve, where conflict is most productive at moderate amounts but least productive at extremes i.e. very high or low levels. It is not the presence of conflict that determines the outcomes, but the resolution processes which occur (Rosenberg, 1970). Assael (1969) believes conflict is potentially beneficial for the network when there is a more equitable allocation of political and economic resources, and when conflict results in new countervailing forces with greater balance and stability. Deutch (1973) makes a distinction between destructive and constructive conflict. According to him, a conflict is constructive if all the actors are satisfied with the outcome and is destructive if all the actors are not satisfied with the outcome. Tsolvold (1997) supported this by adding that benefits of constructive conflict outweigh its costs. So, it provides firms with a good feeling about their relationship and motivates them to strengthen their connections, resulting in positive changes in collaborative relationships. Destructive conflict is usually regarded as involving domination and control, or a win-lose approach, which may result in harmful consequences such as feuding or destruction of relationships (Li et al., 2011). Constructive and destructive conflict can influence business relationships in different ways depending on the conflict management or resolution actions taken by the parties involved, (Song et al., 2006). Therefore, suitable control mechanisms are needed to manage these conflicts.

The outcome of conflict (functional or dysfunctional) can also be illustrated using Gadde and Haakansson's (1993) model. As shown in Figure 2, the vertical axis represents the degree of collaboration between the organisations in the relationship, while the horizontal axis represents the degree of conflict between them.

The model in figure 1 indicates that a low degree of conflict and high degree of collaboration will lead to a "nice relationship in terms of efficient transactions and well developed institutional mechanisms for handling "opposition" (Vaaland, 2002). The fourth quadrant indicates that high degree of conflict and collaboration will result to a well-balanced relationship, therefore a certain amount of conflict is necessary to preserve a business relationship between organisations.

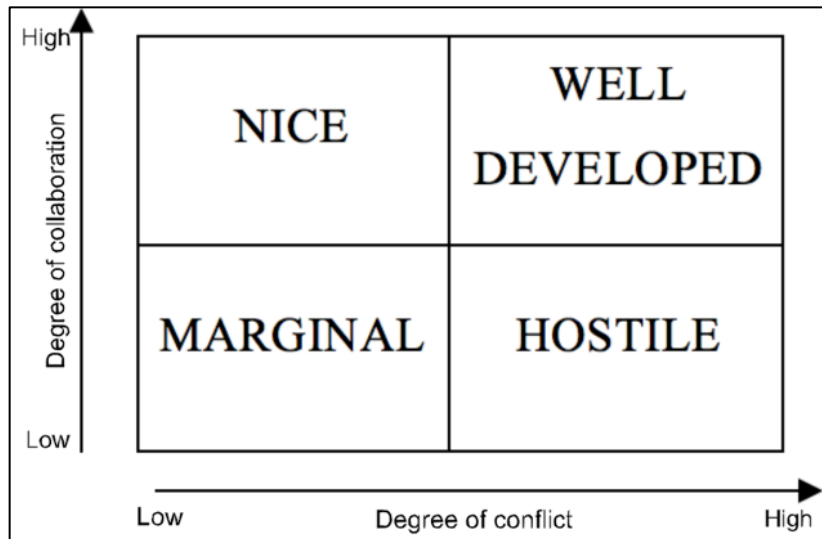


Figure 1- Conflict related to collaboration adapted from Gadde and Haakansson (1993, p.75)

A collaborative approach may lead to a better outcome for the relationship than a competitive approach (Tidström, 2009; Tjosvold, 2008). This is because a collaborative and open-minded approach will affect the decision that instigated the conflict and also influence future conflict resolution strategies (Wong & Tjosvold, 2010). In conclusion, the outcome of a conflict could be positive, negative or mixed depending on the degree of collaboration between the parties as well as the conflict management strategies in place. In order to effectively manage conflict in a cross-cultural business relationship, it is important to understand its connection to cultural distance.

2.3 The Concept of Culture

2.3.1 Defining Culture

Culture is a complex, multifaceted concept (Möller & Svahn, 2004). Researchers have identified several dimensions of culture and proposed more than one hundred and fifty definitions of culture (Kluckhohn & Kroeberg, 1952), indicating that there is no single, agreed-upon definition of the concept. Culture is a complex issue that essentially includes all of a group's shared values, attitudes, beliefs, assumptions, artefacts, and behaviours. Culture is broad encompassing all aspects of its internal and external relationship. According to Schein (1985), basic assumptions are at the core of culture and represent the belief systems that individuals have toward human behaviour, relationships, reality, and truth. Eriksen (1998) gives an alternative definition of culture as the changing association of meaning that is established and changed when people do something together for a period of time. In international business literature, the most widely used definition is arguably Hofstede's (2005)

definition. He defined culture as “the collective programming of the mind that distinguishes the members of one category of people from another” (Hofstede & Hofstede 2005, p. 4). Culture is generally described as norms, ideas and values that people develop within their society and/or collective unit that distinguishes them from people of other societies (Pettigrew 1990; Hofstede, 1980; Pettigrew, 1979; Kluckholm & Kroeber, 1952). Culture can be manifested through interpretive schemes that people use to perceive situations, or through values that signify espoused beliefs or through artefacts (Leidner & Kayworth, 2006). Hofstede (2001) argues that societal, national and gender cultures, which children acquire from their earliest youth onwards, are much deeper rooted in the human mind than occupational cultures acquired at school, or than organizational cultures acquired on the job, by the way people perceive things in their organisational environment. According to him, the latter are exchangeable when people get new jobs meanwhile, societal cultures reside in values (Ibid).

Norms are ideas about what should be done in a social situation that represent behaviours that have worked well in the past and assure future success (Triandis, 1994). Values sensitise humans to aspects of the environment to which attention should be paid and the goals to be achieved (Ibid.). Norms and values are often implicit and govern an individual's relationship to society. Cultural norms and beliefs are identified to be powerful forces in shaping people's perceptions, predispositions and behaviours (Markus & Kitayama, 1991). Cultural differences between trading partners may therefore result in misunderstandings due to lack of a shared frame of reference (Zhang et al., 2003), and in unresolved conflicts which can be damaging to relationships (Kauser & Shaw, 2004).

2.3.2 National Culture

The influence of national culture on business activities has become increasingly acknowledged during the last three decades, largely as a result of the classical work of Hofstede (1980) introducing the national culture dimensions, but also as a result of the growing globalization of world trade (Leung et al., 2005). The failure to take cultural differences between countries into account has been the cause of many business failures (Ricks, 1993). Studying the role of national culture in marketing teaches us “the many ways in which our theories and paradigms are a reflection of the culture in which they were developed” (Iyengar & Lepper, 1999, p. 364) Concept of national culture is similar to the general definition of culture but specifies that it refers to behaviour, values and attitudes of a certain country or nation.

National culture has numerous facets. Some facets may be relevant only for a particular society, others for multiple, if not all, societies (Steenkamp, 2001). Valid frameworks delineating dimensions of national cultural variation are crucial in creating a nomological framework, that can integrate diverse attitudinal and behavioural phenomena. They can also provide a basis for developing hypotheses explaining systematic variation between cultures in attitudes and behaviour (Smith, Duncan & Trompenaars, 1996). Many comprehensive frameworks have been developed in the last three decades. They serve as the point of departure for understanding different layers of culture, testing antecedents of national culture, and for assessing cultural stability, among others.

Models of national culture developed by Hofstede (1984), Lewis (1996), Trompenaars (1996), Fukuyama (1995) and others provide knowledge and experience about national cultures. They are prerequisite to inter-cultural understanding and effective adoption of management practices in a multicultural environment, consequently, leading to successful performance (Morden, 1999). Models of national culture can be classified into 2 categories: single dimension and multi-dimension models. Single dimensional models (Lewis, 1996; Fukuyama, 1995; Hall, 1966) use one variable to describe national cultures, whereas, multidimensional models (Trompenaars, 1996; Lessem & Neubauer, 1995; Hofstede, 1984) use a set of variables that eventually define national cultural characteristics (Morden, 1999).

A lot of the cross-cultural research in marketing and other social science disciplines has used country as the basic unit of analysis (e.g. Lynn et al., 1993; Roth, 1995; Schwartz & Ros, 1995; Steenkamp et al., 1999). However, this does not imply that country and culture are the same. National boundaries need not always coincide with culturally homogeneous societies. This raises the question: Can culture be validly conceptualized at the national level? A culture can be validly conceptualized at the national level if there exists some meaningful degree of within-country commonality and between-country differences in culture. The literature indicates that this is indeed the case. Hofstede (1991) argues that today's nations "are the source of a considerable amount of common mental programming of their citizens" (p. 12) due to a relatively homogeneous history, language, political, legal and educational environment, among others. This does not insinuate that countries are fully similar but suggest that there are drivers advancing to a meaningful degree of internal commonality (Steenkamp, 2001). Many others (Smith & Bond, 1996; Smith et al., 1996; Schwartz, 1994) share Hofstede's position.

Moreover, the empirical work by Smith et al. (1996), Schwartz (1994), Hofstede (1980, 1991), Hoppe (1990), and among others, shows that there is systematic variation between countries on the national-cultural level. Such results would have been implausible if there were no level of commonality within countries and diversity between countries. Hofstede (1980) found that, even for less culturally well integrated countries, the different ethnic and/or linguistic groups have important commonality in culture in comparison to the population of other countries. Nations, therefore, should not be equated to societies. Societies are historically, organically developed forms of social organization. Strictly speaking, the concept of a common culture applies to societies, not to nations. Nevertheless, many nations do form historically developed wholes even if they consist of clearly different groups and even if they contain less integrated minorities. In research on cultural differences, nationality is the only feasible criterion for classification, because it is immensely easier to obtain data for nations than for organic homogeneous societies. Nations that exist today populate one single world and can either survive or perish together (Hofstede, 2010). So, it makes practical sense to focus on cultural factors separating or uniting nations. Countries and regions differ in more than their cultures. Managers and leaders, as well as the people they work with, are part of national societies. If we want to understand their behaviour, we have to understand their societies.

2.3.3 Layers of Culture

Cultural groups can be defined and studied at different levels, which are not necessarily mutually exclusive level (Steenkamp, 2001). Schwartz and Ros (1995) argue that “Culture-level dimensions should be derived from analysis of the dynamics of conflict and compatibility that cultural groups experience when pursuing and justifying their actions” (p. 95). Hofstede (2010) states that because people simultaneously belong to different groups and categories, they unavoidably carry several layers of mental programming within themselves, corresponding to different levels of culture. According to him, cultural level could be 1) A national level according to one’s country, 2) A regional and/or ethnic and/or religious and/or linguistic affiliation level, 3) A gender level, 4) A generation level, 5) A social class level. 6) Organizational, departmental, and/or corporate levels according to the way employees have been socialized by their work organization. According to Steenkamp (2001) cultural groups levels are, meta culture (pan- regional, global) national culture, and micro culture (Ibid). This thesis will use Steenkamp’s levels of culture.

Meta Cultures

Hannerz (1990) records that global cultures are developing due to the increasing interconnectedness of varied local cultures and the development of cultures without a clear hold in any one territory. People belonging to this layer of culture associate analogous meanings with certain places, people and things (Alden et al., 1999). Common global cultural characteristics may be exhibited by clusters of countries (Schwartz, 1997; Ronen & Shenkar, 1985). They may share sets of symbols (e.g. brands, consumption activities), experiences (e.g. travel), and attitudes (Hannerz, 1990). Studies by some researchers has provided evidence of the existence of global cultures.

Micro Cultures

A micro or subculture is more specific than a national culture. It preserves important patterns of the national culture whilst developing its own unique patterns of dispositions and behaviour. Such micro cultures may be defined on various overlapping criteria, including, for example, language, ethnicity, religion, age, urbanization, and social class. (Steenkamp, 2001).

The cultural levels are not usually in harmony but often partly conflicting. For example, gender values may conflict with organizational practices (Hofstede, 2010). Conflicting mental programs within people makes anticipation of their behaviour in a new situation difficult (Ibid). The globalisation of world business in the last 5 decades has heralded in an era when cultural differences have become vitally important to leaders, managers and executives in the world's international and multinational companies. The complexities of merging corporate cultures, issues of leadership, planning, decision-making, recruitment and task assignment are all compromised by the nation-traits of the people involved. (Voldnes et al., 2012)

2.4 Cultural Distance

The dynamics of the world business environment are forcing companies to cooperate in order to compete, and in some cases, in order to survive. Consequently, companies are finding that the sharing of risk and resources is an increasingly desirable strategy. Central to the research premise underlying the role that culture plays in influencing business relationships is the definition of culture. Therefore, culture is considered as an important force determining individual, organisational and managerial attitudes and practices. It influences the practice of

management and is considered an essential tool for understanding the process of doing business (Nath, 1988).

The pace at which business relationships have been formed since the mid-80s has increased despite the fact that success rates for inter-firm ventures and cooperative strategies are reported to be low (Levine and Byrne, 1986; Harrigan, 1985). The degree of cultural distance that exist between partners has been identified by researchers as a possible major obstacle in successful performance in cross-national business relationships. *Cultural distance* is the extent to which the norms and values of the two firms differ because of their separate national characteristics (Lewis, 1996; Geringer & Hebert, 1991; Ford, 1984). It is considered one of the key sources of conflict in cross national business relationships, which if not managed properly could weaken business relationships and eventually lead to divorce. For example, Park (1991) notes that although a large number of cross-national relationships are structurally and contractually sound, they have been reported to be organizationally unstable and performing poorly. Understanding cultural differences and adapting to these differences is essential for companies wanting to enter an emerging market. Therefore, it is critical to understand the role of culture in establishing and maintaining cross-national relationships (Clark, 1990; Samli, Grewal, & Mathur, 1988), so as to avoid relations breakdown.

2.4.1 Measuring Cultural Distance

In the last 20 years, much important work on national culture has been conducted in marketing and other social science disciplines. Much of the progress in the field is due to fundamental research delineating basic dimensions of national culture. This work has been criticized for being too simplistic. Culture would be too complex a phenomenon to be captured in a few dimensions. It is agreed that no limited set of dimensions can exhaustively describe the culture of societies in their full richness and complexity. However, one must concur with Schwartz and Ros (1995) that “resigning ourselves to unique, thick descriptions for each group would preclude the comparative approach to which many cross-culturalists are committed” (p.118). The ultimate goal is to find a limited set of dimensions that captures the most prominent differences, integrates multiple cultural features, and relates meaningfully to socio-historical variables.

While cultural differences lie in many ways at the core of conflicts in cross cultural business relationships, an important question becomes how to evaluate varying degrees of cultural differences. The key concept of operationalizing varying degrees of cultural differences is that

of cultural distance, introduced by Kogut and Singh (1988) and based on Hofstede's (1980) cultural dimensions. The underlying idea of the concept is that if countries attain very different scores on individual scales measuring cultural dimensions, the aggregate cultural distance between them is considered large. Based on the four original dimensions of Hofstede's seminal work, Kogut and Singh (1988) developed a formula to calculate a composite measure of cultural distance between the country and the US. The formula calculates a country's cultural distance relative to the United States. However, it will not be used in this thesis because the focus is on measuring the cultural distance between Brazil and Norway.

There are many models for measuring national culture as explained above. For example, Kluckhohn (1951), saw 5 dimensions which are; attitude to problems, time, Nature, nature of man, form of activity and reaction to compatriot. Hall (1966) classified groups as monochronic or polychronic, high or low context and past or future-oriented. Hofstede (1991) looked at five dimensions which are; power distance, individualism versus collectivism, uncertainty avoidance, masculinity versus femininity, long-term versus short-term orientation. Trompenaars's (1996) dimensions came out as universalist versus particularist, individualist versus collectivist, specific versus diffuse, achievement-oriented versus ascriptive, and neutral versus emotional or affective. Lewis (1996) named his typologies as Linear-active, Multi-active and Reactive. But my research and interview with informants indicates that Hofstede (1991) and Lewis (1996) models have the strongest applicability for enhancing business performance. They have significant scientific backing and a huge survey population despite their limitations. The other models are ethno-centric, have flaws that are disconcerting and have complexities in usage that run against my pragmatic business orientation. For example, Trompenaars's 7 Dimension model lacks clarity and ease of use. Hofstede's (1991), and Lewis' (1996) perspectives and frameworks have been widely used among scholars. This is despite the fact that that the models are criticized for being inaccurate in the way they are validated. Besides the critiques, these models are still a very clear conceptual tool when it comes to visualizing of differences between countries.

The reason for choosing Hofstede over others, in addition to the reasons given above are: Firstly, the national cultures of all EU member countries have been measured by Hofstede, which is not the case with the others. The second rational is that Hofstede's 5-dimension model makes it easier to follow Shenkar's (2001) approach which claims that in using culture as an independent variable, each variable should be used separately, not as an aggregate. Therefore, Hofstede's model has been used in order to determine which

particular dimensions have an effect on business relationship between Norwegian and Brazilian companies. The decision to use Hofstede was also influenced by results of Kirkman et.al. (2006) who reviewed 180 studies from the last 20 years, using Hofstede's framework. They claim that his dimensions have successfully predicted variations between nation-states, and links between culture and organizational behaviour. In addition to Hofstede's model, the Lewis model was also used. The Lewis Model is based on data drawn from 50,000 executives taking residential courses and more than 150,000 online questionnaires to 68 different nationalities. Therefore, it is valid for comparing cultures in areas where Hofstede model is limited such as communication, mutual trust and time orientation.

2.4.2 Hofstede's Cultural Dimensions

A dimension is an aspect of a culture that can be measured relative to other cultures (Hofstede, 2010). A dimension groups together a number of phenomena in a society that were empirically found to occur in combination, regardless of whether there seems to be a logical necessity for their going together. The logic of societies is not the same as the logic of individuals looking at them. Some aspects in some societies may go against a general trend found across most other societies. Because they are found with the help of statistical methods, dimensions can be detected only on the basis of comparative information from a number of countries—say, at least ten. In the case of the IBM research, Geert was fortunate to obtain comparable data about culturally determined values from (initially) forty countries, which made the dimensions within their differences stand out clearly. Hofstede created five dimensions, assigned indexes on each to all nations, and linked the dimensions with demographic, geographic, economic, and political aspects of a society (Kale & Barnes, 1992), a feature unmatched by other frameworks. The five Hofstede (1980, 1991, 2001) dimensions are: Power Distance, Uncertainty Avoidance, Individualism versus Collectivism, Masculinity versus Femininity, and Long-term versus Short term Orientation. Hofstede's framework is the most widely used national cultural framework in psychology, sociology, marketing, or management studies (Steenkamp, 2001; Sondergaard, 1994). It is the most comprehensive and robust in terms of the number of national cultures samples (Smith et al., 1996). Moreover, the framework is useful in formulating hypotheses for comparative cross-cultural studies. Consequently, Hofstede's operationalization of cultures (1984) is the norm used in international marketing studies (Dawar et al., 1996; Samiee & Jeong, 1994). This thesis will use Hofstede's framework to compare Norwegian and Brazilian Culture.

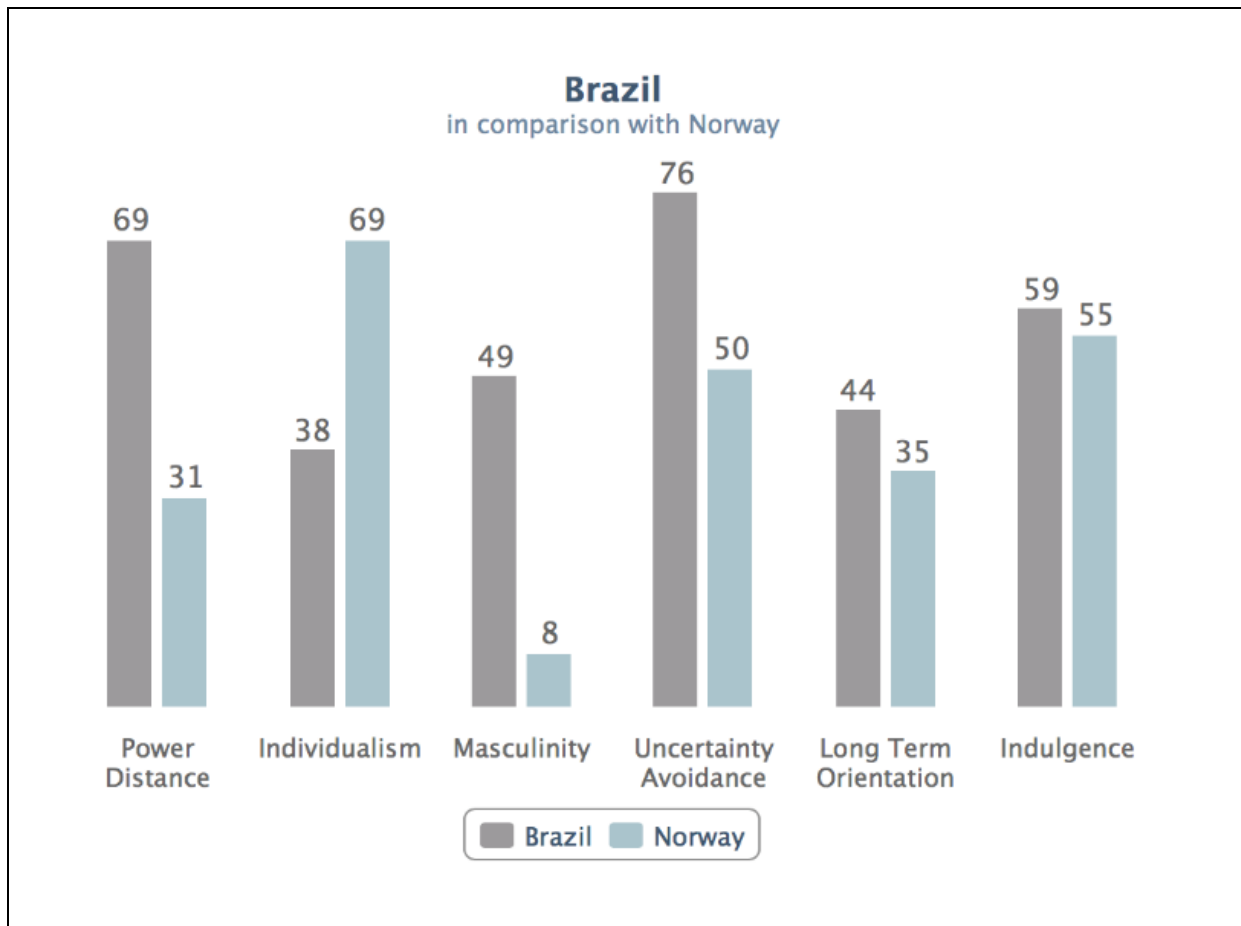


Figure 2- Cultural distance between Norway and Brazil taken from Hofstede (2015)

The figure above compares of Brazil and Norway, using Hofstede’s five dimensions of culture. Even though Hofstede (1991) suggested five dimensions, this research will use only two of those dimensions. These are; Power Distance and Uncertainty avoidance, because these are the two relevant for my study given the availability of data.

A. Power Distance

Power distance can be defined as “the extent to which a society accepts the fact that power in institutions and organizations is distributed unequally” (Hofstede, 1980, p. 45). Alternatively, it is the extent to which subordinates are not expected to express disagreement with their supervisors and supervisors are not expected to consult with their subordinates in the decision-making process (Hofstede, 1980, 1991, 2001). Power distance dimension reflects the consequences of unequal distribution of power and authority relations in society. It influences hierarchy and dependence relationships in the family and organizational contexts (Soares et al., 2006). There is very little variation in how power distance was defined in subsequent research, and most cultural value measurement instruments are highly consistent with Hofstede’

operationalization (Taras et al., 2010). *High power distance* indicates inflexible structured organizations, centralized power, and a tendency towards hierarchical, mechanistic structures (Ross, 1999). High power distance societies have taller organizational pyramids, greater centralization of power and a larger proportion of supervisory personnel than in low power distance societies (Shane, 1992). High power distance, for example, coincides strongly with a lesser need for independence and a higher external locus of control (Williamsa et al., 1998). *Low power distance* leads to the feasibility of control systems based on trust in subordinates (Hofstede, 1980). Organizations characterized by low power distance are likely to be more organic, flexible, and power being more decentralized (Ross, 1999). It is therefore suggested that differences in power distance is a source of conflict in business relationships.

As shown in the figure above, Brazil has a score of 69 in power distance meanwhile Norway has a score of 31. With a score of 69, it implies that Brazil reflects a society that believes hierarchy should be respected and inequalities amongst people are acceptable. The unequal distribution of power indicates that power holders have more benefits than the less powerful in the Brazilian society. In companies there is likely power based practise of management where one boss takes complete responsibility. There are high social inequalities further increased by the tax and autocratic government based on co-optation. Norway scores low on this dimension (31) indicating the following characteristics; people have equal rights, superiors are accessible, flat hierarchical structures in companies. In Norway, management style is coaching where management facilitates and empowers staff. Power is decentralized, and managers count on the experience of their team members. Employees expect to be consulted before decision are taken. Communication is direct, participative and consensus orientated.

Relative power distance between companies in a business relationship could be a source of conflict (Vaaland, 2004). *Relative power distance* can be operationalized in terms of *agent/principal distance* and *structure of hierarchy* (Vaaland, 2004). *Agent-principal distance* is determined by the perceptions of position between the parties and their behaviour towards other parties in the network. *Structure of hierarchy* is related to organizational structure (Ibid). As noted above, companies with high power distance are likely to have rigid structures with centralised power within the organisation. Meanwhile low power distance organizations are likely to have a flat structure, with decentralised power. I argue that differences in power distance can increase the risk of conflict in a business relationship.

