DUTCH-TURKISH BUSINESS COOPERATION

An effective way of dealing with cultural differences, which influence business co-operation between Dutch and Turkish companies.

Master Thesis

By

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AUTHOR'S NOTE

The last half year of my study was really instructive. I have worked with great pleasure on my master thesis for international management. The topic interested me because my own cultural background as a person with dual nationality makes me sensitive for both Turkish and Dutch culture. Also my future ambition is working for Dutch organizations which have business cooperation's with Turkey.

Therefore I would like to thank Mrs. Lily Sprangers founder of the Turkey Institute for offering me the topic; "cultural differences between Turkey and The Netherlands, which influence business cooperation". Furthermore I would like to thank my supervisors Dr. Michel Ehrenhard and Martin Stienstra for their helpful coordination efforts and comments during the research process. I would also like to thank Dr. Ursula Brinkmann for her comments and instructions, secondly Professor Kadir Varoglu and his assistant Mehmet Cakar from Baskent University in Ankara for their valuable indications. Furthermore I would like to thank M.J.Cornelius (my English teacher) and my fellow student Ruud van Groenewoud for checking my English in this report. Naturally, I would like to thank all the respondents that have filled in the questionnaire and those who gave their time to be interviewed by which means I have been able to compile the valuable results of this thesis.

"*Culture has no positive or negative sides*

there are only differences

Awareness of these differences is very important.

Nobody can expect to do business in the same way,

like he or she is used to do it in their own country.

Therefore knowing the differences and being aware of them,

will make business between Turkey and The Netherlands

more effective and understandable."

Huner Gulay (manager at Unilever)

ABSTRACT

This research is conducted as a result of increased Dutch Foreign direct investment in Turkey. Existing information about the cultural effects on management practices between Turkey and The Netherlands were underexposed and conventional wisdom is out of date within this domain. The focus is laid on business negotiations because earlier research has suggested that most of the mergers and acquisitions faildue to intercultural differences. This research gives insight into the following aspects; pace of negotiations, negotiation strategies, negotiation tactics, communication, relationship building, and decision making. Results of this study show that there are cultural differences between Turkey and The Netherlands in preferences for style of negotiation. There is also noticed that culture in Turkey shifts toward western principles and culture in The Netherlands shift towards Asian principles which results in the phenomenon that formal differences change into similarities. This change might be a result of globalization and adaptation to the best practices.

Key words: Business culture, Business relationships, Turkey, Netherlands, Negotiations, Co-operation, Hierarchy, Business values, Islamic work values, Protestant work values, loss of face, Business structure, national culture.

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1 INTRODUCTION

Turkey moved to the 22nd place in attracting Foreign Direct Investment (FDI) in 2005 from the 53rd place in 2003. The preliminary data for 2006 indicates that Turkey will be among the top 10 FDI attracting countries. This is due to macroeconomic stability, implications of the EU membership process and the efforts for the improvement of the investment environment (Yased, FDI report, 2007).There were 1,428 Dutch companies operating in Turkey in 2008. Some of them are companies like Philips, Unilever, and Shell which all have a longer presence in Turkey. But there are also newcomers each year. The Netherlands contributed to around 20 percent of total FDI in the last three years in Turkey. According to the

Turkish Under secretariat of the Treasury, 239 new Dutch companies were established in 2007. (Dutch Foreign Direct Investments (FDI) in Turkey, Basaran, 2008). Furthermore, 53 percent of all Dutch companies in Turkey are located in Istanbul. The other 35 percent are located in Antalya, Mugla, Izmir and Ankara. This means that other provinces host the rest of the 22 percent.
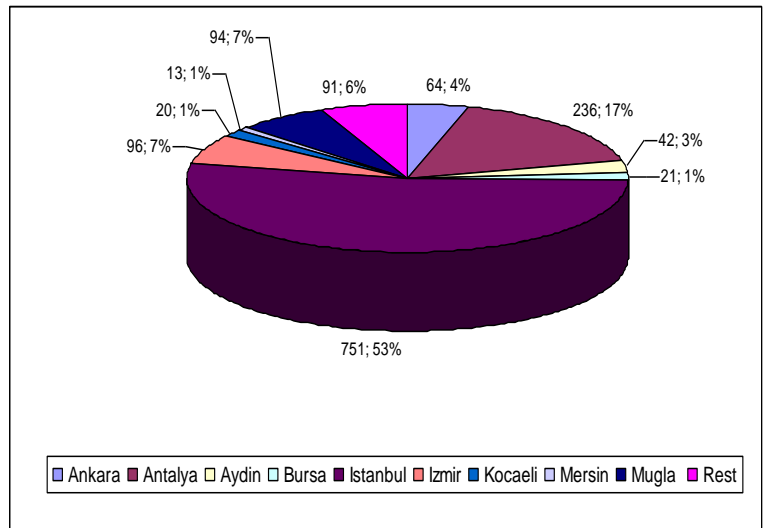
Graph 1 Source: Under secretariat of Treasury

According to the Turkish under secretariat of the Treasury, the following sectors can be observed to have the highest level of investments by Dutch companies:

- Real estate and construction (317 companies, 22% of total) is the major sector for Dutch investments in Turkey.

- Wholesale and retail trade (154 companies, 11%)

- Tourism & catering (110 companies, 8%)

- Transport & communications (99 companies, 7%)

- Machinery & metal/plastic processing (108 companies, 8%)

- Textile & ready-to-wear (93 companies, 7%)

- IT-media publishing & education (79 companies, 6%)

- Other sectors (442 companies 31%)

There is also an increasing foreign direct investments of Dutch companies in the sector banking, insurance and finance. At the moment there are more than 20 Dutch companies in this field. Several companies realized mergers and acquisitions over the last five years. Well known names are ING bank, Fortis, Eureko and Atradius (Dutch Foreign Direct Investments (FDI) in Turkey, Basaran, 2008).

Dutch companies face a lot of difficulties doing business in Turkey due to cultural differences (Kansrijk Turkije, ING, 2009). Many leaders and managers involved in international business activities do not have sufficient intercultural skills to be successful. Research suggests that up to 65% of failed mergers and acquisitions are due to intercultural differences causing communication breakdowns that result in poor productivity. Another point comes from Morosini, 1998 that *"misunderstood national cultural differences have been cited as the most important factors behind the high failure rate of global JVs (joint ventures) and alliances."* From the perspective of Dutch companies it can be argued that the main bottlenecks are building business networks with the Turks and their language and cultural differences with The Netherlands (Kansrijk Turkije, ING, 2009).

Researches on Turkey with regard to cultural effects on management practices are underexposed. Particularly, there is a lack of information about cultural differences on business co-operation with Dutch-Turkish companies. As stated above, it can be concluded that the demand for this kind of information is rising due to increased Foreign Direct Investments in Turkey. Within this domain a research will be conducted on influences of national cultural differences on business culture and negotiations between Dutch and Turkish companies.

This research is sponsored by the Turkey Institute, which is an independent NGO and is funded by Dutch multinationals. The Turkey Institute was founded in 2007 in The Hague and aims to increase knowledge of Turkey among a broad Dutch audience. Topics focused on are the relations between the Netherlands and Turkey; Turkey and the EU, strategic position of Turkey in the region and particularly economic developments. Furthermore Turkey Institute has a broad network of experts within The Netherlands, Europe and Turkey to serve the needs of acquiring knowledge about Turkey.

1.1 OBJECTIVE OF RESEARCH

The objective of this research is to increase the knowledge of the cultural differences between Turkey and the Netherlands, which influences the co-operation of companies. The findings of this research will be used in a business course for expatriates or international managers to help them deal with these cultural differences in a constructive way.

1.2 PROBLEM STATEMENT

In order to reach the objective of this research a problem statement has been formulated:

To what extend do Dutch-Turkish cultural differences influence business negotiations and how should Turkish and Dutch business people deal with these differences?

1.2.1 SUB QUESTIONS

These sub questions will guide the research and answer the main question, which is stated above.

1. What are the differences and similarities of national culture and work values between Turkey and the Netherlands?

2. Which aspects of business negotiations are influenced by cultural differences between the Netherlands and Turkey?

3. How do managers deal with cultural differences during Turkish-Dutch business negotiations?

4. What does this research add to science?

1.3 RESEARCH STRATEGY

To answer the research question a deductive approach will be applied. This implies that first the existing theory will be examined in order to develop a theoretical framework that will be tested with a survey and an in-depth interview with managers of Dutch multinationals. There are several parameters defined and key words generated for conducting a literature research.

