-To Bow Heads or Shake Hands -

A Study of Direct and Indirect Communication in Chinese Management

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ABSTRACT

The world-wide globalisation that has taken place during the past decades has led to more Multinational Enterprises (MNEs) choosing to relocate some parts of their organisation to other countries. China, which is in command of the world’s lowest-cost manufacturing plants, is the first destination for MNEs. Although China presents a great opportunity for MNEs, this investment does not come without its difficulties, MNEs wishing to invest in China are confronted with certain challenges. MNEs are faced with dealing with the notable differences in Western and Chinese business culture. One particular difference is related to intercultural communication between western managers and Chinese managers. The theory of low context and high context cultures states that the Chinese communicate indirectly and Western countries directly.

The main purpose of this research is to find out if the Chinese manager, after obtaining experience negotiating with foreign managers from low context cultures, adopts a more direct communication style. The purpose of this research is to answer the following question:

Does the Chinese manager have a preference for direct or indirect communication when negotiating with foreign managers?

The following hypotheses were stated:

Ho: Chinese managers prefer direct communication during business negotiations with foreign managers.

Ha: Chinese managers prefer indirect communication during business negotiations with foreign managers.
A quantitative method with a positivistic epistemology was used for the research. Quantitative research is an exploratory study with a deductive approach and therefore the most appropriate method for this research was a survey. A survey was chosen for data collection and a questionnaire based on the research model was developed and used as the survey instrument to collect data from the target group.

The target group was stated as Chinese managers with at least three years work experience, fluent in English and with experience in negotiations with managers from cultures considered as low-context cultures such as Germany, Sweden and the United States of America. The target group was selected from the MBA programs at Fudan University.

The SPSS program was utilised to analyse the responses and to test the hypothesis. Numeric values were assigned to each of the responses, with 5 being the most direct and 1 being the most indirect. The scale was appropriately reversed for negative questions.

Descriptive statistics were obtained about distribution, variability and central tendency of the variables. t tests were applied to compare group means. Furthermore, a regression analysis was conducted to estimate a linear relationship between direct communication and the lack of miscommunication showed by the descriptive test. All tests were conducted at a 95% confidence level.

The result of the hypothesis test indicated that Chinese managers have preference towards direct communication when conducting business negotiations with foreign managers.
I would never have been able to complete this bachelor thesis without the contributions of many others. Therefore I would like to thank, firstly the respondents of the survey - the Master students at Fudan University. In addition, I would like to dedicate special thanks to Jay Zhang, professor at Fudan University in Shanghai, who has been very helpful with contact information in China and with help in gaining access to Fudan University’s library. I would also like to thank Antonio Carmona Lavado, Assistant professor at Pablo de Olavide University in Seville for his help and guidance concerning statistical questions.

Last but not least I would like to express my gratitude to my supervisor, Per Nilsson for his guidance during the thesis process.

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1. INTRODUCTION

This chapter will introduce the reader to the research conducted, describing the background of the subject of interest and the problems contained within it. The purpose of this research will be presented in the subsequent chapters.

1.1 Background

China is the main focus for internationalization in today’s world. Multinational firms are attracted to China for a number of reasons. The Chinese government’s effective policy on taxation, in addition to its long-term investment in infrastructure construction has contributed to a more pleasant and attractive investment climate. Furthermore, China is in command of the world’s lowest-cost manufacturing plants (Businessweek online 2006,12). The low labor costs act as a considerable pull for foreign business. MNEs want to establish their business and conquer the Chinese market. Indeed, China is seen by many multinational enterprises (MNEs), as ‘the investment opportunity of the century’.

MNEs wishing to invest in China are fronted by certain challenges. Although China presents a great opportunity for MNEs, this investment does not come without its difficulties. MNEs are faced with dealing with the notable differences in Western and Chinese business culture. Even if the MNEs are aware of the significant differences between Chinese and western business practices, they still have to find a way to deal with those differences.

One particular difference is related to intercultural communication between western managers and Chinese managers. ‘Theory of Context’ (Edward T. Hall, The silent Language, 1973), in which he classified high context cultures and low context cultures, he pinpoints the level of direct and indirect communication and importance of words and actions as one of the key differences between cultures. In high context cultures, members share a large number of experiences, values, attitudes, and behaviors that allow them to communicate unreservedly and indirectly. In contrast, in low context cultures, words have a greater meaning in conversation and opinions are expressed in direct communication (Beamer, 2003, p.202). To understand indirect communication, managers need to be more sensitive in their use of language and more aware of the true meaning of the words they are speaking.
It can be argued that Chinese managers prefer to establish personal relationships before discussing business and favour harmony in interactions with others, avoiding confrontation and challenge. (Cheng, 1991, p. 222)

China is considered a high-context culture where consistent messages produce consistent responses to the environment. Therefore for most normal transactions in daily life they do not require or expect much in-depth background information. Meaning is therefore not necessarily contained in words. Information is provided through gestures, the use of space, and even silence. They are more aware of their surroundings and their environment and they do not rely on verbal communication as their main information channel. (Samovar & Porter, 2003, p. 241-243). In contrast, Western countries such as the United States of America, Germany and Sweden are examples of low context cultures. In these cultures, the spoken language is more important and the words used hold greater meaning. (E. Hall, *Beyond Culture*, 1976 p.112-116)

Hall’s theory of direct and indirect communication has been questioned. Since international business communication has developed into a more fluid and individualized practice.

As business has become more global, managers from Asia have become more aware and more concerned about adopting communication strategies from different cultures. (Ding, 2003, p. 245)
1.2 Presenting the Problem

Today the MNEs are dealing with a dilemma of whether to hire local managers in China or, in order to avoid miscommunication problems, send managers from headquarters (expatriates) to lead business in China. MNEs initially have followed a strategy of sending expatriates to China. The question of whether the MNEs have been using the right strategy is now being evaluated. MNEs send expatriates to China due to their experience in the corporation and knowledge of the enterprise culture. At the same time expatriates have less knowledge of Chinese business culture. Furthermore, expatriates cost more for the MNEs. The cost of sending and keeping just one expatriate and his family in China is the same as hiring three or four local Chinese managers. In addition, MNEs need to deal with the fact that expatriates have a 70% turnover of repatriate. (Competitive Global Mobility, Deloitte 2006)

In contrast, in can be argued that Chinese managers are more familiar with local employees, clients, market, and culture and are less expensive to support. The importance of relationships in China adds weight to the argument of hiring local managers (Hong, J. & Engström Y, 2004). Local managers already have a network in China and knowledge regarding dealing with the government.

The difference in communication styles has been an important factor for MNEs to send expatriates to China (Competitive Global Mobility, Deloitte 2006). Although, international business communication has developed into a more fluid and individualized practice, it can be argued that Chinese managers still use an indirect communication style when negotiating with foreigners. There does not exist research on this topic, which gives real purpose to this research, endeavoring to answer the following question:

*Does the Chinese manager have a preference for direct or indirect communication when negotiating with foreign managers?*
1.3 Purpose

The aim of this study is to gain an understanding of the communication practices of Chinese managers. The focus will be on the indirect and direct communication theory in order to analyze which communication style Chinese managers prefer during business negotiations.

The main purpose of the research will be to test the theory of direct and indirect communication.

1.4 Limitations

The research will be limited to Chinese managers with at least three years work experience, fluent in English and with experience in negotiations with managers from cultures considered as low-context cultures like that of Germany, Sweden and the United States of America.
1.5 Research Outline

CHAPTER ONE: Introduction
This chapter will introduce the reader to the research conducted, describing the background of the subject of interest and the problems contained within it. The purpose of this research will be presented in the subsequent chapters.

CHAPTER TWO: Theoretical Method
This chapter will firstly introduce to what is behind the choice of the research subject, secondly a review of the theoretical methodology and research method is presented.

CHAPTER THREE Theoretical Framework
The Theoretical Framework chapter will firstly introduce the definitions of the key concepts used, and secondly explain the theories behind this research.

CHAPTER FOUR Empirical Method
This chapter will firstly explain how the data was collected and analysed, secondly method criticism will be conducted.

CHAPTER FIVE Empirical Summary & Analysis
The ‘Empirical Summary’ chapter will summarise and present the research data and analyse the theory’s and the empirical findings.

CHAPTER SIX Discussion & Conclusion
The Conclusion chapter will firstly present the conclusions from the analysis in relation to the purpose of the study, secondly a discussion of validity concerns will be presented, finally suggestions for further research will be presented.

Figure 1: RESEARCH OUTLINE
2. THEORETICAL METHOD

This chapter will firstly introduce the choice of the research subject, secondly a review of the theoretical methodology and research method is presented.

2.1 Background of the Author

The author has a multicultural background, since she was born in Mexico and moved to Sweden at the age of 18 years. Furthermore the author has international experience acquired from living in England, Spain and China.

Relating to the author’s education it can be mentioned that she chose from a very early stage to study economics. At the upper secondary school in Sweden she completed the economics course.

During the last four years, the author has been attending to the International Business Program at Umeå University, where the main subjects studied have been in Finance, thus like Corporate Finance, International Finance, Financial Management and Financial Investments.

2.2 Choice of Subject and Theoretical Preconceptions

The author’s personal interest in Chinese culture and Chinese management has been a key factor in determining the choice of subject studied. Chinese culture began to be of interest when the author travelled to China in 2002 and the interest for Chinese Management Communication in 2006 when the author attended to the MBA program at Fudan University in Shanghai. Prior to this research the author had knowingly developed preconceptions regarding Chinese culture and Chinese management, primarily acquired through a western education. These preconceptions could be summarised in that Western and Eastern cultures and distinctly different. During studies at Fudan University in Shanghai, China, the author began to realise that those preconceptions could not be viewed in such a simple format. The author was given the opportunity to work closely with Chinese MBA students, which greatly altered those opinions and led to question some of the ideas delivered throughout the western
education. This particular experience was an eye-opener for the author and gave a desire to read more on Management communication. This interest in turn has led to the decision to write the thesis on this subject.