B. Uncertainty Avoidance

Another dimension for measuring cultural differences is the uncertainty avoidance construct. *Uncertainty avoidance* can be defined as “the extent to which a society feels threatened by uncertain and ambiguous situations and tries to avoid these situations by providing greater career stability, establishing more formal rules, not tolerating deviant ideas and behaviours, and believing in absolute truths and the attainment of expertise” (Hofstede, 1980, p. 45). Uncertainty avoidance should not be confused with risk avoidance, as “it does not describe one’s willingness to take or avoid risk, but rather is associated with preferences for clear rules and guidance” (Hofstede, 2001, p. 149). It represents the degree to which society seeks to minimize uncertainty and ambiguity, or how they tolerate these factors (Wallace et al. 1999; Barkema & Vermeulen, 1997). Harvey (1997) notes that uncertainty avoidance indicates the level of risk an organization/society is willing to take and how information is internalised and interpreted by the parties. Uncertainty avoidance has also been linked to the degree of formalization applied by the organization especially within western dominated organizations (Rodrigues & Kaplan, 1998). High relative differences in inter-organizational uncertainty avoidance can impact negatively on the survival of the relationship and may lead to early dissolution (Barkema & Vermeulen, 1997). For example, differences in level of acceptable risk between parties within a joint venture (Vaaland, 2004). *Low uncertainty avoidance* within an organization tends to create tacitly structured organizations, kept together by more “ad hoc negotiation that calls for a larger tolerance for uncertainty from everyone” (Hofstede, 1980, p. 319). That is to say, low uncertainty avoidance indicates that people are uncomfortable with inflexible rules and hierarchy, and feel more attracted to flexible, extemporary structures that enable improvisation and negotiation (Barkema & Vermeulen, 1997). Alternatively, high *uncertainty avoidance* implies a preference for security, order and predictability with less tolerance and flexibility in dealing with different-from-the-norm ideas (Ibid).

At 76 Brazil scores high on uncertainty avoidance index. This implies the society shows a strong need for rules and elaborate legal systems in order to structure life. In Brazil, bureaucracy, laws and rules are very important to ensure expected performance and safety in the society. Meanwhile, Norway has a score of 50, indicating indifference in need for rules and regulations to avoid uncertainty. I argue that differences in uncertainty avoidance can cause conflict between parties in a relationship.

2.4.3 The Lewis Model

The Lewis Model is a model of and approach to describing national cultures. It is a cross-century tool which defines and simplifies the framework for cultural analysis (Lewis, 1999). Lewis, after visiting 135 countries and working in more than 20 of them, came to the conclusion that humans can be divided into 3 clear categories, based on behaviour. He developed a model to define and simplify inter-cultural analysis, with the aim to improve interaction between different cultures. The model focuses on values and communication and how these affect behaviour, particularly in working life (Lewis, 2006). The model can be applied to areas such as presentation, meetings, leadership, the language of management, motivation, time and trust. Lewis (1999) asserts that convincing categorisation of culture enables prediction of cultural behaviour, clarification of people’s behaviour, standardization of policies and avoidance of conflicts. He named his typologies Linear-active, Multi-active and Reactive which can be illustrated by the table below. This table outlines the three main cultural categories Lewis uses, and some major characteristics of each. The model, which classifies cultures into Linear-Active, Multi-Active and Reactive, has been validated scientifically and through extensive use by companies and multinational organisations such as the World Bank. The LMR model can be applied to individuals as well as to countries, making it a highly flexible tool for cross-cultural training, coaching and consultancy.

Linear-Active	Multi-Active	Reactive
Job-Orientated	People-Orientated	People-Orientated
Dominated by timetables and schedules	Time tables unpredictable	Reacts to partner’s time table
Polite but direct	Emotional	Polite, indirect
Stick to facts and plans	Changes plans and juggles facts	Makes slight changes and statements are promises
Plan ahead Methodically	Plans grand outline only	Looks at general principles
Does one thing at a time	Does several things at once	Reacts
Like fixed agendas	Interrelates everything	Thoughtful
Punctual	Not punctual	Punctual
Delegates to competent colleagues	Delegates to relation	Delegates to reliable people
Truth before Diplomacy	Flexible Truth	Diplomacy over truth

Table 2- Common Traits of Linear-Active, Multi-Active, and Reactive Categories adapted from Lewis (2006, p. 34-35)

Lewis (2006) plotted countries into the three categories as can be shown by the diagram below. It indicates the relative positioning of each culture in terms of its Linear-active, multi-active or reactive nature, based on decades-long observation and thousands of assessments of cultural profiles with respondents of 68 nationalities.

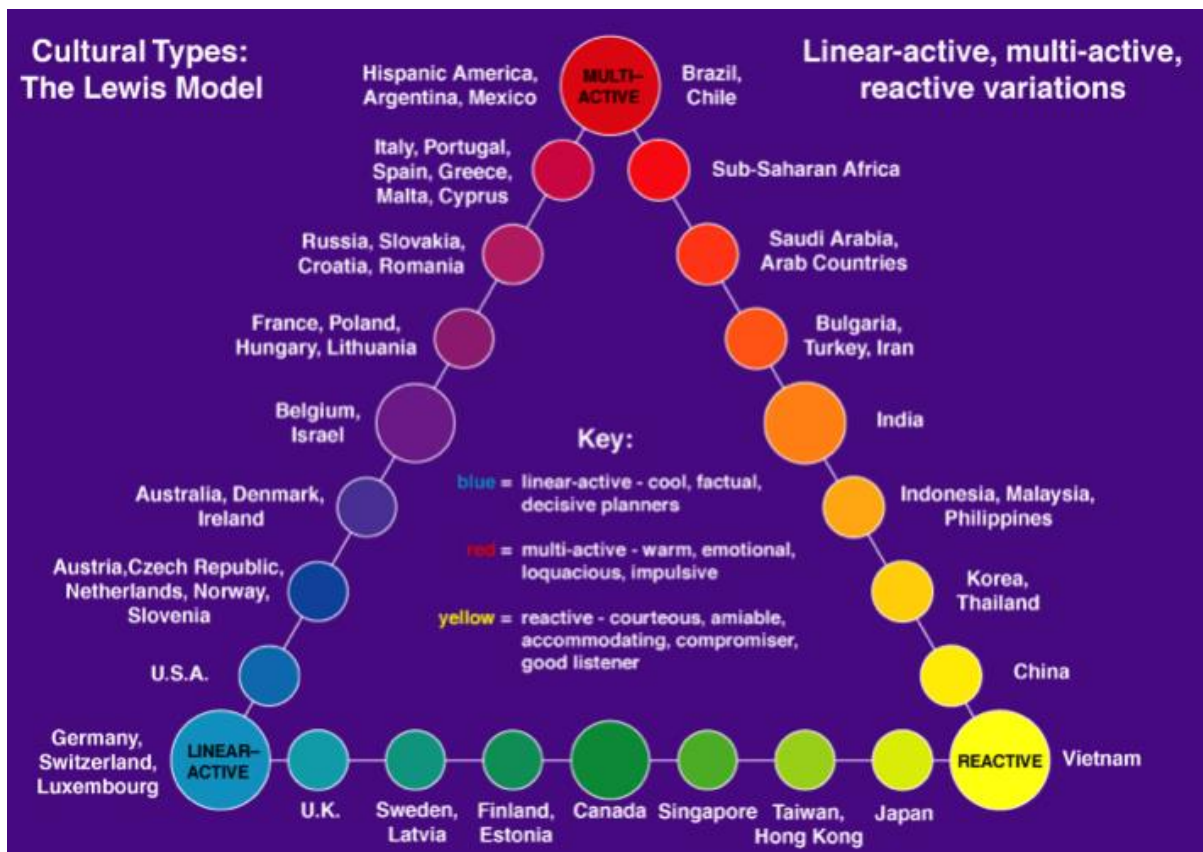


Figure 3- Lewis model of culture adapted from Richard Lewis communications (2015)

Blue is a cool colour denoting calm factual planners, discreet but in control. Red signifies warmth, emotion, loquacity, perhaps passion. Yellow indicates soothing harmony, sought by courteous, accommodating listeners.

The diagram indicates that Norwegians belong to the linear-active culture. This implies that they are task-orientated, highly-organized planners, punctual who complete action chains by doing one thing at a time. They prefer direct discussion, sticking to facts and figures from reliable, written sources. They are direct in communication, truthful rather than diplomatic and do not fear confrontation, sticking to logic rather than emotions. They are results-oriented, law-abiding and have faith in rules and regulations to guide their conduct. They honour contracts and do not unduly delay payment for goods or services received. When doing business, they are keen on punctual performance, good quality and reliable delivery dates (Lewis, 2006). On the other hand, Brazilians are shown to be multi-active in culture. This implies that Brazilians are lively, loquacious peoples who multitask, attach great importance to feelings, relationships and people-orientation and tend to feel confined by agendas. According to Lewis (2006), multi-active people in business, consider relationships and connections more important than products. Written communication has less effect with multi-active cultures than oral. They show less respect for, rules or regulation, are often late with delivery dates and when paying

for services or goods received. They are less interested in schedules or deadlines than linear-actives, unpunctuality is frequent. Their concepts of time and discourse are decidedly non-linear and are puzzled by the importance that timetables have for linear-active people. Multi-active people are flexible and frequently change their plans but do not plan in same detail as linear-active people. In business they use charisma, rhetoric, manipulation and negotiated truth. They are diplomatic and tactful and often circumvent laws and officialdom to take “short cuts” (Lewis, 2006).

The Lewis model clearly illustrates a difference between multi-active and linear active cultures, implying a difference between Norwegian and Brazilian culture, indicating cultural distances between them. Lewis (1996) identified how people from different cultures vary in the concepts of time and space, their communication styles, their view of truth, values, attitudes and world views, their level of trust and management and leadership styles. In this thesis, I will focus, on three, of these aspects, which are communication styles, time orientation and trust.

A. Communication Pattern

Communication may be understood as a “symbolic process whereby reality is produced, maintained, repaired and transformed” (Carey, 1989, p. 23). It is a function of culture, with language used as a tool to communicate culture (Hall, 1976). Lewis (2006) supports this by arguing that language is a tool of communication, which projects national character philosophy. However, language can be ambiguous as deeper levels of culture need to be accessed to understand the meaning conveyed in language (Trompenaars & Hampden-Turner, 1998; Hofstede 2001). Cross cultural communication compares how different cultures communicate using intra-cultural communication within their own cultural group (Gudykunst, 2003). Hall’s (1976) continuum analyses the communication patterns of different cultures according to the amount of context embedded in the communication.

High Context versus Low Context communication patterns

Hall (1976) categorised communication styles into high context and low context communication. According to Hall (1976), *high context communication* internalises information, meaning that much remains unsaid in a conversation. A few words can convey a complicated message as many customs, ideas, and expectation are understood as being implicit among the conversation partners. Alternatively, *low context communication* conveys information, explicitly implying that a lot of information is exchanged explicitly through the message itself and rarely is anything implicit or hidden. Hall (1976) believed that any cultural

group can be classified somewhere on his continuum. Japan, Brazil, Korea for example are considered to be high context cultures whereas Germans, and Scandinavians are considered to be low context cultures. Lewis (2006) supports Hall's concept by highlighting that in face-to-face meetings, low-context Germans and Nordics will require explicitness about how they are to proceed meanwhile high-context French, Brazilian and Japanese will leave a lot unsaid. High-context people speak more, but they say less. Low-context people speak less and can easily assume that high context individuals on their team are hiding information from them (Ibid). Gesteland (2012) further adds that deal-oriented business people tend to value direct, straightforward language (for example Norwegians) while their relationship-focused counterparts often favour a more indirect, roundabout style (for example Brazilians).

According to Lewis (2006), Norwegians' valuable qualities and warm feelings are not readily communicated in their speech style because they are introverts. Communication is direct, straight to the point during meetings. Norwegian communication style can be illustrated by the diagram below.



Figure 4. Norwegian Communication pattern, taken from Nordic Business Insider

The diagram shows that Norwegians are frank, good humoured, obtain a clear view of the picture during meetings and unlikely to change agreed decisions. Brazilians on the other hand are implied to be verbose to the extreme, use gestures and facial expressions to emphasize their point of view but indirect in verbal communication (Lewis, 2006). Communication gap is a major cause of misunderstandings between relationship -focused and deal-focused negotiators, because confusion arises when people from different cultures expect quite different things from the communication process (Gesteland, 2012). This indicates that differences in communication style increases the risk of conflict in business relationships.

B. Trust

Sabel (1993) defines trust as the confidence between partners in a relationship that they will not exploit the other's weaknesses. Zaheer et al. (1998) consider trust as the expectation that an actor can be depended on to fulfil requirements, is predictable, and will act and negotiate fairly when the possibility for exploitation is present. Trust could be at country level, company level or individual level. Understanding these levels is important for international business (Fregidou-Malama & Hyder, 2015). Trust at the individual level involves interdependence and risk between the trusting individuals (Ibid). Trust at the company level occurs between organizations, conceptualized by benevolence and credibility (Altinay et al., 2014). Michaelis et al. (2008) suggest that the reputation of country of origin develops initial trust and is relevant for establishing business relationships. Country-level trust affects the way in which people consciously and unconsciously think, feel and act (Sweeney & Hardaker, 1994) Perlmutter (1969) argues that it is difficult to build trust between people of different nationalities. This is because risk and cultural differences make business across national boundaries more difficult. Therefore, trust at the national level has an impact on trust at the organizational level. I argue that trust at country level is important is understanding both company and individual level trust, when doing business in international context.

High Trust Versus Low Trust Societies

Societies could be divided into high trust and low trust societies (Lewis, 2006; Fukuyama, 1996). According to Lewis (2006), members of high-trust societies are linear-active, have a ready trust for their compatriots, and assume that their fellow nationals will adhere to rules and regulations. Word- deed correlation is highly valued, truth is regarded as scientific based on facts and figures, and trust is impersonal, built by securing integrity. Meanwhile, members of low-trust cultures are often multi-active, who are initially suspicious of fellow nationals, take

time to build trust and are more flexible with adherence to rules and regulations. Truth is flexible, there is little faith in institution and trust is placed in close group intimates such as family and close friends (Ibid). Surveys carried out in several national revealed that the Scandinavians exemplified high-trust category whereas, Latin American and Asian countries exemplified low- trust category. Characteristics of low trust cultures such as Brazil can be exemplified by the diagram below.

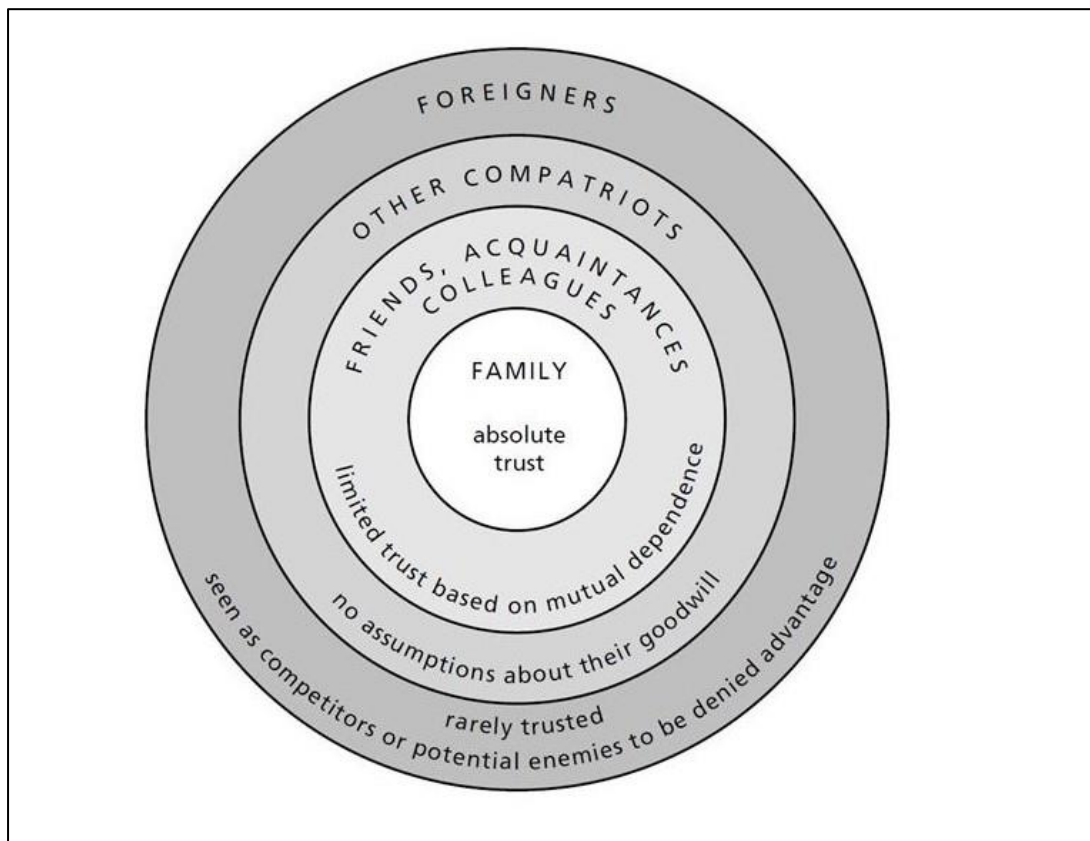


Figure 5 -Characteristics of Low Trust societies taken from Lewis (2006, p.147)

Fukuyama (1996) argues that in low trust cultures such as Brazil, family and state have great influence on individual time whilst in high trust societies such as Norway, there is abundance of extra time. Lewis (2006) argues that in international interaction, the nature of the team member's trust will be strongly affected by the cultural category he or she belongs to.

Divergent goals and unforeseen contingencies in business relationships are likely to result in disagreements (Zaheer et al., 1998). Relational exchange ties that are inspired by trust are characterized by the internal harmonization of conflict and an array of norms and social processes that work to preserve the relationship (Macneil, 1980). Partners in relational exchange that have built a high level of inter-organizational trust can easily give each other freedom in mutual dealings hence reducing the scope, intensity, and frequency of dysfunctional

conflict (Ibid). Alternatively, low interorganisational trust, cause frequent disagreement which may result in damaging conflicts if not positively worked out (Anderson & Naurus, 1990; Dwyer et al., 1987). I argue that differences in trust levels, between Brazilians and Norwegian, is likely to cause disagreements which can lead to dysfunctional conflict.

C. Time Orientation

Time may be universal but attitudes towards time may differ between different cultures in quite significant ways. Time and space are central and vital to human experience and are essentially universal, but notions of their nature and essence are strikingly different (Lewis, 2006). Sometimes people are so absorbed in their own culture and find it difficult to understand how those from other ethnicities perceive their culture, customs, and way of life. Different cultures have their own perception of time. The importance placed on deadlines and how people refer to the past, present or future are just some aspects of how time can be perceived differently across cultures. These differences in concept of time has a huge effect on business relationships as it can increase the complexity of international business and hinder the management of cultural differences.

Linear Time versus Multi-active Time

Hall's theory (1966) distinguishes between two contrasting ways of handling time; polychronic and monochronic. According to him, monochronic cultures compartmentalize time, in that they schedule one thing at a time, whereas polychronic cultures tend to multitask. Lewis (2006) posits that, Americans, Germans and people from Netherlands, Austria and Scandinavia, have a linear vision of time and action. These groups he believes are also monochronic; that is, they prefer to do only one thing at a time, to concentrate on it and do it within a fixed schedule so as to achieve efficiency (Ibid). Linear time cultures tend to be precise with time considering time as an efficient resource and punctuality is valued (Lewis, 2006). Logic, efficiency and speed are the focus of business (Trompenaars, 1996). Gesteland (2012) further supports this by arguing that rigid-time societies are clock-obsessed schedule worshipping societies where punctuality is critical, schedules are set in concrete, agendas are fixed, and business meetings are rarely interrupted.

Conversely, multi-active cultures feel more fulfilled when they can do many things at a time. Multi-active peoples are not very interested in schedules or punctuality (Lewis, 2006). They consider building relationships more important than sticking to time. They do not usually meet deadlines, and guidelines, consider that relationships are the focus of a business and will

improve efficiency (Trompenaars, 1993). Gesteland (2012) further states that fluid-time societies such as Asia and Latin America place less emphasis on strict punctuality, are more likely to miss deadlines, tend to value loose scheduling and are polychronic.

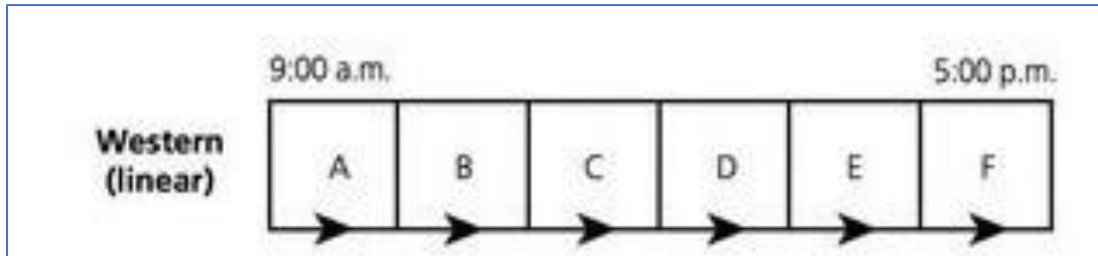


Figure 6 – Linear-active culture attitude to time adapted from Lewis (2006, p.58)

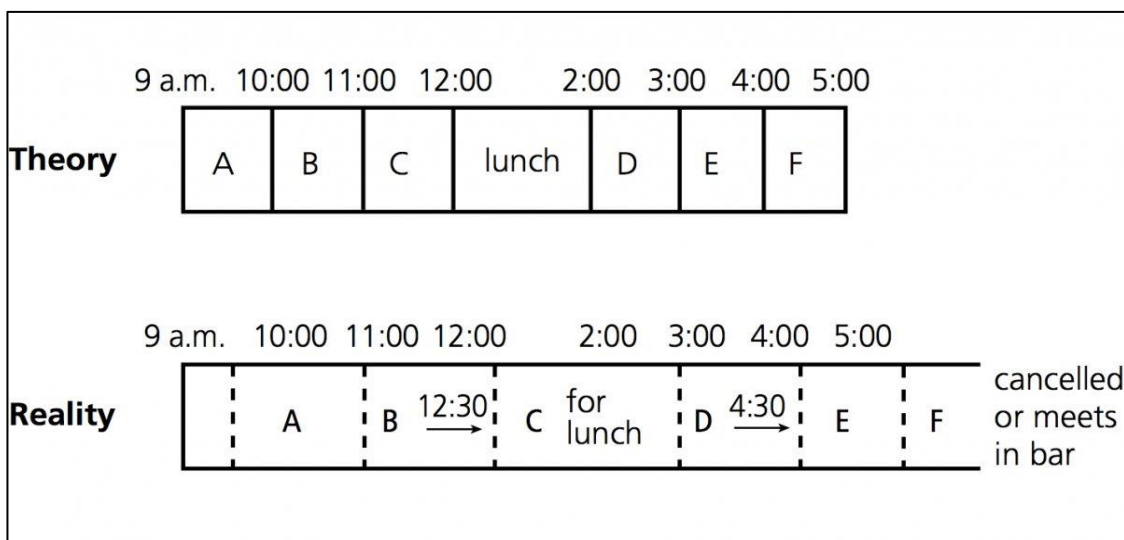


Figure 7- Multi-active culture attitude to time adapted from Lewis (2006, p.56)

The figures above indicate the use of time between linear-active cultures and multi-active cultures. Lewis (2006), argues that Norwegians are linear active, implying they are monochronic and punctual. Whereas, Brazilians are multi-active, implying they are polychronic, and attach little importance to schedules and deadlines (Ibid). However, orientation to time varies not only among different countries but often within a given country as well (Gesteland, 2012). In Brazil, temperate-zone São Paulo is relatively monochronic, whereas tropical Rio is polychronic. This study was carried out in Rio, whose time orientation is polychronic.

Differences in conception of time can cause conflicts in business relationships. For example, the monochronic Scandinavians, find the constant interruption of polychronic Latin Americans almost unbearable because it seems like nothing ever gets done (Hall, 1966). Diametrically opposing manners in the use of time causes intense friction between two people (Lewis, 2006).

Understanding these cultural differences will help in the formulation of appropriate conflict management strategies, which can improve Norwegian-Brazilian Business relationships.

2.5 A conceptual model for studying Conflict through Cultural Distance

The conceptual model for this thesis is based on the Framework of Hofstede (1991) and Lewis (1996). In the model shown in figure 8, Cultural distance is the construct used to assess the risk of conflict in business relationship between Norwegians and Brazilians. Cultural distance is operationalised using five elements.

1. Power distance which is the extent to which lower ranking individuals accept and expect that power is unequally distributed.
2. Uncertainty Avoidance which is the degree of society's tolerance to uncertainty and ambiguity.
3. Communication which is means by which individuals exchange information, ideas or feelings, create and share meaning and also connect to others and places.
4. Trust which is the confidence that each party in a relationship will fulfils its obligations and behave as expected.
5. Time orientation, which is the attitude that people have towards time, that is, it effects how a culture values time and reflects its preference for past, present or future thinking.

In the model in figure 8, cultural distance is shown as the main cause of conflict in business relationships. Therefore, the first research question is related to the parties 'perceptions regarding cultural differences. With the second research question, the aim is to find out how the participants perceive the cultural distances to affect their business relationships. An important assumption for this model is that the main construct, cultural distance is perceptual, implying that the participants will have different opinions about the differences and their influence in their relationships.