1.3.1 PARAMETERS OF SEARCH

Language: English/Turkish/Dutch

Subject areas: National culture

                     Negotiations

                     Business culture

Geographical area: Turkey and the Netherlands

Literature type: Journals, books and internet sites

1.3.2 KEY WORDS

These keywords are used on databases to get the right information:

Business culture, Business relationships, Turkey, Netherlands, Negotiations, Co-operation, Hierarchy, Business values, Islamic work values, Protestant work values, loss of face, Business structure, National culture

1.4 THESIS STRUCTURE

This model gives an overview of what the study will cover. Parts of the research are numbered with chapters and will be explained below the model.
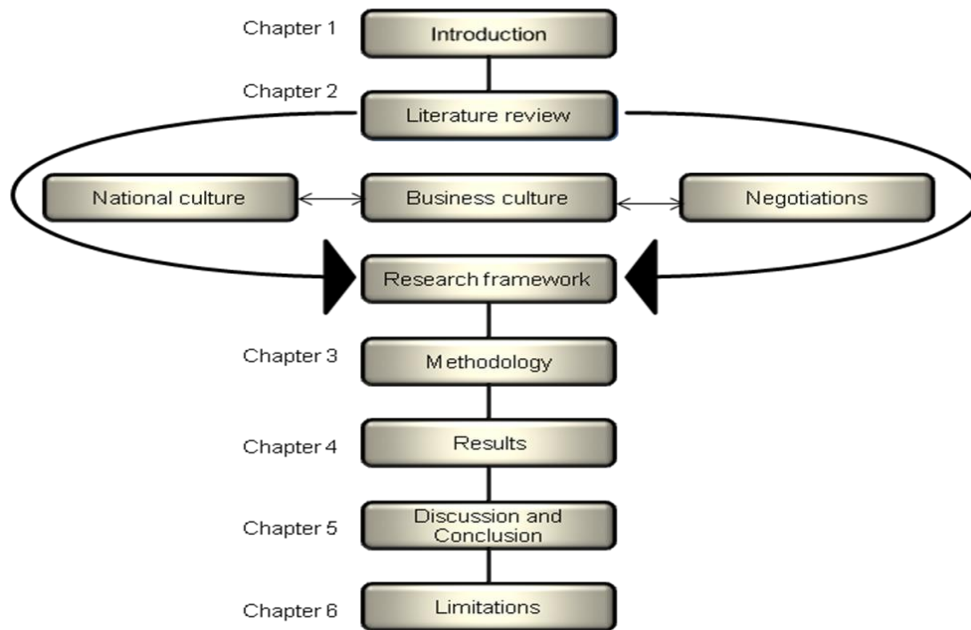
Figure 1 Thesis structure

Chapter 1. Introduces the subject, research goals and background information of this study.

Chapter 2. Informs the reader about the three subjects: national culture, business culture and business negotiations. This part covers also the research framework that will be examined in the field study.

Chapter 3. Focuses on how the methods of research are constructed and in what way the study will precede.

Chapter 4. In this section the implementation of methods is done and the outcomes presented.

Chapter 5. This phase will compare between the actual findings and the theories stated in the previous part of the literature review. Also conclusions, recommendations and explanations of relations are be given in this part.

Chapter 6. This chapter covers the limitations of the study and situates the future research opportunities.

2 LITERATURE REVIEW

In this section, first, the meaning of culture is explained. Secondly, cultural roots and national culture of Turkey and the Netherlands are described. Thirdly, business culture of Turkey and The Netherlands is compared to get a general overview about the conventional wisdom with respect to work values. Subsequently, a framework of businessnegotiations aspects are drawn and existing knowledge is compared between the two countries. According to this information hypotheses are formulated.

2.1 THE MEANING OF CULTURE

Culture is an important aspect that managers have to understand in order to be successful in international business. Cultural aspects do not change very quickly and in most of the cases of business cooperation, they resist change. Therefore a manager should be aware of this and has to know the meaning of culture before she or he conducts business.

There are a lot of definitions of culture. According to Ball et al (2008) most anthropologists define culture as the *"sum total of the beliefs, rules, techniques, institutions, and artifacts that characterize human populations"*. On the other hand, Hofstede (2005) defines culture as "*the collective mental programming of the mind that distinguishes the members of one group or category of people from others"*, claiming that national culture has the greatest impact on organizational behavior. Nonetheless, most anthropologists share the opinion that (Ball et al, 2008, p.160):

- Culture is learned, not innate.
- Various aspects of culture are interrelated
- Culture is shared
- Culture defines the boundaries of different groups

Going beyond definitions, Edgar Schein (1988) has developed a framework to discover the meaning of culture. In this framework three levels of culture are distinguished. The level of artifacts deals with what one feels, observes, and interprets by entering a new culture. Examples of artifacts are interior design, greeting rituals, dress codes, making contact, and contracts. Artifacts are difficult to understand for persons who do not share the same culture. An explanation of artifacts is the level of *values* and beliefs. Beliefs are statements of facts, about the way things are. Values are preferred states about the way things should be, about ideals. (Schneider and Barsoux, 2003, P. 30). Espoused goals, ideals, norms, standards, moral principles, are examples of values (Schein, 1988). The ***basic underlying assumptions*** represent the core of culture and are taken for granted. These assumptions are difficult to determine, because these exist on the largely unaware level (Schein, 1988).
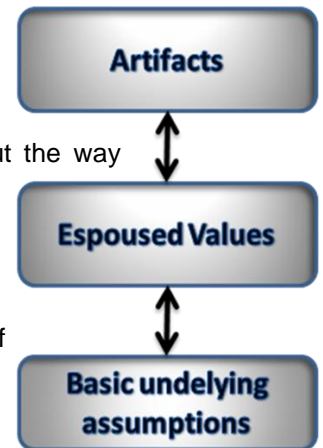
Figure 2.

For the purpose of this study, we are especially interested in these espoused values. These espoused values of national culture can be analyzed through the dimensions of Hofstede (1980). He conducted a large study on the values of people in 50 different countries around the world. The dimensions of Hofstede (2005) have been frequently used[1]. These dimensions are as follows:

1. **Power distance** informs about dependence relationships whereby small power distance countries means a limited dependence of subordinates on bosses, and there is a preference for consultation. The emotional distance is relatively small; subordinates can easily move toward and disagree with their bosses. In large-power-distance countries the dependence is high of subordinates on bosses and the emotional distance is relatively high. Hofstede defines power distance as *"the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally"*.

2. **Individualism versus collectivism** is defined as: individualism *"pertains to societies in which the ties between individual are loose; everyone is expected to look after himself or herself and his or immediate family"*. Collectivism as its opposite *"pertains to societies in which people from birth onward are integrated into strong, cohesive in groups, which throughout people's lifetimes continue to protect them in exchange for unquestioning loyalty"*.

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[1] Cultures Consequences 2005 is cited 262.000 in Google scholar

3. **Masculinity versus femininity** leads to the following definition: *"a society is called masculine when a emotional gender roles are clearly distinct: men are supposed to be assertive, tough, and focused on material success, whereas women are supposed to be more modest, tender and concerned with the quality of life". "A society is called feminine when emotional gender roles overlap: both men and women are supposed to be modest, tender, and concerned with the quality of life".*

4. **Uncertainty avoidance** is defined as: *"the extent to which the members of a culture feel threatened by ambiguous or unknown situations".*

These dimensions will be elaborated further in paragraph 2.5 in order to compare Turkish and Dutch business culture.

2.2 CULTURAL ROOTS AND NATIONAL CULTURE

To contextualize the espoused values, or basic underlying assumptions, it is crucial to know the historical aspects of the countries. Culture changes slowly, there are values rooted from previous periods. History and religion are one of the important factors of cultural differences between countries (Hofstede, 1991). Getting background information about the history of The Netherlands and Turkey makes the culture more understandable.

2.2.1 CULTURAL ROOTS OF TURKEY

The Turkish history is described by Gannon (2001, P.96/97).Turkish tribes began to migrate from central Asia to Anatolia and fought against the Byzantine Empire and raised the Ottoman Empire. A new religion Islam was embraced. In 1453, the Ottomans conquered Constantinople, which is known as Istanbul today. In 1500, Ottoman Empire included present days**:** Turkey, Iran, Iraq, Egypt, Israel, Syria, Kuwait, Jordan, Saudi Arabia, Albania, Algeria, Libya, Tunisia, Greece, Bulgaria, Sudan, Romania, Hungary, former Yugoslavia, Czech Republic, Slovakia, Ethiopia, Somalia and the Soviet Union. Six centuries long, the Turks governed three continents and interacted with Europeans. In 1800s, the Ottoman Empire began to decline with the loss of several countries like; Serbia, Romania, Cyprus, Algeria and Tunisia. By the end of World War **one** the Arab provinces were lost. After that, the Turkish War of Independence began in 1919 and ended with Mustafa Kemal Ataturk in charge of Turkey in October 1923. With the treaty of Lausanne the republic of Turkey was established as a secular and democratic nation. Ataturk introduced a lot of reforms and turned the country toward Western principles. The Turks are very proud of their achievements with Mustafa Kemal Ataturk's reforms introducing Turkey as a modern state. These reforms included shifts from Islamic to European legal code, closing of religious schools and lodges. Contrasting to other

Islamic countries government, schools and business operate independent of religious beliefs (Gannon, M. 2001, P.98). It is often mentioned that Turkey is a cultural bridge between the West and the Islamic world. About 96 percent of the citizens are Muslims but other religions are tolerated.