Considering that, the interest on the Chinese Management Communication led to the decision to write this thesis on the subject, preconceptions about the differences in Chinese and Western cultures exist and these preconceptions and prior knowledge of the subject undoubtedly affected the choice of the relevant theories. However, the author is aware of the importance of being objective during the investigation and also the importance of not being influenced of prior knowledge. Furthermore and since the analysis of the research will be based on quantitative data, and incorporates statistical tests, the prior knowledge can hardly affect the result of the research.

Objectivity can be implemented in various contexts and it is frequently stated that objectivity means the separation of fact and valuation. (Brown & Turner, 2002, p. 67)

2.3 Epistemological Approach

Each individual has a conception of reality, which is based upon a variety of known and unaware norms and beliefs. These conceptions are also known as paradigms and they shape the research thought and actions. It is important for the outcome of the research that the researcher is aware of those paradigms.

The choice of perspective after a research work makes it easier to define reality and therefore higher the level of meaning of the study. (Bryman & Bell, 2003, p. 29)

2.3.1 POSITIVE PARADIGM

According to positivist tradition, there is an objective, external world that exists independently of human perception, which is amenable to quantitative measurement. The researcher acquires knowledge of this world through following a scientific mode of enquiry similar to that found in the natural sciences. The aim is to develop valid and reliable ways of collecting “facts” about society, which can then be statistically analysed in order to produce explanations about how the social world operates. (Clarke, 2001, p. 32)
2.3.2 SUBJECTIVIST PARADIGM

Two statements made by Weber are the fundamental assertions for the subjectivist paradigm: first, that sociology must concern itself with the interpretation of social action; and second, that it must devise a social theory of values since the acts of valuing and judging are preconditions of social action. (Cohen, Manson & Morrison, 2003, p. 276)

Weber’s theory of social action may be defined as that body of social theory devised by him in order to make valid judgements about the ‘inner states’ of actors in their actions. By ‘inner states’ Weber was referring to the capacity of the actor to choose between the means and ends of action and to exercise rational choice. At the most fundamental level, this involves the process of assigning meanings to the given factual states in the outer world and thus involves subjective processes. Weber promoted the idealist point of view and its association with the qualitative paradigm, the nature of reality and the role of the researcher. (Cohen, Manson & Morrison, 2003, p. 276)

Referring to theories of the positive and subjectivist paradigm the positive paradigm is the most suitable for this research. Firstly because of the author’s own views regarding the development of knowledge, which are influenced by her prior international experience and multicultural upbringing. The author’s education has contributed to her logic and rational view and to develop a positivist view of the external world. This can be seen as strength to the research since the positivist view is external and objective, and observer is independent science. This will undermine preconceptions acquired prior to the research as stated on the positive paradigm.

There are two major distinctions between the positivist and subjectivist paradigm. The first mentioned uses the deduction, beginning with hypotheses while the latter follow induction, the process of finding a case an observing relationship and finally constructing a general theory to cover all cases. (Bryman & Bell, 2003 p. 10-12)

For this research deduction is the most appropriate method to follow since an existing theory is the foundation for the research and hypotheses are created to test the validity of the claim on the research question.
Strengths and weaknesses of the positive paradigm are also important to take into consideration. The positive paradigm’s strengths are that it can provide wide coverage of the range of situations and can be fast and economical, since statistics are aggregated from large samples, they may be of considerable relevance to policy decisions. On the other hand the quantitative research tend to be rather inflexible and artificial and it is not very effective in understanding processes or the significance that people attach to action, this paradigm it is not very helpful in generating theories (Bryman & Bell, 2003, p. 86).

However the aim of the research is to test the Chinese managers’ preference for direct or indirect communication style when negotiating with foreign managers. This research has not the intention to find out the “why” behind the preference for direct or indirect communication style. Therefore the weaknesses of the positive paradigm will not affect the research.
To summarise the positive and subjectivist paradigm a figure was created based on the theory of paradigms.

<table>
<thead>
<tr>
<th>BASIC BELIEFS</th>
<th>POSITIVE PARADigm (QUANTITATIVE RESEARCH)</th>
<th>SUBJECTIVIST PARADIGM (QUALITATIVE RESEARCH)</th>
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<tbody>
<tr>
<td></td>
<td>• The world is external and objective.</td>
<td>• The world is socially constructed and subjective</td>
</tr>
<tr>
<td></td>
<td>• Observer is independent Science</td>
<td>• Observer is part of what is observed.</td>
</tr>
<tr>
<td></td>
<td>• Science is value free</td>
<td>• Science is driven by human interests.</td>
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<tr>
<th>RESEARCHER SHOULD</th>
<th>POSITIVE PARADIGM (QUANTITATIVE RESEARCH)</th>
<th>SUBJECTIVIST PARADIGM (QUALITATIVE RESEARCH)</th>
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<tbody>
<tr>
<td></td>
<td>• Focus on facts.</td>
<td>• Focus on meanings</td>
</tr>
<tr>
<td></td>
<td>• Look for causality and fundamental laws.</td>
<td>• Try to understand what is happening.</td>
</tr>
<tr>
<td></td>
<td>• Reduce phenomena to simple elements.</td>
<td>• Look at the totally of each situation.</td>
</tr>
<tr>
<td></td>
<td>• Formulate hypotheses and test them.</td>
<td>• Develop ideas through induction from data.</td>
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<table>
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<tr>
<th>PREFERRED METHOD IN THE RESEARCH</th>
<th>POSITIVE PARADIGM (QUANTITATIVE RESEARCH)</th>
<th>SUBJECTIVIST PARADIGM (QUALITATIVE RESEARCH)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Operational single concepts so that they can be measured taking large samples.</td>
<td>• Using multiple methods to establish different views of the phenomena.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Small samples investigated in depth or over time.</td>
</tr>
</tbody>
</table>

*Figure 2: POSITIVE AND SUBJECTIVIST PARADIGM*
Adapted from Easterby-Smith (1991, p.27)
2.4 Choice of Research Method

The choice of method for the research should reflect the problem studied and the theoretical perspective of the research. The researcher view regarding the development of knowledge as well how the choice of method affects the study has to be taken into consideration. (Bryman & Bell, 2003, p. 4-6)

After reviewing the methodology theory and considering that the aim of this research is to answer the question:

*Does the Chinese manager have a preference for direct or indirect communication when negotiating with foreign managers?*

The combination of a positivistic epistemology with a deductive approach using quantitative methods is the most appropriate for this research since the research is based on already existing theories and considering that statistical methods will be applied to test the hypotheses.

Quantitative research is described as entailing the collection of numerical data and as exhibiting a view of the relationship between theory and research as deductive, a prediction for a natural science approach, positivism in particular, and as having an objectivist conception of social reality. (Bryman & Bell, 2003, p. 68)

The positivistic epistemology is justified considering that the foundation for the research is an already existing theory and since the research question indicates that a positivistic approach has to be used. Furthermore considering that the use of hypotheses is part of the process in a quantitative study. Furthermore the data will be analysed by applying objective statistical methods therefore the results will not leave space for subjective interpretation.

The author’s view of the development of knowledge, which has a positivist character, justifies also the choice of the method.
2.5 Secondary Sources

Secondary data sources must be viewed with the same caution as any primary data, the researcher has to be sure that the data will enable to answer the research question and meet the objectives. (Saunders, Lewis, & Thornhill, 2007, p. 263)

The starting point for searching secondary sources was the gathering of literature on management communication. The aim, to try to find out if there exists research on direct and indirect theory connected to Management Communication. Research was found but was made on the basis of differences between Chinese culture and Western culture and not specifically on indirect and direct communication. The researcher was able to sight a more specified piece of research on direct and indirect communication: “Directness in Chinese Business correspondence of the Nineteenth Century” by Linda Beamer from California State University in Los Angeles. This research did test the direct and indirect communication theory but research was carried out on Chinese correspondence and not in verbal communication. Therefore the main sources of secondary data on the theoretical framework have been books where the theory of indirect and direct contexting are discussed by the authors.

The literature used for the research was collated from three different libraries from three universities; Fudan University in Shanghai; Umeå University and the University of Seville. Fudan University, which runs a ‘Management Communication’ course, was abundant with appropriate sources: both Umeå University and the University of Seville were consulted for their literature on research method, theory and data.

The collection of literature is a significant process that determines the quality and reliability of the research. To assemble information does not simply mean finding different facts and opinions but it is also crucial that the material found is relevant and its sources reliable. The researcher ensured that all materials and resources were valid and relevant for the research.
2.5.1 CRITICISM OF SECONDARY SOURCES

All researches before using any previous study, should evaluate the materials independence, if it is free from false view, how recent it is and how close to the source the material was collected (Bryman & Bell, 2003, p. 404).

The difficulties of finding relevant scientific articles about direct and indirect communication theory created problems with the secondary sources. The theory of direct and indirect communication is often discussed in books but without any new insight. One research on direct an indirect communication was found. However, this research tested indirect as well as direct communication on Chinese correspondence.

The definitions of culture and communication are a broad subject and can be seen from many perspectives and thus created problems for the research. The researcher applied the most appropriate definition for the understanding of the research. However, it is not possible to be completely confident in favour of one definition over another.

Another aspect, which can be criticised, is the use of Internet sources, because Internet sources are not a reliable source of information for academic research. However for this research only three Internet source were used. The first one was MBA.com, and only one definition was gathered from this source. The second Internet source was a report from Deloitte WebPages. Since Deloitte is a well-known company the researcher fell confident about the use of the information published on their web site. Fudan University’s web page was also consulted and this source is also considered a reliable source.

Regarding to the reliability of the sources is important to take in consideration the time the sources were written. If the source is old the credibility might be questioned. The author was aware of this fact and ensured that the sources were new and relevant s for the research. The sources, which can be considered old, are the books: Beyond Culture form 1976 and the Silent language from 1973 written by the author E. Hall. Those sources are the foundation for the theory of direct and indirect communication and even if the books are old, those theories are referred today in new books and used on western education.
3. THEORETICAL FRAMEWORK

The Theoretical Framework chapter will firstly introduce the definitions of the key concepts used and secondly explain the theories behind this research.