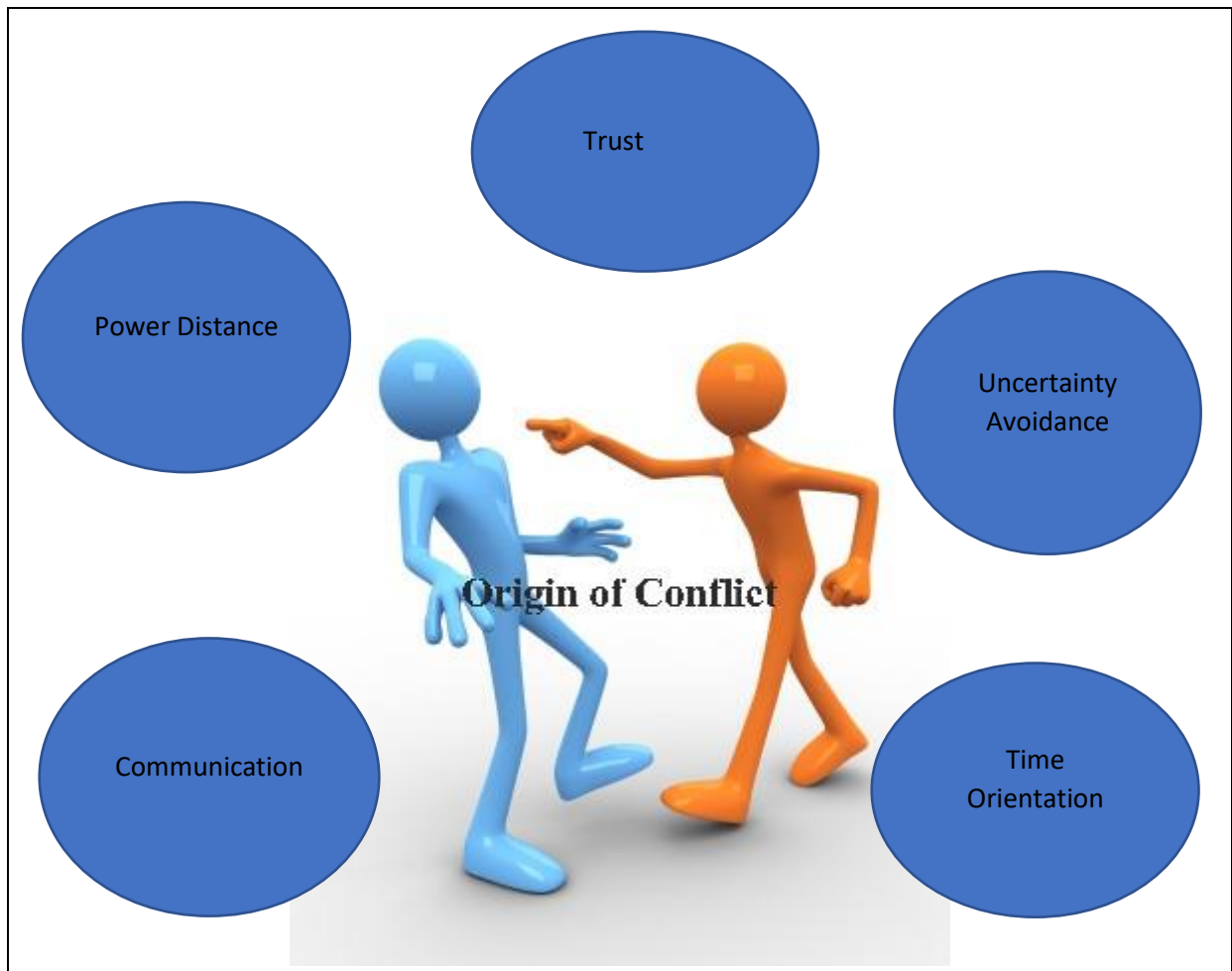


Figure 8- A conceptual model for studying conflict in business relationships through cultural distance

CHAPTER 3: METHODOLOGY

In the previous chapters, I argued that the choice of theoretical framework and methodology, is highly dependent on the phenomenon and context. Morse and Richards (2002, 2007) purpose that, questions, and methods of research should be all interconnected and interrelated so that the study appears as a cohesive whole rather than as fragmented, isolated parts. In this chapter, my objective is to explain and justify my choice of methods. A social phenomenon such as conflict requires strong methodological consciousness. Finding fruitful research questions and suitable methods to answer these questions is the underlying purpose of a scientific research (Widerberg, Hansen, & Album, 2010). I will therefore begin a discussion of my epistemological position in relation to conflict, and then proceed to explain my research design and data collection process. Lastly, I will discuss and criticize research methodology, including the reliability and validity of my research. I argue that an explorative study based on qualitative study is valid for exploring the phenomenon and answering my research questions.

3.1 Research Design.

A research design is a framework for the collection and analysis of data (Bryman, 2012). Some models present research design as a logical progression of stages or tasks, from problem formulation to the generation of conclusions or theory, that are imperative in planning or effectuating a study (Maxwell, 2008; Marshall & Rossman, 1999; Creswell, 1997). According to Mouton (1996), the research design serves to plan, structure and execute the research to maximise the validity of the findings. Yin (2003) further adds that “colloquially a research design is an action plan for getting from *here* to *there*, where ‘here’ may be defined as the initial set of questions to be answered and ‘there’ is some set of (conclusions) answers” (p. 19). Mason (2002) claims that in qualitative research, decisions about design and strategy are ongoing and are grounded in the practice, process and context of the research itself. According to her, the role of a research design is to facilitate the coherent and rigorous development of the researcher’s project by making explicit their current thinking about a number of key issues (Ibid). Crotty (1998) suggested that in designing a research proposal, four questions should be considered.

1. What epistemology gives information about the research (e.g., heumatism, objectivism, subjectivism, etc.)?
2. What theoretical approach lies behind the methodology in questions (e.g., positivism, interpretivism, critical theory, etc.)?

3. What methodology governs the choice and use of methods (e.g., experimental research, survey research, ethnography, etc.)?
4. What methods are proposed for use (e.g., questionnaire, interview, focus group, etc.)?

These four questions indicate the interrelated levels of decisions made during the process of designing research, in that they inform a choice of approach (Creswell, 2003). The ability to establish the relationship between the epistemological foundation of research and the methods employed in conducting it, is fundamental for achieving meaningful research (Darlaston-Jones, 2016). Through epistemology, the foundation of understanding the phenomenon on conflict will be examined.

3.1.1 Philosophical Assumptions

Five philosophical assumptions lead to an individual's choice of qualitative research: ontology, epistemology, axiology, rhetorical, and methodological assumptions (Creswell, 2007). The researcher's choice has practical implications for designing and conducting research (Ibid). In the choice of qualitative research, inquirers make certain assumptions. These philosophical assumptions consist of a stance toward the nature of reality (ontology), how the researcher knows what she or he knows (epistemology), the role of values in the research (axiology), the language of research (rhetoric), and the methods used in the process (methodology) (Creswell, 2003).

Ontology

Ontology in business research can be defined as the science or study of being and it deals with the nature of reality (Blaikie, 2010). The ontological issue relates to the nature of reality and its characteristics (Creswell, 2009). It reflects an individual's interpretation of what constitutes a fact or reality. Furthermore, it is related to a question of whether social entities need to be perceived as objective or subjective. Researchers and individuals being studied embrace different multiple realities. Accordingly, objectivism (or positivism) and subjectivism can be specified as two important aspects of ontology. *Objectivism* is an ontological position that asserts that social phenomena and their meanings have an existence that is independent of social actors (Bryman, 2012). It illustrates the position that social entities exist in reality external to social actors concerned with their existence (Saunders, Lewis & Thornhill, 2012). *Subjectivism* (also known as constructionism or interpretivism) on the contrary, is an ontological position which asserts that social phenomena and their meanings are continually being accomplished by social actors (Bryman, 2012). It perceives that social phenomena are created from perceptions and consequent actions of those social actors concerned with their

existence (Ibid). This thesis tries to study the participants' perception of conflict in business relationships hence will use subjective ontological position. However, with subjectivism, I run the risk of losing realistic perception of the world. Despite this risk, I ensure that my epistemological position, methodology and ontology are consistent.

Epistemology

Epistemology is concerned with the nature and forms of knowledge (Cohen et al., 2007), that is it is concerned with how knowledge can be created, acquired and communicated. Guba and Lincoln (1994) explain that epistemology identifies the nature of the relationship between the would-be knower and what can be known. Epistemology studies the theory of knowledge with regards to its origin, method, validity and scope, and the distinction between logical believe and opinion. An epistemological assumption in conducting qualitative study implies researchers try to get as close as possible to the participants being studied, by conducting their studies in the fields where the participants live and work, which is important for understanding their perceptions (Creswell, 2009).

Axiology

Axiology is involved with the assessment of the role of researcher's own value on all stages of the research process. It refers to the aims of a research and attempts to clarify if a researcher is trying to explain, understand or predict the world, or if they are only seeking to understand it (Lee, & Lings, 2008). It focuses on a researcher's value and is important because how a research is conducted and what is valued in the research findings depends on the researcher's values. Qualitative researchers like to make their values explicit by activities reporting these values, their biases and the value-laden nature of information gathered from the field (Creswell, 2009).

Rhetoric

The *rhetorical structure* of a research is how the researcher goes about convincing the readers that what he or she is saying is worth something. For example, metaphors and first-person pronouns are used and stories are told with a beginning, middle, and end, sometimes crafted chronologically, as in narrative research (Clandinin & Connelly, 2000). The specific rhetorical assumption used depends on the type of study being conducted (e.g. ethnographic, grounded theory, case study, etc.) and is the basis for the structure of the research report. The overall rhetorical assumption in qualitative research is that the researcher is reporting what reality is, through the eyes of the research participants.

3.2 Methodology

The *methodology* is the general research strategy that outlines the way in which research is to be undertaken and identifies the methods to be used in it. These methods define the means of data collection or, sometimes, how a specific result is to be calculated (Howell, 2013).

Qualitative research methodology are characterized as inductive, emerging, and moulded by the researcher's experience in collecting and analysing the data. Sometimes the research questions may change in the middle of the study, so the research method will need to be modified to accommodate the new questions (Ibid).

Below is a summary of the assumptions of qualitative research

Assumption	Question	Characteristics	Implications for Practice
Ontological	What is the nature of reality	Reality is subjective and multiple as seen by the participants in the study	Researcher uses quotes and themes in words of participants and provides evidence of different perspective
Epistemological	What is the relationship between the researcher and that being researched	Researcher attempts to lessen distance between him/herself and that being researched	Researcher collaborates, spends time in the field with participants and becomes an insider
Axiological	What is the role of values	Researcher acknowledges that research is value laden and biases are present	Researcher openly discusses values that shape the narrative and includes his/her own interpretation in conjunction with the interpretation of the participants
Rhetorical	What is the language of the research	Research writes in a literary informal style, using the	Researcher uses an engaging style of narrative, may use

		personal voice and uses qualitative terms and limited definitions.	the first-person pronoun and employs the language of qualitative research
Methodology	What is the process of the research	Researcher uses inductive logic, studies the topic within its context and uses an emerging design	Research works with particulars (details) before generalizations, describes in detail the context of the study and continually revises questions from experience in the field.

Table 3 -Philosophical assumptions with implications for practice adapted from Creswell (2008)

3.2.1 Paradigm or Worldviews

Whilst assumptions reflect a particular viewpoint that researchers make when they choose qualitative research, their research is further shaped by paradigms or worldviews (Creswell, 2009). Guba (1990) defines a *paradigm or worldview* as “a basic set of beliefs that guide action” (p.17). These beliefs have been called different names by different researchers. For example, paradigms (Lincoln & Guba, 2000; Mertens, 1998); philosophical assumptions, epistemologies, and ontologies (Crotty, 1998). Paradigm vary with the set of beliefs they bring to research, and the types have continually evolved over time (Ibid).

Easton (1995), argues that four key epistemological orientations or paradigms can be identified in social research. The four orientations are: realism, positivism, conventionalism and constructivism. *Positivism* is built upon the belief that all recognition is scientific, and that science must be based on controllable observations or empirical data (Bjørner, 2010). *Constructivism* (which is often combined with interpretivism) is a set of beliefs focused on the idea that the knowledge of the world is most usually socially constructed and there is no reality to be discovered (Easton, 1995). In Constructivism viewpoint, individuals seek understanding

of the world in which they live and work and develop subjective varied and multiple meanings of their experiences (Creswell, 2009). As a result, researches have to rely as much as possible on participants' views of the situation which are formed through historical and cultural norms that operate in individuals' lives by interacting with others. *Conventionalism* is determined by convention-based knowledge claims and explanation of social phenomena evaluated critically. The *realist* position is "to seek valid explanatory knowledge with the view that causality concerns the 'causal powers' or 'liabilities' of objects or relations, or their ways-of- acting or mechanisms" (Sayer, 1984, p.105).

I argue that since conflict is a social phenomenon, it requires an epistemological approach that is flexible. This thesis seeks to identify the perceptual role of cultural differences in inter-organisational conflict. Therefore, a combination of a constructivist epistemological position and a subjectivist approach would be appropriate. It will enable me to address the participants' processes of interaction in the business relationships and understand their historical and cultural setting. This will be done by focusing on the specific contexts in which they live and work (Creswell, 2009). This will enable the achievement of a more holistic understanding and interpretation of results and give a more fruitful discussion. The logic for this strategy is based on the research questions and objectives which require an identification of the sources of inter-organizational conflicts, an insight into attitudes, perceptions, and experiences of Norwegian companies doing business in Brazil. This will enable me to establish a holistic understanding on the business relationship of Brazilian and Norwegian companies and challenges they face.

3.2.2 Choice of Methodology

The research method is a strategy of enquiry, which moves from the underlying assumptions to research design, and data collection (Myers, 2009). Muncy and Fisk (1987) state that the epistemological choice and the phenomenon constructed define the choices of research methods. In simple terms, *methodology* can be defined as a systematic plan on what methods or process the researcher is going to use to achieve research objectives. In order to plan for the whole research process at a right point of time and to advance the research work in the right direction, carefully chosen research methodology is very critical. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information.

A. Qualitative Research

Burns and Grove (2003) describe a qualitative approach as “a systematic subjective approach used to describe life experiences and situations to give them meaning” (p.19). Parahoo (1997) states that qualitative research focuses on the experiences of people as well as stressing uniqueness of the individual. Qualitative researchers are interested in understanding how people make sense of their world and the experiences they have in the world (Merriam, 2009). Others emphasize an epistemological stance by claiming that qualitative research uses methods such as participant observation or case studies which result in a narrative, descriptive account of a setting or practice. According to Myers (2009), qualitative research is designed to help researchers understand people, and the social and cultural contexts within which they live. Such studies allow the complexities and differences of worlds-under-study to be explored and represented (Philip, 1998). In a qualitative study, “research design should be a reflexive process operating through every stage of a project” (Hammersley & Atkinson, 1995, p. 24). Also, the activities of collecting and analysing data, developing and modifying theory, elaborating the research questions, and identifying and dealing with validity threats are usually carried out simultaneously, each influencing all of the others (Ibid). In addition, the researcher may need to reconsider or modify any design decision during the study in response to new developments or to changes in some other aspect of the design.

In qualitative research, different knowledge claims, enquiry strategies, and data collection methods and analysis are employed (Creswell, 2003). Qualitative data sources include observation and participant observation (fieldwork), interviews and questionnaires, documents and texts, and the researcher's impressions and reactions (Myers, 2009). Data is derived from direct observation of behaviours, from interviews, from written opinions, or from public documents (Sprinthall, Schmutte, & Surois). Written descriptions of people, events, opinions, attitudes and environments, or combinations of these can also be sources of data (Maxwell, 2005). Researchers use the qualitative approach to explore the behaviour, perspectives, experiences and feelings of people and emphasise the understanding of these elements (Holloway & Wheeler, 2002). Using the qualitative approach in terms of interviews would enable me to investigate the phenomenon of conflict and its underlying sources. It will enable me to understand how the informants perceive cultural distance as a source of conflict in their business relationship. Furthermore, interview will safeguard the need for being sensitive, as information given could be of interests for third-parties, (Shields & Rangarajan, 2013).

Exploratory Case Design

Ghauri (1995) suggests that exploratory research design is adequate when the research problem is badly understood. Holme and Solvang (1996) also state that an explorative design is used when the problem in question has little or no prior studies. The objective in exploratory research design to gain insights and ideas that will enable researchers to develop specific hypothesis by breaking broad and vague problem statements (Churchill, 1987). The aim of this research is to study the phenomenon of inter-organisational conflict in business relationships specifically, between Norwegian and Brazilian companies doing business in Brazil. As far as I know, there has been very little research in this context. Therefore, an exploratory design is the most appropriate method for this study. The rationale behind this choice of exploratory design is that it will enable me to use existing theories, models and personal observations as tools in collecting and analysing data.

The limitation of the exploratory research is that it generally makes use of small sample sizes, hence making it harder to generalize and make definitive conclusions about the findings. However adequate precautions were taken to enable the data collection process adequate and fit for purpose.

Case Study

A case study research design is one of several ways of doing research in social science related studies. Its aim is to understand human beings in a social context by interpreting their actions as a single group, community or a single event. Gillham (2000) defines a *case study* as an investigation to answer specific research questions which seek a range of different evidences from the case settings. Yin (2003) suggests that the case study approach is preferred when, “how” or “why” questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon within a real-life context. The essence of the case study research design is that it seeks to illuminate a set of decisions: why they were taken, how they were implemented, and what the result was. Case studies provide the researchers with the opportunity to challenge or confirm models, theories as well as own experiences and knowledge (Gummesson, 1998). It provides a systematic way of collecting and analysing data and reporting findings, thus enabling an in-depth understanding of a particular problem or situation.

Qualitative case studies can be distinguished by the size of the bounded case,(such as number of individuals, groups, programs or activities involved in the case), or by intent of the case analysis (Creswell, 2007).Three variations exist in terms of intent: the single instrumental case

study, the collective or multiple case study, and the intrinsic case study (Ibid). The focus of the researcher in the *instrumental case study* is on an issue or concern, and then a one bounded case is chosen to illustrate the issue (Stake, 1995). In a *collective case study* (or multiple case study), the focus is on an issue or concern, but researcher selects multiple case studies to illustrate different perspectives on the issue. The intrinsic case study design has the case itself as a focus because it presents an unusual situation (Stake, 1995).

There has been very little research on conflicts in Norwegian- Brazilian business relationships. Secondly my research problem: *Identifying the perceptual role of cultural distance in Norwegian- Brazilian business relationship conflict*, does not try to provide conclusive evidence or actual solutions to a specific problem. Finally, with conflict being a complex social phenomenon, methodological flexibility is needed. Thus, I argue that an explorative multi case study design will be justifiable for this research. This is because it will enable flexibility and provide a better understanding of the situation being developed. Also using cross case analysis gives more compelling interpretation and can strengthen the precision, validity and stability of findings. The multi case study approach makes use of multiple methods of data collection such as interviews, document reviews, archival records, direct and participant observations and subsequently ‘thick descriptions’ of the phenomena under study (Yin, 2003). Such ‘thick descriptions’ will give me access to the subtleties of changing and multiple interpretations (Walsham, 1995).

Case study research has been subject to criticism on the bases of biasness and a lack of statistical generalisability (Cornford & Smithson, 2005). There is the lack of a detailed step-by-step data analysis of case study data (Miles & Huberman, 1994), and the problem of not being able to provide generalisability in a statistical sense. However, Denzin and Lincoln (2000) argue that case studies can be generalised, because looking at multiple actors in multiple settings enhances generalisability. Similarly, Yin (2003) argues that case studies are used for analytical generalisations, where the researcher’s aim is to generalise a particular set of results to some broader theoretical propositions. These for and against views indicate that no research methodology is perfect, and therefore, researchers have to use data obtained with multiple methodologies (Thomas, 2010).

Given the interpretive stance adopted in this research and the nature of the research question, I believe that the multi case study exploratory approach is the most appropriate research strategy

for this study. This is because it will give me a better understanding of unique perceptions and concerns of individual participants in a real-world situation.

B. Field Research

Field research involves collecting data or information outside of an experimental or laboratory, library or work setting, and can be done in a variety of ways for various disciplines. For example, social scientists conducting field research may interview or observe people in their natural environments to learn their languages, mythology, and social structures. Field research involves a range of well-defined, although variable, methods: formal and informal interviews, direct observation, participation in the life of the group, collective discussions, analyses of personal documents produced within the group, self-analysis etc. The method is usually qualitative research but may sometimes include quantitative dimensions (Tedlie & Tashakkori, 2009). This contributes to a good way of capturing phenomena as they occur in their natural environment (Flick, 2009). The method used for this field research was interviews with informants in Norwegian companies. This was used so as to get face-to-face time with informants, observe them, and get a better understanding of the sources of conflicts which I am analysing.

Getting good notes in field research is important for enhancing the data collection process. These notes can be divided in four categories. First, we have the quick jot notes which are made of key words and short phrases, and usually taken during the interview (Emersom, Fretz, & Shaw, 2001). These are afterwards developed into field notes proper, which is a more detailed description of the interview, context and the people involved (DeWalt & DeWalt, 2011). The third category is called methodological notes which contain ideas on how to improve the research (DeWalt & DeWalt, 2011). Finally, a researcher should write his or her personal assessment of the research in a diary or journal (Sanjek, 1990). Adhering to the four categories of notes will ensure collection of coherent data and ease the data analysis process. All four categories of notes were gotten during the interview process and used for analysis.

3.3 Research Sample

The method used to for selecting cross-cultural sample groups is important. According to Gudykunst (2003), there are three possible methods for selecting cross-cultural sample groups. These include convenience sampling, systematic sampling and random sampling. Cross cultural studies usually make use of convenience sampling because researchers often use

cultures within which they have opportunity to interact and have access to data (Hingston, 2012). However, convenience sampling may prevent the cultures studied from reflecting certain cultural dimensions. Systematic sampling selects cultures that are theorized to strongly reflect certain cultural dimensions (Ibid). Random sampling is usually used for collecting data on pan-cultural theories (Gudykunst, 2003). This research made use of convenience sampling, because it involved cross cultural studies and was the most appropriate method for choosing informants, given the time period.

The population sampled involved informants from different industries with the oil industry being the dominant industry. Research sample involved informants in middle and upper management positions as they are believed to have the most inter-organisational interactions. Initially, the research team communicated by email with some Norwegian companies doing business in Brazil and connected to the oil and gas industry at different degrees. By the 22th of January, we had scheduled 3 interviews with Norwegian Companies. The research team and some of the interviewed companies managed to secure more interviews. By the 1st of February, we had succeeded to have nine qualitative interviews with Norwegian companies in Brazil. There was no gender discrimination. Both men and women living in Brazil and working for Norwegian companies were interviewed. The common factors about the informants were that, they were all living in Brazil and working for Norwegian companies.

The number of interviews conducted was limited due to difficulty in finding informants working in Brazilian Companies. We had only two weeks in Brazil, so there was insufficient time to get informants in Brazilian Companies. Also, the tension and uncertainty created by the ongoing Lava jato case (Scandal case) was perceived to have made Brazilian companies more cautious about information sharing and prevented them from providing the needed information.

The informants we succeeded to interview were quite interesting because they represented three different mindsets. We had three informants with a Norwegian mindset, three informants with a Brazilian mindset and three informants with an international mindset. This scenario can be illustrated in the table below.

Category	DataCode	Number of Informants
Norwegian Mindset	NMS	3
Brazilian Mindset	BMS	3
International Mindset	IMS	3

Table 4- Categorization of informants

Norwegian Mindset Category

This category is made up of informants who are live and work in Brazil but think and behave like typical Norwegians. Their perception of things, beliefs, values, dressing and behavior is predominantly Norwegian. These have not adopted the Brazilian culture despite living and working in Brazil.

Brazilian Mindset Category

This category includes informants living and working in Brazil, who have been moulded by the cultural history. Therefore, their perception of things, gestures believes, and values are shaped by the Brazilian culture and way of thinking.

International Mindset

This category is made up of informants living and working in Brazil whose mindset is one that combines an openness to and awareness of diversity across markets. These people are able to identify common patterns across markets and perceive cultural and geographic diversity as opportunities to exploit. They try to adopt successful practises and good ideas from both Norwegian and Brazilian cultures. Even though this category seems indirectly comparable to the other two, it is still an interesting category assess, as their international perspective widens the viewpoint to this research.

It is important to note that, informants have all lived and worked both in Brazil and Norway. Some are Norwegians by origin and some are Brazilians. However, they have not been classified according to their country of origin. It can be argued that, people who emigrate to other countries can adopt the culture of their country of residence especially when they have lived there for long. Some of the informants were originally Brazilians but behaved like Norwegians because they lived and worked in Norway for some time and adopted the Norwegian mindset. Meanwhile some were Norwegians, who have lived and worked in Brazil for long, married, had kids and have adapted fully to the Brazilian culture. I argue that, it is possible for people's perception of things, values to be shaped by their environment and or their national culture. Therefore, it was important to categorise the informants according to their mindset rather than their nationality, or country of origin.

3.4 Data Collection

The choice on methods for data collection depends on the research questions that need to be answered, and the resources that are available to implement the research (Busch, 2013). Qualitative data collection methods are exploratory in nature and are mainly concerned with

gaining insights and understanding on underlying reasons and motivations. Vaus (2002) noted that qualitative methods often provide substantial data about real life people and situations and a better understanding of behaviour in its wider context. The main sources and procedures associated with qualitative methods are observations, interviews and document analysis as proposed by Yamagata-Lynch (2010). The methodology in this study was qualitative approach with the use of qualitative interviews to identify the cultural distances and how they cause conflict in business relationships.

3.4.1 Primary Data- Interviews

Interviews are commonly used to reveal the experiences of different people and tend to involve samples of people from different cultures dealing with similar situations (Hingston, 2012). This has proven effective in understanding how different cultures utilise circumstances, power, order issues and consider individual versus group goals (Ibid). Interviews are good for obtaining information where direct observation of the phenomenon is difficult (Creswell, 2009). It is almost impossible to observe a business relationship over time as a non-member. The main advantages of interview method of data collection are that:

- a) direct contact with the users often leads to specific, constructive suggestions;
- b) they are good at obtaining detailed information;
- c) few participants are needed to gather rich and detailed data (Shneiderman & Plaisant, 2005; Genise, 2002). Since I am studying perceptions of cultural differences and conflicts in business relationships, I am seeking the personal believes of the informants. Therefore, Interviews are appropriate and will be applied in understanding these perceptions.

Interviews can be structured, unstructured or semi structured depending on the need and design. *Unstructured interview* allows the interviewer to ask some open-ended questions and gives the interviewee the opportunity to express his/her own opinion freely, but the direction of the interview is not predetermined. *Structured interviewing* uses a set of predetermined questions and therefore, require precise answers. This type of interviewing is easy to conduct and can be easily standardised as the same questions are asked to all participants. *Semi-structured* interviews use both closed and open questions to interview participants.