Cultural values derived from the Islamic faith according to Gannon (2001) are: that Muslims believe that the future will be better than the past. Also that the soul lives forever, that everyone is responsible for their actions and the acceptance of their lot. Turkish hospitality comes from the ethical aspects of Islam. Furthermore, every event in people's lives is predetermined and that people make decisions under a given set of circumstances (kismet/lot). The phrase insallah (god's will) is used frequently. Also people who believe in Islam are more masculine according to Hofstede (2005).

Cultural values derived from the Ottoman Empire according to Aldemir (2003) are: supporting the centralization of work and authority. Believing the superiority of the present work order and being in an effort to protect it. Other important aspects are obeying orders, being modest at work and friendship and family ties. Turkish cultural values adopted from the western philosophies according to Arslan (2000) and Aldemir (2003) are: giving importance to knowledge, skill and ability at work, need for achievement, risk taking, consensus, and responsibility

Religion, history and geographic latitude are the most important factors according to Hofstede (2005) why culture differs between societies. It can be concluded, that Turkish work mentality is a mixture of Islamic, Ottoman and Western Philosophies. Military conquests have moved and mixed populations whereby new rules are added to the culture (Aldemir et al., 2003). Hofstede (2005) postulates that the Incorporated values of Islam correlates with masculinity, because men have a dominant role: also uncertainty Avoidance can be linked to the fact that Muslims believe and accept their lot. Countries closer to the equator like Turkey are associated with lower individualism (Hofstede, 2005). The values of the Ottoman Empire centralization of work and authority explains power distance in Turkey.

2.2.2 CULTURAL ROOTS AND NATIONAL CULTURE OF THE NETHERLANDS

The Dutch East India Company (VOC) was founded in 1602 and it was the first multinational corporation and held a trade monopoly for centuries. In the 1700s the Dutch entered the "golden age" increasing the wealth of the nation. Dutch people loved the challenge and adventure and in the 19th and early 20th centuries, the colonialism of regions (Vossestein, 2008).

Christianity increased in the 9th century in the Netherlands. In the 1300s the Netherlands was dominated by Protestantism. From the mid 1500s on, Calvinism, a particularly strict version of the protestant Christian faith became the dominant religion in the

Netherlands. Religion was highly influential till 1960. This changed due to the social adjustments, which resulted in the rejection of the existing power structures which in turn led to the eroding of religion. Nowadays Dutch people score one of the least in surveys on church visitors in Europe (Vossestein, 2008). Protestant denominations are non-hierarchical. This explains the Low power distance in Protestant nations (Hofstede, 1980). Some Protestant work values are: Taking hard work as a religious duty, Frugality and productivity, Punctuality and time-saving, Pride in work, Need for achievement and Honesty (Furnham, 1990). Also protestant countries scored lower in uncertainty avoidance (Hofstede, 1980)

Vossestein (2008) stresses the fact that in low-lying countries such as the Netherlands, everyone is threatened equally by the water. Dutch people had to rely on their own ranks. Centuries long all male inhabitants covered by the "*waterschap*" had to contribute to the construction, guarding and repairing of the dykes. People made themselves autonomous in a structure with a very low hierarchy. This explains somehow the low power distance and individualism in the Netherlands. Hofstede (2005) postulated also that wealthier countries like the Netherlands are more individualistic than poor countries. Thus how wealthier a country becomes how more it tends to shift towards individualism.

To Conclude, actions in the past and religion explain the differences of National culture. Protestant countries tend to score below average in uncertainty avoidance and are more feminine. Also trade and seafaring in the 19th and 20th centuries were essential virtues in that period. Women's had to care for themselves when the man's were away. This clarifies that The Netherlands is feminine. An explanation for low power distance is that The Netherlands is low lying country which has made the Dutch people more autonomous through the "waterschap" public cooperation. Countries located further from the equator are positively correlated with individualism (Hofstede, 2005).

Business culture is based on the values of national culture, which is described in the next paragraph.

2.3 BUSINESS CULTURE

Business cultures reflect the societies in which they are imbedded. National culture and industry are parts of the environment of organizations. Business culture is, besides national culture, also influenced by industry, the presence or absence of competitors, the nature of business, the nature of the available labor supply and so forth (House et al, 1994). For the purpose of this study, which is cross-industry, we therefore focus on those aspects of national culture that have an influence on specifically the business culture.

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The dimensions of Hofstede (1980) are further elaborated to give an overall view of the differences in business culture between Turkey and The Netherlands

Graph 2. Comparison between Turkey and The Netherlands[2].

PDI:	Power distance
IDV:	Individualism vs. collectivism
MAS:	Masculinity vs. femininity
UAI:	Uncertainty avoidance
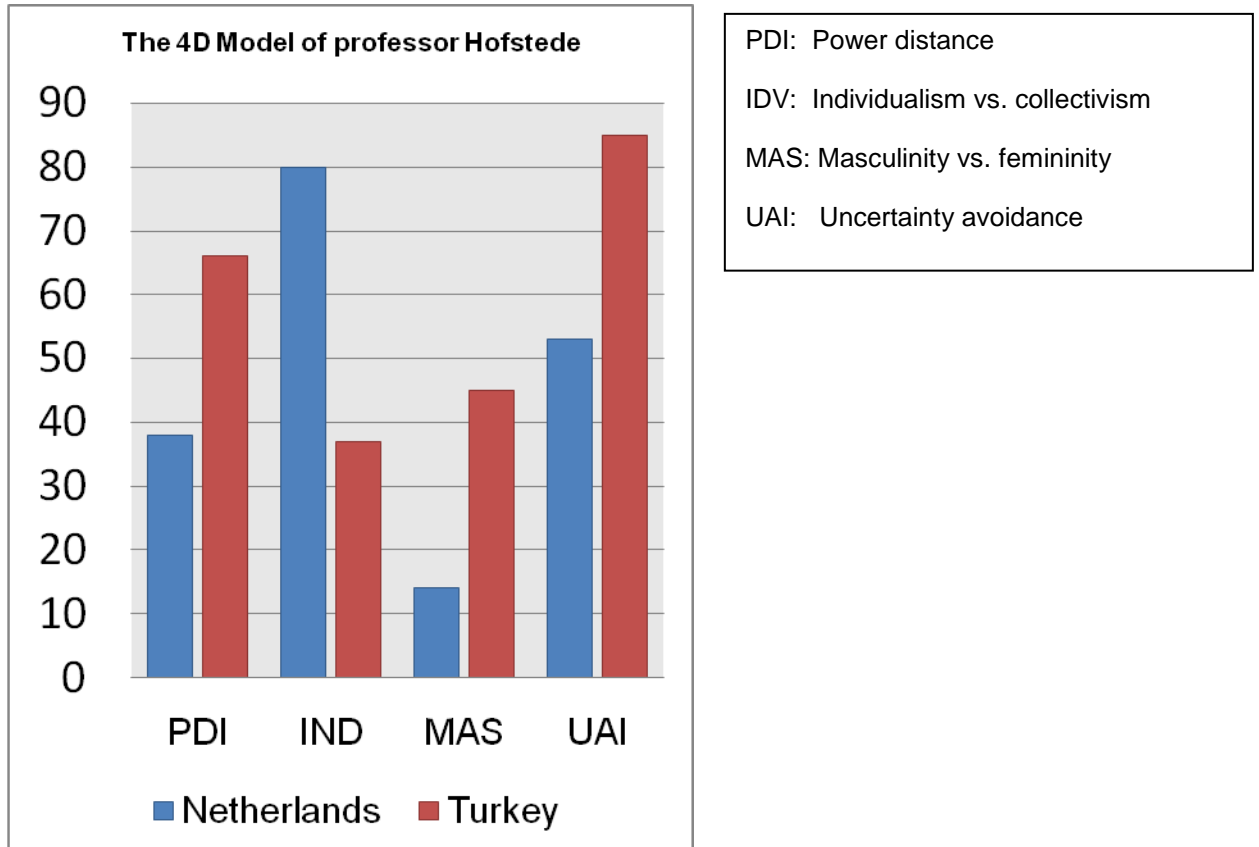
The Netherlands

Low power distance: Decentralization is popular and the salary range is narrow. Democratic bosses are seen as ideal. Privileges and status symbols are not accepted. Further there is not much perceived hierarchy in organizations.

High individualism: Relation between employer and employee is based on a contract. Management of individuals is accepted and tasks are more important than relationships.

Low masculinity or feminine Here management is based more on consensus and rewards are based on equality. Extra leisure time is more appreciated than more money. Careers are optional for both genders. Conflicts are resolved by compromise.