3.1 Definitions of key concepts

3.1.1 COMMUNICATION

The word communication is derived from the Latin “communicare” meaning “to share” or “to make common”. Culture is a code we learn and share, and learning and sharing requires communication. (Jandt, 2003, p. 29.)

3.1.2 INTERCULTURAL COMMUNICATION

Refers to face-to-face interactions among people of diverse cultures, where the source and receiver are in different context and share few symbols. (Jandt, 2003, p.39)

3.1.3 INTERCULTURAL MANAGEMENT COMMUNICATION

Intercultural communication endeavours to understand how people from different countries and cultures behave, communicate and perceive the world around them.

“The interpersonal interaction between members of different groups, which differ from each other in respect to the knowledge shared by their members and in respect of their linguistic forms of symbolic behaviour.” (Knapp, 1989, p. 78)

The communication practices and behaviours of people will inevitably vary as a result of their different perceptions of the world. Intercultural communication can therefore be defined more precisely as the study of communication between people whose "cultural perceptions and symbol system are distinct enough” to alter their communication. (Samovar, Stefani and Porter, 2000, p. 70)

The definitions by Samovar, Stefani and Porter of intercultural communication focus on the communication perspective and therefore are more suitable for this research.
3.1.4 CULTURE

Culture is as a system of competence shared between individuals, the theory of how people think and feel about the world. Culture is also the way that an individual interprets unfamiliar and ambiguous situations and behaviour, and also how a person interacts and communicates with other cultures. The person's view of the world is formed by culturally shaped patterns of mind, “internal model of reality” is created. In this view, culture can be defined as a system of knowledge shaped by the way the human brain acquires, organises and processes information. (Keesing, 1974, p. 87)

Everything in association with communication and management is largely determined by culture: doing business, negotiating, recruiting and selecting human resources, information training, co-operating and dealing with conflict. In order to understand the similarities and differences in communication management across cultures, it is necessary to understand how cultures differ. There are dimensions on which cultures can be different or similar and the awareness of these dimensions can contribute to a better understanding of the situation and thus positively affect communication between two culturally different individuals. (Pinto, 1990, p. 32)

Pinto’s correlation of culture and business facilitates the understanding of the importance of culture in business communication and therefore his definition is more suitable for the research.

3.1.5 CORPORATE CULTURE

Differences exist between national and corporate culture. National culture can be found in all different human interactions, and corporate culture can be related to the environment within business built up within an organisation. Every company has its own culture. Thus still, national and corporate cultures are related to each other. (Dowling & Welch, 2004, p.38)
3.1.6 CHINESE CULTURE

One of the most important influences on Chinese culture was Confucianism. Confucius (Kongzi, 551-479 BC) writing around the time of Socrates and before Jesus Christ, based his ideas on absolute respect for tradition, on a strict hierarchy of primary relationships between family members, and between the people and their rulers. His philosophy intended to guide people’s daily life and it established a mode of thought and habit that has persisted and that blended well with other belief system that many of its adherent often held at the same time, such as Buddhism and Daoism. (Fairbank & Goldman, 1998, p. 19)

The major ideas of Confucian system are beliefs with three basic guides (ruler guides subject, father guides son, and husband guides wife), and five constant virtues (benevolence, righteousness, propriety, wisdom and fidelity), and the doctrine of the mean (harmony). (Ding, 2006, p.4)

Confucius laid down that Ren or benevolence was the supreme virtue the follower can attain as strictly natural and humanistic love, it was based upon spontaneous feelings cultivated through education. According to Confucius, the optimal way to govern is not by legislation but by way of moral education and by example. The ideal government is thus a government of wuwei (non-action) through a rock-solid groundwork of moral education. (Chen, 2002, p. 39)

Cultural characteristics were suppressed for what turned out to be a historically brief period under Mao’s rule but today is argued that the Confucius philosophy prevailed and have reappeared in recent decades as the system became more ‘open’ after the reforms of 19978. (Child & Warner, 2003, p.12)

The strong Chinese cultural preferences for basing business transactions upon the quality of inter-personal relationships and for settling disputes through mediation rather than relying upon contracts and legal process can be seen to stem from Confucius philosophy. (Child & Warner, 2003, p.12)
There are also some identified values from Chinese culture that are relevant to management and organisational behaviour. (Redding, 2002, p. 234-235)

1. **Societal Order.** This reflects the sense of Chinese civilisation as bases on the learning an practice by individuals of clearly defined roles, all within a dominating state structure with a remit to preserve order, and all socialised into a belief in the need for appropriate conduct in the interests of harmony.

2. **Hierarchy.** Stemming largely from Confucian ethics, these values legitimate paternalism at the levels of family and Organisation, and patrimonialism at the state level, and provide a moral justification for hierarchy by stressing reciprocal vertical obligations.

3. **Reciprocity and Personalism.** This is the currency of horizontal exchange, and the guarantor of the limited but adequate trust that maintains the particular structure of transactions.

4. **Control.** In a society of competing families, under conditions of scarce resources, and in an interventionist state, control of one’s fate becomes a core ideal for many, particularly business owners, and sensitivities to control become highly turned.

5. **Insecurity.** This is endemic in an essentially totalitarian state, with weak property rights, and it is associated with competitiveness and a work ethic. Building defences and reserves becomes a moral duty towards dependent, as well as practical necessity.

6. **Family Bases Collectivism.** The architecture of horizontal order in Chinese society is bases on identity with family as the core social unit.

7. **Knowledge.** The Chinese respect for learning appears to have survived the ravages of the Cultural Revolution and the related persecution of intellectuals, although its support in the
institutional fabric is less strong than in the Imperial period. The value of learning however remains high, and there is doubtless some connection made with social mobility in its retention as a core ideal.

3.1.7 CONTEXT

Context can be considered the information that surrounds an event. Context is reliably bound up with the meaning of the event. (Oxford, Dictionary) To context requires a decision to be made concerning how much information the other person can be expected to possess on a given subject.

“Intern contexting makes it possible for human beings to perform the exceedingly important function of automatically correcting for distortions or omission of information in messages” (E. Hall, Beyond Culture, 1976, p.117)

3.1.8 EXPATRIATE

The definition of an expatriate is an employee who is working and temporarily residing in a foreign country (Dowling & Welch, 2004, p. 5)

3.1.9 EXPATRIATE FAILURE

Is a term that is defined as the premature return of an expatriate which means that the expatriate is returning home before completing the assignment. (Dowling & Welch, 2004, p.7)
3.2 Theories behind the research

There are many theories concerning intercultural communication though in this research only two of them will be applied: E. T. Hall’s theory of high and low context cultures and Samovars and Porter’s model of Intercultural Communication. Those theories are considered relevant and necessary to facilitate a comprehensive analysis and understanding of the research. Confucius philosophy will be also included in the theory used for the research since this philosophy is considered to be behind the indirect communication in China.

3.2.1 THEORY OF HIGH AND LOW CONTEXT CULTURES

Edward T. Hall’s theory classifies cultures in high context cultures and low context cultures according to the level of direct and indirect communication and also the importance of words and actions. According to T. Hall a high context culture is very homogeneous culture with regard to experiences, information, because tradition and history change very little over time. In High context cultures consistent messages have produced consistent responses to the environment therefore for most normal transactions in daily life they do not require or do expect much in depth background information. Meaning is therefore not necessarily contained in words but on the contrary is provided through gestures, the use of space, and even silence. (Hall, Beyond Culture, 1976, p.74)

High context cultures are more aware of their surroundings and their environment and do not rely on verbal communication as their main information channel. Meaning is also conveyed through status age, sex, education, family background, title and affiliations. (Porter, Samovar & Stefani, 2000, p. 79)

Low context cultures are defined as less homogenous and therefore tend to compartmentalize interpersonal contacts. Sweden, Germany and the United States of America are examples of low context cultures. T. Hall observes that because these cultures are lacking a large pool of common experiences, every time they interact with one another they need detailed background information. In low context cultures the verbal message contains most of the
information and so very little is embedded in the context or the participant. Members of these cultures expect messages to be detailed, clear and definite. They feel uncomfortable with the vagueness and ambiguity often associated with limited data. Low context cultures do pay more attention to words and less to the signs during conversation. The agreements made are binding if they are made in writing. (Hall, Beyond Culture, 1976, p.119)

**Figure 3: HIGH AND LOW CONTEXT CULTURES**

Based on the work of Edward T. Hall

(Adapted from Samovar & Porter 2003, p.76)
3.2.2 CONFUCIUS PHILOSOPHY

It is argued that Confucianism is the philosophy driving indirect communication in China. There are two ethical principles behind the indirect communication of China according to Confucius philosophy. (Ding, 2003, p. 89)

(1) Ren (to love others, human-heartedness)
(2) Yi (to be righteous)

According to Confucius, these principles govern all human behaviour in Society since the principles provide the standards of how to differentiate a morally acceptable behaviour from an unacceptable one.

These principles are related as follows: Yi means “Oughtness” of a situation; that is to be righteous and people ought to fulfil certain duties in society. The primary duty they ought to fulfil is to love others, or ‘Ren’. To love others, they must follow Yi, “the unwritten code of honour governing the conduct of aristocrats”. Yi consists of several virtues that Confucianism considers as being moral: among other things, proper human relationships, modesty, and disdain ‘li’ pure personal profits. (Fung, 1997, p. 42, 155)

“The superior man comprehends Yi, the small man comprehends li”

“A gentleman knows morality while a mediocre man knows profit”

Confucius despised pure profits and gains because he believed that such profits were not obtained through righteousness. (Fung, 1997, p. 88)

Chinese culture, as a whole, does not tolerate a person’s desire for pure personal profits because such motivation threatens harmonious human relationship (Gao & Handley-Schachler, 2003, p. 49) referred by Ding.
This theory does not hold weight in a modern Chinese society in which to make a profit is not frowned upon. As China moves towards a market economy, its citizens increasingly shape their own identities, less in collective terms, and more in personal terms. Thus, these individuals tend to seek personal gains. This is one of the principal reasons for which it can be questioned that the theory of direct and indirect communication is present on business negotiations today, since the major objective for companies is to make money.