A semi structured way of interviewing was applied, in this research in order to achieve free flowing conversation with the possibility of asking follow-up questions where needed (Longhurst, 2016). This makes the informants more comfortable and willing to reveal needed information. In order to be consistent with all participants, core questions were prepared for

guidance, such that the same areas were covered with each interviewee. As the interview progressed, the interviewee was given opportunity to elaborate or provide more relevant information if he/she wished to do so.

A. Interview Process

Innovation Norway supported the team by providing them with a list of companies operating both in Norway and Brazil. This helped us identify and establish contact with the informants. Getting informants initially was a bit difficult as only three of the ten companies contacted were willing to participate. Before the research team travelled to Brazil for interviews, we prepared preliminary interview questions under five themes, which could be further elaborated before meeting the companies. The companies which had agreed to be interviewed, were sent emails containing the preliminary interview questions, details on the research, a description of the research team and their expectations from the company. This was done to enable the companies plan, choose the relevant personnel for interview, eliminate insecurity and ensure comfortability.

Whilst in Brazil, the research team decided to do a pre-test interview before the actual interviews. This was done to assess question rigour and formulate measures to address any limitations, bias, miscommunication or misinterpretation, before carrying out the formal phase of the interviews. Pre-test interviews ensure that questions are clear and effective in conveying needed information and respondents interpret and answer questions in the way intended. This helps to increase the validity and reliability of research. After the pre-test interview, we realised some of the questions were not clearly understood and could not enable the informants speak freely. So, the questions were reformulated in a way that will let the informants talk openly about conflicts in their business relationships. The interview questions were formulated under five themes, using Hofstede's and Lewis' models.

The interviews were conducted within a period of two weeks. With support from Norwegian consulate in Rio, Innovation Norway, and the Brazilian Ph.D. student, we were able to conduct interviews with nine informants. All the interviews were conducted face to face, with each interview done independent of another. This guaranteed undeviating interaction and the possibility to give necessary explanations (Malaval et al., 2013). During each interview, the team leader, led the process, whilst the rest of the team took jot notes and provided a supporting role by supplementing the interviewer when questions needed clarification. The interviews started out with open questions, in order to identify original experiences, ideas and

interpretations. But the interviews progressively directed towards more detailed questions related to the elements within each relationship category. Starting with open questions, focusing on extemporaneous answers and limiting the use of prepared questions to follow-up on statements was important. This is because it enabled the interviews to fulfil Kvale and Brinkmann's (2009) three first quality criteria for interviews and also ensure flexibility.

The interviewer asked the informants to identify some challenges they faced in their business relationship with Brazilian companies as a result of cultural differences. The interviewer did not use the word "conflict." Instead, interviewees were asked, "*What are the main challenges you encounter with your Brazilian partners as a result of these cultural differences*"? The aim of the question was to identify the types, amount, frequency, intensity, duration and triggers of conflict experienced by the interviewees and their teams as a whole in their relationship with Brazilian companies. Questions which were misunderstood were further clarified so the informant could provide the required information. The interviews ranged from forty-five minutes to one-hour duration. The informants were told that the information they provided will be anonymous. Also, they were informed that they will be sent the field notes, so they could go through and correct any misinterpretation or add any more information they thought would be beneficial for the research.

After every interview, the research team had a meeting to evaluate the interview process and discuss the answers. During these meetings, jot notes were compared and later a team member was given the responsibility of writing down field notes. The responsible team member was given access to all the other jot notes made during the interview session so as ensure the making of proper field notes (DeWalt & DeWalt, 2011). Each team member had full access to the field notes proper after they were prepared. Field notes proper were also sent to each informant a day after their interview for review and feedback. We also discussed the field notes and modified them into different categories of conflict. This helped to increase understandability and preserve anonymity.

B. Limitations of interviews

According to Creswell (2008), interviews can be limited in the following ways:

- They provide indirect information filtered through the perceptions of the participants in the study.
- They provide information in a designated place rather than the natural field setting.

- Researcher's presence may cause bias responses and hence dishonest information will be shared.
- Not all people can clearly articulate their perceptions about a phenomenon and hence may give incorrect information about their views.

Despite the above limitations, interviews allow the researcher control over the line of questioning and are very useful when participants cannot be directly observed. Given that I had only two weeks in Brazil to collect data, interview was the most appropriate method of data collection.

3.4.2 Secondary data

Secondary data is readily available data that have been already collected by other researchers. The secondary data are gathered from other sources that do not deal directly with the research problem of a specific paper, but provides valuable insight (Yin, 2014). Such data are cheaper, time saving, and make collection of primary data more specific since gaps, deficiencies and additional information needed to be collected can be identified with the help of secondary data. Secondary sources of data were also used for this research. Academic literature on business relationships between Brazil and Norway, international marketing and management journals, strategic management journals, industry-based publications and online resources on internalization and business relationships in international companies were reviewed as essential background information. These were used to develop general categories which were further compared and explained through a discussion of a research on Brazilian and Norwegian business relationship. The identified categories provided an accessible and practical overview of the main perceived internalization conflicts between Norwegian and Brazilian companies. Also, a few researchers were contacted for strategic advice and suggestions in an attempt to gain insight into these topics.

3.5 Research Quality and Validity

Creswell (2008), suggests that researchers need to convey the steps taken in their study to check for the accuracy and credibility of their finding. The exploratory case study strategy has been used which is supported by the constructivist paradigm as a qualitative research method. Qualitative researching engages researchers to explore a wide array of dimensions of the social world, including the texture and weave of everyday life, the understandings, experiences and imaginings of research participants, the ways that social processes, institutions, discourses or

relationships work, and the significance of the meanings that they generate (Mason, 2002). This is done using in-depth, refined, context based, multidimensional and complex methodologies that intimately connect context with explanation of how things work. Therefore, it is capable of producing well founded cross-contextual generalities (Ibid). However, qualitative research has its own challenges. Some scholars argue that qualitative research is of poor standard and has no clearly defined set of quality criteria available for judging it hence the quality is uncertain (Hammersey, 2007). This implies that it is potentially an assembly of anecdote and personal impressions, strongly subject to researcher bias, lacks reproducibility and generalisability. Therefore, a good qualitative research design need to provide reliability, validity and generalisability of the construct (Ibid).

3.5.1 Validity

Qualitative validity involves employing certain procedures in research to check for accuracy of findings from the stance of the researcher, participants and readers of the research account (Creswell & Miller, 2000). In other words, it shows the trustworthiness or creditability of a research. It means your research is valid, if you are observing, identifying or measuring what you say you are. For example, in researching on cross cultural conflicts in business relationships, I will need to be able to show that my data on analysis of ideas, norms and negotiations about conflict did relate to the concepts. Validity is often associated with the ‘operationalization’ of concepts and the need to be able to demonstrate that the concepts can be identified, observed or ‘measured’ in the way claimed (Mason, 2002). Even though some scholars argue that the subjectivity of qualitative research makes it harder to accurately show validity, incorporating validity strategies in qualitative research is a strength (Shields & Rangarajan, 2013; Creswell, 2009). It is therefore important to work out how well a particular method and data source might illuminate the concepts in the research. Guba and Lincoln (1981), Krefting (1991) and Creswell (1998) suggest that the trustworthiness or validity of qualitative research can be established by using four strategies: credibility, transferability, dependability and conformability. These are constructed parallel to the analogous quantitative criteria of internal and external validity, reliability and neutrality.

3.5.2 Credibility

Credibility in qualitative research can be defined as the extent of believability and trustworthiness of data collected and data analysis process. It is analogous to internal Validity in quantitative research which is the approximate truth about inferences regarding cause-effect or causal relationships (Yin, 2014). It means is that you have evidence that what

you did in the study (i.e., the program) caused what you observed (i.e., the outcome). Credibility exists when the research findings reflect the perceptions of the people under study. Credibility is important in qualitative research, as researchers are able to demonstrate the reality of the participants through detailed description of the discussion. Most rationalists would propose that there is not a single reality to be discovered, but that each individual construct a personal reality (Smith & Ragan, 2005). To increase credibility, the following strategies were implemented;

- 1) **“Rich” data:** Becker (1970) argues that, both long-term involvement and intensive interviews enables a researcher to collect “rich” data, that is, well detailed and varied data that provide a full and revealing picture of situation. In interview studies, such data generally require verbatim transcripts of the interviews (Maxwell, 2005). Rich data was collected by detailed notes taking during the interview. Whilst, the interviewer was interviewing the informant, the other two members of the team were taking very detailed notes and not just what they felt was significant. After each interview, notes were shared, compared and discussed to ensure information recorded was similar, detailed and accurate. I believe this process enabled collection of rich data and hence increases the credibility of the data.
- 2) **Respondent validation:** Respondent validation can be referred to as “member” checks (Bryman, 1988). It requires systematically soliciting feedback about one’s data and conclusions from the participants (Maxwell, 2005). It is used to determine the accuracy of the qualitative findings by taking the final report or specific descriptions or themes back to participants and determining their perception about the accuracy (Creswell, 2008). This helps to rule out the possibility of misinterpreting the meaning of what participants say and do and identifies any biases and misunderstandings of what was observed (Maxwell, 2005). As mentioned above, proper field notes were sent to each participant to review, to make sure, there were no misunderstandings or misinterpretation about their perceptions of the concepts. There was no negative feedback from the participants. Even though, participants’ feedback is no more inherently valid than their interview responses, I consider it as evidence regarding the validity of my account (Hammersley & Atkinson, 1995).
- 3) **Triangulation of data:** It involves collecting information from a diverse range of individuals and settings, using different methods (e.g., observation, interview, document analysis, etc.) (Maxwell, 2005), in order to gather multiple perspectives on the same issue so as to gain a more complete understanding of the phenomena. This

strategy provides a better assessment of the generality of developed explanations and reduces the risk of chance associations and of systematic biases as a result of using a single method (Ibid). It is one of the most important ways to improve the trustworthiness of qualitative research findings and improve confidence. Data was collected through sources such as interviews and document analysis. In-depth interviews were conducted which began with open ended questions and progressed to more structured questions. This enabled the participants to comfortably reveal their perception about the phenomenon. Other methods used were, member checking, clarification of biases, and document analysis. This enabled the use of multiple referents to draw conclusions. Triangulating the outcome of the interviews with document analysis enhances the credibility of this research.

The above procedures were the easier and the most-cost effective ways I could use to enhance the credibility of my research.

3.5.2 Generalizability

Generalizability involves the extent to which a wider claim can be made on the foundation of a research and analysis study (Mason, 2002). The generalizability of qualitative studies is usually based on the development of a theory that can be extended to other cases (Becker, 1991; Ragin, 1987). It deals with the problem of knowing whether a study's findings are generalizable beyond the immediate case study. Yin (1994) refers to this as analytical, generalization where, the investigator is striving to generalize a particular set of results to some broader theory. The generalization occurs when qualitative researchers study additional cases and generalize findings to the new cases (Creswell, 2008). In other words, research findings can only be generalisable if they fit into new contexts outside the actual study context. The subjectivity of the researcher as a key instrument of qualitative research makes generalisability difficult and threatens the validity of inferences from research data. However, Seale (1999) proposes that generalisability can be achieved by providing a detailed, rich description of the settings studied to provide the reader with sufficient information to be able to judge the applicability of the findings to other settings that they know. Yin (2003) further adds that good documentation of qualitative procedures, such as a protocol for documenting the problem in detail and the development of a thorough case study database can achieve generalisability of qualitative case study research.

This study uses the cross-case approach and therefore will make use of inferential generalisation which is generalisation in terms of nature and diversity of phenomena (Ritchie

& Lewis, 2003). Therefore, proper documentation and justification of methodological approach, detailed description of critical processes and procedures used to mould and associate meaning to phenomena is required. Using a qualitative methodological approach makes it challenging to generalise. Also, the informants or companies interviewed may not actually represent the Norwegian-Brazilian business relationship. However, I have provided a rich and detailed description of the study so that anyone interested in generalisation will have a solid framework for comparison (Merriam, 1988) and make their own judgement regarding the transferability of the research outcome. Therefore, the generalizability of this outcome has to be resolved by the reader based on the closeness of his or her context to that of the researcher.

3.5.3 Reliability

Merriam (1998) defines reliability as to the extent to which research findings can be replicated. Qualitative reliability shows uniformity of a researcher's approach across different researchers and projects (Gibbs, 2007). Yin (2003) suggests that qualitative researchers can check if their approaches are consistent and reliable by documenting as many of the steps of their procedures as possible and setting up detailed case study protocol and data base. Similarly, Gibbs (2007) suggests that reliability procedures include checking transcripts for transcription mistakes, ensuring consistency in definition of codes and comparing independently derived results. I have tried to provide detailed description of my procedures and choices during the research process in order to increase reliability and make it possible for other researchers to evaluate my study.

However, Thomas (2010) argues that reliability is problematic and is practically impossible as human behaviour is dynamic, highly contextual and changes continuously based on various influencing factors. Furthermore, possibility of different perceptions of the phenomenon by the participants in a research study implies that a similar study with different informants may not necessary produce the same findings. The quality of inferences is subjective making reliability pointless in qualitative study. This research was conducted in a similar manner to previous researcher (Granli, 2012). His results are similar to mine which helps to increase reliability.

3.5.4 Confirmability

Confirmability can be defined as neutrality or objectivity of data (Polit et al., 2001). It shows the degree to which the research findings can be confirmed by others. Seale (1999) argues that auditing could also be used to establish confirmability in which the researcher makes the provision of a methodological self-critical account of how the research was done. This involves tracing the researcher's path of arriving at the constructs, themes and interpretation hence

enhancing confirmability. Also auditing can be enabled by the researcher archiving collected data in a retrievable form which can be accessible to other researchers in case his/her findings are challenged. All the data collected for this research have been well archived, hence increasing the confirmability.

3.5.5 Reflexivity

In qualitative research the researcher is both the researcher and the participant and can therefore not be divorced from the phenomenon under study. According to Parahoo (1997), reflexivity is a continuous process whereby researchers reflect on their preconceived values and those of the participants. Holloway and Wheeler (2002) add that researchers should reflect on their own actions, feelings and conflicts experienced during research. To achieve credibility of the study, the researcher adopted a self-critical stance to the study, the participants, their role, relationships and assumptions. Reflexivity is not easy because identifying one's own preconception is difficult. Reflexibility helps the researcher with self-monitoring, self-injunction, and reduces the risk of bias. In this study, I wrote down any feelings, preconceptions, conflicts and assumptions I had about the study. I tried to prevent my cultural perceptions from influencing my interpretation of the data. I took steps to be objective and not misinterpret data. This enabled self-monitoring to prevent bias and increase objectivity.

3.6 Ethical Considerations

In a qualitative study, the researcher has to interact with informants to collect data. Silverman (2000) recommends that researchers should always keep in mind that while they are doing their research, they are in actual fact entering the private spaces of their participants. So, they are required to respect the rights, needs, values and desires of the informants (Creswell, 2008). Furthermore, researchers need to protect their research participants; develop a trust with them; promote the integrity of research; guard against misconduct and impropriety that might reflect on their organizations or institutions; and cope with new, challenging problems (Isreal & Hay, 2006). Ethical considerations relate to moral standards that the researcher should consider in all research methods in all stages of the research design. Miles and Huberman (1994) list several issues that researchers should consider before, during, and after the research had been conducted. Some of the issues involve the following:

1. Informed consent (Do participants have full knowledge of what is involved?)
2. Harm and risk (Can the study hurt participants?)
3. Honesty and trust (Is the researcher being truthful in presenting data?)

4. Privacy, confidentiality, and anonymity (Will the study intrude too much into group behaviours).
5. Intervention and advocacy (What should researchers do if participants display harmful or illegal behaviour?).

Cultural sensitivity can also bring about ethical issues. Silverman (2000) argues that the relationship between the researcher and the subject during an interview needs to be considered in terms of the values of the researcher and cultural aspects. Hence strict adherence to ethical standards are required to maintain participants' rights, privacy, dignity, confidentiality and anonymity (Thomas, 2010).

The following steps were taken to address ethical issues during the research process:

a. Informed consent

The Researcher informed the participants of the purpose, nature, data collection methods, and extent of the research prior to the commencement of interview. The researcher obtained their consent in writing by email.

b. Harm and risk

In this research study the Researcher guaranteed that no participants were put in a situation where they might be harmed physically or psychologically during their participation in the data collection.

c. Honesty and trust

Adhering strictly to all the ethical guidelines serves as standards about the honesty and trustworthiness of the data collected and the accompanying data analysis. There is a chance that informants can withhold important information on sensitive issues such as conflict, because of the fear of such information jeopardizing their business relationships, if made public. And so, might not give honest answers about their perceptions or conflict in their business relationships, for fear of negative repercussions. Also, there is a potential for bias answers from the participants because they want to please the researcher with their answers rather than speaking the truth.

To enable the informants talk truthfully about conflicts, we spent time explaining to them the purpose of the research and convinced them that everything will be anonymous, no company names or individuals will be mentioned, and we were not sent by any stakeholder who had interest in their relationships. Also, we first began talking about personal issues in order to gain rapport and trust of the informants before continuing with the interviews. Fortunately, most of the informants trusted our

explanation, and were willing to honestly answer the questions with no fear of future negative consequences. It is quite possible the research team seemed intimidating, as all the time, we took notes and were always more than the participants, that is three to one or two to one (Emerson et al., 2001). This can potentially hinder the informant from speaking honestly or expressing themselves freely. We tried to redress by informing the informants at the start of the interview that we will all be taking notes and explained to them why we needed to take notes. Also, we decided that only the team leader in charge of interview, should conduct the interview, whilst the other(s) took down notes and only asked questions or commented when further elaboration or explanations were needed. Audio recording was avoided to prevent intimidation and reduce time for transcription. These procedures made the informants conformable and willing to share information truthfully.

d. Privacy, confidentiality, and anonymity

Researcher ensured that the confidentiality and anonymity of the participants would be maintained through the removal of any identifying characteristics before distribution of information. The Researcher made it clear that the participants' names and company names would not be used for any other purposes, nor will information be shared that reveals their identity in any way.

e. Voluntary participation

The participants were informed that the research was only for academic purpose and their participation in it was voluntary. All participants voluntarily agreed to participate. I believe that I appropriately addressed all the ethical issues involved in this research.

3.7 Data Analysis

Data analysis is a process of organizing, transforming and modelling data with the aim of eliciting useful information, suggesting conclusion and improving decision making (Judd, Charles & McClelland, 2011). Bogdan and Biklen (2003) define qualitative data analysis as the process of organising data, breaking them into manageable units, coding them, synthesising them, and searching for patterns. Analysis of qualitative data is an active and interactive process (Polit et al., 2001). It involves inductively working with data from particulars to more general perspectives such as themes, dimensions, codes or categories (Creswell, 2008). In case study research, Yin (2003) discusses the need for searching the data for “patterns” which may explain or identify causal links in the data base. Categorisation helps the researcher to compare and contrast patterns and to draw meaning from data.

The process of data analysis starts with organising and categorising in order to find patterns, and themes that emanate from the data. “Open coding” which involves identifying and provisionally naming categories for grouping the observed phenomena, is commonly used (Strauss & Corbin, 1990), with the aim of creating descriptive and multi-dimensional categories that provide preliminary framework for analysis.

In this study, I want to understand how Norwegian-Brazilian business relationships are affected by cultural differences. The level of analysis would be mostly on a company level. However, considering that individual level may also be attractive in cross-cultural relationships, I applied interaction level in my studies as well. Interpretivism or constructivism was used to analyse and interpret data as it places the importance of insiders’ viewpoints in understanding social phenomenon (Flowers, 2009; Miles & Huberman, 1994). The process was very iterative and involved revisiting earlier steps as new themes and insights emerged and served to update the literature review accordingly (Punch, 2005). These emerging categories are of paramount importance as qualitative researchers tend to use inductive analysis. A modified Ritchie and Spencer’s (1994) framework was used to sift, chart, and sort data accordingly to key issues and themes. The framework has five steps: (a) familiarisation, (b) identifying a thematic framework, (c) indexing, (d) charting, (e) mapping and interpretation.

3.7.1 Familiarization

Familiarization involves immersion in the data: listening to tapes, reading transcripts, studying observational notes (Ritchie & Spencer, 1994). Ritchie and Spencer (2002) argue that the researcher must become familiar with the range and diversity of data and gain an overview of the body of material gathered before starting the process of sifting and sorting data. Data from interview transcripts was sifted and sorted through a process of immersion. This involved rereading interview transcripts and subsequently, data reduction, identifying and capturing key ideas and themes.

3.7.2 Identifying the thematic framework

This involves identifying the key issues, concepts and themes according to which the data can be examined and referenced. It requires making judgements about meaning, relevance and significance of issues, and about inferred connections between ideas. The thematic framework was derived from the literature review in chapter 2. Data and themes emerging from the interviews were superimposed on a predefined template.

3.7.3 Indexing

Indexing refers to the process of systematically applying the thematic framework to the data in its textual form (Ritchie & Spencer, 2002). The thematic framework derived from the literature was applied to the interview transcripts. Thus, data was coded against this pre-formatted template and presented in an appropriate form using charts or tables.

3.7.4 Charting

This involves “lifting data from its original setting” and rearranging it accordingly to appropriate themes (Ritchie & Spencer, 1994) derived from the literature reviews. Charts or tables were used to present well-structured data consistent with the order of participants as provided by their background information (see chapter 4). The charts or tables were by case for each participant across all themes, with the themes on the horizontal row and the case of the vertical column. The data presentation is in the following chronological order:

- An introduction of the major and sub-section. For each sub-section, the factors being explored are introduced, followed by an overview of the results,
- Data relating to the interviews presented in a table with an “X” in the box indicating comments or statements corresponding to the themes or factors and the respective participant,
- A narrative including some verbatim statements discussing the data.

3.7.5 Mapping and interpretation

Mapping and interpretation begins after all data have been sifted and charted according to main themes. It involves reviewing charts and research notes, comparing and contrasting perceptions, detecting emergent categories, connections and patterns and seeking interpreting the data (Ritchie & Spencer, 1994). This process was analysing the research findings in relation to the literature review. Patterns, associations, concepts, and explanations were searched in the data. Ritchie and Spencer (1994) suggest that the researcher should follow a logical pathway of defining concepts, mapping the range and nature of the phenomena, creating typologies, finding associations within the data, providing explanations and developing strategies.

CHAPTER 4: PRESENTATION OF DATA

This chapter connects the empirical findings of the analysis of the interviews and maps them with the theoretical framework described in the literature review chapter. The first task of this chapter is to reflect on the thesis' main research questions in light of the empirical findings and in connection to its theoretical approach. Chapter 3 outlined the methods and techniques for collecting and analysing data in exploring the main research problem: *Identifying the perceptual role of cultural distance in Norwegian- Brazilian business relationship conflict*. The research questions: *What are the perceived cultural differences between Norwegians and Brazilians? How do these perceived differences cause challenges in their business relationships?* These questions will be answered in terms of the constructs suggested by Hofstede (1991) and Lewis (1996). This section presents results on cultural distances between Norwegian and Brazilian companies focusing on power distance, uncertainty avoidance, Communication, time orientation and trust, from the findings from the interviews. It is organised as follows: the demographic profile of participants, followed the presentation of results.

4.1 Demographic Profile of Participants

A total of nine face to face interviews were conducted, with participants from eight companies. A summary of profiles of both participants and companies is denoted “**NC1 to NC8**” as shown in Table 5. The companies differ in firm size, age, industry sectors, business activities and their products or services are at different levels of maturity. The industry sectors from which participants were drawn were (1) Oil and Gas (2) Insurance (3) Ship Broking (4) Service Industry. Such a mixed demographic profile may, to a greater extent, raise the credibility of the results of the study. A total of nine participants were interviewed denoted “**P1 to P9**”. These are given unique codes according to their mindset. These participants occupy middle or senior management positions. As stated before, the profile of participants ensures quality of research.

Company	Code	Mindset	Years of experience in Norwegian Company	Position	Degree
NC1	P1	IMS	5	Project Manager	Master's in Political Science
NC2	P2	BMS	10	Proposal Analyst	Master's in engineering

NC2	P3	NMS	10	Business Development Manager	Master's in Business Administration
NC3	P4	BMS	8	Managing Director	Master's in engineering
NC4	P5	BMS	25	Managing Director	Master's in Mechanical Engineering
NC5	P6	NMS	4	Relationship Manager	Masters in Anthropology
NC6	P7	IMS	6	Managing Director	Masters in Ship Building and Marine Engineering
NC7	P8	IMS	11	Business Development Manager	Master's in Insurance and Risk management
NC8	P9	NMS	12	Project Manager	Bachelor's in project Management. Technical college graduate

Table 5 - Demographic profile of informants

4.2 Presentation of Results

This section presents data collected via nine qualitative interviews. The presentation of data is guided by five major themes identified in the literature review.

- Power Distance
- Uncertainty avoidance
- Communication
- Trust
- Time orientation

The results are presented in a sequential order starting with results of interviews of the first informant to the last informant. The presentation uses both a narrative format and tables. It follows the step indicated in section 3.6. The participants were asked to report on the main challenges faced in their business relationships as a result of cultural differences. In this part, I summarize the main cultural differences between Norwegian and Brazilian companies. I argue that one of the most important competencies of the cross-cultural business relationships is cultural awareness, and thus critical element of an international company's strategy. Here, the cultural gap will be discussed in terms of *power distance*, *uncertainty avoidance*, *communication pattern*, *trust* and *time orientation*. The participants reported that some of these cultural differences cause conflict in their business relationship and hence weaken the relationships.