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[2] http://www.geert-hofstede.com/hofstede_dimensions.php?culture1=62&culture2=93

Low uncertainty avoidance: Lesser rules are appreciated. Motivation by achievement. Top managers are more concerned with strategy than daily operations. Employees change their jobs more quickly.

Turkey

High power distance: Superiors and subordinates are not equal. There is a centralization of power. Salary can show wide gaps between top and bottom. Also privileges and status symbols are accepted and subordinates expect to be told what to do.

Low individualism or collectivistic culture: The employer-employee relationships are intense like family. Management of groups is appreciated and relationship is more important than tasks.

Masculine/feminine: Turkey is valued higher masculine than the Netherlands but it still falls under feminine. Share of women in professional jobs is lower. Careers are optional for women but compulsory for men. Further conflicts are resolved by letting the strongest win.

High uncertainty avoidance: There are fewer changes in jobs, longer serving time. Rules are appreciated. Time is seen as money and there is a need for precision and formalization. Top managers are more concerned with daily operations.

In relation to business, Hofstede, (2005) classified Turkey as a pyramid of people, coming from a country with a large power distance and high uncertainty avoidance. This leads to a concentration of authority, the personal power and the formal rules play a great importance. In this culture a leader has personal power and arrenges formal rules and regulations to guide his or her employees. The Netherlands is classified as a village market structure. The national culture is characterized by a small power distance and low uncertainty avoidance. This business culture has no concentrating authority and no structuring activities.

Next to Hofstede, business culture was also examined by Trompenaars & Hampden-Turner (2000), he noted that three aspects of organizational structure are important in determining the corporate culture.

1. The general relationship between employees and their organization.

2. The vertical or hierarchical system of authority defining superiors and subordinates.

3. The general views of employees about the organization's destiny, purpose and goals and their places in this.

In order to get corporate culture typologies Trompenaars & Hampden-Turner (2000) distinguish the dimensions equality versus hierarchy and orientation to the person versus

orientation to the task. This enables us to define four types of business cultures namely; The family, The Eiffel tower, The guided missile and the incubator. Turkey falls under hierarchical and orientation to the person and is therefore classified as a family culture where employee relations are diffuse, which means: a large private life that includes a relatively large number of people and a small public space that is difficult to enter. There is no clear distinction between work and private life. Also the person who is doing something is more important than what is being done. (Trompenaars & Hampden-Turner 2000). Employees are treated as family and the leader is seen as a father (Kabasakal & Bodur 1998). Respect to a person depends on his or her status and age; elderly people are treated with more respect (Katz, 2007). The face-to-face relations are personal but also hierarchical. This results in a power-oriented business culture. Family cultures are likely to be high context. High or low context communication refers to how much someone has to know before an effective communication can take place. The level of shared knowledge is taken for granted with each other in a conversation (Trompenaars & Hampden-Turner 2000). Turkey is dominated by private holdings, companies that are run by family members as well as state economic enterprises. This means that family members keep prominent positions in organizations (Kabasakal & Bodur, 1998).

The Netherlands is typified as guided missile, because it has an egalitarian culture and there is an orientation to the task. The relations between superior and subordinate are impersonal. Persons are task oriented and loyalties to professions and projects are greater than loyalties to the company. A problem solving approach is valued. There is a management by objectives (Trompenaars & Hampden-Turner, 2000). Status and payments are realized on the basis of performance (Vossestein, 2008).

Consequently, the described business culture of Turkey and The Netherlands, influence business negotiations. Every culture has its own values and norms that guide its member's behavior. Negotiators are likely to have internalized these values. Individuals hold on to them because they believe in the values and norms which becomes a standard for what is right and appropriate behavior in negotiating (George et al 1998). The next paragraphs elaborate further on negotiations between Turkey and The Netherlands.

2.4 BUSINESS NEGOTIATIONS

Cultural factors play an important role in international business negotiations (Ghauri P. and Usenier J.C 2008). Negotiating is defined as *"process of communicating back and forth for the purpose of reaching a joint agreement about differing needs or ideas".* (Acuff, F, 2008). Meanwhile it has increased between members of different cultures due to enlarged globalization. The arenas like international joint ventures, licensing agreements, seller buyer relationships, distribution agreements, mergers and acquisitions are some examples in which managers from Turkey and the Netherlands are required to negotiate. Global managers spend

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a lot of their time negotiating. Negotiating is ranked as the most important skills for a global manager (fayweater & Kapoor, 1972, 1976; Perlmutter, 1984 cited in George et al, 1998)

The literature review shows that the nature of negotiations is influenced through culture. This encompasses research on cross-cultural differences in negotiations and how it effects the conceptions of negotiation. As explained earlier culture changes slowly and resists in most of the cases to change. In order to describe the differences and similarities within a negotiation process, the most important negotiation factors that are based on the research of Bazerman et al (2000) are summed up and will be tested in this research and afterwards the four dimensions of Hofstede (1980) collectivism-individualism, power distance, feminine-masculine, and communication context, conception of time (Usunier & Florence, 2007) will explain the differences between the two nations.

Pace of negotiation

There are a lot of misunderstandings based on timerelated issues in international business negotiations. Negotiators should be aware of the differences between Turkey and the Netherlands regarding the perception of time. **Value of time,** time is viewed as a scarce resource which also can be phrased as time is money. This means that people want to use their time efficiently and this results in scheduling, making timetables and deadlines. **Monochronic vs. Polychronic,** monochrony pertains to the fact that only one task is undertaken at any pre-arranged time. Thus following a schedule is important. In contrary polychrony relates to dealing with different tasks, actions and/or communications at the same time (J.Usenier and P. Florence, 2007). **Punctionality** include whether negotiators from a given country are punctual or late and whether negotiators from a particular country negotiate slowly or are quick to make a deal (Salacuse 2003).

Negotiation strategy

The collected negotiation strategies risk taking, win/win or win/lose, Yielding, avoiding, compromising, problem solving and forcing are explained below.

Risk taking is the willingness to take "risks" in a negotiation, to reveal information, try new approaches, or tolerate uncertainties in a proposed course of action (Salacuse 2003). **Win/win or Win/lose** is the attitude within a negotiation process. This continuum shows where both parties can gain or a situation in which there is a winner and a loser (Salacuse 2003). **Yielding** which falls under the sphere of high concern for other and low concern for self in conflict handling is described next.It means that a person will accept and incorporate another's idea or opinion. **Avoiding** can be placed under the sphere of low concern for other and low concern for self which encompasses the idea that conflict is avoided and that a person does not

immediately pursue his own concerns or those of the other person. **Compromising can be discribed** as an intermediate levelin both concerns for self and others, it is co-cooperativeness. There is search for a mutually acceptable solution that satisfies both parties. **Problem Solving** is both a high concerns for self and for others. This involves finding a solution which completely satisfies the interests of both parties. **Forcing** is a high concerns for self and low concern for others: this encompasses threats and bluffs, and persuasive arguments (Dreu et al, 2001).

Negotiating tactics

There are several bargaining tactics that are ethical and unethical which regularly are used in negotiations. Some of these tactics are analyzed to deduce if there are differences between Turkey and the Netherlands (Lewicki (1983) and Robbinson et al (2000). See appendix 1 at page 56 for list tactics.

Communication and personal relationship

Direct vs. indirect, persons with a direct way of communicating give simple and straightforward answers. On the other hand persons with an indirect style of communication speak with antonyms, vague allusions, figurative forms of speech, facial expressions, gestures, and other kinds of body language (Salacuse 2003). **Loss of face in conflict situations** incorporate concerns about somebody's own image and the care for another's image within a conflict situation like negotiations (Oetzel J.G and Ting-Toomey.S, 2003). **Informal vs. formal personal style** contains the forms a negotiator uses to interact with an opponent. Personal style is strongly related with culture. A negotiator with a formal style insists on addressing his opponents by their titles, avoids personal anecdotes, and avoids questions about private or family life of the counterparts. On the other hand, a negotiator with an informal style may try to start the discussion on a first-name basis and try to develop a personal, friendly relationship with the other party (Salacuse 2003). **Personal relationship** includes the goal of a negotiation, contract or creation of a relationship between the two sides (Salacuse 2003).

Decision making

Top down or consensus, negotiating teams with a certain leader who has complete authority to decide all matters falls under "one leader" and on the other hand stressing team negotiation and decision making by consensus falls under "consensus" (Salacuse 2003). **Degree of bureaucracy** includes factors like multiple layers of decision making. There may be ministerial overlap and goal conflicts, weak internal communication, specialization and consequently lack of complete information available to any one individual (Vlachoutsikos

1989; Von Czege 1983 Giffen 1971; Gorlin 1979; Knight 1987; stated in Graham J.L. et al,1992). **Agreement building** contains preference for detailed contracts that attempt to anticipate all possible circumstances and eventualities. General agreement form contains preference for a contract in the form of general principles rather than detailed rules. The parties should consider their relationship and not the details of the contract for solving problems (Salacuse 2003 **Emotionalism** takes in that emotions are shown openly at negotiations and decisions are based on emotional factors (Salacuse 2003).