There is also other statement on Hall’s theory, which can be seen more as a disadvantage for expatriates. Hall argues that the style of Chinese communication is often indirect and implicit. This is due to the fact that China is the possessor of a great and complex culture and also because the Chinese language is thirty-five hundred years old. Hall refers to the complexity of the Chinese language and the difficulties that exist to learn it:

“To be literate in Chinese, one has to be conversant with Chinese history” (Hall. Beyond Culture, 1976, p. 91)

This statement indicates a problem for expatriates wishing to integrate into a Chinese society because they need to understand the culture and history as well as learning the language. These three – culture, history and language – are interrelated. For example, in order to understand the culture one needs to speak the language and to speak the language one needs to understand the history. This is a massive task if one appreciates the scale of history in China and the roots of this history imbedded in its culture. By not understanding the culture and language overseas, managers, whilst having good relations in their country, are open to problems with communication with Chinese employees.

There is no question that the communication in China between the Chinese people is indirect because they share the same culture and experiences. However, Chinese society has been subject to many changes since Hall’s theory was written. Although it can be argued that communication is mainly indirect in China, Hall’s theory can be questioned when we refer to international management communication.
Hall remarks also that in a high context culture, "*tradition and history change very little over time*". (Hall, Beyond culture, 1976, p. 72) This statement can arguably have been appropriate for Chinese society for over a thousand years but how well does this theory stand now? If we consider that China is a rapidly expanding economy moving ever closer to the western sphere then its history and society are changing dramatically all the time.

China is facing a transition and these changes appear to be huge not only in the exterior of the landscape with the construction of impressive buildings and skyscrapers, but also in the interior under currents of society in customs and behavior. These changes are bridging the gap between Chinese culture and western culture at an incredible pace. Today, the Chinese appear to have an appetite for all things ‘western’. They appear to have an interest in almost everything, which comes from western cultures, and adopt with facility the customs of western society. An example of this eagerness to adopt western habits can be seen in the number of McDonald’s and in China and the preference of the young to drink coffee instead of tea.

3.2.3 THE CONCEPT OF GUANXI

In Chinese societies, Guanxi can be defined as “a friendship with unlimited exchange of favours”, which means if two people share a Guanxi relationship they feel fully committed to each other. (Orru, 1997, p. 27)

In China personal trust is the first principle and fundamental mechanism, which makes personal relationships work. The Chinese social system is classified as a relation-bases system, which focuses on the special relations between individuals and which is based on reciprocity. (Chen, 1995, p. 58)

To make Guanxi work, a Chinese businessman must complete his obligations, try to be loyal to his friends, do favours and maintain a reputation for fairness. He will try hard to maintain the image of a person who can be fully relied on and will always reciprocate. (Chen, 1995, p.59)
The right personal connections in China eases and improves social relations in the conducting of business activities, for example, the right connection can bring cheap and reliable material supplies, approval to sell goods domestically or for export, and provision of assistance when problems arise. Therefore Guanxi is so important when making business in China.

3.2.4 THE CONCEPT OF FACE

Confucianism stresses the value of harmony urging individuals to adapt to the collective to control their emotions, to avoid conflict and to maintain inner harmony. Harmony is found in the maintenance of everybody’s face in the sense of dignity, self-respect, and prestige. Social relations should be conducted in such a way that everybody’s face is maintained paying respect to someone is called “giving face”. In another sense, “face” is a key component in the dynamics of Guanxi. (Chen, 1995, p. 54)

In Chinese culture, face is conceptualised in two ways: lian (face) and mian or mian zi (image) while these are often used interchangeably, they have different meanings. Lian is defined as something that "represents the confidence of society in the integrity of ego’s moral character, the loss of which makes it impossible to function properly with the community” mian stands for the kind of prestige that is emphasised in the United States a reputation achieved through life. (Jandt, 2003, p. 62 – 64)

Low-context cultures, such as the United States, with a greater concern for privacy and autonomy, tend to use direct-face negotiation and express more self-face maintenance. Whereas high context cultures, such as China, with a greater concern for interdependence an inclusion tend to use indirect-face negotiation Communication. In high-context cultures like China is hence more indirect or implicit and is more likely to use intermediaries. Because social harmony and face maintenance are crucial, communication through intermediaries is especially functional because using intermediaries eliminates face-to-face confrontation and reduces the risk of losing face. (Jandt, 2003, p. 62 – 64)
3.2.5 INTERCULTURAL COMMUNICATION MODEL

Samovar and Porter’s model of intercultural communication illustrate the process of how the meaning of a message changes when it is encoded by a person in one culture and decoded by a person in another culture in the context of his or her own cultural background. In some cases the message may be interpreted to carry a different meaning than was intended.

Figure 4: INTERCULTURAL COMMUNICATION MODEL
Adapted from: (Samovar and Porter, 2003 p. 203)
On the intercultural communication model, there is Culture A, B and C. Cultures A and B are similar whereas Culture C is different. For example according to Hall’s classification of high and low context cultures, Cultures A and B are low context. Culture A can be seen, for example, in Sweden, Culture B in Norway, and Culture C in China. Within each of these three cultures there is another form. This form is similar to the shape of the influencing parent culture and represents the person who has been moulded within this culture.

However, the shape of the person culture is somewhat different from that of the parent culture. People are all shaped by their own culture but also all influenced by other factors such as age, gender, class, education and race. Furthermore, within any culture there is internal variation.

The series of triangles connecting the figures represents the production, transmission, and interpretation of messages across cultures. For example, when a message leaves culture A it carries with it the content of the message as it was intended. However, when the message reaches culture B, it changes because the new culture influences how the message is interpreted and hence the meaning. Also the greater the differences between the cultures, the more likely the message will be changed. (Samovar and Porter, 2003, p. 203)

The change that occurs between the cultures of Sweden and Norway, for example, is much less than the change that occurs between the cultures of Norway and China. This is because the cultures of Sweden and Norway (Culture A and B) are similar and so the message interpreted is more or less the same as how it was originally intended. China, on the other hand, is quite a different culture to that of Sweden and Norway. As a culture C the message is not interpreted in the way it was originally intended and in fact is perceived more like the pattern of culture in China.

Samovar and Porter’s model shows the possibility of misunderstandings that always exist in intercultural communication, especially if there is great variation in cultural differences. As their model illustrates, the amount of influence a culture has on communication between
cultures clearly depends on the similarity of the cultures.

The more the cultures are alike, the less influence culture will have on communication. For example, in intercultural communication situations involving Swedes and Norwegians, culture does not have a strong impact as the two cultures have much in common. In contrast we can expect culture to have great impact when a Swede communicates with a Chinese person, because the two cultures are more different.

On the other hand, the model also takes into consideration the persons own culture, which can be similar to someone from another culture according to age, gender, class, education etc.

Is it important to consider the individual culture and their own priorities, In addition to individual differences, there are also cultural paradoxes, Cultures are seldom a strict either –or in every instance for all people. (Varner & Beamer, 2005, p 85)

It can be argued that managers have their own culture and have more in common because globalization is bringing them closer together. Managers have a higher level of education and share common experiences, this brings them to a group, which has more in common and has less difficulty to communicate even if they are from different cultures.
3.2.6 THEORY MODEL

To summarise the theory chapter and for a better understanding of the correlation between the theory and the research, a model was created:

![Diagram of Theory Model]

*Figure 5: THEORY MODEL*
4. EMPIRICAL METHOD

This chapter will firstly present the strategy and model for the research and secondly explain how the data was collected and analyzed, finally method criticism will be conducted.

4.1 Research Strategy

4.1.1 RESEARCH PLAN

The research was planned as a quantitative research, to be conducted through a survey in which a target group of Chinese managers will fit the following requirements.

(i) To have at least three years work experience.
(ii) To be fluent in the English language.
(iii) To have experience in negotiations with managers from cultures considered as low-context cultures such as Germany, Sweden and the United States of America.

The target group will be selected from the MBA students at Fudan University in Shanghai, China.

The SPSS program will be used to analyse the responses and to test the hypotheses.
4.1.2 RESEARCH MODEL

Since the intention of the research is to find out the preference for direct or indirect communication style by Chinese managers, a model was created based on the theoretical framework, more specifically on direct and indirect communication theory. Therefore, the characteristics of indirect and indirect communication theory are used for the model.

![Diagram of research model]

*Figure 6: RESEARCH MODEL*
4.1.3 VARIABLES

The first variable used on the research model is: **Indirect communication**

Indirect communication is correlated to high-context cultures, where tradition and history change very little over time and where consistent messages have produced consistent responses therefore people from high-context culture do not require or do no expect much in depth background information. Meaning is not necessarily contained in words but on the contrary is provided through gestures, the use of space and even silence. (Samovar, Stefani and Porter, 2003, p. 70)

Confucius philosophy is behind the indirect communication. Were Guanxi, Face and Ethical Principles are essential components. (Chen, 1995, p. 54)

(1) **Guanxi**

Defined as “a friendship with unlimited exchange of favours”, which means if two people share a Guanxi relationship they feel fully committed to each other. (Orru, 1997, p. 27)

(2) **Face**

Confucianism stresses the value of harmony urging individuals to adapt to the collective to control their emotions, to avoid conflict and to maintain inner harmony. Harmony is found in the maintenance of everybody’s face in the sense of dignity, self –respect, and prestige. Social relations should be conducted in such a way that everybody’s face is maintained paying respect to someone is called “giving face”. In another sense, “face” is a key component in the dynamics of Guanxi. (Chen, 1995, p. 54)

The Second variable used on the research model is: **Direct communication**

Direct communication is correlated to low-context cultures, where the words have a greater meaning in conversation and opinions are expressed directly. Because low-context cultures are lacking a large pool of common experiences, every time they interact with one another they need detailed background information. Verbal messages contains most of the information and so very little is embedded in the context or the participant. Low-context cultures expect messages to be detailed, clear and definite. (Samovar, Stefani and Porter, 2003, p. 73)
4.1.4 HYPOTHESES

To test the theory of indirect communication a null and an alternative hypothesis were created based on the research model and the variables. In some applications it may not be obvious how the null and alternative hypothesis should be formulated. Care must be taken to be sure the hypotheses are structured appropriately and that the hypothesis-testing conclusion provides the information the researcher wants. (Anderson, Sweeney, Williams, 2002, p. 324-325)

In hypothesis testing a tentative assumption about a population parameter is made, this tentative assumption is called the null hypothesis and is denoted by $H_0$. Another hypothesis, which is the opposite of what is stated in the null hypothesis is defined and called the alternative hypothesis. The alternative hypothesis is denoted by $H_a$.