Participants perception of cultural distance can be illustrated by the table below where "x" represents a perception of conflict caused by cultural distance

Participants	Power Distance	Uncertainty Avoidance (Contracts)	Communication	Time Orientation	Trust
P1		x	x		x
P2	x	x	x	x	x
P3	x	x	x	x	x
P4	x	x		x	x
P5	x	x	x	x	x
P6	x	x	x	x	x
P7	x	x	x	x	x
P8	x	x	x	x	x
P9	x	x	x	x	x

Table 6-Participants perception of cultural distance as a source of conflict

When we asked informants about the main challenges Norwegian companies face when coming to do business in Brazil, all recounted the difficulty conflict situations their companies encountered with their business partners as a result of cross-cultural issues. While I expected and anticipated discussion of problems associated with entering a new market and living with new cultural norms and laws, I found issues of cross-cultural conflict a centre of interest in their perception. To fully explicate the cross-culturally rooted conflict experiences of Norwegian Companies and their Brazilian business partners, I focus on the main causes of cross cultural conflict and its effect on business relationships.

4.3 Why Conflict Occurred

4.3.1 Differences in Power Distance

Power distance examines the extent that status and elitism impact equality in a culture. Hofstede (1980, 2001, 2003, 2010) asserted that societies vary on the role of status and authority, with high power distance cultures depicting the position of people in society which ensures that people of higher status remain at arm's length from people of lower status. On the other hand, a low power distance culture is egalitarian and allows for more acceptance and equality in interactions between people of different status (Hofstede, 2010).

Aside from issues of decision-making power and the status of participants, (Hofstede, 2010), power distance manifest itself in business relationship through how partners deal with conflict, agent-principal, and hierarchical structures, management styles etc. In low distance cultures, it is considered that business partners will be willing to explicitly raise concerns or assert their position, whereas in a high-power distance culture, partners will be more reluctant to deal with conflict issues.

Power distance was operationalised using hierarchical structure and agent-principal distance. Differences in power distance is recounted by participants as a cause of conflict in relationships. It was found out during the interviews that Norwegians and Brazilians differ in hierarchical structure and agent-principal distance. Brazilians were perceived to have high-agency power distance. Some informants offered this description concerning differences in agent- principal distance:

- *“Inequality in power distribution with the Brazilian partner makes it difficult to relate with them. They do not consider equality in power during negotiations. These guys are terrible. They feel they are kings.” (P2BMS)*
- *“Inequality in power distribution is a challenge because it makes it difficult to do business with Brazilian partners. They do not treat their customers properly especially when they have more power. They think they are gods.” (P4BMS)*
- *“In Brazil, unequal distribution of power causes the side with more power to design contracts in their favour.” (P7IMS)*

The respondents also indicated differences in hierarchical structure and management style between Brazilians and Norwegians. These differences were perceived to cause challenges relationships. Some of them made the following statements:

- *“There is hierarchy in Brazil but none in Norway. For example, there are different elevators for cleaners and personnel in the same company. In Norway, you are open to ask questions if you don’t understand and you won’t be judged. But in Brazil, you are judged as incompetent when you ask too many questions about a task you do not understand. In Brazil, people are afraid of saying what they feel, and it is interpreted as wrong meanwhile in Norway you can go directly to your boss and express what you feel as bosses are open to hearing opinions and staff are consulted before decisions are made. In Brazilian culture, people do not open up about their feelings even when given the opportunity. This causes conflict because, for example in a business deal, they could say, yes, we will see, which means forget about it, but Norwegians will interpret it as follow up.” (P3NMS)*
- *“Power is centralized in Brazil. There are high hierarchical structures, with many roles and functions. Bureaucracy, relationship with the government, number of rules, complexity of rules and regulations and long-time frame for decision making, makes it*

difficult for Norwegians to relate with their Brazilian partners because things are different in Norway where there are very short communication lines.” (P5BMS)

- *“Norwegian management style is decentralized. Meanwhile in Brazil, high hierarchical structures, make it difficult to get the right staff. You can easily be fooled.” (P6NMS)*
- *“There are high hierarchical structures in Brazil. Bureaucracy is too much. Employees are afraid of challenging management even when management is wrong because Brazilians take things personally. This is very different in Norway. Employees feel free to challenge management when they are not happy with decisions.” (P7IMS)*
- *“Employees have security in Norway and they can make mistakes and argue with the boss and make decisions with the help of others, but in Brazil they have so many other things that influence. They cannot argue with the boss, they cannot ask their colleagues for help.” (P9NMS)*

It was interesting that one informant with an international mindset did not perceive differences in hierarchical structures. This could be due to the type of business partners his company works with and the nature of their relationship. However, the responses of the other respondents indicate that, there is high power distance in Brazil, where superiors and subordinates consider each other as unequal, power is centralised, subordinates are told what to do without questioning. Meanwhile in Norway, there is low power distance where there are flat hierarchical pyramids, power is decentralised, subordinates are consulted before decisions are made, and sometimes given autonomy to make decisions where they are competent. Differences in power distance and approaches to internal and external interactions was strongly recounted as a source of conflicts. These differences in power distance were perceived to hinder dealings and relationships with Brazilians, hence increasing the risk of conflict.

4.3.2 Differences in Uncertainty Avoidance

The reports below indicate a fundamental difference in the parties' tolerance of adherence and applications of procedures. The respondents indicated that there is a difference in uncertainty avoidance between Brazilians and Norwegians. They perceived that Brazilians use rigid, complicated and very detailed contracts to prevent uncertainty from other people, whilst Norwegians were more flexible with contracts as shown by the statements below:

- *“Contracts are more important for Brazilian than for Norwegians, for example some works are done just by sending emails because in Norway people trust each other more and that reduces the cost of making contracts but in Brazil contracts are needed.” (P1IMS)*

- *“Norwegians are flexible with contracts meanwhile, Brazilians are very rigid. They usually don’t want to change the specification of a contract. It’s difficult to negotiate contracts with Brazilians.” (P2BMS)*
- *“Contracts with Brazilians are standardised, and everything has to be specific, because if it is not specified, Brazilians will not do it.” (P3NMS)*
- *“In Norway, verbal agreement is ok for a contract. But in Brazil, they usually have to check everything in the contract first before making an agreement, so lawyers are more important. In Brazil, contracts are too detailed to such as what kind of “lipstick” be used. So, companies may find it difficult to follow the specifications of the contract and may get penalised for that because quality of performance might be affected by not adhering to the specifications.” (P4BMS)*
- *“Brazilian contracts are more complex due to the culture, they follow the Roman law. There are more laws than needed, and people can’t easily be regulated so it’s a problem. Unstable political environment causes a lot of changes and instability in rules and regulations and that increases risk for companies. Contracts are very prescriptive, easy to understand but not easy to agree.” (P5BMS)*
- *“Contracts are very complex and one sided in Brazil. The more powerful contractor always wants to put the risk on the other party and assume no risk. There is high level of trust in Norway so less things are written on paper. Meanwhile in Brazil, everything has to be written down before it is done, so there are lots of rules and regulations. This makes contracts expensive and drive cost. Meanwhile, in Norway, contracts are clear and transactional.” (P6NMS)*
- *“Contracts in Brazil are very complex and detailed, you have to be aware of every detail, so you need to do your homework properly otherwise, you will have some trouble because it is mandatory to know what is written in the contract. In Norway, it is easier to negotiate contracts.” (P7IMS)*
- *“Contracts are usually standard in Brazil. Law is protective and more favourable to Brazilians parties. Norwegians are flexible, but Brazilians are rigid and abide by the law, things that are not written can’t be discussed.” (P8IMS)*
- *“Brazilians and Norwegians interpret contracts differently. Brazilians are always to the letter and there is no room for negotiation. Contracts in Brazil are very specific, and they expect you to deliver the project as it is written in the contract. They want everything done according to the contract and if that’s not done you get penalties for*

delays and there isn't flexibility. This is quite different from Norway where negotiations can be made. Norwegians look at the bigger picture whilst Brazilians look at the now."
(P9NMS)

An example was given of a situation where in one case, the Norwegians did not install the cable according to the contract. Although, the one that they installed was better with better quality, Brazilians did not accept it and penalized them. The Norwegians found it difficult to see the logic in a contract. They could not understand why someone could be penalised for performing above expectation, because they didn't comply with a certain part of a contract. And then in the course of fixing the problem, the situation was made worse and cause huge financial loss. People from low uncertainty avoidance cultures easily get frustrated with unnecessary ineffective rules. This difference in interpretation of need for adhering strictly to contracts were perceived to create conflicts in business relationships.

Findings from the studies also indicate that high power distance in Brazil was perceived to enable the exercise of discretionary power in interpretation of contracts by those with higher power, in a bid to avoid uncertainty. Rules and regulations are sometimes inconsistent, and what happens in reality may be different from what was agreed. Some participants stated that:

- *"Norwegians follow the contract, but Brazilians may sometimes not stick to the contract and this causes disputes. For example, Brazilians may delay in paying suppliers after delivery of service or goods." (P4BMS)*
- *"Interpretation of contract in Brazil is affected by inequality in power, because contracts are very detailed, and interpretation is according to interest. The side with more power will exercise the contract in its favour." (P5BMS)*
- *"In Norway, contracts are clear and transactional. But in Brazil, it's on case by case bases, its open for negotiation, things can be added or changed at any time. Things in Brazil are very relational and depends on the relationship with the client. In Norway, when an agreement is made, the parties stick to the agreement. But in Brazil, a company can take a contract and when they realize they can't fulfil it, they start negotiating another agreement. Sometime, the party with higher power can change the agreement at any time and you have no choice than to agree otherwise, you won't have future contracts. Many companies are sceptical about contracts in Brazil because they can easily be changed. Things are very unstable but negotiable, because the powerful party use their power to negotiate." (P6NMS)*

- *“In Brazil, unequal distribution of power causes the side with more power to design contracts in their favour. Contracts and rules are easily changed in Brazil. Things are written down but not done practically so it creates a lot of uncertainties. Sometimes you may be prepared for these changes and at other times you are not, so you may need to negotiate or go to court because of these changes. New regulations can be created at any time without consideration for the business.” (P7IMS)*
- *“Regulations and laws are ever changing in Brazil therefore, lawyers are needed to be up to speed, otherwise, it could lead to loss of contract, money etc. Norwegians have contract certainties, so it’s easier for them.” (P8IMS)*

These statements indicate that Norwegians with a low uncertainty culture, were perceived as better at following rules and regulations than Brazilians.

The participants indicated that these difference, in adherence and interpretation of contracts, caused conflicts between business partners and lawyers were needed to reduce the effect of these conflicts. Some of the verbatim statements indicating these were:

- *“Legislation in Brazil is very complex, so the lawyer’s role is very important and needed to help with the problems.” (P2BMS)*
- *“There are hardly contract disputes in Norway and lawyers are only used for bridge of contract. But in Brazil, lawyers are used for everything in business, due to risk of misinterpretation which can cause conflicts and damage reputation. Therefore, lawyers are very important in Brazil.” (P3NMS)*
- *“Recognition of scope, law and what you have to do is what causes problems. Lawyers are needed when doing business in Brazil because of the complexity of laws and regulations. Risks, roles and responsibilities are usually not very clear.” (P5BMS)*
- *“In Brazil, you need good staff to educate you on the risks and rewards of a contract and how to deal with the risks. You need Brazilian lawyers who understand the contracts, because you could be fined for misunderstanding the contracts and Norwegians get frustrated about this because they can’t understand why.” (P7IMS)*
- *“Lawyers in Brazil are very important because of uncertainties. It has become very difficult to do business in Brazil due to red tapes, so the legal departments are busy with compliance, overseeing contracts and preventing problems. The contract may not be complied with due to misinterpretation and that causes problems.” (P8IMS)*

4.3.3 Differences in Communication pattern

The perceptions of the informants indicate differences in the way Norwegians and Brazilians communicate. Brazilians were perceived to use an indirect style of communication whilst Norwegians were perceived to be direct in their style of communication. The participants reported that these differences in communication style resulted in misinterpretation and increased conflicts due to misunderstanding. The indirect style of communication by Brazilians were perceived to cause Norwegians to misinterpret the true meaning of their intentions, wants, needs and desires since they are camouflaged in communication and this causes conflicts. The following illustrative statements highlight this.

- *“It is difficult to trust feedbacks from Brazilians. For example, when you go to a company and market your product they show interest and say they like it, but they never call back. But in Norway they mean what they say.” (P1IMS)*
- *“Brazilians are not straight forward, which is different from Norwegians who are direct and honest. Brazilians are afraid of saying what they feel because it is interpreted as wrong, so they would not speak up about their feelings even when given the opportunity. They are not used to feedback. This causes business challenges because, they could say, “yeah, we will see”, which means forget about it, but Norwegians will interpret it as follow up.” (P3NMS)*
- *“The lack of straightforwardness by Brazilians will affect communication because what is said will not be what is interpreted by the Norwegians, and that will affect the business relationship, because right decisions will not be taken.” (P5BMS)*
- *“Norwegians have a different way of thinking and communicating from Brazilians. This usually causes misunderstanding or misinterpretation of information.” (P6NMS)*
- *“Norwegians see business as black and white, are structured and straight to the point. Meanwhile Brazilians see red tape, they are welcoming, but it does not mean they really want to do business.” (P8IMS)*

The respondents also reported that language barrier caused conflicts in their relations. According to them, most Brazilians were unable to communicate in English, whilst Norwegians were unable to communicate in Portuguese and this resulted in misinterpretation of contracts, information and caused conflicts. This can be illustrated by some of the following statements made by them.

- *“Language barrier is a big problem because most Brazilians don’t know how to speak English nor Norwegian. Meanwhile Norwegian expatriates don’t put an effort to learn*

Portuguese. They would rather live in the expensive areas and socialize with other expats, send their kids to American schools and hence they are unable to understand the language. And that makes it difficult for them to communicate with Brazilian business partners.” (P1IMS)

- *“Not many Brazilians are able to speak English, so language barrier is a problem. For example, some engineers were brought from Norway to fix a problem, but it was difficult to communicate with the Brazilian staff because they couldn’t speak English. However, the technical problem was resolved, even though it took longer because of communication problems.” (P2BMS)*
- *“Language is a challenge because majority of Brazilians can’t speak English and are not comfortable with English. You need to know how to speak Portuguese. This causes challenges because contracts are in Portuguese and translating and misinterpretation may change things. And you find that, at the end, what you signed is not originally what you agreed to.” (P3NMS)*
- *“Level of English for most Brazilians is low. You are unsure of what they are saying or if they actually understand what you are saying. This usually causes misunderstanding or misinterpretation of information.” (P6NMS)*
- *“Language barrier is a problem because Brazilians can’t speak English.” (P7IMS)*
- *“Most people in Brazil do not know English and it’s frustrating because you could be lost in translation and think there is something when there is none.” (P8IMS)*
- *“The language is a barrier; most Brazilians don’t speak English very well. Misunderstanding is the result of not knowing proper English. Norwegians assume that Brazilians understand English well but at the end of the day they get very different results.” (P9NMS)*

Even though most of the participants thought that the lack of English skills by Brazilians as well as lack of Portuguese skills by Norwegians, caused conflicts due to misinterpretation of information and inability to effectively communicate, one thought otherwise. The informant did not perceive language barrier as a problem. Language barrier seems to depend on size and policy of the companies involved in business. He commented thus:

- *Language is not really a problem because most people in big companies can speak English. Norwegians have big investments in Brazil, so language is not a barrier. (P4BMS)*

4.3.4 Differences in level of Trust

My findings indicate that there is a difference in the level of trust between Norwegians and Brazilians. The respondents reported that, Norwegians, easily trust whilst Brazilians take time to trust. Contrarily, Norwegians are reliable and can easily be trusted, meanwhile Brazilians are unreliable. This differences in reliability and level of trust are perceived to cause conflicts in their business relationships. Some of the statements by the respondents, indicate these differences.

- *“Trust is a big issue because Brazilians only trust their inner circle and families. Bureaucracy is caused by lack of trust, but it rather increases the problems of trust because it creates corruption and bribery. For example, for making signatures, people have to bribe to get things signed quickly since they are unwilling to wait.” (P1IMS)*
- *“Companies need to show reliability in order to gain trust. In Brazil, people turn to distrust the business unless, they proof themselves. They will check everything about your background and if they are not ok, they will not do business with you. Building trust with Brazilians takes time because you have to proof yourself to be reliable but it’s the opposite with Norwegians.” (P3NMS)*
- *“Norwegians trust each other until proven otherwise. First, Brazilians don’t trust. You have to prove yourself, to be trusted. In Brazil, business passes through friends. Building trust takes time and is very challenging. But Norwegian companies want to start immediately and cannot wait for long to build trust. Trust is built by being persistent and reliable.” (P4BMS)*
- *“Norwegians trust easily. They start with high level of trust and then it goes down gradually. Meanwhile, Brazilians start with low level of trust and build it up gradually, but it takes time. As a result, whilst Brazilians are taking time, Norwegian trust is going down and that causes problems in their relationships. It’s difficult to build trust with Brazilians.” (P6NMS)*
- *“Trust is built by time and relationship in Brazil. It is easier to build trust in Norway because it is smaller, and people easily know each other. “Trust is like a Diamond in Brazil.” (P7IMS)*
- *“Norwegians trust for good faith but the Brazilian system doesn’t allow them to trust, because they can’t guarantee performance. Trust in Brazil is built by time and relationship.” (P8IMS)*

The respondents reported that Brazilians were unreliable, and that affected their business relationships with Norwegians. This was perceived to increase conflicts and weakened their relationships. Some of the statements made to indicate this perception were:

- *“It’s difficult to trust Brazilians. There is no mutual trust, that is why lawyers are needed. Brazilians can easily change an initial agreement without consulting their partner.” (P2BMS)*
- *“Hiring the right people in Brazil is difficult because you don’t know who to trust. They could use your information against you. Staff could even steal from the company or use their contracts against the company. Business partners may delay payment or not even pay for a completed project.” (P6NMS)*
- *“Scandal Issues in Brazil has destroyed a lot of trust between companies.” (P7IMS)*
- *“It is difficult to trust Brazilians because you don’t know if they have your best interest. Suppliers will say they can deliver a product when they can’t. Brazilians are dishonest. Product you get is different from what you asked for. It’s very hard to pick a supplier coz they are difficult to trust.” (P9NMS)*

Some examples were given of situations where unreliability of Brazilians caused conflicts in their relationship. One informant told us about a situation where, a project was jointly done with Brazilian partners, and vital information was shared between them. The Brazilians used this information, to open a competitor company. This destroyed their business relationship.

Another example was given, whereby, a Brazilian company was contracted to supply some equipment in two months. They agreed to the contract. The Norwegian company, kept on verifying, with the Brazilian company to make sure everything was according to plan and they gave them their word. But a few days after deadline, they informed the Norwegian company that they could not supply the equipment as planned and could not give any guaranteed date of supply, even though full payment had been made. The equipment was finally delivered 5 months after deadline and that cost, the Norwegian company lots of money and well as their reputation. The relationship was dissolved after that incident. The above examples and responses, indicate, that Brazilians are perceived as dishonest and difficult to trust and that increases conflict with their business partners.

The respondents also reported that Brazilians trust Norwegians because they are reliable. Even though, Brazilians take time to trust, the reliability of Norwegians have gained their trust. So, they do not have trust issues with Norwegians. But Norwegians on the other hand, find

Brazilians unreliable and untrustworthy and that hinders negotiation and causes conflicts. Two respondents commented thus:

- *Brazilians trust and feel comfortable with Norwegians, they easily believe Norwegians, whilst Norwegians are not very comfortable with Brazilians.” (P5BMS)*
- *Brazilians value Norwegians and trust them.” (P8IMS)*

4.3.5 Differences in Attitude to Time

The participants reported that there was a difference in timing orientation between Norwegians and Brazilians. Brazilians were reported to be usually late for meetings meanwhile Norwegians were perceived as punctual. Some of them offered the following remarks:

- *“Brazilians are poor with timing, for example, they will be about 10 or more minutes late for a meeting. Norwegians find this disrespectful, but it doesn’t really cause problems because Norwegians adapt to this.” (P1IMS)*
- *“In Norway, people attend business meetings in time. The meeting will start at the designated time, even if all members are not present. There are usually set times for talking in the meeting. Meanwhile in Brazil, people are usually late for meetings.” (P3NMS)*
- *“In Norway things are fast and Norwegians don’t like working after 4 pm. Meanwhile in Brazil, there is very little focus on time, a meeting can go on forever.” (P6NMS)*
- *“Many Brazilians do not respect time, you could have a starting time for a meeting but not finishing time because people can talk for long. Norwegians are usually time conscious.” (P7IMS)*
- *“During meetings, Norwegians will be 15 minutes early whilst Brazilians will be about 30 minutes late.” (P8IMS)*
- *“Brazilians are not punctual, for example if they schedule something at ten, it means any time before lunch. Norwegians start early and finish early whilst Brazilians start late and finish late.” (P9NMS)*

Differences in value of time can cause conflicts, because, the punctual party can easily get frustrated, whilst waiting. When meetings are held when one party is already frustrated with the other, objectivity is affected and there is a high potential for misunderstandings which can increase the risk of conflict. One participant commented thus.

- *“It’s challenging because Norwegians expect things to be on time and then get frustrated, but the Brazilians can’t understand their frustration and that creates problems.” (P9NMS)*

The participants reported that the lack of focus by Brazilians on timing and deadlines, caused a lot of delays in performance, fulfilments of contracts, thereby causing high cost and other problems for their Norwegian business partners. This can be illustrated by the following statements:

- *“Delay is the main challenge you can face with Brazilians. Brazilians turn to delay in delivery but focus on the results and try to deliver no matter the delay.” (P2BMS)*
- *“There are usually lots of delays leading to increased cost and cash flow problems. So, it’s difficult for Norwegians to anticipate cash flows when trying to bring goods into Brazil. Time management is a problem for Brazilians and priorities can change. In Brazil, you have to be prepared for delays and rescheduling, so planning is difficult because people do not stick to time/ deadlines. Time issues makes it difficult to allocate resources, cost money and hinder the supply chain.” (P3NMS)*
- *“Delays are very common in Brazil. A Brazilian company will tell you something will be delivered in two days but will take 20 days. And when you go to find out why, they won’t care and even postpone further. They will accept a deadline even if they know they can’t meet it. They are good at changing the timing of a contract. It’s a challenge, because expectations are not met. E.g., if something is expected to take 3 months and it takes 3 years, it cost the company a lot because staff still have to be paid while waiting for the contract to materialize. Business takes a lot of time. Brazilians usually need follow up, but Norwegians don’t because they finish projects according to schedule. Brazilians always cause delays. Things take time in Brazil” (P4BMS)*
- *“Things don’t usually get delivered on time in brazil. You need to keep calling to confirm. Delays cause logistic problems, so you need to start well ahead. Brazilians are opportunistic. They will agree to do something when they are unable to. And they will accept during the communication process that they will deliver but when the deadline reaches, they won’t deliver. “You don’t get the bad news but when you do, it’s too late.” (P6NMS)*
- *“Delays in delivery of projects could cause the other party to incur fines, or even loose customers. Brazilians have an issue with delivery on time.” (P7IMS)*

- *“Brazil had a bad reputation for delay. Brazilians hardly deliver on time, they leave things for the last minute, and usually ask for extension and that is frustrating. For example, if a payment is due on the 31st, and they have a problem, they won’t tell you until the deadline. Bureaucracy, and delays lead to financial loss.” (P8IMS)*

These statements indicate that the delays by Brazilians cause their partners financial loss, loss of customers, delays in supply chain and reduction in quality products and services delivered. This increases the risk of conflict in business relationships.

Some respondents also indicated that, the high-power distance culture in Brazil, promoted delays. Setting up businesses take time, signing contracts and other important business activities. This causes financial loss to companies and increases degree of conflicts. Some of the remarks made were:

- *“The Brazilian partners with more power delay in everything, so it’s difficult to work with them. They do not give details, nor deadlines and do not care about timing. They are very opposite to Norwegians in timing.” (P2BMS)*
- *“In Brazil, it is acceptable to wait for a manager but not to make the manager wait for you. There are higher penalties for delays in Brazil than in Norway. In Brazil, planning activities for projects are usually unstructured and there is also availability of black boxes. So, if the pipeline of a project is out of place, you would not know what is happening. You may have to wait, follow up, call again etc. They may tell you to come for something next week, but when you call, they can tell you to wait for three more weeks. Deadlines are difficult to meet. Meanwhile in Norway, you would have a clear view and bigger understanding of the timing of projects, so if something is out of place, you will know what is happening.” (P3NMS)*
- *Things take time in Brazil especially because of unequal distribution of power and complexity of things. Brazilians are not rigid, as opposed to Norwegians who are strict to the point. Timing for contracts, approval, laws, etc. is difficult because dealings are usually with state companies which are bureaucratic. You can’t come to Brazil and expect things to just happen immediately. They will take time, so you have to look at the long term otherwise, you will be unsuccessful.” P5BMS*
- *“Decision making takes a long time in Brazil as opposed to Norway where decision making takes a shorter time. In Norway, things are usually not negotiated. Meanwhile in Brazil, things will have to be reviewed and negotiated before a decision is made.*

There is nothing valid unless there is a signature and stamp on it. Norwegians become impatient because they can't understand why things take time.” (P6NMS)

The results from the interview indicated that cultural differences were perceived to cause challenges in Norwegian-Brazilian business relationships.

CHAPTER 5: DISCUSSION OF FINDINGS

This chapter discusses the results presented in Chapter 4. The discussion is based on the areas covered by the interviews according to the five major themes: Power distance, Uncertainty avoidance, Communication, Trust and Time orientation. I will try to answer my research problem through my research question, using my findings and existing theory. This thesis is about perceptual role of cultural distances in Norwegian-Brazilian business relationship, so I would analysis how differences in culture, influences conflicts in Norwegian-Brazilian Business relationships.

5.1 Power Distance

Cross cultural literature argues that power distance affects exchange behaviour (Dawar et al., 1996), innovativeness (Yeniyurt & Townsend, 2003; Van, Everdingen & Waarts, 2003), and service performance (Birgelen et al., 2002). Conflicts are argued to arise as a result of power distance between business partners (Garvey, 2004; Vaaland, 2004; Kozan, 1997).