2.5 TURKISH NEGOTIATION STYLE COMPARED WITH THE DUTCH

Existing knowledge about the aspects of negotiations are compared between Turkey and The Netherlands. Most of the empirical findings about Turkey and The Netherlands are approximately more than 10 years old and others are not empirically tested. A recent study from Metcalf et al (2006) shows that conventional wisdom might not hold anymore for Turkey.

Pace of negotiations

Turkey: Do not expect to get right down to business. The pace of meetings and negotiations is slow (Katz, 2007) Turks tend to have a polychronic work style, they concentrate on different things and often go back and forth between topics by negotiations instead of going sequentially, however schedules and appointments are important in western-oriented firms (Gannon, 2001).

The Netherlands: The negotiation phase can be very quick. However decisions making may take a long time. Dutch favor a monochronic work style, the style of working is sequential whereby actions and objectivities are negotiated within an order. Further, Dutch people do not like wasting time very much. (Katz, 2007 and Trompenaars, 1997). Vossestein (2008) claims that Dutch people are very structured, which make time arrangements and planning very important.

Negotiation strategy

Turks tend to favor win-lose approach and Dutch negotiators favor a joint-problem solving approach and negotiation styles are cooperative (Katz, 2007). Turkey had scored high and The Netherlands had scored low on uncertainty avoidance (Hofstede, 1980). This means that Turkish negotiators are risk averse and the Dutch are risk takers.

Negotiation tactics

There is no existing information about which tactics are frequently used in Turkey and in The Netherlands.

Communication and personal relationship

Turkey: the collectivistic culture of Turkey makes building lasting and trusting personal relationships very important in Turkey. Turks expect to establish strong relationships prior to closing any deals. People want to do business with those they know and like. They mistrust people who appear unenthusiastic to spend time or whose motives for relationship building are unclear. Also the traditional proverb states; "*Bir fincan kahvenin kırk yıl hatrı vardır*" means one cup of coffee is worth 40 years of friendship (Gannon, 2001). However research of Metcalf et al (2006) showed that the Turkish respondents had the strongest preference for leaving the negotiating table with a contract. Further personal relationships can create influential networks. In other words people who you know may determine who you get to known. Business relationships remain between people and not between companies. It is very important not to change a key contact; otherwise relationship building has to start over (Katz, 2007). Interactions of Turkish negotiators are formal, which also includes that Dressing is formal and titles are used. There is placed much importance on Politeness (Metcalf et al, 2006). Saving face is also an important point; an embarrassment can cause losing face, which is not appropriate for business. Therefore it is advised to avoid open conflicts (Katz, 2007). But like a collectivistic culture they tend to be high context in communication, which means that an indirect form of communication is common (Gannon, 2001)

The Netherlands: In the individualistic Dutch culture, business relationships are not very important. They don't have to build trust first to make a deal, for them interest in the deal is more important to go further or stop with the negotiations (Trompenaars 1997). Also business contacts are between companies as well as between individuals. This means if somebody is replaced, the trust building has not to start all over again. Furthermore, humor is appreciated, but Dutch humor is mostly dry and earthy (Katz, 2007). Communication is very direct in the Netherlands, honesty and straightforwardness is more appreciated then diplomacy. Opinions feelings and concerns are shared openly (Katz, 2007). Vossestein (2008) states that the Dutch have a reputation for being bluff and very direct. He uses the terms straightforward, very honest, abrupt, blunt and rude to describe the Dutch directness. Dutch tend not to show and to separate emotions from business relations (Trompenaars, 1997). Saving face is not important for Dutch people. Somebody can openly point out mistakes; this is appreciated and not seen as rude (Katz, 2007).

Decision making

Turkey: Turkey is a country, which scored high on power distance. This will lead to more centralized decision making (Hofstede 1989, stated in Ghauri and Usunier 2008) Also the uncertainty avoidance was very high (Hofstede 1980) which means that they don't like risks but the research of Metcalf et al, 2006 shows that the Turks favor a risk-taking approach within negotiations. Turkish respondents show a low emotialism, showing facts with negotiations are more appropriate (Metcalf et al, 2006). But according to Katz, 2007 feelings, emotions and experiences are more important than facts. Turks tend to be specific but broad and vague contracts are also acceptable in Turkey (Metcalf et al, 2006). Brake et al (1995) states that Turks favor vague and broad contracts. When doing business with Turkish organizations, it is very important to make a contract. Turks can be very reliable but sometimes they can say yes which means in reality no. This form can be addressed as face saving and politeness. Also changing things after the contract meeting is considered typically Turkish (Zoodsma 1999).

The Netherlands: Risk taking is moderate (Katz, 2007) Negotiating teams are consensus based, decision making is group based and the members of the negotiation team have sufficient authority to decide (Katz, 2007). *"Generally, everyone who is concerned is involved in the decision-making and everyone will make clear his or her own point of view on the issue at stake. There will be a lengthy discussion in which everyone will try to push through one's own opinion. In the end a group decision will be made that reconciles the opinions of all participants as much as possible" (*J. Vossestein 2008*).* Further they are universalistic according to Trompenaars (1997) this means that the Dutch people will take universal principles. Exceptions are not made very often therefore personal feelings and experiences are not considered very important but facts and empirical findings are more weighted in decision makings (Katz, 2007). Contracts tend to be specific this can be explained according to the universalistic dimension of Trompenaars (1997). Contracts function as consent to an agreement when promises are not kept, parties may rely on courts. Katz (2007) also argue that the contracts are lengthy and the terms and conditions are spelled out detailed. Dutch people rely more on universalistic rules and principles rather than on relationships (Trompenaars, 1997). The importance of verbal, written agreements and details are taken very seriously (Vossestein, 2008).

2.6 PROPOSITTIONS

According to the literature review the following propositions are formulated on the aspects of business negotiations and are tested in the field research.

Pace of negotiations

- Pace of negotiations are slower in Turkey than in The Netherlands

- Time is more considered as a scarce resource in The Netherlands than in Turkey

- Monochronic work style is more appreciated in The Netherlands than in Turkey

Negotiation strategies

- Turks favor win-lose strategy and Dutch people favor win-win or compromising as strategy at business negotiations

- Turks are more risk averse than Dutch people within business negotiations

Communication and personal relationship

- Relationship building is more favored in Turkey than in The Netherlands

- Contract is considered more important than building a relationship in The Netherlands than in Turkey.

- Formal interactions are more favored in Turkey than in The Netherlands within business negotiations

- Informal interactions are more favored in The Netherlands than in Turkey within business negotiations.

- Indirect communication is more favored than in The Netherlands.

- Direct communication is more favored in The Netherlands than in Turkey

- Face concerns are more important in Turkey than in The Netherlands

Decision making

- Top down decision making is more favored in Turkey than in The Netherlands

- Consensus style of decision making is more favored in The Netherlands than in Turkey

- Decisions in Turkey are more based on emotional factors than in The Netherlands

- Decisions in The Netherlands are more based on facts and figures than in Turkey

- Degree of bureaucracy is higher in Turkey than in The Netherlands

- Specific contracts are more favored in Turkey than in The Netherlands

- General contracts are more favored in The Netherlands than in Turkey

3 METHODOLOGY

In order to describe the cultural differences and similarities in business cooperation's between Turkey and the Netherlands, persons in Turkey and in the Netherlands are asked to fill in a questionnaire. Supplementary semi-structured interviews are held with experts and experienced business people. This is done to gather more in-depth information about the topic and to combine this information with the survey outcomes.

This section will describe the research design, selection of participants, measurement, data collecting and data analysis.

3.1 RESEARCH DESIGN

The aim of this research is to give prescriptive information to the readers. To obtain quantitative and qualitative information about the cultural differences it has been decided to combine surveys and interviews. Semi-structured interviews are conducted to gain in-depth information concerning the conflicts and resolution mechanisms between Turkish and Dutch negotiators. Interviews seem to cause the least bias which increase the validity (Baarda & De Goede, 2001) and result in getting deeper understanding of underlying motivations and reasons (Malhotra, 2004). However interviews are very subjective and difficult to generalize.

In the field research the focus has been laid on business negotiations. Using a survey is necessary to reach numerous respondents in Turkey and in The Netherlands, which makes it important for the reliability and generalization of this research. Negotiations with different cultures differ a lot from negotiations with the same culture (Adler & Graham 1989). Therefore The analysis is comprised of two levels, the individual managers who negotiate and the country from which the negotiators comes from; Turkey and the Netherlands. This indicates that a distinction is made between the inter and intra negotiations. The interview questions focus on inter negotiations, thus how Dutch managers and Turkish managers negotiate with each other and the survey questions focus on Negotiation styles of Turkish persons and Dutch persons separately.