There are three different methods of develop a null hypothesis.

1) *Testing research hypotheses*, where the research hypothesis is generally stated as the alternative hypothesis. The conclusion that the research hypothesis is true can be made if the null hypothesis is rejected.

2) *Testing the validity of a Claim*, in this type of hypothesis testing situation generally is assumed that the claim is true unless the sample evidences proves otherwise. The conclusion that the claim is false can be made if the null hypothesis is rejected.

3) *Testing in Decision-Making Situations*, this situation occurs when a decision maker must choose between two courses of action, one associated with the null hypothesis and another associated with the alternative hypothesis. (Anderson, Sweeney, Williams, 2002, p. 325-326).

For this research, testing the validity of a claim will be used to develop the null hypothesis and the null hypothesis will be rejected if the sample evidences proves that the claim is false.
**Ho: Chinese managers prefer direct communication during business negotiations with foreign managers.**

- Chinese managers are not concerned about loosing face during business negotiations with foreign managers.

- Chinese managers are not concerned about having a good relationship with the foreign managers before conducting business.

- Chinese managers do not avoid confrontation during business negotiations with foreign managers.

- Agreements made in writing are considered binding.

- The spoken language is more important than body language or gestures.

**Ha: Chinese managers use indirect communication during business negotiations with foreign managers**

- Chinese managers are concerned about loosing face during business negotiations with foreign managers.

- Chinese managers are concerned about having a good relationship with the foreign managers before conducting business.

- Chinese managers avoid confrontation during business negotiations with foreign managers.

- Agreements made orally are considered binding.

- Body language and gestures are more important than the spoken language.
4.3 Quantitative Research

4.3.1 THE SURVEY

A survey was chosen for this research because it is an efficient method to collect information from a large number of respondents and also because surveys are relatively easy to manage.

There are two kinds of surveys: the descriptive survey and the analytic survey. The descriptive indicates how many members of a population have a certain opinion, whereas the analytic answers the “why” question. (Oppenheim, 1992, p.12)

A descriptive survey is more appropriate since the objective of the research is to find out the preference of direct or indirect communication not why Chinese managers have preference for one or another communication style.

The methodology used for the questionnaire is a ‘Likert scaling’, this method is one of the most frequently used for measuring attitudes. In the survey neutral responses are not allowed and a five scale is used, featuring respectively, completely agree, agree, somewhat agree, and completely disagree.

4.3.2 TARGET GROUP

The target group for the research was selected from the MBA’s programs at the School of Management in Fudan University in Shanghai. This selection was due to the purpose of the research: to test the theory of direct and indirect communication of Chinese managers who have a good level of English. By selecting the students from the MBA programs at Fudan University concerns about the validity regarding choosing the right target group could be covered.

The Fudan School of Management is part of Fudan University in Shanghai. Fudan University is one of the oldest and most prestigious Universities in China, which enrolls over 45,000 students and has nearly 2,400 full-time teachers and researchers.
The school of Management in Fudan has more than 100 years of history, and has developed a strong faculty of expertise including a good number of professors and scholars. The school of Management is well known for attracting talented people to join the university after finishing their studies abroad. Over the years the School of Management have won fame and recognition through their international programs with MITs Sloan School of Management, as well as Olin School of Business, at Washington University among other programs with recognized universities.

The school of management has now 6 programs for doctor’s degree, 10 programs for Master’s degree, and 7 undergraduate specialties and enrolls over 2,800 students.

The admission requirements for MBA programs at the School of management are following:

- University degree or above from a recognised university
- Minimum of 3 years full-time work experience
- GMAT scores of 600 or above
- Pass an interview with the admission committee.
- A statement (in approximately 2000 words) to explain the applicant’s education background, work experience, study plan on preparing for the master degree

From the admission requirements two of the three demands for the target group for the research are fulfilled one is the level of English which is tested through the GMAT test. GMAT (Graduate Management Admission Test) is a standardised exam designed to predict how test-takers will perform academically in MBA programs. Most MBA schools use the GMAT score as a criterion for admission. The GMAT measures analytical writing, quantitative ability and verbal ability. (The scale of the GMAT test is from 400 to 800)
The second demand for the target group was fulfilled also through the admission, the work experience, minimum of 3 year’s full-time work experience.

The third demand for the target group was fulfilled through the survey. And will be explained in the next chapter.

4.3.3 THE SAMPLE

The purpose of statistical inference is to develop estimates and test hypotheses about the characteristics of a population using information contained in a sample. (Anderson, Sweeney, Williams, 2002, p. 242)

The target group discussed before is the population for this research, which means that is the set of all the elements of interest for the study. From the population a sample has to be selected.

Several methods can be used to select a sample from a population; one of the most common is simple random sampling. This method has two different ways of sampling depending on whether the population is finite or infinite.

On a finite population like the one the research selected for this study the procedure for selecting the sample is to choose the elements one at time in such a way that each of the elements remaining in the population has the same probability of being selected.

To achieve a representative result for the whole population of Chinese managers on this research the process of selecting the managers should be carried on as follows:

Firstly the researcher should find the finite population of managers which would be involved on the research.
Secondly select a selection of a simple random sample from the finite population, assigning to each manger a number. For example numbers from 0001 to 3000. Those numbers should be put on a table among other numbers where the researcher can select randomising numbers from the table in sets or groups of four digits. Moving systematically in one direction of free choice. After the selection the researcher has to take away the numbers which do not correspond to managers and do the process the times which are necessary to achieve the sample. (Anderson, Sweeney, Williams, 2002, p. 243-245)

The method of simple random sampling is time consuming and since the time horizon for this research is only 10 weeks a random sampling could hardly be achieved.

The researcher used a convenience sampling, which is a non-probability sampling technique. The elements are included in the sample without prespecified or known probabilities of being selected. Convenience samples have the advantage of relatively easy sample selected data collection; but the disadvantage of the difficulties to evaluate the “goodness” of the sample in terms of its representativeness of the population (Anderson, Sweeney, Williams, 2002, p. 275-276). The researcher is aware of this inconvenience and will take it in consideration when analyzing the results.

4.3.4 DATA COLLECTION

Originally, data was to be collected by handing over questionnaires during lectures. The researcher intended to seek permission from the professors at Fudan University to use fifteen minutes of a lecture to find the students that would fit the third selection requirement of the target group. The third condition was that the subject had had experience negotiating with managers from such countries as Germany, Sweden and the United States of America.

The original plan was altered after the approval of the survey took more time than the expected. By the time the approbation was made, the semester had nearly finished and students were preoccupied with exams. The professors did not view it as an appropriate time to hand over the questionnaire.
4.3.5 INTERMEDIATE SURVEY

An intermediate survey was created according to the original questionnaire to overcome the alteration of the original plan. Intermediate surveys are widely used today because they are highly cost efficient and take minimal time for the respondents to answer. The disadvantages with an internet-mediated survey are normally that not everyone has access to the Internet (Saunders, Lewis, & Thornhill, 2007, p. 358). In this research problems regarding access to Internet was not a major concern. The time the target group would take to answer the survey or the interest they would have in the topic was a more pressing concern for the researcher.

In order to select the target group on the basis of the requirements for the research, the following question was included in the intermediate survey:

Do you have any experience negotiating with managers from countries such as Germany, Sweden or the United States of America?

Yes.  No.

The survey was then only available for the respondents answering yes to the question. By doing this the target group fulfilled the third requirement of the research.

To increase the validity and reliability of the survey a pilot test was performed. The intention was to find out if the survey was clear and easy to understand or if there was any problem with the interpretation of the questions. Moreover, to ensure that the survey covered the theoretical framework of the research.

The test was performed on one MBA class of 55-60 students and the frequency response rate was 20. After the test was carried out and the answers analysed, some changes and corrections of grammar and layout of the survey were performed. The major problem encountered was the fact that people did not complete the survey. 20 people started the survey but only 17 of them completely finished the survey. The researcher was able to gauge an impression regarding the layout and length of the survey by using a pilot test. The layout was changed after conducting a pilot test to incorporate only 5 questions per page.
The concerns about low response for intermediate surveys were undermined by not sending the survey directly to the students. The researcher contacted the professor’s assistant who forwarded the link of the survey. The researcher thus ensured that a least a large number of students would open the email. The survey was sent to five MBA classes, with approximately 55-60 students in each class.

After one week 55 responses were collected. For a quantitative research to be proven through a statistical method, a sample of at least 100 responses is recommended. (Saunders, Lewis, & Thornhill, 2007, p. 210)

A remainder is recommended to be sent first after one week (Saunders, Lewis, & Thornhill, 2007, p. 358). A remainder for the research was sent after 10 days and 7 more responses were received. After a total of 62 responses the answer frequency was still too low to achieve validity for a statistical test.

A third remainder was considered. However, it was felt that since the survey was a selective test the remainder would not be appropriate for every student who had received the survey, and thus was not conducted.

The researcher, in reaction to the low number of survey responses, requested assistance from a professor at the university to find more groups in which the survey could be performed. After one week of waiting and with help from the professor’s assistant, two more classes had been contacted. Additional 25 responses were collected in the following week, thus achieving a total of 87 responses.
4.4 Methodological Criticism

After concluding the research some aspects can be criticised. Regarding to the data collection it can be mentioned that the time was no the most appropriate. The survey was sent to the target group at the end of the semester when the students were preoccupied with exams, and this could affect the response rate as well as the responses.