The result from the interview, indicate a difference in power distance between Norwegians and Brazilians. Brazil was reported to be reflect a society that believes hierarchy should be respected and inequalities amongst people was acceptable. In Brazilian companies, the boss takes complete responsibility, there is inequality between superiors and subordinates, there are high hierarchical structures and power is centralised. Whilst Norwegian companies were found to have flat hierarchical structures, decentralized power systems, equal rights, superior accessibility, independence, direct communication, participative and consensus-oriented decision making. These results confirm the literature that Norway is a low power distance culture whilst Brazil is a high-power distance culture. (Hofstede, 1984, 1991, 2001, 2010). A comparative study on Brazilian and Norwegian business people and management principles express a similar view.

The results from the interviews reveal that the differences in power distance between the Norwegians and Brazilian, can increase the level of conflict in their relationships. The Brazilians companies with high power were reported not to treat their business partners nicely. They were said, to draft contracts in their favour at the expense of the party with lower power. They can also change agreements at any time without considering the consequences on the other party. These usually lead to financial loss, delays in completing projects, discontentment and communication breakdown. These differences in power distance can increase the risk of

conflicts and weaken business relationships. This is consistent with the literature that power distance, increases conflict between partners (Vaaland, 2004; Halinen & Tähtinen, 2002; Barkema & Vermeulen, 1997).

5.2 Uncertainty Avoidance

The relevance of national culture in relationship marketing can hardly be debated. An understanding of these distinctions is especially important when trading internationally. Literature on cross-cultural relationships argues that countries differ in degree of uncertainty avoidance. According to Scholars, high uncertainty avoidant societies especially Latin American societies, show a strong need for rules and elaborate legal systems in order to structure life and prevent uncertainties. Whilst weak uncertainty avoidance societies, show more tolerance for ambiguity and chaos and little need for rules and regulations (Hofstede, 1984, 1991, 2001, 2010). Finding from the interviews indicate that, there is a difference in the degree of tolerance regarding rules and regulations between Brazilians and Norwegians. The results show that Brazilians are perceived as very bureaucratic and rigid, with a strong focus on very detailed legal contract, expressing the parties' rights and obligations, and the use of legal sanctions in the case of non-fulfilment. Meanwhile Norwegians are perceived as more flexible, with less focus on detailed legal contracts. The findings confirm previous research that Brazil is a high uncertainty avoidance society whilst Norway is a medium uncertainty avoidant society (Hofstede, 2015).

Literature further argues that these differences in degree of uncertainty avoidance between parties increases conflict (Vaaland, 2004; Halinen & Tähtinen, 2002; Barkema & Vermeulen, 1997). The interviews reveal that, the strong focus on detailed contracts by Brazilians makes it difficult for Norwegians to relate with them. Sometimes the Norwegians are unable to adhere to every detail of the contract due to misinterpreting or misunderstanding the specifications of the contract. This usually results in penalties, reduced performance quality and financial loss, as Brazilians are rigid and difficult to negotiate with. This can lead to disputes, disagreements and increase the risk of conflicts in their business relationships. The results also show that disagreements and disputes occur due to Brazilian partners with higher power, designing contracts in their favour, not sticking to the terms of the contract, and changing the terms at any time without seeking consent from their Norwegian partners. This can also increase conflicts in their business relationships, because the party with lesser power will be at a

disadvantage and may find the contract unfavourable. This can hinder their motivation and performance and hence can increase the risk of conflict.

The case analysis illustrates that cultural distance, both in terms of uncertainty avoidance and power distance exist between Brazilians and Norwegians. These differences can potentially increase the level of conflict and weaken business relationships. These results are consistent with previous literature that cultural distance in terms of uncertainty avoidance and power distance, increases conflict between partners (Vaaland, 2004).

5.3 Communication

There is substantial evidence that diverse cultural workgroups or teams experience more conflict, less trust, more stress, and more communication problems (Alder, 1991; O'Reilly, Caldwell, & Barnett, 1989; Tsui, Egan, & O'Reilly, 1992; Zenger & Lawrence, 1989). Furthermore, they suffer from poor cohesion and social integration (Hambrick, 1994), and can be hampered in establishing appropriate processes and relationships with team members or business partners (Nemeth, 1986). Lewis (1996, 1999, 2006) argues that Norwegians are linear reactive, in that they are cool, factual and decisive planners, polite but direct, stick to the facts and prioritise truth before diplomacy. Meanwhile, Brazilians are multi-active in that, they are emotional, loquacious, indirect in communication, poor followers of agenda and attach importance to flexible truth.

The results show that Norwegians value the low- context communication style which emphasises direct and explicit messages so as to avoid ambiguity. Meanwhile Brazilians were revealed to value high context communication style where most of the information is internalised, and verbal messages camouflage their true intentions, desires and wants. This supports Lewis's argument about Norwegians being linear active meanwhile Brazilians are multi-active.

Some scholars assert that the effects of communications are double-edged. Low communication, on the one hand, results in low knowledge of others and may cause coordination difficulties. These, in turn, lead to conflict (Pondy, 1967). On the other hand, extensive communication between parties is generally agreed to be a ripe source for misunderstanding and resultant conflict (Putnam & Poole, 1987). Most often people's words, facial expressions, body language, and speech lead to attributions of intent that in turn spawn

conflict (Thomas & Pondy, 1977). This phenomenon is common in cross-cultural communication (Augsburger, 1992).

The results from the interviews show that differences in communication style between Norwegians and Brazilians can cause conflict in their business relationships. This may be due to misunderstandings as a result of different communication styles. When Brazilians use a soft way to communicate problems or their lack of interest in a product, Norwegians misinterpret it as honest feedback and get frustrated and feel deceived in the end when they realise that the Brazilians did not reveal their true desires and intents in their verbal message. For example, Norwegians believe that, an excellent product, is capable of selling itself and paving the way for business relationship, or that a good idea, supported by unquestionable statistic should be accepted. Meanwhile, Brazilians need to know and trust someone before they can buy their products or ideas. So, when they say “we will see about this” after a product has been marketed to them, it actually means, forget about it in a polite way. Norwegians misinterpret this as follow up and get disappointed when they later realise that the Brazilians were not even interested in the product. This misinterpretation of information can cause conflict in business relationships. Communication-based misunderstanding becomes especially prevalent if the other is angry, dislikes, or distrusts the party. This can increase conflict because wrong decisions can be made due to misunderstandings in communication, which may be costly for the parties involved. I argue that lack of effective and transparent communication with clear instructions and honest feedback by Brazilians can increase the risk of conflict in their relationships with Norwegians.

Alternatively, accurate, lucid communication can readily generate conflict when it conveys criticism, especially the inconsiderate, destructive variety (Baron, 1988, 1990), high individual goals, threats, intended distributive behaviour and insults. The results also reveal that Brazilians, become angry, when criticised by Norwegians for delays or poor performance. This can also increase the risk of conflicts because Brazilians can feel insulted and disrespected by Norwegians’ honest negative feedback. This can possibly breakdown communication and weaken their relationship.

Literature on communication states that language use plays an important role in intercultural communication because it is closely tied with people’s identities (Martins & Nakayama, 2010). Relativists propose that language is not merely an “instrument for voicing ideas but is itself the shaper of ideas, the guide for the individual’s mental activity” (Hojjer, 1994, p. 194). All

languages have the formal and expressive power to communicate the ideas, beliefs, and desires of their users. These different uses of language communicate different things to their culturally disparate audiences. In a world of multiple languages, speaking the same language with business partners can enhance successful communication. However, because no one can speak all the languages in the world, people have to rely on translation and interpretation even though it is not easy to interpret language use from other people's perspectives.

Consistent with literature, the interviews reveal that language barrier is a challenge in Norwegian -Brazilian relationships. Most Brazilians are perceived as unable to speak English, meanwhile most Norwegians are unable to speak Portuguese. Contracts in Brazil are usually written in Portuguese, so Norwegians have to rely on lawyers to translate and interpret the contracts. Sometimes, meaning may be lost in interpretation and at the end, partners discover that what they signed for is not what they would have agreed to, had the contract not be misinterpreted. Also, misinterpretation can result in one party not adhering to the specifications of the contract, leading to lower quality, financial loss and sometimes loss of future contracts. Poor English skills of Brazilians makes it difficult for Norwegians to understand them due to ambiguity caused by poor lack of adequate skills. This also results in misunderstandings between parties. Language barrier therefore causes misunderstanding and misinterpretation and can increase the risk of conflict between business partners.

Both the quality and amount of communication may change as a result of conflict. As for quality, the communication tends to become more hostile, possibly including insults, distortions and misunderstandings. The amount of communication between parties may either increase (Bergman & Volkema, 1989; Sternberg & Dobson, 1987) or decrease (Pruitt & Rubin, 1986; Thomas, 1976) as a result of conflict. Conflict may motivate disputants to air issues (Robbins, 1974) or to clam up, avoiding the opponent (Bergman & Volkema, 1989). I argue that differences in communication patterns between Norwegians and Brazilians, cause misinterpretation and misunderstandings which can increase the risk of conflict in their relationships.

5.4 Trust

Many scholars have recognized the importance of trust in economic exchange (Granovetter, 1985; Macauley, 1963). In particular, the organizational and strategy literature has asserted that trust in interfirm exchange is beneficial and can be a source of competitive advantage (Barney & Hansen, 1995). Inter-organizational trust operates as a governance mechanism (Heide, 1994;

Bradach & Eccles, 1989) that mitigates opportunism in exchange contexts characterized by uncertainty and dependence (Pfeffer & Salancik, 1978). In the organizational economics literature, trust has been theorized to reduce opportunistic behaviour, and hence transaction costs of exchange. According to Lewis (2010), members of high-trust societies, normally have a ready trust for their compatriots in that a person is trusted until he or she proves untrustworthy. Meanwhile, members of low trust cultural societies, are initially suspicious of fellow nationals.

Findings from the interviews indicate that Norwegians trust easily. They seem to assume that people will follow the rules or do what they have said they will do and will be honest in their actions. Brazilians tend to trust only those they know very well, such as family members, close friends, and are less trusting of people outside the family. This might be due to the collectivist nature of the culture where relationships are very important and built over time. So internal ties are very strong, and loyalty is valued. I argue that lack of trust outside family and close friend by Brazilians makes it difficult for them to relate well with outsiders or people of different cultures. Trust in Brazil is only built after reliability and loyalty has been proven beyond reasonable doubt and that takes time. This finding is close to Lewis's argument that Nordic societies are high trust societies meanwhile Latin American societies are low trust societies.

Literature in social psychology (Larzelere & Huston, 1980) and marketing, point out the perceived credibility and benevolence of a target of trust (Kumar, Scheer & Steenkamp, 1995; Ganesan, 1994) are the centre of trust. The first dimension of trust focuses on the objective credibility of an exchange partner, an expectancy that the partner's word or written statement can be relied on (Lindskold, 1978). The second dimension of trust, benevolence, is the extent to which one partner is genuinely interested in the other partner's welfare and motivated to seek joint gain (Ibid).

Research findings reveal that, Brazilians trust Norwegians, because, they have proven themselves to be reliable over time. On the other hand, even though Norwegians trust easily, they do not seem to trust Brazilians. This may be due to many instances where they have been betrayed by Brazilians or where Brazilians have proven to be unreliable and dishonest. I argue that, lack of creditability and perceived dishonesty by Brazilians, makes it difficult for easy trusting Norwegians to trust them. And most often, detailed contracts and lawyers have to be used, to ensure performance by Brazilian otherwise, they will not do meet expectations. This lack of mutual trust between business partners can hinder communication, performance and strength of business relationship. Hence can likely increase the risk of conflict.

Literature on trust further argues that trust reduces the inclination to guard against deliberate misrepresentation on the part of the exchange partner (Bromiley & Cummings, 1995; Dore, 1983). Under conditions of low trust, lengthy and difficult negotiations over unforeseen contingencies are likely to take place between exchange partners because of the possibility of both ex ante and ex post opportunism (Williamson, 1975, 1985). In contrast, under high trust conditions, firms are less inclined to rely on elaborate safeguards for specifying, monitoring, and enforcing agreements. Relations high in trust therefore imply more efficient exchange governance in the form of eased negotiations. The findings show that, unreliability and dishonesty by Brazilians, has led to low trust conditions in their business relationships with Norwegians. Therefore, negotiations and agreements between partners are difficult, contracts are highly rigid, due to high risk of opportunism by Brazilians. This is likely to increase transaction costs, reduce cooperation, increase the risk of conflict and jeopardize their relationships. This finding is consistent with literature.

5.5 Time Orientation

Some scholars assert that time is valued differently by different cultures (Gesteland, 2012; Lewis, 2010; Hall, 1991). According to Lewis (2010), Netherlands, Austria and Scandinavia, have a linear vision of time and action whilst Arabs, Southern Europeans and Latin Americans have a multi-active vision of time. He argues that the linear active cultures are monochronic, in that they prefer to concentrate and do only one thing at a time, within a fixed schedule, so as to achieve efficiency. In such cultures, punctuality is critical, agendas are fixed, and business meetings are rarely interrupted (Gestelaand, 2012). Whilst the multi active cultures are polychronic in that they turn to multi task and are not very interested in schedules and punctuality. The polychronic cultures place less emphasis on strict punctuality and usually miss deadlines (Gesteland, 2012).

The results indicate that Norwegians are monochronic whilst Brazilians are polychronic. It reveals that Norwegians are always punctual during meetings and complete tasks before deadline. Meanwhile Brazilians, are most often late, and always delay in completing tasks or delivering projects. This seems to be because Norwegians value time and consider working time and meticulous planning as critical for success. Whilst Brazilians turn to prioritise present reality rather than appointments and consider time as a subjective commodity which can be manipulated, moulded, stretched, or dispensed with. This is concurrent with previous literature.

Contrasting conceptions of time and scheduling can cause conflicts in business relationships. The interviews reveal that differences in value of time between Norwegians and Brazilians cause challenges. For example, the Norwegians perceive lateness to business meetings as disrespectful, lack of discipline and a negotiating power play. The frequent delays by Brazilians in delivery hinders the supply chain and causes their Norwegian business partners problems. These include cash flow problems, logistic problems and financial loss, due to increased cost, fines, penalties and eventual loss of future customers as a result of failure in on time delivery. An example was given of a situation where a Brazilian company failed to deliver certain products in time. They accepted to deliver the products in a month and each time the Norwegian company called them for follow up, they claimed everything was going according to plan. But when the deadline reached, they informed the Norwegian company that they could not deliver and could not give them a specific delivery date. After waiting for another month without delivery, the Norwegian company had to import the products at very high cost in order to supply to their customer whose supply chain had greatly been hindered by the delay. This caused the Norwegian company huge financial loss, loss of future contracts with the customer and also negatively impacted their reputation. Norwegians can easily loose interest in business partners who fail to deliver on time. These delays decrease their trust for Brazilians and can weaken their relationship with Brazilians. I argue that the differences in time orientation between Norwegians and Brazilians, can negatively affect Norwegian trust for Brazilians and can increase the risk conflict in their relationships.

CHAPTER 6: IMPLICATIONS

6.1 Implications of the Study

The main findings of the thesis are that cultural differences are perceived to cause challenges and conflicts in Norwegian-Brazilian business relationships. The findings have the following implications for Norwegian companies conducting business in Brazil.

Companies should try to learn and understand the Brazilian culture, and find ways of adapting to local customs, habits and traditions. A deeper understanding of cultural differences will help reduce frustration, confusion and misunderstanding in business dealings and improve business relationships. Understanding potential conflict areas caused by cultural differences will help management to proactively work to shape their values and hence reduce conflict.

Linguistic virtuosity such as bilingual or multilingual ability, I believe is an essential springboard to intercultural competence. Intercultural competence such as the ability to speak English and Portuguese should be the goal of every effective Norwegian manager and employee working in Brazil. This will improve communication and reduce misunderstandings with Brazilian business partners.

Managers should be open to new perspectives, managing their uncertainties with business partners and resisting the urge to impose their own values on Brazilians. They should be patient and flexible when uncomfortable situations arise such as delays in delivery, or bureaucracy in signing business deals. For example, if a delivery is needed for May 31st, the Brazilian partner could be made to agree for delivery on April 30th. During that time, expected milestones should be agreed upon and frequent contact should be made with counterparts. This will mitigate the negative effects of delays and reduce conflicts.

Managers should be aware of the frequency of conflicts before taking actions. Some conflicts are more frequent while others occur only once. Assessing the frequency and intensity of conflict will provide better focus and allocation of resources. This will ensure implementation of appropriate conflict management strategies which will help to improve business relationships.

When negotiating contracts, the negotiation team should be made up of professional negotiators who understand the language, are equipped with the mindset to figure out the logic, intent and ethical stance of the other side and can make meaningful and intelligent compromise. This will

help reduce conflicts occurring as a result of misinterpretation of contract and potentially strengthen business relationships.

It is also suggested that it is important to employ local people familiar with the culture and the market as this can be effective in strengthening a company's image. Understanding and developing trust at company and country levels is necessary to deal with heterogeneous characteristics of business relationships. Gaining access to the right networks and understanding the mechanism of shifting trust from one level to another is important for managers. This will help develop trust and networks and determine the standardization/adaptation required to meet the challenges of international marketing.

For Norwegian companies, wanting to enter the Brazilian market, a plan should be made to approach potential customers or business partners indirectly, through third-party introduction. The indirect approach is critical in a relationship focused culture like Brazil, because trust has to first be developed before business can be discussed. Also, negotiating with government officials and public-sector companies in Brazil involve a lot of bureaucracy, thereby slowing down the process of getting things done. The use of the right third party will help build trust and reduce red tapes.

Finally, mechanisms could be developed that will help the companies benefit from conflict. Managers should consider cultural differences as having the potential for both synergy and disruption (Morosini, 1998; Parkhe, 1991). Functional conflict could bring about change, improve relationships and offer new solutions to solving problems. Therefore, managers should not seek to completely eliminate conflict but reduce dysfunctional conflict to a minimum whilst promoting functional conflict that will be will beneficial to their business relationships.

CHAPTER 7: LIMITATIONS

This study explored the role of cultural distance in business relationships between Norwegian and Brazilian companies. However, there are some limitations to this study as indicated below.

Firstly, the study was cross-sectional. It was limited to eight companies due to the time limits posed by the nature of the study. A bigger sample would have provided more data and hence better results. Also, limited time prevented me from finding Brazilian companies to interview. Only Norwegian companies were interviewed, their Brazilians business partners were not interviewed which could have provided more substantial results. Thirdly the time constraint prevented me from using quantitative method for analysis. I would have wanted to use mixed method approach, that is, qualitative and quantitative methods, so as to improve the validity of the research.

Secondly, my field study was carried out only in Rio de Janeiro. This may not be a good representation of Brazilian culture. Culture may also differ within a country. For example, it was found out that people in Rio are polychronic whilst those in San Paulo are monochronic. Limiting research to Rio gives a restricted viewpoint of the business relationships between Norwegians and Brazilians. The results may have been different if the research was conducted in a different city. Therefore, generalisability is limited.

Conflict is a complex and dynamic construct. Using cultural differences to analyse relationship conflict may not adequately explain the nature, and intensity of the conflicts. Focusing on some relationship do not provide enough information about the relationship between Brazilians and Norwegian. Some cultural differences may neutralise others or strengthen others.

Despite these limitations, I believe this research, still makes substantial contribution, to the business relationship studies.

CHAPTER 8: FURTHER RESEARCH

Further studies on cultural distances could consider, a large cross-sectional study involving a representative sample to improve the generalisability of findings. This could involve expanding the study geographically into different regions of Brazil, different industrial sectors and analysing more variables of cultural differences in order to provide a more holistic view of the business relationship.

Secondly, a longitudinal study could also be carried out, to enable the testing of long-term impact of these cultural differences on Norwegian-Brazilian Business relationships.

This thesis focused on cultural differences between Norway and Brazil and was not centred on institutions. During the interviews, many of the informants gave the impression that institutional differences such as the legal system, business regulations and labour and tax laws were perceived as posing the biggest challenges to Norwegian companies in Brazil. It will be interesting for future researchers to explore the impact of institutional differences in Norwegian-Brazilian business relationships.

CHAPTER 9: CONCLUSION

This study explored the role of cultural distance in Norwegian -Brazilian business relationship conflict. An attempt was made to examine and elucidate the “black box” and provide some understanding on the dynamics of cross cultural business relationship conflict. The purpose of this chapter is to summarise the findings and conclusions that can be reached based on the literature and interviews on five main research themes: (1) Power Distance (2) Uncertainty Avoidance (3) Communication (4) Trust (5) Time Orientation.

9.1 Main research issue

Considering the research problem identified in Chapter 1, this study explored the following main research issue:

What is the perceptual role of cultural Distance in Norwegian-Brazilian business relationship conflict?

9.2 Research Questions

In exploring the main research problem, the following research issues were addressed:

1. *What are the perceived cultural differences between Norwegians and Brazilians?*
2. *How do these perceived differences cause challenges in their business relationships?*

As discussed in Chapter 3, semi-structured interviews were conducted involving nine informants from eight Norwegian Companies doing business in Brazil. In the next sub-section, the findings of the study are presented. This section summarises findings of the interviews and review of literature and provides the basis on which conclusions and recommendations for this study are made.

9.3 Main Findings

The findings from this study confirm that there are cultural differences between Norwegians and Brazilians in terms of power distance, uncertainty avoidance, communication pattern, trust and time orientation. Culture therefore influences party and affects the way conflict is perceived. These cultural differences were perceived to increase the level of conflicts in their business relationships.

With respect to power distance, Norwegians were perceived to have flat hierarchical structures in that, they are egalitarian fashioned, with little dependence of subordinates on bosses and high preference for consultation. In contrast, Brazilians were perceived to have high hierarchical structures where management style is autocratic, subordinates are dependent on bosses and are afraid to disagree with bosses. Decision making in Brazilian society is centralised. The finding reveals that the difference in power distance increases the risk of conflict. This may be because, Brazilian Companies with higher power mistreat their business partners, and exclude them in decision making that involves both parties. The Norwegians get frustrated with this because they value equality and hence this causes tension in their relationship with Brazilians. This suggest that differences in power distance between Norwegians and Brazilians, can increase the degree of conflict in their relationship.

The study revealed a difference in the level of uncertainty avoidance between Brazilians and Norwegians. The parties were found to have different levels of tolerance to rules and regulations through the use of contracts. Whilst Norwegians preferred flexibility with regards to contracts as a means of reducing risk, Brazilians used rigid, detailed and complex contracts, expressing the parties' rights and obligations, and the use of legal sanctions in the case of non-fulfilment, as an uncertainty avoidant measure. This differences in interpretation of contracts may be due to cultural differences as Norwegians have a medium uncertainty avoidant culture meanwhile Brazilians are highly uncertainty avoidance. This difference in uncertainty avoidance could increase, conflicts in their relationship because, negotiations in the case of disagreement or non-fulfilment of certain aspects of a contract could be difficult, hence resulting in fines and penalties and even court cases.

In relation to communication, the studies revealed differences in communication style between Norwegians and Brazilians. Norwegians were found to be honest and straight- forward in the communication whilst Brazilians were friendly, expressive but indirect in communication. Difference in communication style and language barrier is likely due to cultural distances between the two countries. These communication differences may cause, misunderstanding, and misinterpretation, leading to wrong decisions which could be detrimental to a party. This therefore stimulates tension and increases the risk of conflict in their relationship.

The study showed a difference in the level of trust between Norwegians and Brazilians. Whilst Norwegians were found to be easily trusting of foreigners, Brazilians were shown to be less trusting of foreigners. This may be due to the Norwegians originating from a high trust society

where, transparency and integrity is valued. In contrast, Brazil is a low trust society, so Brazilians are usually suspicious of foreigners or people out of their family circle. However, it was revealed that Brazilians trust Norwegians whilst Norwegians do not trust Brazilians. This may be due to previous experiences where, Brazilians have shown dishonesty, lack of integrity, lack of transparency, inconsistency and unreliability in their dealings with Norwegians. On the other hand, Norwegians seem to have proven themselves as transparent, reliable and trustworthy and have therefore built trust with Brazilians. Lack of mutual trust between parties, reduces transparency, communication, hinders cooperation and hence can increase the risk of conflicts which hinder successful business relationships.

With respect to time orientation, the studies revealed a difference between Norwegians and Brazilians. Norwegians were found to be punctual in attending meetings, delivery and any other business activity whilst Brazilians were found to be more relaxed about timing and scheduling, causing them to lose sight about objectives. These differences in time orientation may be due to the cultural distances. Whilst the Norwegian society is monochronic, Brazilian Society is polychronic. As a result, these differences could increase conflicts, because Norwegians, perceive the polychronic culture of Brazilians as lazy, undisciplined and rude. Also, the frequent delays by Brazilians in delivery, causes financial loss, reduction in productivity and efficiency. These can cause conflicts in relationships and eventually weaken these relationships.

In conclusion, the findings reveal that cultural differences between Norwegian and Brazilians can increase the risk of conflict in their business relationship. Even though, cultural difference may not be the only source of conflict in business relationships, understanding these cultural differences is important. This is because it will enable effective conflict management strategies to be put in place that will help to reduce conflicts and strengthen business relationships. Strong business relationships are critical for company success and growth.

I argue that, it is of vital importance, for Norwegian companies doing business in Brazil to study and understand the Brazilian culture and adapt to it. This could positively influence their business relationships and reduce the risk of conflict.

Bibliography and References

Aalborg: Aalborg Universitetsforlag

Alajoutsijärvi, K., Möller, K., & Tähtinen, J. (2000). Beautiful exit: how to leave your business partner. *European Journal of Marketing*, 34(11/12), 1270-1290.

Alden, D. L., Steenkamp, J. B. E., & Batra, R. (1999). Brand positioning through advertising in Asia, North America, and Europe: The role of global consumer culture. *The Journal of Marketing*, 75-87.

Altinay, L., Brookes, M., Madanoglu, M., & Aktas, G. (2014). Franchisees' trust in and satisfaction with franchise partnerships. *Journal of Business Research*, 67(5), 722-728.

Amason, A. C. (1996). Distinguishing the effects of functional and dysfunctional conflict on strategic decision making: Resolving a paradox for top management teams. *Academy of management journal*, 39(1), 123-148.