3.2 SELECTION

Qualitative part: participants are employers or employees from diverse Dutch multinationals like Unilever, AEGON, Eureko, Royal Haskoning, OXIVO and ING. This was done by interviewing 3 Dutch and 3 Turkish managers and one expert in the field of international business. These persons have had experience in business negotiations with both the Turkish and the Dutch.

Quantitative part: the variation of respondents consists of persons which are active in Turkish/Dutch multinationals located both in The Netherlands and in Turkey. Also Dutch government officials/managers either from Dutch ministries or from the diplomatic representations in Turkey located in Ankara and a limited number of both Dutch and Turkish academics at managerial level have filled in the questionnaire. There is no distinction made between several sectors, because the aim is to measure national culture that influences business negotiations and not organizational culture with respect to different sectors. Participants are chosen from diverse parts of the Netherlands to minimize environmental influences on this research. In Turkey focus is laid on Istanbul and Ankara as mentioned earlier in the introduction part 53 percent of Dutch companies are located in Istanbul. Total number of respondents is 103 which consist of 43 Turkish natives, 44 Dutch natives. there is also a distinction made with a third group, Turkish people who live in the Netherlands, thus people with double nationalities, Dutch/Turkish as a control group. 12 persons who have double nationalities have filled in the questionnaire. Table 2 shows the distribution of functions between nationalities.

Table 2

		Function					
		Director	Manager	Employee	Student	Other	Total
Nationality	Turkish	17	11	3	6	6	43
		39,5%	25,6%	7,0%	14,0%	14,0%	100,0%
	Dutch	9	4	14	12	5	44
		20,5%	9,1%	31,8%	27,3%	11,4%	100,0%
	Turkish/Dutch	1	3	5	2	1	12
		8,3%	25,0%	41,7%	16,7%	8,3%	100,0%
	Total	28	18	22	22	13	103
		27,2%	17,5%	21,4%	21,4%	12,6%	100,0%

The mean age of Turkish respondents is 43 with a Standard Deviation of 13. This means 69% of the Turkish respondents are between 30 and 56 years old. Dutch respondents are between 25 and 51 years old with a mean age of 38 and a SD of 13. The last group Turkish/Dutch respondents have a mean age of 31 and a standard deviation of 7 that makes them the youngest group between 24 and 38. There is not a big age difference between Turkish respondents and Dutch respondents, which will influence the research. The difference of gender distribution between nationalities is also negligible. Respectively 21% women of

Turkish respondents, 23% women of Dutch respondents and 33% women with a dual nationality.

3.3 DATA COLLECTING

Qualitative part: participants are questioned with a face to face approach in Istanbul and in The Netherlands. The interviews lasted about 45 minutes to an hour and the answers are gathered through notes and an audio recorder to make sure that loss of information was minimized.

Qualitative part: prior to beginning the study a pilot research was carried out on participants to investigate whether the participants experience difficulties with the questions asked. Also the questions of the interview were used to adjust the survey and include the most important concepts. The survey is published as an online self-administrative questionnaire on the internet with "thesistools.com" and each survey takes up proximately 20 minutes. To reduce the non-response rate, participants were selected and recruited before by an invitation mail with a hyperlink (Appendices 4 and 5 pages 71,72). Participants had to select the link in their mail, they were asked to fill in an email address to get permission to take the questionnaire. The information of the participants is only used for the analysis and will not be used for further purposes. By taking part in the questionnaire, the participants are provided with a short introduction to the questionnaire. The questionnaire proceeds with small descriptions before each question which follows for every new scale.

3.4 MEASUREMENT

The construction of the questionnaires, for both quantitative and qualitative, is divided into six parts; pace of negotiations, negotiation strategies, negotiation tactics, relationship building, communication, decision making. These aspects are based on the literature review of (Bazerman et al, 2003).

Qualitative part: The questions of this interview are not standardized but there is a list of themes and questions to be covered, which vary from interview to interview. For interview questions see (Appendix 2. page 57). The results of these interviews are used for gathering more in-depth information and enriching the results of the survey.

Quantitative part: First, general questions are asked about gender, age, function and experience in business negotiations. Subsequently, existing questions of formal studies that fall under each aspect are asked with a 5-points Likert scale (1= disagree / 5= agree). For the first aspect pace of negotiations the scales economics of time are made use of, time submissiveness, time anxiety, monocrony and polycrony working styles from the research of Usenier & Florence (2007), this is to get a better understanding about the differences in

perceived time within business negotiations. For the second aspect; negotiation strategies the scales of Dreu et al (2001) are made use of namely; yielding, problem solving, compromising, avoiding and forcing also the scale win/win or win/lose of Salacuse (2003) is utilized. These scales enable us to see if there are differences in conflict strategies within business negotiations between Turkey and The Netherlands. For the third aspect; negotiation tactics are incorporated from the research of Lewicki (1983) and Robbinson et al (2000) in order to measure which tactics are used in Turkey and The Netherlands. The scales of Salacuse (2003) direct versus indirect, formal versus informal and loss of face (Oetzel J.G and Ting-Toomey.S, 2003) give an indication which style of communication is appreciated in each country. Further the scale personal relation versus contract (Salacuse, 2003) will help understand the first preference within negotiations. For the last aspect; decision making is made use of the scales agreement building; specific contracts versus general contracts, top-down versus consensus style of team building and the degree of emotionalism, which means that decisions are made on emotional or rational factors (salacuse,2003) (see appendix 3 at page 65).

3.5 DATA ANALYSIS

Qualitative part: the answers of the aspects; pace of negotiations, negotiation strategies, negotiation tactics, communication, personal relationship and decision making are critically selected. There is no statistical analysis used for the interviews. The quotes of the participants are written and answers are rated in order to give overall conclusions. These conclusions supplement the outcomes of the survey.

Quantitative part: the results of the survey on "thesis tools" are automatically collected into an excel file and are afterwards converted into an SPSS file for further analysis. Statistical analysis is used on the scales of several concepts (dependent variables) to get the differences and the similarities of the three nationality groups (independent variables). First, the reliability is tested with Cronbach alpha. An outcome of 0,7 is considered acceptable and means that a scale is reliable[3]. Second, in order to represent the differences and effect between the nationalities of these variables a T-test analysis is conducted. Afterwards, descriptive analysis and crosstabs are performed to see the distribution of the answers. To be able to make generalizations and recommendations, the outcomes of the mentioned concepts are linked to the dimensions of Hofstede (1980) in chapter 5 (discussions and conclusions).

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[3] http://www.joe.org/joe/1999april/tt3.php

4 RESULTS

The findings of two studies -qualitative and quantitative - on the aspects pace of negotiation, negotiation strategies, negotiation tactics, decision making, communication and personal relationship are combined in this chapter. This enables to crosscheck the given answers between quantitative and qualitative research, which enhance overall conclusions. See appendix 6 on page 73 for interview transcript.

The amount of time spend in negotiations differs a lot between Turkey and The Netherlands. To the question "How much time of your work is spend on negotiations", the Turkish respondents answered 50%,the Dutch 19% and the Turkish/Dutch 23% on average. However the distribution of negotiations between private sector, public sector, non-profit, within department and with other departments differs not a lot (see table 1). The percentages relate to the amount of time spend on negotiations at work, which is more in Turkey.

Table 1		With private sector partners	With public sector partners	With non profit sector	Within department	With other departments
Turkish	Mean	25%	22%	10%	23%	19%
Dutch	Mean	23%	16%	5%	24%	16%
Turkish/Dutch	Mean	34%	14%	9%	19%	8%

Another difference is the amount of time spend on negotiations in private life for example at a store, or on the street etcetera. Turkish respondents answered 29%,Dutch 11% and Turkish/Dutch 20% on average. Overall, Turkish people are more experienced in negotiations than Dutch and persons with dual nationalities (Turkish/Dutch) who live in the Netherlands are more prepared to negotiate than Dutch but less than Turkish people.

4.1.2 PACE OF NEGOTIATIONS

To measure the pace of negotiations, 5 scales (dimensions) are adjusted of Jean-Claude Usunier and Pierre Valette-Florence, (2007).

The dimensions of time are:

- Economicity of time (Cronbach Alpha 0,83) if time is regarded as a scarce resource or the opposite as abundant.
- Time submissiveness (Cronbach Alpha 0,71), punctionality.
- Time anxiety (Cronbach Alpha 0,71), perceived usefulness of time.
- Polycronic (Cronbach alpha 0,66), polychrony contains dealing with different tasks, actions and/or communications at the same time.
- Monocronic (Cronbach Alpha 0,76), monochrony pertains to the fact that only one task is undertaken at any pre-arranged time. Thus following a schedule is important.