Another aspect that can be criticised is the way the target group was selected. The researcher used a convenience sampling, which is a non-probability sampling technique. The elements of the target group were included in the sample without prespecified or known probabilities of being selected.

The change from a normal questionnaire to an intermediate questionnaire could also have a negative impact on the research since intermediate questionnaires have lower frequency response than normal questionnaires.

Last it can be mention that the time horizon was not followed. The research had ten weeks time horizon, however since the research was conducted in China as the same time as the researcher was enrolled as a full time student at the MBA program at Fudan University, the research took more than 10 weeks to be completed.
5. EMPIRICAL SUMMARY & ANALYSIS

The ‘Empirical Summary’ chapter will summarise and present the research data and analyse the theories and the empirical findings.

5.1 Summary

The world-wide globalisation that has taken place during the past decades has led to more Multinational Enterprises choosing to relocate some parts of their organisation to other countries. China, which is in command of the world’s lowest-cost manufacturing plants, is the first destination for MNEs. However, MNEs wishing to invest in China are confronted with certain challenges. Although China presents a great opportunity for MNEs, this investment does not come without its difficulties. MNEs are faced with dealing with the notable differences in Western and Chinese business culture. One particular difference is related to intercultural communication between western managers and Chinese managers. The theory of low context and high context cultures states that the Chinese communicate indirectly and Western countries directly.

The main purpose of this research is to find out if the Chinese manager, after obtaining experience negotiating with foreign managers from low context cultures, adopts a more direct communication style. The purpose of this research is to answer the following question:

*Does the Chinese manager have a preference for direct or indirect communication when negotiating with foreign managers?*

The following hypothesis was stated:

*Ho: Chinese managers prefer direct communication during business negotiations with foreign managers.*

- Chinese managers are not concerned about loosing face during business negotiations with foreign managers.
- Chinese managers are not concerned about having a good relationship with the foreign managers before conducting business.
- Chinese managers do not avoid confrontation during business negotiations with foreign managers.
- Agreements made in writing are considered binding.
- The spoken language is more important than body language or gestures.

**Ha:** Chinese managers use indirect communication during business negotiations with foreign managers

- Chinese managers are concerned about loosing face during business negotiations with foreign managers.
- Chinese managers are concerned about having a good relationship with the foreign managers before conducting business.
- Chinese managers avoid confrontation during business negotiations with foreign managers.
- Agreements made orally are considered binding
- Body language and gestures are more important than the spoken language

A research model was created based on the theory of direct and indirect communication. A quantitative method with a positivistic epistemology was used for the research. Quantitative research is an exploratory study with a deductive approach and therefore the most appropriate method for this research was a survey. A survey was chosen for data collection and a questionnaire based on the research model was developed and used as the survey instrument to collect data from the target group.

The target group was Chinese managers with at least three years work experience, fluent in English and with experience in negotiations with managers from cultures considered as low-context cultures such as Germany, Sweden and the United States of America. The target group was selected from the MBA programs at Fudan University.

The SPSS program was used to analyse the responses and to test the hypothesis. Numeric values were assigned to each of the responses, with 5 being the most direct and 1 being the most indirect. The scale was appropriately reversed for negative questions.
Descriptive statistics were obtained about distribution, variability and central tendency of the variables.

$t$ tests were used to compare group means. Furthermore, a regression analysis was conducted to estimate a linear relationship between direct communication and the lack of miscommunication showed by the descriptive test. All tests were conducted at a 95% confidence level.

### 5.2 Survey Analysis

#### 5.2.1 RESPONSE RATE

The questionnaire was sent to seven MBA classes with 55-60 students from each class, approximately 398 students. From the 398 only 238 students opened the survey. This means that the survey had 160 non-responses.

As explained before in the survey chapter, the questionnaire was conditioned only to students with experience negotiating with managers from low-context cultures as Germany, Sweden, and United States of America. Therefore, not all the students who opened the survey were selected to respond to the survey. From the 238 students only 87 were selected to answer the survey. This means that 151 students were ineligible. From the 87 responses 3 respondents did not completely finish the questionnaire. Total respondents $87 - 3 = 84$

There are two methods to calculate the response rate, one is the total response rate and the other is the active response rate. (Saunders, Lewis, & Thornhill, 2007, p. 213)

The total response rate is calculated by the total number of responses divided with total number of participants minus the ineligible.

\[
\text{TOTAL RESPONSE RATE} = \frac{84}{(398 - 151)} = 34\%
\]
The active response rate is calculated by the total number of response divided with the total number of participants minus the ineligible and non- responses.

**ACTIVE RESPONSE RATE** = \( \frac{84}{398-(151+160)} = 96\% \)

To test the hypothesis a response rate of, at least 100 respondents are desirable. With a response rate of 84 it is possible to test the hypothesis. However, the results can not be seen as representative for the total population. Therefore, the results of this research can only be seen as indications of the population.

5.2.2 DESCRIPTIVE RESULTS

The questionnaire was divided into two sections. The first section contained questions regarding age, gender, position in employment, degree before MBA, experience of living /studying or working abroad and MBA program followed. The second section contained questions to test the direct communication during negotiation with foreign managers. (See questionnaire in appendix).

A simple descriptive analysis was performed on the first section of the questionnaire. The tables and results are presented below.

<table>
<thead>
<tr>
<th>Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age:</td>
</tr>
<tr>
<td>N</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>84</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age:</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>25 to 30</td>
<td>23</td>
<td>27.4</td>
<td>27.4</td>
</tr>
<tr>
<td></td>
<td>31 to 36</td>
<td>56</td>
<td>66.7</td>
<td>94.0</td>
</tr>
<tr>
<td></td>
<td>37 to 42</td>
<td>3</td>
<td>3.6</td>
<td>97.6</td>
</tr>
<tr>
<td></td>
<td>43 to 48</td>
<td>2</td>
<td>2.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>84</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**TABLE 1: DESCRIPTIVE RESULTS - AGE**

The results indicate that the majority of the MBA students, 66% were between 31-36 years old. This confirmed expectations considering that MBA students have at least three years work experience.
Statistics

### Gender:

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>7</td>
<td>8.3</td>
<td>8.3</td>
<td>8.3</td>
</tr>
<tr>
<td>Female</td>
<td>26</td>
<td>31.0</td>
<td>31.0</td>
<td>39.3</td>
</tr>
<tr>
<td>Male</td>
<td>51</td>
<td>60.7</td>
<td>60.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>84</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**TABLE 2: DESCRIPTIVE RESULTS - GENDER**

The majority of the respondents were male, 60.7%. However, the rate of response from females was high considering the fact that the respondents are in manager positions. The gender will be used to analyze if there is any difference between the responses of female and male respondents.

Statistics

### Have you any experience of living/working or studying abroad:

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>1</td>
<td>1.2</td>
<td>1.2</td>
<td>1.2</td>
</tr>
<tr>
<td>NO</td>
<td>54</td>
<td>64.3</td>
<td>64.3</td>
<td>65.5</td>
</tr>
<tr>
<td>YES</td>
<td>29</td>
<td>34.5</td>
<td>34.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>84</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**TABLE 3: DESCRIPTIVE RESULTS - EXPERIENCE ABROAD**

The results from the table above shows that only 34% of the respondents have had experience of living abroad: this variable will be used to compare if communication differs between the managers who have had experience living abroad especially in countries classified as low-context cultures.
If yes to previous question, which country?

<table>
<thead>
<tr>
<th>Country</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>55</td>
<td>65.5</td>
<td>65.5</td>
<td>65.5</td>
</tr>
<tr>
<td>Australia</td>
<td>3</td>
<td>3.6</td>
<td>3.6</td>
<td>69.0</td>
</tr>
<tr>
<td>France</td>
<td>1</td>
<td>1.2</td>
<td>1.2</td>
<td>70.2</td>
</tr>
<tr>
<td>Germany</td>
<td>1</td>
<td>1.2</td>
<td>1.2</td>
<td>71.4</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>1</td>
<td>1.2</td>
<td>1.2</td>
<td>72.6</td>
</tr>
<tr>
<td>Iran</td>
<td>1</td>
<td>1.2</td>
<td>1.2</td>
<td>73.8</td>
</tr>
<tr>
<td>Japan</td>
<td>2</td>
<td>2.4</td>
<td>2.4</td>
<td>76.2</td>
</tr>
<tr>
<td>New Zealand</td>
<td>2</td>
<td>2.4</td>
<td>2.4</td>
<td>78.6</td>
</tr>
<tr>
<td>Taiwan</td>
<td>1</td>
<td>1.2</td>
<td>1.2</td>
<td>79.8</td>
</tr>
<tr>
<td>Thailand</td>
<td>1</td>
<td>1.2</td>
<td>1.2</td>
<td>81.0</td>
</tr>
<tr>
<td>UK</td>
<td>2</td>
<td>2.4</td>
<td>2.4</td>
<td>83.3</td>
</tr>
<tr>
<td>USA</td>
<td>14</td>
<td>16.7</td>
<td>16.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>84</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

*TABLE 4: CLASSIFICATION OF COUNTRIES*
The questions in the second section were questions to test the direct communication during business negotiations with foreign managers. (See questionnaire on appendix 1)

The results of the test are shown on the tables below:

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Direct communication</th>
<th>q10_e</th>
<th>q11_e</th>
<th>q14_e</th>
<th>q17_e</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>Valid</td>
<td>84</td>
<td>84</td>
<td>84</td>
<td>84</td>
</tr>
<tr>
<td>Mean</td>
<td>3.06</td>
<td>2.78</td>
<td>4.00</td>
<td>3.81</td>
<td>3.44</td>
</tr>
<tr>
<td>Median</td>
<td>3.73</td>
<td>3.00</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Mode</td>
<td>3.30</td>
<td>2.00</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>0.2679</td>
<td>0.819</td>
<td>0.621</td>
<td>0.611</td>
<td>0.790</td>
</tr>
<tr>
<td>Minimum</td>
<td>2.18</td>
<td>1.00</td>
<td>2.00</td>
<td>2.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Maximum</td>
<td>4.20</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Statistics</th>
<th>q18_e</th>
<th>q19_e</th>
<th>q22_e</th>
<th>q23_e</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>Valid</td>
<td>84</td>
<td>84</td>
<td>84</td>
</tr>
<tr>
<td>Mean</td>
<td>3.66</td>
<td>3.98</td>
<td>3.70</td>
<td>2.24</td>
</tr>
<tr>
<td>Median</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Mode</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>0.682</td>
<td>0.700</td>
<td>0.617</td>
<td>0.862</td>
</tr>
<tr>
<td>Minimum</td>
<td>2.00</td>
<td>2.00</td>
<td>2.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Maximum</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Statistics</th>
<th>q25_e</th>
<th>q26_e</th>
<th>q27_e</th>
<th>q28_e</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>Valid</td>
<td>84</td>
<td>84</td>
<td>84</td>
</tr>
<tr>
<td>Mean</td>
<td>4.00</td>
<td>3.86</td>
<td>3.73</td>
<td>4.00</td>
</tr>
<tr>
<td>Median</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Mode</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>0.695</td>
<td>0.549</td>
<td>0.762</td>
<td>0.449</td>
</tr>
<tr>
<td>Minimum</td>
<td>2.00</td>
<td>3.00</td>
<td>1.00</td>
<td>2.00</td>
</tr>
<tr>
<td>Maximum</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
</tr>
</tbody>
</table>

**TABLE 5: DESCRIPTIVE RESULTS - DIRECT COMMUNICATION**

The descriptive results from the test produce a mean of 3.66 and a median of 3.73. The result indicates that the Chinese managers are more direct than indirect when conducting business negotiations with foreign managers.

In analysis of each question, question number 10 is the question with the lowest mean: \( \mu = 2.79 \). With this question the researcher had the intention to test the importance of establishing relationships with the foreign managers before business negotiations. The question read as follows:
When I do business with foreign managers I prefer to establish a good relationship before we start to negotiate.

The result of the test indicates, although small, a tendency of Chinese managers to establish a good relationship before conducting business. As mentioned in the theory chapter, one of the characteristics of the indirect communication is the need for Chinese managers to establish personal relationships before discussing business. The result indicates that this characteristic of indirect communication is still practised by Chinese managers.

Question number 11 produced the highest mean, $\mu = 4.00$. With this question the researcher had the intention to test if Chinese managers were concerned about loosing face during business negotiations with foreign managers.

The question read as follows:

*When negotiating with foreigners I show directly if I disagree with the decisions made during the meeting.*

The highest mean indicates that the Chinese managers are not concerned about having direct confrontation with foreign managers. This is contrary to that of the indirect theory, which states that low context cultures avoid open confrontations. The result indicates that avoiding confrontation and risking loosing face during negotiations is least prominent in business negotiations with foreign managers.

### 5.2.3 TESTING THE RESEARCH HYPOTESIS

To test the null hypothesis (Ho) the method of *testing the validity of a claim* was used. In this type of testing the situation is assumed that the claim is true unless the sample evidences proves otherwise. The conclusion that the claim is false can be made if the null hypothesis is rejected.
The null hypothesis and the alternative hypotheses were stated as follows:

**Ho:** \( \mu \geq 3 \)

**Ha:** \( \mu \leq 3 \)

**Ho:** Chinese managers prefer direct communication during business negotiations with foreign managers

**Ha:** Chinese managers prefer indirect communication during business negotiations with foreign managers

A t-Test was performed and the results are presented below:

<table>
<thead>
<tr>
<th>Question</th>
<th>( t )</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>Lower</th>
<th>Upper</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct_C</td>
<td>23.692</td>
<td>83</td>
<td>0.000</td>
<td>3.6654</td>
<td>0.026</td>
<td>0.7212</td>
</tr>
<tr>
<td>q10_e</td>
<td>-2.136</td>
<td>83</td>
<td>0.036</td>
<td>-0.214</td>
<td>0.41</td>
<td>0.01</td>
</tr>
<tr>
<td>q11_e</td>
<td>14.761</td>
<td>83</td>
<td>0.000</td>
<td>1.000</td>
<td>0.87</td>
<td>1.13</td>
</tr>
<tr>
<td>q14_e</td>
<td>12.150</td>
<td>83</td>
<td>0.000</td>
<td>0.810</td>
<td>0.88</td>
<td>0.94</td>
</tr>
<tr>
<td>q17_e</td>
<td>27.070</td>
<td>83</td>
<td>0.000</td>
<td>0.440</td>
<td>0.27</td>
<td>0.61</td>
</tr>
<tr>
<td>q18_e</td>
<td>9.401</td>
<td>83</td>
<td>0.000</td>
<td>0.679</td>
<td>0.54</td>
<td>0.82</td>
</tr>
<tr>
<td>q19_e</td>
<td>12.025</td>
<td>83</td>
<td>0.000</td>
<td>0.929</td>
<td>0.77</td>
<td>1.08</td>
</tr>
<tr>
<td>q20_e</td>
<td>10.440</td>
<td>83</td>
<td>0.000</td>
<td>0.702</td>
<td>0.57</td>
<td>0.84</td>
</tr>
<tr>
<td>q21_e</td>
<td>-0.717</td>
<td>83</td>
<td>0.000</td>
<td>-0.762</td>
<td>0.90</td>
<td>0.62</td>
</tr>
<tr>
<td>q22_e</td>
<td>13.704</td>
<td>83</td>
<td>0.000</td>
<td>0.881</td>
<td>0.75</td>
<td>1.01</td>
</tr>
<tr>
<td>q23_e</td>
<td>12.596</td>
<td>83</td>
<td>0.000</td>
<td>0.857</td>
<td>0.72</td>
<td>0.99</td>
</tr>
<tr>
<td>q25_e</td>
<td>13.816</td>
<td>83</td>
<td>0.000</td>
<td>1.000</td>
<td>0.86</td>
<td>1.14</td>
</tr>
<tr>
<td>q26_e</td>
<td>14.119</td>
<td>83</td>
<td>0.000</td>
<td>0.845</td>
<td>0.73</td>
<td>0.96</td>
</tr>
<tr>
<td>q27_e</td>
<td>8.516</td>
<td>83</td>
<td>0.000</td>
<td>0.726</td>
<td>0.56</td>
<td>0.90</td>
</tr>
<tr>
<td>q28_e</td>
<td>21.647</td>
<td>83</td>
<td>0.000</td>
<td>1.060</td>
<td>0.96</td>
<td>1.16</td>
</tr>
<tr>
<td>q29_e</td>
<td>17.622</td>
<td>83</td>
<td>0.000</td>
<td>1.012</td>
<td>0.90</td>
<td>1.13</td>
</tr>
</tbody>
</table>

**TABLE 6: RESEARCH HYPOTHESIS t- TEST**

The results from the t-test shows that the mean (\( \mu \)) of almost every question is > 3. Only question 10 and question 21 have a mean, which is < 3. Those questions were discussed on the chapter before, in which the descriptive analysis showed the same result. The conclusion of the test is that Ho can not be rejected. The T-Test indicates that Chinese managers prefer direct communication during negotiation with foreign managers.
5.2.4 T-TEST – AGE

To find out if there is any difference in communication style depending on the age of the managers a t-test was performed. In the questionnaire the age was divided into six categories of 5 years for each category. Due to the distribution of the age in some categories for the t-test only two categories were used. The first category was from 25-30 and the second category was all the managers > 30.

The results of the test are shown below:

<table>
<thead>
<tr>
<th>Group</th>
<th>Mean</th>
<th>Std Deviation</th>
<th>Std Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 to 30</td>
<td>3.51</td>
<td>3.66</td>
<td>1.02</td>
</tr>
<tr>
<td>More than 30</td>
<td>5.00</td>
<td>2.12</td>
<td>0.71</td>
</tr>
</tbody>
</table>

The results shows that the managers who are > 30 have a higher mean that the managers who are < 30, this gives a relationship between age and direct communication. The oldest managers are more direct when negotiating with foreign managers than the youngest managers. For this test it could be expected a higher mean for the youngest managers than for the oldest managers. However the test result shows that the oldest are more direct than the youngest.

**TABLE 7: AGE t-TEST**

The results shows that the managers who are > 30 have a higher mean that the managers who are < 30, this gives a relationship between age and direct communication. The oldest managers are more direct when negotiating with foreign managers than the youngest managers. For this test it could be expected a higher mean for the youngest managers than for the oldest managers. However the test result shows that the oldest are more direct than the youngest.
5.2.5 T-TEST – EXPERIENCE ABROAD

To find out if there is any difference in communication style depending on experience of living abroad a $t$-test was performed.

The $t$-test results indicate that the mean of managers who have experience of living abroad is $\mu = 3.6916$ which is slightly higher than the mean for the manager who do not have experience of living abroad: $\mu = 3.6500$. See the results on the tables below.

<table>
<thead>
<tr>
<th>Group Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std Deviation</th>
<th>Std Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>31</td>
<td>3.897</td>
<td>1.844</td>
<td>0.160</td>
</tr>
<tr>
<td>No</td>
<td>33</td>
<td>3.808</td>
<td>1.983</td>
<td>0.169</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>t-Test Results</th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>Std. Error Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1.067</td>
<td>63</td>
<td>0.291</td>
<td>0.048</td>
<td>0.052</td>
</tr>
<tr>
<td>No</td>
<td>1.102</td>
<td>63</td>
<td>0.270</td>
<td>0.056</td>
<td>0.054</td>
</tr>
</tbody>
</table>

**TABLE 8: EXPERIENCE ABROAD t-TEST**
5.2.6 T-TEST – GENDER

To find out if there is any difference in communication style depending on the gender of the Manager a t- test was performed.

The t- Test shows that the mean for the Female managers is $\mu = 3.6920$ which is slightly higher than the mean for the Male managers: $\mu = 3.6500$. This indicate that the female managers are more direct during business negotiations with foreign managers than the male managers, however even if the difference is small the result is different from what it can be expected.