Anderson, J. C., & Narus, J. A. (1990). A model of distributor firm and manufacturer firm working partnerships. *the Journal of Marketing*, 42-58.

Anderson, J. C., Håkansson, H., & Johanson, J. (1994). Dyadic business relationships within a business network context. *The Journal of Marketing*, 1-15.

Arrow, K. J. (1974). *The limits of organization*. WW Norton & Company.

Assael, H. (1969). Constructive role of inter-organizational conflict. *Administrative Science Quarterly*, 573-582.

Augsburger, D. W. (1992). *Conflict mediation across cultures: Pathways and patterns*. Westminster John Knox Press.

Balabanis, G. (1998). Antecedents of cooperation, conflict and relationship longevity in an international trade intermediary's supply chain. *Journal of Global Marketing*, 12(2), 25-46.

Barclay, D. W. (1991). Interdepartmental conflict in organizational buying: The impact of the organizational context. *Journal of Marketing Research*, 145-159.

Barkema, H. G., & Vermeulen, F. (1997). What differences in the cultural backgrounds of partners are detrimental for international joint ventures?. *Journal of international business studies*, 28(4), 845-864.

Barney, J. B., & Hansen, M. H. (1994). Trustworthiness as a source of competitive advantage. *Strategic management journal*, 15(S1), 175-190.

- Baron, R. A. (1988). Negative effects of destructive criticism: Impact on conflict, self-efficacy, and task performance. *Journal of Applied Psychology*, 73(2), 199.
- Baron, R. A. (1990). Conflict in organizations. *Psychology in organizations: Integrating science and practice*, 197-216.
- Baron, R. A. (1990). Environmentally induced positive affect: Its impact on self-efficacy, task performance, negotiation, and conflict. *Journal of Applied Social Psychology*, 20(5), 368-384.
- Becker, G. S. (1991). A note on restaurant pricing and other examples of social influences on price. *Journal of political economy*, 99(5), 1109-1116.
- Becker, H. S., & Geer, B. (1970). Participant observation and interviewing: A comparison. *Qualitative methodology: First hand involvement with the social world*, 133-142.
- Becker, S., Bryman, A., & Ferguson, H. (Eds.). (2012). *Understanding research for social policy and social work: themes, methods and approaches*. Policy Press.
- Bergman, T. J., & Volkema, R. J. (1989). Understanding and managing interpersonal conflict at work: Its issues, interactive processes and consequences. *Managing conflict: An interdisciplinary approach*, 7-19.
- Bjørner, T. (2010). *Den Oplevede virkelighed : 11 eksempler på kvalitativ metode i praksis*.
- Blaikie, N. (2009). *Designing social research*. Polity.
- Blaikie, N. (2010). *Designing Social Research*. Bridge Street.
- Bogdan, R., & Biklen, S. (2003). Research for education. *Boston: Allyn & Bacon*, 1, 56.
- Bond, M. H., & Smith, P. B. (1996). Cross-cultural social and organizational psychology. *Annual review of psychology*, 47(1), 205-235.
- Boyacigiller, N. A., & Adler, N. J. (1991). The parochial dinosaur: Organizational science in a global context. *Academy of management Review*, 16(2), 262-290.
- Bradach, J. L., & Eccles, R. G. (1989). Price, authority, and trust: From ideal types to plural forms. *Annual review of sociology*, 15(1), 97-118.
- Brattebø, T. O., & Runestad, E. (2017). *Undesirable events in Norwegian-Brazilian Business Relationships—An exploratory study of governance mechanisms as an underlying force* (Master's thesis, University of Stavanger, Norway).
- Brickley, J. A., & Dark, F. H. (1987). The choice of organizational form the case of franchising. *Journal of financial economics*, 18(2), 401-420.

- Brown, L. D. (1983). *Managing conflict at organizational interfaces*. Addison Wesley Publishing Company.
- Bryman, A. (1988). Quantity and Quality in Social research.
- Bryman, A. (1992). Quantity and quality in social research. 1988. *London: Umvin Hyman*.
- Bryman, A. (2012). Sampling in qualitative research. *Social research methods*, 4, 415-429.
- Bucklin, L. P., & Sengupta, S. (1993). Organizing successful co-marketing alliances. *The Journal of Marketing*, 32-46.
- Buono, P., Aris, A., Plaisant, C., Khella, A., & Shneiderman, B. (2005, March). Interactive pattern search in time series. In *Visualization and Data Analysis 2005* (Vol. 5669, pp. 175-187). International Society for Optics and Photonics.
- Burke, J. (1985). *Day the Universe Changed*. Little, Brown.
- Burns, J. M. (2003). *Transforming leadership: A new pursuit of happiness* (Vol. 213). Grove Press.
- Busch, T. (2013). *Fair Information Technologies: The Corporate Social Responsibility of Online Social Networks as Public Regulators* (Doctoral dissertation, Thesis, University of St. Gallen).
- Busch, T. (2014). *Akademisk skrivning: for bachelor-og masterstudenter*. Fagbokforlaget.
- BI, <http://nordic.businessinsider.com>
- Cao, Z., & Lumineau, F. (2015). Revisiting the interplay between contractual and relational governance: A qualitative and meta-analytic investigation. *Journal of Operations Management*, 33, 15-42.
- Carey, J. W. (1989). *Culture as communication: Essays on media and society*. New York, NY.
- Cheng, J. H., & Sheu, J. B. (2012). Inter-organizational relationships and strategy quality in green supply chains—Moderated by opportunistic behaviour and dysfunctional conflict. *Industrial Marketing Management*, 41(4), 563-572.
- Chesler, M. A., Crowfoot, J. E., & Bryant, B. I. (1978). Power training: An alternative path to conflict management. *California Management Review*, 21(2), 84-90.
- Cheung, G. W., & Rensvold, R. B. (1999). Testing factorial invariance across groups: A reconceptualization and proposed new method. *Journal of management*, 25(1), 1-27.

Chiaburu, D. S., Oh, I. S., Berry, C. M., Li, N., & Gardner, R. G. (2011). The five-factor model of personality traits and organizational citizenship behaviours: A meta-analysis. *Journal of Applied Psychology, 96*(6), 1140.

Clandinin, D. J., & Connelly, F. M. (2000). Narrative inquiry: Experience and story in qualitative research.

Clark, T. (1990). International marketing and national character: A review and proposal for an integrative theory. *The Journal of Marketing, 66*-79.

CMI, <https://www.cmi.no>

Cohen, L. Manion. L., & Morrison, K. (2007). Research methods in education. *London. Routledge.*

Cohen, R. (1996). Cultural aspects of international mediation. *Resolving international conflicts: The theory and practice of mediation, 107*-128.

Cornford, T., & Smithson, S. (2005). *Project research in information systems: a student's guide*. Macmillan International Higher Education.

Coser, L. A. (1956). *The functions of social conflict* (Vol. 9). Routledge.

Cosier, R. A., & Dalton, D. R. (1990). Positive effects of conflict: A field assessment. *International journal of conflict management, 1*(1), 81-92.

Creswell, J. (2009). *Research design: Qualitative, quantitative, and mixed methods approaches*. SAGE Publications, Incorporated.

Creswell, J. W. (1998). Quality inquiry and research design: Choosing among five traditions. *Thousand Oaks.*

Creswell, J. W. (2003). Qualitative, quantitative, and mixed methods approach.

Creswell, J. W. (2007). Five qualitative approaches to inquiry. *Qualitative inquiry and research design: Choosing among five approaches, 2*, 53-80.

Creswell, J. W. (2008). Educational research. *Planning, conducting, and evaluating quantitative and qualitative research.*

Creswell, J. W. (2009). Mapping the field of mixed methods research.

Creswell, J. W., & Miller, D. L. (2000). Determining validity in qualitative inquiry. *Theory into practice, 39*(3), 124-130.

Creswell, J. W., & Miller, G. A. (1997). Research methodologies and the doctoral process. *New Directions for Higher Education, 1997*(99), 33-46.

- Crotty, M. (1998). *The foundations of social research: Meaning and perspective in the research process*. Sage.
- Cuervo-Cazurra, A., Maloney, M. M., & Manrakhan, S. (2007). Causes of the difficulties in internationalization. *Journal of International Business Studies*, 38(5), 709-725.
- Cummings, L. L., & Bromiley, P. (1996). The organizational trust inventory (OTI). *Trust in organizations: Frontiers of theory and research*, 302(330), 39-52.
- Darlaston-Jones, D. K., & Dudgeon, P. (2016). Australian Indigenous Psychology Education Project (aipep): Directions for Education & Practice. *International Journal of Psychology*, 51, 309-310.
- Dawar, N., Parker, P. M., & Price, L. J. (1996). A cross-cultural study of interpersonal information exchange. *Journal of International Business Studies*, 27(3), 497-516.
- De Vaus, D. (2002). *Analyzing social science data: 50 key problems in data analysis*. Sage.
- Denzin, N. K., & Lincoln, Y. S. (2000). Paradigms and perspectives in transition. *Handbook of qualitative research*, 2, 157-162.
- Derr, C. B. (1978). Managing organizational conflict: Collaboration, bargaining, and power approaches. *California Management Review*, 21(2), 76-83.
- Deutsch, M. (1973). *The resolution of conflict*. New Haven, CT: Yale.
- Deutsch, M. (1994). Constructive conflict resolution: Principles, training, and research. *Journal of social issues*, 50(1), 13-32.
- DeWalt, K. M., & DeWalt, B. R. (2011). *Participant observation: A guide for fieldworkers*. Rowman Altamira.
- Dore, R. (1983). Goodwill and the spirit of market capitalism. *The British journal of sociology*, 34(4), 459-482.
- Duarte, M., & Davies, G. (2003). Testing the conflict–performance assumption in business-to-business relationships. *Industrial Marketing Management*, 32(2), 91-99.
- Dunnette, M. D. Hough, LM (ed.) (1990). *Handbook of industrial and organizational psychology*.
- Dwyer, F. R. (1980). Channel-Member Satisfaction-Laboratory Insights. *Journal of Retailing*, 56(2), 45-65.
- Dwyer, F. R., Schurr, P. H., & Oh, S. (1987). Developing buyer-seller relationships. *The Journal of marketing*, 11-27.

Easton, G. (1995). Case research as a methodology for industrial networks: a realist apologia. In *IMP Conference (11th)* (Vol. 11). IMP.

Easton, G., Brooks, R. J., Georgieva, K., & Wilkinson, I. (2008). Understanding the dynamics of industrial networks using Kauffman Boolean networks. *Advances in Complex Systems*, 11(01), 139-164.

Eisenhardt, K. M. (1989). Agency theory: An assessment and review. *Academy of management review*, 14(1), 57-74.

Elg, U. (2002). Inter-firm market orientation: Its significance and antecedents in distribution networks. *Journal of Marketing Management*, 18(7-8), 633-655.

Elsayed-Ekjiouly, S. M., & Buda, R. (1996). Organizational conflict: A comparative analysis of conflict styles across cultures. *International Journal of Conflict Management*, 7(1), 71-81.

Emerson, R. M. (1962). Power-dependence relations. *American sociological review*, 31-41.

Emerson, R. M., Fretz, R. I., & Shaw, L. L. (2001). Participant observation and fieldnotes. *Handbook of ethnography*, 352-368.

Ensley, M. D., Pearson, A. W., & Amason, A. C. (2002). Understanding the dynamics of new venture top management teams: cohesion, conflict, and new venture performance. *Journal of business venturing*, 17(4), 365-386.

Eriksen, T. H. (1998). *Common denominators: Ethnicity, nation-building and compromise in Mauritius*. Berg Publishers.

Flick, U. (2009). *An Introduction to Qualitative Research 4th Edition*. London: SAGE Publications Ltd.

Flick, U., & Gibbs, G. (2007). Analyzing qualitative data. *Designing qualitative research*, 104.

Flowers, P. (2009). Research philosophies—importance and relevance. *MSc by Research. Cranfield School of Management*.

Ford, D. (1984). Buyer/seller relationships in international industrial markets. *Industrial Marketing Management*, 13(2), 101-112.

Ford, D., & Mouzas, S. (2013). The theory and practice of business networking. *Industrial Marketing Management*, 42(3), 433-442.

Ford, D., Gadde, L. E., Håkansson, H., & Snehota, I. (2011). Managing business relationships.

Franke, R. H., Hofstede, G., & Bond, M. H. (1991). Cultural roots of economic performance: A research note. *Strategic management journal*, 12(S1), 165-173.

- Fregidou-Malama, M., & Hyder, A. S. (2015). Impact of culture on marketing of health services—Elektta in Brazil. *International Business Review*, 24(3), 530-540.
- Fukuyama, F. (1995). *Trust: The social virtues and the creation of prosperity* (No. D10 301 c. 1/c. 2). Free Press Paperbacks.
- Gadde, L. E., & Håkansson, H. (1993). Professional purchasing.
- Genise, P. (2002). Usability evaluation: Methods and techniques. *Austin, TX: University of Texas at Austin, Department of Computer Sciences*.
- Geringer, J. M., & Hebert, L. (1991). Measuring performance of international joint ventures. *Journal of international business studies*, 22(2), 249-263.
- Gesteland, R. R. (2012). *Cross-cultural business behaviour: a guide for global management*. Copenhagen Business School Press DK.
- Ghauri, P. N., Gronhaug, & Kristianslund. (1995). *Research in Business Studies*. Prentice Hall.
- Gillham, B. (2000). *Case study research methods*. Bloomsbury Publishing.
- Granli, T. C. (2012). *Cross-Cultural Adaption in Norwegian Companies in Brazil: Understanding Differences in Business and Work Culture* (Master's thesis).
- Granovetter, M. (1985). Economic action and social structure: The problem of embeddedness. *American journal of sociology*, 91(3), 481-510.
- Guba, E. G. (Ed.). (1990). *The paradigm dialog*. Sage publications.
- Guba, E. G., & Lincoln, Y. S. (1981). *Effective evaluation: Improving the usefulness of evaluation results through responsive and naturalistic approaches*. Jossey-Bass.
- Guba, E. G., & Lincon, Y. (1994). *Handbook of Qualitative Research*.
- Gudykunst, W. B. (2003). *Cross-cultural and intercultural communication*. Sage.
- Gulati, R. (1995). Does familiarity breed trust? The implications of repeated ties for contractual choice in alliances. *Academy of management journal*, 38(1), 85-112.
- Gummesson, E. (1998). Implementation requires a relationship marketing paradigm. *Journal of the Academy of marketing Science*, 26(3), 242-249.
- Gustafsson Jertfelt, I. H., Blanchin, A., & Li, S. (2016). Cultural perspective in open-ended interviews—The importance of being adaptable. *Culture & Psychology*, 22(4), 483-501.
- Haaland, C. B., & Balo, I. (2017). *Exploring Perceptual Distances in Norwegian-Brazilian B2B Relationships* (Master's thesis, University of Stavanger, Norway).

- Hadjikhani, A. and Thilenius, P. (2005), "The impact of horizontal and vertical connections on relationships' commitment and trust", *Journal of Business & Industrial Marketing*, Vol. 20 No. 3, pp. 136-47.
- Hadjikhani, A., & Håkansson, H. (1996). Political actions in business networks a Swedish case. *International journal of research in marketing*, 13(5), 431-447.
- Håkansson, H., & Ford, D. (2002). How should companies interact in business networks?. *Journal of business research*, 55(2), 133-139.
- Håkansson, H., & Snehota, I. (1989). No business is an island: the network concept of business strategy. *Scandinavian journal of management*, 5(3), 187-200.
- Halinen, A., & Tähtinen, J. (2002). A process theory of relationship ending. *International Journal of service industry management*, 13(2), 163-180.
- Halinen, A., & Törnroos, J. Å. (1995). The meaning of time in the study of industrial buyer-seller relationships. *Business marketing: An interaction and network perspective*, 493-529.
- Hall, E. (1981). T. (1976) *Beyond Culture*. New York.
- Hall, E. (1990). *The hidden dimension*, ser. A Doubleday anchor book.
- Hall, E. T. (1966). *The hidden dimension*.
- Hall, E. T. (1969). *The hidden dimension*. Anchor. Garden City.
- Hall, E. T. (1989). *Beyond culture*. Anchor.
- Hall, S. (1996). Cultural studies and its theoretical legacies. *Stuart Hall: Critical dialogues in cultural studies*, 262-275.
- Hambrick, D. C. (1994). CEOs. *Wiley Encyclopaedia of Management*.
- Hammersley, M. (2007). The issue of quality in qualitative research. *International Journal of Research & Method in Education*, 30(3), 287-305.
- Hammersley, M., & Atkinson, P. (1995). *Ethnography: Practices and principles*. New York: Routledge. Retrieved December, 2, 2008.
- Hampden-Turner, C., & Trompenaars, A. (1993). *The seven cultures of capitalism: Value systems for creating wealth in the United States, Japan, Germany, France, Britain, Sweden, and the Netherlands*. Doubleday.
- Hannerz, U. (1990). Cosmopolitans and locals in world culture. *Theory, Culture & Society*, 7(2-3), 237-251.

- Harrigan, K. R. (1985). Exit barriers and vertical integration. *Academy of Management Journal*, 28(3), 686-697.
- Harvey, T. R., Bearley, W., & Corkrum, S. M. (1997). *The practical decision maker: A handbook for decision making and problem solving in organizations*. Technomic.
- Heide, J. B. (1994). Interorganizational governance in marketing channels. *The Journal of Marketing*, 71-85.
- Hingston, J. (2012). *The influence of cultural orientations on cross-cultural negotiation* (No. Ph. D). Deakin University.
- Hofstede, G. (1980). Culture and organizations. *International Studies of Management & Organization*, 10(4), 15-41.
- Hofstede, G. (1980). Motivation, leadership, and organization: do American theories apply abroad? *Organizational dynamics*, 9(1), 42-63.
- Hofstede, G. (1984). Cultural dimensions in management and planning. *Asia Pacific journal of management*, 1(2), 81-99.
- Hofstede, G. (1991). Cultures and organizations. Intercultural cooperation and its importance for survival. Software of the mind. *London: Mc Iraw-Hill*.
- Hofstede, G. (1999). *Cultures and Organizations: Software of the Mind*.
- Hofstede, G. (2001). Culture's recent consequences: Using dimension scores in theory and research. *International Journal of cross cultural management*, 1(1), 11-17.
- Hofstede, G. (2010). Geert Hofstede. *National cultural dimensions*.
- Hofstede, G. (2015). Cultural Distance Brazil. Retrieved 03/03/2018 from <http://geerthofstede.com/brazil.html>
- Hofstede, G., & Hofstede, G. J. (2005). *Cultures and organizations: Software of the mind*. New York: McGraw-Hill.
- Höijer, B. (1994). *Våldsskildringar i TV-nyheter: produktion, utbud, publik*. Univ., Institutionen för journalistik, medier och kommunikation.
- Höijer, B. (2004). The discourse of global compassion: The audience and media reporting of human suffering. *Media, Culture & Society*, 26(4), 513-531.
- Holloway, I., & Wheeler, S. (2002). Ensuring trustworthiness and quality. *Holloway I, Wheeler S. Research in nursing. 2nd Ed. Blackwell Publishing, India 1996*, 250-63.

- Holme, I. M., & Solvang, B. K. (1996). 15. Analyse av data» s. 190-270,«*Metodevalg og metodebruk*, 3.
- Holmlund, M., & Strandvik, T. (2005). Exploring and managing negative incidents in business relationships. *Journal of Customer Behaviour*, 4(2), 227-250.
- Hopkinson, G. C. (2001). Influence in marketing channels: A sense-making investigation. *Psychology & Marketing*, 18(5), 423-444.
- Hoppe, M. H. (1990). A Comparative Study of Country Elites: International Differences in Work-Related Values and their Implication for Management Training and Development. *University of North Carolina, Chapel Hill, NC, unpublished PhD thesis*.
- Hornaday, J. A., & Churchill, N. C. (1987). Current trends in entrepreneurial research. *Frontiers of entrepreneurship research*, 1-21.
- Howell, K. E. (2013). *An introduction to the philosophy of methodology*. Sage.
- Huang, Y., & Wilkinson, I. F. (2013). The dynamics and evolution of trust in business relationships. *Industrial Marketing Management*, 42(3), 455-465.
- Hunt, S. D., & Morgan, R. M. (1995). The comparative advantage theory of competition. *The Journal of Marketing*, 1-15.
- Iles, P., & Kaur Hayers, P. (1997). Managing diversity in transnational project teams: A tentative model and case study. *Journal of managerial Psychology*, 12(2), 95-117.
- Israel, M., & Hay, I. (2006). *Research ethics for social scientists*. Sage.
- Iyengar, S. S., & Lepper, M. R. (1999). Rethinking the value of choice: a cultural perspective on intrinsic motivation. *Journal of personality and social psychology*, 76(3), 349.
- Iyengar, S. S., Lepper, M. R., & Ross, L. (1999). *Independence from whom? Interdependence with whom? Cultural perspectives on in groups versus outgroups* (pp. 273-301). na.
- Jassawalla, A., Truglia, C., & Garvey, J. (2004). Cross-cultural conflict and expatriate manager adjustment: An exploratory study. *Management Decision*, 42(7), 837-849.
- Jaworski, B. J., & Kohli, A. K. (1993). Market orientation: antecedents and consequences. *The Journal of marketing*, 53-70.
- Jehn, K. A. (1993). The impact of intragroup conflict on effectiveness: A multimethod examination of the benefits and detriments of conflict.
- John, G. (1984). An empirical investigation of some antecedents of opportunism in a marketing channel. *Journal of marketing Research*, 278-289.

- Judd, C. M., McClelland, G. H., & Ryan, C. S. (2011). *Data analysis: A model comparison approach*. Routledge.
- Kale, S. H., & Barnes, J. W. (1992). Understanding the domain of cross-national buyer-seller interactions. *Journal of international business studies*, 23(1), 101-132.
- Kamil Kazan, M. (1997). Culture and conflict management: A theoretical framework. *International Journal of Conflict Management*, 8(4), 338-360.
- Katz Jameson, J. (1999). Toward a comprehensive model for the assessment and management of intraorganizational conflict: Developing the framework. *International Journal of Conflict Management*, 10(3), 268-294.
- Kauser, S., & Shaw, V. (2004). The influence of behavioural and organisational characteristics on the success of international strategic alliances. *International Marketing Review*, 21(1), 17-52.
- Kemp, R. G. M., & Ghauri, P. N. (1999). *Cooperation and conflict in international joint venture relationship*. University of Groningen.
- Kirkman, B. L., Lowe, K. B., & Gibson, C. B. (2006). A quarter century of culture's consequences: A review of empirical research incorporating Hofstede's cultural values framework. *Journal of international business studies*, 37(3), 285-320.
- Kluckhohn, C. K. M. (1951). *Le Concept de culture*.
- Kogut, B., & Singh, H. (1988). The effect of national culture on the choice of entry mode. *Journal of international business studies*, 19(3), 411-432.
- Krefting, L. (1991). Rigor in qualitative research: The assessment of trustworthiness. *American journal of occupational therapy*, 45(3), 214-222.
- Kroeber, A. L., & Kluckhohn, C. (1952). Culture: A critical review of concepts and definitions. *Papers. Peabody Museum of Archaeology & Ethnology, Harvard University*.
- Kumar, N., Scheer, L. K., & Steenkamp, J. B. E. (1995). The effects of perceived interdependence on dealer attitudes. *Journal of marketing research*, 348-356.
- Kvale, S., & Brinkmann, S. (2009). Learning the craft of qualitative research interviewing. *Thousands Oaks: Sage Publications*.
- Larzelere, R. E., & Huston, T. L. (1980). The dyadic trust scale: Toward understanding interpersonal trust in close relationships. *Journal of Marriage and the Family*, 595-604.
- Lee, N., & Lings, I. (2008). *Doing business research: a guide to theory and practice*. Sage.

- Leidner, D. E., & Kayworth, T. (2006). A review of culture in information systems research: Toward a theory of information technology culture conflict. *MIS quarterly*, 30(2), 357-399.
- Leung, K., Bhagat, R. S., Buchan, N. R., Erez, M., & Gibson, C. B. (2005). Culture and international business: Recent advances and their implications for future research. *Journal of international business studies*, 36(4), 357-378.
- Levine, J. B., & Byrne, J. A. (1986). Corporate odd couples. *Business Week*, 21(1986), 100-105.
- Lewis Richard, D. (2010). *When Cultures Collide. Leading across cultures.*
- Lewis, J., & Ritchie, J. (2003). Generalising from qualitative research. *Qualitative research practice: A guide for social science students and researchers*, 2, 347-362.
- Lewis, R. (2012). *When teams collide: Managing the international team successfully.* Nicholas Brealey Publishing.
- Lewis, R. (2015). The Lewis Model. Retrieved 10/04/2018 from <https://www.crossculture.com/the-lewis-model-dimensions-of-behaviour>
- Lewis, R. D. (1996). *When cultures collide.*
- Lewis, R. D. (1999). *Cross cultural communication: A visual approach.* Transcreen Publications.
- Lewis, R. D. (2006). *When cultures collide: leading across cultures: a major new edition of the global guide.* Nicholas Brealey International.
- Lewis, R. D., & Gates, M. (2005). *Leading Across Cultures.* Nicholas Brealey.
- Li, J., Zhao, F., Wang, Y., Chen, J., Tao, J., Tian, G., & Zhang, W. (2017). Gut microbiota dysbiosis contributes to the development of hypertension. *Microbiome*, 5(1), 14.
- Li, P., & Gleitman, L. (2002). Turning the tables: Language and spatial reasoning. *Cognition*, 83(3), 265-294.
- Likert, R., & Likert, J. G. (1976). *New ways of managing conflict.* McGraw-Hill.
- Lincoln, Y. S., & Guba, E. G. (1990). Judging the quality of case study reports. *International Journal of Qualitative Studies in Education*, 3(1), 53-59.
- Lincoln, Y. S., & Guba, E. G. (2000). The only generalization is: There is no generalization. *Case study method*, 27-44.