T test outcomes: Economicity of time (t-test, independent samples, equal variance = 3,230, df = 82, p =.002) and Monochrony (t-test, independent samples, equal variance = 2,692, df = 82, p =.009) are statistically significant between Turkish and Dutch respondents with 95% reliability. Time anxiety is statistically significant between Turkish and Turkish/Dutch respondents (t-test, independent samples, equal variance = -2,067 , df = 40, p =.044).The distribution of the scores are depicted on table 2.

Table 2. Mean scores *[4]		Time submissiveness	Economicity	Timeanxiety	Monocronic	Polycronic
Turkish	Mean	3,8	3,8	1,8	4,2	3,1
	N	44	44	44	44	44
	Std. Deviation	1,0	0,8	0,7	0,8	1,1
Dutch	Mean	3,8	3,2	1,9	3,7	3,1
	N	40	40	40	40	40
	Std. Deviation	0,8	0,9	0,6	0,8	0,9
Turkish/Dutch	Mean	3,9	3,1	2,4	4,0	3,4
	N	12	12	12	12	12
	Std. Deviation	0,9	0,7	1,1	0,8	0,7

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[4] Outcome is significant

Turkish respondents tend to consider time more economically. Having time schedules and planning activities seem to be more important than for the Dutch and Turkish/Dutch respondents. Another difference is that Turkish/Dutch respondents tend to be more anxious about time in comparison with Dutch and Turkish respondents. Phrases like "I sometimes feel that the way I fill my time has little use or value', 'I am bored by my day-to-day activities' and 'I often feel that my life is aimless, with no definite purpose' are ticked more often than the other two groups. Last difference is Monocrony, where Turkish respondents score high on this dimension. Phrases like 'Once I have started an activity, I persist at it until I've completed it' and 'When I begin a project, I don't like to stop it until it is finished' are ticked frequently. Dutch and Turkish/Dutch respondents are more moderate on these items. Time submissiveness (being punctual) and Polycrony (doing several activities in the same time) shows no differences between the three groups.

Outcomes of qualitative part

Time is regarded as being very important either by Turkish and Dutch participants. This is due to the deadlines, schedule and punctionality aspects of time. Pace of negotiations is fast in The Netherlands and slower in Turkey according to Turkish and Dutch managers. This has to do with that the Turks put more importance to social interactions, because building trust before doing business is regarded important in Turkey, which makes the negotiation process lengthy. Also bureaucratic system in Turkey results with delayed deadlines on the Dutch side. The differences can be distinguished between private (large) firms, small firms and the public sector in Turkey. Private large firms are considered more professional and tend to shift towards the western principles, whereby Dutch managers do not see a lot of differences within business negotiations. Further private and social live is strongly separated in The Netherlands and not in Turkey. Also after working time is a lot of time spend on relationship building in Turkey, which is not the case in The Netherlands. Promises in Turkey are not always kept, this has to do with face concerns, because people want to avoid saying no otherwise they will think that they lose face. Furthermore Dutch people are consider more structured and organized compared with Turkish business people. But it seems to that the number of Turkish managers are raising that put importance on agenda setting, structure and punctionality.

Concluded, the outcomes of the quantitative part that Turks tend to consider time more economically and have a preference for monocrony work style (emphasis on agenda setting and punctionality) is not really supported by the qualitative part. Most of the interview participants think that Turks are lesser organized and structured than Dutch people. Pace of negotiations are slower in Turkey and time is not really considered as a scarce resource. The

contradiction might be due to the focus of the survey, which was on large Turkish/Dutch multinationals and interview participants agreed on that large organizations are more western oriented but differences still exists in small firms and the public sector.

4.1.3 NEGOTIATION STRATEGIES

Negotiations strategies are measured trough the scales of the Dutch Test for Conflict Handling (DUTCH, De Dreu et al, 2001) The scales (dimensions) are tested on reliability in this study. Reliability test with a Cronbach Alpha around 0,7 shows to be reliable.

The dimensions of negotiation strategies are;

- Yielding (Cronbach Alpha 0,63)

- Compromising (Cronbach Alpha 0,63)

- Forcing (Cronbach Alpha 0,44)

- Problem solving (Cronbach Alpha 0,68)

- Avoiding (Cronbach Alpha0,64)

T-test outcomes shows that none of the dimensions are significant among the groups. The mean scores are depicted on table 3.

Table 3. Conflict strategies		Yielding	Compromising	Forcing	Problemsolving	Avoiding
Turkish	Mean	3,1	3,7	3,7	4,0	3,1
Dutch	Mean	3,2	3,5	3,7	4,0	2,9
Turkish/Dutch	Mean	3,2	3,6	3,6	3,9	2,9

There is no one specific strategy that significantly differs by one of the nationalities. However problem-solving strategy has the highest mean score. Also the scale of (Salacuse, 1999) Win/lose-Win/win shows no significant differences between Turkish and Dutch respondents. All of the nationalities respectively 73% (Turkish), 66% (Dutch) and 75% (Turkish/Dutch) tend to favor Win/win strategy.

Outcomes of qualitative part

The question on "To what extent have cultural differences influenced the use of different strategies in business negotiations" is experienced difficult to answer. Interview

participants assumed that Turkish negotiators would choose for win-lose, because showing your power is appreciated in Turkish culture. And Dutch negotiators were assumed to be on the win-win or compromise side. Negotiation strategies are considered more dependent on the context of business and power-position of the party.

Concluded, quantitative outcomes are not supported by the qualitative results. According to the survey outcomes Turkish managers favor a win/win strategy and within the qualitative research assumed was that Turkish respondents favor a win-lose strategy. The contradiction might be due to socially desirable answers of the survey participants.

4.1.4 NEGOTIATION TACTICS

The outcome of the reliability test shows that the scale negotiation tactics is very reliable (Cronbach Alpha 0.86).

The scale of negotiation tactics consist of 10 items. Respondents have been asked to rate these items between not appropriate and appropriate with a 5 point Likert scale. They had to rate these items with an imagination that the negotiation was very important for him or her. There are a few items which are rated positively.

Table 4 Tactics

	Tactics		
	Turkish	Dutch	Turkish/Dutch
	Mean	Mean	Mean
1	3,1	2,7	3,1
2	2,4	2,1	1,7
3	2,4	1,7	1,8
4	2,5	1,9	1,7
5	2,2	1,8	2,1
6	2,5	1,9	2,4
7	2,6	3,1	3,0
8	2,3	1,9	2,1
9	2,0	2,5	3,5
10	3,2	2,6	2,9

Most of the tactics were considered inappropriate, few of the tactics that are considered appropriate is colored grey and explained below. To see the other tactics see appendix 1 at page 63.

- Turkish respondents: tactics   10, and 1

- Dutch respondents: tactics   7

- Turkish/Dutch respondents: tactics   9, 1 and 7

Tactic 1: Make an opening demand that is far greater than what one really hopes to settle for.

Tactic 7: Convey a false impression that you are in absolutely no hurry to come to a negotiated agreement, thereby trying to put time pressure on your opponent to concede quickly.

Tactic 9: Deny the validity of information which your opponent has that weakens your negotiating position, even though that information is true and valid.

Tactic 10: Talk directly to the people who your opponent reports to, or is accountable to, and try to encourage them to defect to your side.

Tactic 1 is measured deeper in the questionnaire. The difference between first mentioned price and the target price (nibble) shows a significant difference between Turkish respondents in contrary with Dutch and Turkish/Dutch respondents. (t-test, independent samples, equal variance = 2,090 , df = 66, p =.041). the average percentage of the differences is depicted on table 5.

Table 5	Mean %	N	Std. Deviation
Turkish	33,9%	36	22,8
Dutch	23,0%	32	20,0
Turkish/Dutch	21,7%	12	8,9

Outcomes of qualitative part

The interview participants are asked to give information about frequently used tactics within negotiations between Turkish and Dutch companies. All of the Dutch participants agreed on that Turkish business people are tough negotiators, they know to maintain their power position. *"Dutch business people give too much of their position away by telling a lot of*

information. Turks negotiators on the contrary are more carefully and are able to maintain a stronger position. In the future I will play lesser open cards by negotiations with the Turks. Also Turks business people are definitely risk takers with negotiations. The difference between the Dutch and the Turks are that Turks go till how far they can come and Dutch how they can get things certain" (Dutch manager). Further high openings demands are common in Turkey.

Concluded, quantitative research is supported by the qualitative part. Higher openings demands are frequently used in Turkey.

4.1.5 COMMUNICATION AND PERSONAL RELATIONSHIP

Reliability test shows that both scales of loss of face in conflict situations are reliable. Cronbach Alpha outcome for care of another's image is 0,78 and Cronbach Alpha outcome for concerns about own image is 0,87. These scales are adjusted (Oetzel J.G and Ting-Toomey.S, 2003).

T-test outcomes makes clear that dimension care of own face is statistically significant between Turkish and Dutch respondents (*t*-test, independent samples, equal variance = 3,768, df = 63, *p* =.000). The mean scores are depicted on table 8.