![Table 9](image)

**Table 9: Gender t- Test**
5.2.7 REGRESSION ANALYSIS

Considering the theory of high and low context cultures of T. Hall and the communication model of Samovar and Porter the differences of communication style should have as a result miscommunication between Chinese Managers and foreign managers.

The questionnaire included some questions to test miscommunication between Chinese managers and foreign managers during business negotiations.

Question 13 was one of the questions testing miscommunication and read as follows:

When I negotiate with foreign my perspective and opinions are not understood or accepted

The descriptive test showed a mean of 3.49. The result indicates that Chinese managers do not have miscommunication problems when negotiating with foreign managers.

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>q13</th>
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</thead>
<tbody>
<tr>
<td>N Minimum Maximum Mean Std. Deviation</td>
<td>Frequency Percent Valid Percent Cumulative Percent</td>
</tr>
<tr>
<td>q13 84 2 5 3.49 .736</td>
<td></td>
</tr>
<tr>
<td>Valid N (listwi) 84</td>
<td></td>
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</tbody>
</table>

A regression analysis was conducted to find out if the preference for direct communication showed on the previous analysis had a relationship with the result.

The proposed regression equation was as follows:

\[ y = a + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \ldots + \epsilon \]

Where, \( y \) = question 13 (dependent variable); \( x_1 \) = age, \( x_2 \) = experience abroad, \( x_3 \) = gender, \( x_4 \) = direct communication.
The results of the regression analysis indicate that among all variables, direct communication was found to have a statistically significant impact on avoiding miscommunication problems. Correlation is significant at the .05 level. The results are shown below.
6. CONCLUSIONS

The Conclusion chapter will firstly present the conclusions from the analysis in relation to the purpose of the study, secondly a discussion of validity concerns will be presented, finalising with suggestions for further research.

6.1 Conclusions

Concluding this research it is important to underline that a generalisation of the results is not possible due to the answer frequency. However the results may give the reader an understanding of the trends on the use of direct or indirect communication by Chinese managers.

The aim of the research was to answer the following question:

**Does the Chinese manager have a preference for direct or indirect communication when negotiating with foreign managers?**

The following hypotheses were used for the research.

*Ho:* Chinese managers prefer direct communication during business negotiations with foreign managers.

*Ha:* Chinese managers prefer indirect communication during business negotiations with foreign managers

The hypothesis test showed that Chinese managers prefer direct communication during business negotiations with foreign managers.

Based on the analysis of the research it could be observed that Chinese managers do not avoid open confrontations during business negotiations with foreign managers, even if the confrontation can end in loosing face.
A weak indication of that experience of living abroad leads to the use of a more direct communication was observed and also a weak indication of female managers begin more direct than male managers.

The characteristic of indirect communication concerning the need Chinese managers have of establishing personal relationships before discussing business could be explained by the fact that the influence of Confucianism still prevails in Chinese society.

### 6.2 Validity

*Validity* is concerned with whether the findings are really about what they appear to be about (Saunders, Lewis, & Thornhill, 2007 p. 151).

*Internal validity* establishes a causal relationship, whereby certain conditions are shown to lead to other conditions, credibility of causal connections is very important for the internal validity. (Bryman & Bell, 2003 p. 33)

To create validity for the research the theory and the research question has been connected to the research model through finding relationships. The relationships then act as a foundation for the hypothesis, as well as foundation for the survey and finally for evaluating and presenting the results from the research. By using the relationships a clear pattern has been upheld between the theory and the empirical data.

### 6.3 Reliability

Reliability demonstrates that the operations of a study, such as the data collection procedures, can be repeated with the same results. Reliability is essentially a synonym for consistency and repeatability over time, over instruments and over groups of respondents. For research to be reliable it must demonstrate that if it were to be carried out on a similar group of respondents in a similar context, then similar results would be found. (Saunders, Lewis, & Thornhill, 2007 p. 149)
To create reliability for this research secondary data has been collected, and issues of both validity and reliability have been considered. The collection endeavored to avoid inappropriate responses or inappropriate respondents, which could result in under-minding the reliability of the research. One of the methods used to construct reliability for the data collection was through testing the survey in a sample from the target group. The purpose for the test was to find out if the survey was testing what it was intended to test and also to find out if the survey was covering the entire theoretical framework. Reliability was also taken into account during the process of selecting the respondents. Selection was taken from the MBA’s programs at Fudan University, which ensured the researcher that the respondents had the intended background for the target group.

6.4 Generalisability

Generalisability establishes the domain to which a study’s findings can be generalised; the main tactic is using replication logic in multiple case studies and questionnaire survey. By means of replication, a theory can be tested a second or even more times and the same results should turn out (Saunders, Lewis, & Thornhill, 2007 p. 151)

Since the response rate from the questionnaire was lower than 100, the result cannot be generalized to a larger population. However the results may give the reader an understanding of the trends on the use of direct or indirect communication by Chinese managers. Moreover the intention of the research is to find out the preference of Chinese managers for direct or indirect communication when negotiating with foreign managers. Stated as the target group Chinese managers fluent in the English language, with a least three years work experience and with experience in negotiating with low context cultures. Therefore the results of the research can not be applicable to all the managers in China.
6.4 Future Research

There are no limitations to the extent at which the meaning of management communication can be explored, relating to the dynamic environment that exists in a global world.

Below are some examples of areas relating to management communication, which can be explored in further research:

The purpose of this research was to find out if the Chinese managers had a preference for direct or indirect communication when negotiating with foreign managers and the result showed that the Chinese managers contrary to the theory use a more direct communication. It could be of interest to analyse if the communication training Swedish managers receive before conducting business with Chinese managers is based on those theories.

It could be of interest to do similar research with the same purpose as this research, but on a larger scale. This would lead to a possible generalisation and an opportunity to create a complementary theory.

A final suggestion is that future research could focus on what degree Scandinavian managers adapt their communication style when negotiating with Chinese managers.
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8. APPENDIX

8.1 Questionnaire

<table>
<thead>
<tr>
<th>1. QUESTIONNAIRE INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>THANK YOU FOR TAKING THE TIME TO COMPLETE THE FOLLOWING QUESTIONNAIRE</td>
</tr>
<tr>
<td>This questionnaire contains a total of 30 questions and takes approximately 15 minutes to complete.</td>
</tr>
<tr>
<td>The survey is anonymous, thus no personal details will be collected</td>
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<table>
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<tr>
<th>2. Questions 1 to 9</th>
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<tbody>
<tr>
<td>1. Age:</td>
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<td>25 to 30</td>
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<td>2. Gender:</td>
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<td>Female</td>
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<td>3. Position in current or previous employment:</td>
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<td>4. MBA Followed:</td>
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<td>[ ] Fudan MBA</td>
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<td>[ ] Fudan EMBA</td>
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<td>[ ] Fudan SEBA</td>
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<td>[ ] Fudan Hamburg Program</td>
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<td>[ ] Fudan Columbia Program</td>
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<td>[ ] Fudan EIMBA</td>
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<td>[ ] Other (please specify)</td>
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<td>5. University Degree before MBA:</td>
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</table>
3. Questions 6 to 9

6. Have you any experience of living/working or studying abroad:

☐ YES
☐ NO

7. If yes to previous question, which country?

☐

8. How many years?

☐

9. Level of English:

☐ Good
☐ Very Good
☐ Excellent

4. Questions 10 to 14

THE FOLLOWING QUESTIONS ARE REGARDING YOUR EXPERIENCE WORKING AND NEGOTIATING WITH MANAGERS FROM OTHER COUNTRIES.

10. When I do business with foreigners I prefer to establish a good relationship before we start to negotiate.

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<tr>
<th></th>
<th>Completely Agree</th>
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<th>Somewhat Agree</th>
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11. When negotiating with foreigners, if any problem arises, I confront the problem directly.

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12. When negotiating with foreigners my experience and background is valued.

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<th>Completely Agree</th>
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</table>
13. When I negotiate with foreigners my perspective and opinions are not understood or accepted.

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<th>Completely Agree</th>
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14. When I do business with foreigners I try to adapt to the foreign managers way of doing business.

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5. Questions 15 to 19

15. When negotiating with foreigners, issues of culture become a central focus in our business negotiations.

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<th>Completely Agree</th>
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16. When negotiating with foreigners I see it as an opportunity to learn from other management styles

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<th>Completely Agree</th>
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17. When I do business with foreigners I pay more attention the words the managers speak and less to their body language.

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18. When I do business with foreigners I pay more attention to the body language of the manager and less to the words they speak.

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<th>Completely Agree</th>
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19. When negotiating with foreigners I ensure that the key issues are discussed...
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<tr>
<td><strong>6. Questions 20 to 25</strong></td>
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<td>20. When negotiating with foreigners I present all the information on the issues in question.</td>
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<td>21. When negotiating with foreigners I expect the foreign manager to be familiar with the important issues in question.</td>
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<td>22. When negotiating with foreigners to achieve the goal of the negotiation is more important than losing face</td>
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<td>23. When negotiating with foreigners, to be polite and avoid losing face is more important than achieving the goal of the negotiation.</td>
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<td>24. When negotiating with foreigners, they often misunderstand certain issues.</td>
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7. **Question 26 to 29**

25. _When negotiating with foreigners there is often an agenda to follow._

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26. _When negotiating with foreigners I show directly if I disagree with the decisions made during the meeting._

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27. _When negotiating with foreigners I delay disagreeing with decisions made until after the meeting has ended._

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28. _When negotiating with foreigners the agreements made in writing are more important than those made orally._

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29. _When negotiating with foreigners the agreements made orally are more important than those made in writing._

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8. Last question

Answer the question below with 1, 2, 3, 4, 5 or 6 most important: (1). least important: (6).

30.
I am motivated in my job by...

- Personal growth and development
- Money
- The opportunity to help other people
- Prestige
- The opportunity to manage other people
- The opportunity to give a valid contribution to society

9. END

THANK YOU