- Lindskold, S. (1978). Trust development, the GRIT proposal, and the effects of conciliatory acts on conflict and cooperation. *Psychological Bulletin*, 85(4), 772.
- Longhurst, R. (2016). Mothering, digital media and emotional geographies in Hamilton, Aotearoa New Zealand. *Social & Cultural Geography*, 17(1), 120-139.
- Lumineau, F., Eckerd, S., & Handley, S. (2015). Inter-organizational conflicts: Research overview, challenges, and opportunities. *Journal of Strategic Contracting and Negotiation*, 1(1), 42-64.
- Lusch, R. F. (1976). Sources of power: their impact on intrachannel conflict. *Journal of Marketing Research*, 382-390.
- Lynn, M., Zinkhan, G. M., & Harris, J. (1993). Consumer tipping: A cross-country study. *Journal of Consumer Research*, 20(3), 478-488.
- Macaulay, S. (1963). Non-Contractual Relations in Business: A Preliminary Study'(1963) 28 *Am. Sociological Rev*, 55(2307), 209045855.
- Macneil, I. R. (1980). Power, contract, and the economic model. *Journal of Economic Issues*, 14(4), 909-923.
- Malaval, P., & Benaroya, C. (2013). *Marketing business to business*. Pearson Education France. *Management*. doi: 10.1016/j.indmarman.2017.04.002
- March, J. G., & Simon, H. A. (1958). Organizations.
- Markus, H. R., & Kitayama, S. (1991). Culture and the self: Implications for cognition, emotion, and motivation. *Psychological review*, 98(2), 224.
- Marshall, C., & Rossman, G. B. (1999). The “what” of the study: Building the conceptual framework. *Designing qualitative research*, 3, 21-54.
- Martin, J. N., & Nakayama, T. K. (2010). Intercultural communication and dialectics revisited. *The handbook of critical intercultural communication*, 59-83.
- Mason, J. (2002). Linking qualitative and quantitative data analysis. In *Analyzing qualitative data* (pp. 103-124). Routledge.
- Mason, J. (2002). Qualitative researching. *London: Sage, 2nd edition, ISBN 0, 7619(7428)*, 8.
- Maxwell, J. A. (2005). A model for qualitative research design. *Qualitative research design: An interactive approach*, 214-253.
- Maxwell, J. A. (2008). Designing a qualitative study. *The SAGE handbook of applied social research methods*, 2, 214-253.

- McLaughlin, J., McLaughlin, J., & Elaydi, R. (2014). Ian Macneil and relational contract theory: evidence of impact. *Journal of Management History*, 20(1), 44-61.
- Merriam, S. B. (1988). *Case study research in education: A qualitative approach*. Jossey-Bass.
- Merriam, S. B. (2009). *Qualitative research: A guide to design and implementation* (Revised and expanded from qualitative research and case study application in education).
- Mertens, D. (1998). *Research methods in education and psychology*. New York.
- Michaelis, M., Woisetschläger, D. M., Backhaus, C., & Ahlert, D. (2008). The effects of country of origin and corporate reputation on initial trust: An experimental evaluation of the perception of Polish consumers. *International Marketing Review*, 25(4), 404-422.
- Miles, M. B., Huberman, A. M., Huberman, M. A., & Huberman, M. (1994). *Qualitative data analysis: An expanded sourcebook*. sage.
- Möller, K., & Svahn, S. (2004). Crossing East-West boundaries: Knowledge sharing in intercultural business networks. *Industrial Marketing Management*, 33(3), 219-228.
- Mooi, E. A., & Gilliland, D. I. (2013). How contracts and enforcement explain transaction outcomes. *International Journal of Research in Marketing*, 30(4), 395-405.
- Morden, T. (1995). International culture and management. *Management Decision*, 33(2), 16-21.
- Morden, T. (1999). Models of national culture—a management review. *Cross Cultural Management: An International Journal*, 6(1), 19-44.
- Morosini, P., Shane, S., & Singh, H. (1998). National cultural distance and cross-border acquisition performance. *Journal of international business studies*, 29(1), 137-158.
- Morse, J., & Richards, L. (2002). *Read me first for a user's guide to qualitative research*. CA, US: Sage Publications Thousand Oaks.
- Moustakas, C. (1994). *Phenomenological research methods*. Sage.
- Mouton, J. (1996). *Understanding social research*. Van Schaik Publishers.
- Muncy, J. A., & Fisk, R. P. (1987). Cognitive relativism and the practice of marketing science. *The Journal of Marketing*, 20-33.
- Myers, M. (1997). Interpretive research in information systems. *Information systems: An emerging discipline*, 239, 266.
- Myers, M. D. (2009). *Qualitative Research in Business and Economics*.

- Nakata, C., & Sivakumar, K. (2001). Instituting the marketing concept in a multinational setting: The role of national culture. *Journal of the Academy of Marketing Science*, 29(3), 255.
- Nath, R. (1988). *Comparative management: A regional view* (Vol. 3). Ballinger Pub. Co.
- Nemeth, C. J. (1986). Differential contributions of majority and minority influence. *Psychological review*, 93(1), 23.
- Nugent, P. S., & Broedling, L. A. (2002). Managing conflict: Third-party interventions for managers. *The Academy of Management Executive*, 16(1), 139-154.
- O'Reilly III, C. A., Caldwell, D. F., & Barnett, W. P. (1989). Work group demography, social integration, and turnover. *Administrative science quarterly*, 21-37.
- Panteli, N., & Sockalingam, S. (2005). Trust and conflict within virtual inter-organizational alliances: a framework for facilitating knowledge sharing. *Decision support systems*, 39(4), 599-617.
- Parahoo, K. (1997). *Nursing research: Principles, process and issues*. London: MacMillan Press
- Parahoo, K. (2014). *Nursing research: principles, process and issues*. Palgrave Macmillan.
- Park, C. W., Milberg, S., & Lawson, R. (1991). Evaluation of brand extensions: The role of product feature similarity and brand concept consistency. *Journal of consumer research*, 18(2), 185-193.
- Parkhe, A. (1991). Interfirm diversity, organizational learning, and longevity in global strategic alliances. *Journal of international business studies*, 22(4), 579-601.
- Pascale, R. T. (1990). *Managing on the edge: companies that use conflict to stay ahead*.
- Patton, M. Q. (2002). Two decades of developments in qualitative inquiry: A personal, experiential perspective. *Qualitative social work*, 1(3), 261-283.
- Perlmutter, F. (1969). A theoretical model of social agency development. *Social Casework*, 50(8), 467-473.
- Pettigrew, A. (1990). Organizational climate and culture: Two constructs in search of a role.
- Pettigrew, A. M. (1979). On studying organizational cultures. *Administrative science quarterly*, 24(4), 570-581.
- Pfeffer, J., & Salancik, G. R. (1978). *The external control of organizations: A resource dependence approach*. NY: Harper and Row Publishers.

- Philip, L. J. (1998). Combining quantitative and qualitative approaches to social research in human geography—an impossible mixture? *Environment and planning A*, 30(2), 261-276.
- Polit, B., & Beck, C. T. Hungler (2001). *Essentials of nursing research: Methods, appraisal and utilization*.
- Polit, D. F., & Beck, C. T. (2010). *Essentials of nursing research: Appraising evidence for nursing practice*. Lippincott Williams & Wilkins.
- Pondy, L. R. (1967). Organizational conflict: Concepts and models. *Administrative science quarterly*, 296-320.
- Pondy, L. R. (1969). Varieties of organizational conflict. *Administrative Science Quarterly*, 499-505.
- Pondy, L. R. (1992). Reflections on organizational conflict. *Journal of organizational behaviour*, 13(3), 257-261.
- Powell, W. W., Koput, K. W., & Smith-Doerr, L. (1996). Interorganizational collaboration and the locus of innovation: Networks of learning in biotechnology. *Administrative science quarterly*, 116-145.
- Pruitt, D. G., & Rubin, J. Z. (1986). Social conflict: Escalation, impasse, and resolution. *Reading, MA: Addison-Wesley*.
- Punch, K. F. (2005). The analysis of qualitative data. *Introduction to social research: Quantitative and qualitative approaches*, 193-233.
- Putnam, L. L., & Poole, M. S. (1988). Conflict and negotiation.
- Ragin, C. (1987). The comparative method: Moving beyond qualitative and quantitative methods. *Berkeley: University of California*.
- Rahim, A. M. (2011). *Managing Conflict Organizations*. New Brunswick, New Jersey: Transaction Publishers.
- Rahim, A., & Bonoma, T. V. (1979). Managing organizational conflict: A model for diagnosis and intervention. *Psychological reports*, 44(3_suppl), 1323-1344.
- Rahim, M. A. (1986). Referent role and styles of handling interpersonal conflict. *The Journal of social psychology*, 126(1), 79-86.
- Rawwas, M. Y., Vitell, S. J., & Barnes, J. H. (1997). Management of conflict using individual power sources: A retailers' perspective. *Journal of Business Research*, 40(1), 49-64.
- Reve, T., & Stern, L. W. (1979). Interorganizational relations in marketing channels. *Academy of Management Review*, 4(3), 405-416.

- Reve, T., & Stern, L. W. (1986). The relationship between interorganizational form, transaction climate, and economic performance in vertical interfirm dyads. *Marketing channels: Relationships and performance*, 75-102.
- Ricart, J. E., Enright, M. J., Ghemawat, P., Hart, S. L., & Khanna, T. (2004). New frontiers in international strategy. *Journal of International Business Studies*, 35(3), 175-200.
- Richard, D. L. (2018). *When Cultures Collide: Leading Across Cultures*. NICHOLAS BREALEY PUB.
- Richards, L., & Morse, J. M. (2007). Coding. *Readme first for a user's guide to qualitative methods*, 133-151.
- Ricks, J. E. (1993). Benefits of domestic vertical and horizontal strategic alliances: to compete with international cartels and the Japanese keiretsu. *Journal of Business & Industrial Marketing*, 8(4), 52-57.
- Ring, P. S., & Van de Ven, A. H. (1992). Structuring cooperative relationships between organizations. *Strategic management journal*, 13(7), 483-498.
- Riordan, M. H., & Williamson, O. E. (1985). Asset specificity and economic organization. *International Journal of Industrial Organization*, 3(4), 365-378.
- Ritchie, J., Spencer, L., Bryman, A., & Burgess, R. G. (1994). Analysing qualitative data.
- Ritter, T. (2007), "A framework for analyzing relationship governance", *Journal of Business & Industrial Marketing*, Vol. 22 No. 3, pp. 196-201.
- Robbins, S. P. (1974). *Managing organizational conflict: A non traditional approach*. NJ, Prentice-Hall.
- Robbins, S. P. (1978). "Conflict management" and "conflict resolution" are not synonymous terms. *California management review*, 21(2), 67-75.
- Robson, W. (1997). Strategic management and information systems: an integrated approach.
- Rodrigues, C. A., & Kaplan, E. (1998). The country's uncertainty avoidance measures as a predictor of the degree of formalisation applied by organisation in it: propositions for the European Union countries. *Management Research News*, 21(10), 34-45.
- Ronen, S., & Shenkar, O. (1985). Clustering countries on attitudinal dimensions: A review and synthesis. *Academy of management Review*, 435-454.
- Rosenberg, L. J., & Stern, L. W. (1970). Toward the analysis of conflict in distribution channels: a descriptive model. *The Journal of Marketing*, 40-46.

Ross, D. N. (1999). Culture as a context for multinational business: A framework for assessing the strategy-culture 'fit'. *Multinational Business Review*, 7(1), 13.

Roth, M. S. (1995). The effects of culture and socioeconomics on the performance of global brand image strategies. *Journal of Marketing Research*, 163-175.

Rystad Energy, <https://www.rystadenergy.com>

Sabel, C. F. (1993). Studied trust: Building new forms of cooperation in a volatile economy. *Human relations*, 46(9), 1133-1170.

Samiee, S., & Jeong, I. (1994). Cross-cultural research in advertising: an assessment of methodologies. *Journal of the Academy of Marketing Science*, 22(3), 205.

Samli, A. C., Grewal, D., & Mathur, S. K. (1988). International industrial buyer behavior: An exploration and a proposed model. *Journal of the Academy of Marketing Science*, 16(2), 19-29.

Sanjek, R. (Ed.). (1990). *Field notes: The makings of anthropology*. Cornell University Press.

Saunders, L. (2012). Thornhill (2012) Saunders, M. Lewis, P., & Thornhill, A.

Sayer, A. (1984). *Method in Social Science* (Hutchinson, London) Google Scholar.

Schein, E. H. (1985). *Organisational culture and leadership: A dynamic view*. San Francisco.

Schurr, P. H., Hedaa, L., & Geersbro, J. (2008). Interaction episodes as engines of relationship change. *Journal of Business Research*, 61(8), 877-884.

Schwartz, S. H. (1994). *Beyond individualism/collectivism: New cultural dimensions of values*. Sage Publications, Inc.

Schwartz, S. H. (1997). *Values and culture*. Routledge.

Schwartz, S. H., & Ros, M. (1995). Values in the West: A theoretical and empirical challenge to the individualism-collectivism cultural dimension. *World psychology*, 1(2), 91-122.

Schweizer, R., Vahlne, J. E., & Johanson, J. (2010). Internationalization as an entrepreneurial process. *Journal of International Entrepreneurship*, 8(4), 343-370

Schwenk, C. R. (1990). Conflict in organizational decision making: An exploratory study of its effects in for-profit and not-for-profit organizations. *Management Science*, 36(4), 436-448.

Seale, C. (1999). Quality in qualitative research. *Qualitative inquiry*, 5(4), 465-478.

Shane, S. A. (1992, August). The effect of cultural differences in perceptions of transaction costs on national differences in the preference for licensing. In *Academy of Management*

Proceedings (Vol. 1992, No. 1, pp. 122-126). Briarcliff Manor, NY 10510: Academy of Management.

Shenkar, O. (2001). Cultural distance revisited: Towards a more rigorous conceptualization and measurement of cultural differences. *Journal of international business studies*, 32(3), 519-535.

Shields, P. M., & Rangarajan, N. (2013). *A playbook for research methods: Integrating conceptual frameworks and project management*. New Forums Press.

Shneiderman, S. B., & Plaisant, C. (2005). *Designing the user interface 4 th edition*. ed: Pearson Addison Wesley.

Silverman, D. (2000). Analyzing talk and text. *Handbook of qualitative research*, 2(0), 821-834.

Skarmeas, D. (2006). The role of functional conflict in international buyer–seller relationships: Implications for industrial exporters. *Industrial Marketing Management*, 35(5), 567-575.

Smith, P. B., Dugan, S., & Trompenaars, F. (1996). National culture and the values of organizational employees: A dimensional analysis across 43 nations. *Journal of cross-cultural psychology*, 27(2), 231-264.

Smith, P. L., & Ragan, T. J. (2005). A Framework for Instructional Strategy Design. *Instructional Design*, 127-150.

Snehota, I., & Hakansson, H. (Eds.). (1995). *Developing relationships in business networks*. London: Routledge.

Soares de Lima, M. R., & Hirst, M. (2006). Brazil as an intermediate state and regional power: action, choice and responsibilities. *International Affairs*, 82(1), 21-40.

Søndergaard, M. (1994). Research note: Hofstede's consequences: a study of reviews, citations and replications. *Organization studies*, 15(3), 447-456.

Song, M., Dyer, B., & Thieme, R. J. (2006). Conflict management and innovation performance: An integrated contingency perspective. *Journal of the Academy of Marketing Science*, 34(3), 341-356.

Spencer, L., & Ritchie, J. (2002). Qualitative data analysis for applied policy research. In *Analyzing qualitative data* (pp. 187-208). Routledge.

Sprinthall, R. C., Schmutte, G. T., & Sirois, L. (1991). *Understanding educational research*. Prentice Hall.

Stake, R. E. (1995). *The art of case study research*. Sage.

- Stauss, B. (1993). Service problem deployment: transformation of problem information into problem prevention activities. *International Journal of Service Industry Management*, 4(2), 0-0.
- Steel, P., & Taras, V. (2010). Culture as a consequence: A multi-level multivariate meta-analysis of the effects of individual and country characteristics on work-related cultural values. *Journal of International Management*, 16(3), 211-233.
- Steenkamp, J. B. E. (2001). The role of national culture in international marketing research. *International Marketing Review*, 18(1), 30-44.
- Steenkamp, J. B. E., Hofstede, F. T., & Wedel, M. (1999). A cross-national investigation into the individual and national cultural antecedents of consumer innovativeness. *The Journal of Marketing*, 55-69.
- Stern Louis, W., & Gorman Ronald, H. (1969). Conflict in distribution channels: an exploration. *Stern Louis W, editor. Distribution Channels: Behavioral Dimensions*. NY: Houghton Mifflin, 156-75.
- Stern, L. W., & Reve, T. (1980). Distribution channels as political economies: a framework for comparative analysis. *The Journal of Marketing*, 52-64.
- Sternberg, R. J., & Dobson, D. M. (1987). Resolving interpersonal conflicts: An analysis of stylistic consistency. *Journal of Personality and social Psychology*, 52(4), 794.
- Strauss, A., & Corbin, J. M. (1990). *Basics of qualitative research: Grounded theory procedures and techniques*. Sage Publications, Inc.
- Sweeney, E. P., & Hardaker, G. (1994). The importance of organizational and national culture. *European Business Review*, 94(5), 3-14.
- Tallman, S. B. (1992). A strategic management perspective on host country structure of multinational enterprises. *Journal of Management*, 18(3), 455-471.
- Teddle, C., & Tashakkori, A. (2009). *Foundations of mixed methods research: Integrating quantitative and qualitative approaches in the social and behavioral sciences*. Sage.
- Thomas, K. W., & Pondy, L. R. (1977). Toward an "intent" model of conflict management among principal parties. *Human relations*, 30(12), 1089-1102.
- Thomas, K. W., & Schmidt, W. H. (1976). A survey of managerial interests with respect to conflict. *Academy of Management journal*, 19(2), 315-318.
- Thomas, P. Y. (2010). *Towards developing a web-based blended learning environment at the University of Botswana*(Doctoral dissertation).

- Thorgren, S., & Wincent, J. (2011). Interorganizational trust: Origins, dysfunctions and regulation of rigidities. *British Journal of Management*, 22(1), 21-41.
- Tidström, A. (2009). Causes of conflict in inter-competitor cooperation. *Journal of Business & Industrial Marketing*, 24(7), 506-518.
- Tjosvold, D. (1991). *The conflict-positive organization: Stimulate diversity and create unity* (Vol. 51485). Addison-Wesley.
- Tjosvold, D. (1997). Conflict within interdependence: Its value for productivity and individuality. *Using conflict in organizations*, 23-37.
- Tjosvold, D. (2008). The conflict-positive organization: It depends upon us. *Journal of Organizational Behavior*, 29(1), 19-28.
- Tjosvold, D., Wong, A. S., & Wan, P. M. (2010). Conflict management for justice, innovation, and strategic advantage in organizational relationships. *Journal of Applied Social Psychology*, 40(3), 636-665.
- Tony, C., & Steve, S. (1996). Project Research in Information Systems. *A Student's Guide*.
- Touval, S. (1992). The study of conflict resolution: Is there unity in diversity?
- Triandis, H. C. (1994). Culture and social behavior.
- Trompenaars, F. (1996). Resolving international conflict: Culture and business strategy. *London Business School Review*, 7(3), 51-68.
- Trompenaars, F., & Hampden-Turner, C. (1998). *Riding the Waves of Culture*. 1997. London, UK: Nicholas Brealey, 1857881761.
- Tsui, A. S., Egan, T. D., & O'Reilly III, C. A. (1992). Being different: Relational demography and organizational attachment. *Administrative science quarterly*, 549-579.
- Vaaland, T. I., & Håkansson, H. (2003). Exploring interorganizational conflict in complex projects. *Industrial Marketing Management*, 32(2), 127-138.
- Vaaland, T. I., & Purchase, S. (2005). The "agent effect" on business divorce. *Journal of Business & Industrial Marketing*, 20(1), 43-52.
- Vaaland, T. I., Haugland, S. A., & Purchase, S. (2004). Why do business partners divorce? The role of cultural distance in inter-firm conflict behavior. *Journal of Business To Business Marketing*, 11(4), 1-21.
- Våland, T. I. (2002). Emergence of conflicts in complex project: The role of informal versus formal governance mechanisms in understanding interorganizational conflicts in the oil industry.

- Van Birgelen, M., de Ruyter, K., de Jong, A., & Wetzels, M. (2002). Customer evaluations of after-sales service contact modes: An empirical analysis of national culture's consequences. *International Journal of Research in Marketing*, 19(1), 43-64.
- Van de Vliert, E., & Kabanoff, B. (1990). Toward theory-based measures of conflict management. *Academy of Management Journal*, 33(1), 199-209.
- Van Everdingen, Y. M., & Waarts, E. (2003). The effect of national culture on the adoption of innovations. *Marketing Letters*, 14(3), 217-232.
- Voldnes, G., Grønhaug, K., & Nilssen, F. (2012). Satisfaction in buyer–seller relationships—Influence of cultural differences. *Industrial Marketing Management*, 41(7), 1081-1093.
- Walker Jr, O. C., & Ruekert, R. W. (1987). Marketing's role in the implementation of business strategies: a critical review and conceptual framework. *The Journal of Marketing*, 15-33.
- Walker Jr, O. C., Churchill Jr, G. A., & Ford, N. M. (1972). Reactions to role conflict: The case of the industrial salesman. *Journal of Business Administration*, 3(2), 25-36.
- Wallace, J., Hunt, J., & Richards, C. (1999). The relationship between organisational culture, organisational climate and managerial values. *International Journal of Public Sector Management*, 12(7), 548-564.
- Walsham, G. (1995). Interpretive case studies in IS research: nature and method. *European Journal of information systems*, 4(2), 74-81.
- Webster Jr, F. E. (1992). The changing role of marketing in the corporation. *The Journal of Marketing*, 1-17.
- Welch, C. and Wilkinson, I. (1999), “On rewriting history: a network perspective on the development and management of dyadic conflict in business networks”, Proceedings of the 16th Annual IMP Conference, Dublin.
- Welch, C. and Wilkinson, I. (2005), “Network perspectives on interfirm conflict: reassessing a critical case in international business”, *Journal of Business Research*, Vol. 58, pp. 205-13.
- Widerberg, K. (2010). Med samtalen som utgangspunkt. Om veivalg og kunnskapsmuligheter ved intervjuing. i *Dag Album, Marianne Nordli Hansen, Karin Widerberg (ed.) Metodene våre. Eksempler fra samfunnsvitenskapelig forskning. Oslo: Universitetsforlaget.*
- Wilkinson, I. (1981). Power, conflict, and satisfaction in distribution channels—an empirical study. *International Journal of physical distribution & materials management*, 11(7), 20-30.
- Wilkinson, I. F., & Young, L. C. (2013). The past and the future of business marketing theory. *Industrial Marketing Management*, 42(3), 394-404.

- Williams, J. D., Han, S. L., & Qualls, W. J. (1998). A conceptual model and study of cross-cultural business relationships. *Journal of Business Research*, 42(2), 135-143.
- Williamson, O. E. (1975). Markets and hierarchies. *New York*, 2630.
- Williamson, O. E. (1985). *The Economic Institutions of Capitalism: Firms, markets, relational Contracting*. Free Press.
- Williamson, O. E. (1989). Transaction cost economics. *Handbook of industrial organization*, 1, 135-182.
- Williamson, O. E. (2010). Transaction cost economics: The natural progression. *Journal of Retailing*, 86(3), 215-226.
- Wold, A. (2007). *Doing business in Brazil: an anthropological study of the interaction between Norwegian and Brazilian business people* (Master's thesis).
- Yamagata-Lynch, L. C. (2010). *Activity systems analysis methods: Understanding complex learning environments*. Springer Science & Business Media.
- Yang, W., Gao, Y., Li, Y., Shen, H., & Zheng, S. (2017). Different roles of control mechanisms in buyer-supplier conflict: An empirical study from China. *Industrial Marketing*
- Yaveroglu, I. S., & Donthu, N. (2002). Cultural influences on the diffusion of new products. *Journal of International Consumer Marketing*, 14(4), 49-63.
- Yeniyurt, S., & Townsend, J. D. (2003). Does culture explain acceptance of new products in a country? An empirical investigation. *International Marketing Review*, 20(4), 377-396.
- Yin, R. K. (1989). Case research: design and methods. *Newbury Park Calif: Sage Publications*.
- Yin, R. K. (1994). Discovering the future of the case study. Method in evaluation research. *Evaluation practice*, 15(3), 283-290.
- Yin, R. K. (2003). Case study research (Vol. 5). *Thousand Oaks, California*, 16.
- Yin, R. K. (2013). Validity and generalization in future case study evaluations. *Evaluation*, 19(3), 321-332.
- Yin, R. K. (2014). *Qualitative research from start to finish*. Guilford Publications.
- Zaheer, A., McEvily, B., & Perrone, V. (1998). Does trust matter? Exploring the effects of interorganizational and interpersonal trust on performance. *Organization science*, 9(2), 141-159.
- Zartman, I. W. (1993). A skeptic's view. *Culture and negotiation*, 17.

Zenger, T. R., & Lawrence, B. S. (1989). Organizational demography: The differential effects of age and tenure distributions on technical communication. *Academy of Management journal*, 32(2), 353-376.

Zhang, C., Cavusgil, S. T., & Roath, A. S. (2003). Manufacturer governance of foreign distributor relationships: do relational norms enhance competitiveness in the export market?. *Journal of International Business Studies*, 34(6), 550-566.

Appendix 1 Interview Template

Date:

Present at the interview:

Name of person interviewed:

Company:

Work title:

Years of experience:

Introduction

Norwegian companies are looking into internalization. So, they are looking into understanding cross cultural business relationships. Some companies have pulled out because it is complicated. In order to have successful internalization, you need to breed business relationships, but it is difficult.

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

Appendix 2: Acronyms

NC- Norwegian Company

P- Participant.

NMS- Norwegian Mindset

IMS- International Mindset

BMS- Brazilian Mindset

LMR- Linear-active, Multi-active, Reactive

B2B- Business to Business