Table 6.		Own face [5]*	Other's face
Turkish	Mean	4,3	3,6
	N	34	35
	Std. Deviation	0,8	0,8
Dutch	Mean	3,5	3,4
	N	31	31
	Std. Deviation	1,0	0,9
Turkish/Dutch	Mean	4,2	3,7
	N	11	11
	Std. Deviation	0,8	0,9

This table shows that concerns about own face is very important for Turkish and Turkish/Dutch respondents and lesser important for Dutch respondents, which is statistically

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[5] Outcome is significant

significant. Concerns about other's face is also of lesser value and importance for the Dutch, however the difference is not statistically significant.

T-test outcomes shows that the scales relationship or contract (*t*-test, independent samples, equal variance = 2,397, df = 64, *p* =.019) and informal or formal (*t*-test, independent samples, equal variance = 3,570, df = 64, *p* =.001) are statistically significant. The distribution of responses are depicted on the following tables

Table 7.	Goal relationship or contract *[6]		
	Turkish	Dutch	Turkish/Dutch
1 relationship	6%	10%	18%
2 probably relationship	11%	39%	18%
3 neutral	29%	19%	45%
4 probably contract	40%	26%	0%
5 contract	14%	6%	18%
Total	100%	100%	100%

This table displays that Turkish respondents tend favor contract more instead of relationship. Dutch respondents in the contrary scored also high on relationship. Turkish/Dutch respondents are more on the neutral side and relationship

Table 8.	Informal or formal *		
	Turkish	Dutch	Turkish/Dutch
1 informal	5,7%	6,5%	9,1%
2 probably informal	20,0%	54,8%	27,3%
3 neutral	22,9%	29,0%	45,5%
4 probably formal	37,1%	6,5%	9,1%
5 formal	14,3%	3,2%	9,1%
Total	100,0%	100,0%	100,0%

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[6] Outcome is significant

27 percent and above are colored grey

Turkish respondents are distributed more toward the formal direction and the Dutch more toward the informal direction. Respondents with double nationalities (Turkish/Dutch) scored high on neutral and probably informal.

Table 9[7]	Emotionalism		
	Turkish	Dutch	Turkish/Dutch
1 low	2,8%	10,0%	,0%
2 probably low	27,8%	26,7%	27,3%
3 neutral	30,6%	43,3%	27,3%
4 probably high	30,6%	20,0%	45,5%
5 high	8,3%	0%	,0%
Total	100,0%	100,0%	100,0%

Turkish and Turkish/Dutch respondents are a bit more emotional then Dutch respondents but these differences are not statistically significant.

Table 10.	Direct or indirect communication		
	Turkish	Dutch	Turkish/Dutch
1 direct	28,6%	35,5%	27,3%
2 probably direct	45,7%	48,4%	36,4%
3 neutral	14,3%	9,7%	27,3%
4 probably indirect	11,4%	6,5%	9,1%
Total	100,0%	100,0%	100,0%

All of the groups seem to favor direct communication.

Outcomes of qualitative part

Communications and personal relationships are considered to be very important. Dutch and Turkish interview participants think that relation building is crucial in order to do business. This is not very important in The Netherlands, a good product is sufficient for business. Also mutual favors can be expected within business relationships even if it does not depend on the business transaction in which they are. This is not the case in the Netherlands, because business and private life is separated. Social interactions are very important in

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27 percent and above are colored grey.

Turkey, colleagues are also in touch in their spare time. Dutch persons have to be careful with giving criticism in Turkey. All of the interview participants do agree that Turkish people can react sensitively to criticism. Quote from a Turkish manager; *"Turks are emotional. But also Dutch persons don't like to be criticized. Dutch people have learned from their own culture to deal with criticism by not showing their emotions and will often use a poker face. This is not the same in Turkey, Turks can show their emotions openly otherwise a person will be seen as unreliable or passive in Turkey".* Direct communication is appreciated in both countries.

To Conclude, the quantitative part is partly supported by the qualitative research. Face concerns in Turkey are more important than in The Netherlands. This is an explanation why Turkish people react negatively to criticism, because they feel loss of face. Another interesting outcome of the survey is that the Turks put more importance in the contract instead of in the relationship and Dutch respondents were divided between relationship and contract as a goal of business negotiations. This outcome contradicts the outcomes of the qualitative part, this will be further elaborated in chapter 5. Further direct communication is appreciated in both countries. Turks are more emotional and they prefer formal communications during business negotiations and Dutch respondents tend to prefer informal communications. The ratings of the qualitative research give the same outcome on these constructs.

4.1.6 DECISION MAKING

T-test outcomes shows that the scale One leader or consensus (*t*-test, independent samples, equal variance = 3,815, df = 64, *p* =.000) is statistically significant. The distribution of responses are depicted on the following tables.

Table 11.	One leader or consensus *[8]		
	Turkish	Dutch	Turkish/Dutch
1 one leader	,0%	3,2%	,0%
2 probably one leader	11,4%	29,0%	,0%
3 neutral	5,7%	32,3%	45,5%
4 probably consensus	60,0%	29,0%	54,5%
5 consensus	22,9%	6,5%	,0%
Total	100,0%	100,0%	100,0%

Turkish respondents seems to favor consensus style of team organization. On the contrary, Dutch respondents are more divided between one leader and consensus style. The last group Turkish/Dutch respondents seem to be more neutral and consensus oriented.

Table 12.	Risk taking		
	Turkish	Dutch	Turkish/Dutch
1 low	2,5%	,0%	,0%
2 probably low	7,5%	2,9%	16,7%
3 neutral	12,5%	37,1%	8,3%
4 probably high	67,5%	48,6%	75,0%
5 high	10,0%	11,4%	,0%
Total	100,0%	100,0%	100,0%

This table shows that all of the groups have scored high on risk taking. There is no difference respecting risk taking between the nationalities.

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[8] Outcome is significant

27 percent and above is colored grey

Table 13[9]	Agreement form		
	Turkish	Dutch	Turkish/Dutch
1 specific	14,3%	12,9%	18,2%
2 probably specific	48,6%	38,7%	18,2%
3 neutral	17,1%	16,1%	27,3%
4 probably general	17,1%	22,6%	27,3%
5 general	2,9%	9,7%	9,1%
Total	100,0%	100,0%	100,0%

Specific agreement form has scored highest at the Turkish and the Dutch side. This contains preference for detailed contracts that attempt to anticipate all possible circumstances and eventualities. Turkish/Dutch respondents are more evenly divided between specific and general agreement building.

Outcomes of the qualitative part

The interview participants are asked how they perceive decision making either in The Netherlands and in Turkey. Dutch participants had varying experiences with respect to decision making in Turkey. Decisions in Turkey can be reached very quickly when you negotiate with the right person (leader) but the contrary is also common *"Turkish subordinates do not want to make decisions even if they have sufficient authority for that, because they want to avoid risks of being responsible for that decision. In most of the cases they have to discuss it first with their boss before giving a response and this may take a lot of time".* Also reaching decisions, within the public sector, might take a lot of time due to the bureaucratic system. Further emotional factors have more influence in Turkey on decision making than in The Netherlands. According to the interview participants Turkish participants takes a lot of risks within business negotiations.

Concluded, the outcome of the quantitative research was that Turkish respondents favored consensus instead of one leader within business negotiations, which is contradictory with the qualitative part of this research where the emphasis was laid on one leader for making decisions. Both studies give the same outcome for risk taking, Turks tend to take more risks than Dutch people. Specific contracts is favored in both countries.

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27 percent and above are colored grey

5 DISCUSSIONS AND CONCLUSION

In this section, answers are provided on the research question "To what extend do Dutch-Turkish cultural differences influence business negotiations". Subsequently, the paragraph limitations explain the shortcomings of this research. Hence, recommendations are formulated for future research and theoretical implications are worked out. The section is ended with practical implications that gives insight on "How should Turkish and Dutch business people deal with these differences".

Results of this study show that there are cultural differences between Turkey and The Netherlands in preferences for style of negotiation. This is logical because National culture differs due to historical events, geographic areas, economic and political factors and different believes dominating each country. This results that people from both countries are exposed to different environmental conditions. All of these factors play a great role in how people's minds are programmed. Firstly, Turkey is in transition. The elements of this transition is globalization and integration to the European Union norms. Turkish firms are now working with more foreign partners. So, more and more expatriates are working in Turkish companies. Also, most of the middle managers and employees in the private sector are well educated people who adopted western way of thinking and life styles. This could be interpreted as a slower change in the position of Turkey in Hofstede's dimensions. Conventional, wisdom about Turkey and The Netherlands is changed at some dimensions; economicity of time, one leader versus consensus, risk aversion, relationship versus contract orientation, negotiation strategies and communication style; direct or indirect. Other dimensions; face concerns, informal versus formal and agreement form remain the same as it was predicted from the conventional wisdom. The result is that formal differences between Turkey and The Netherlands are changed in to similarities, this is more deeply elaborated in the next paragraph. The change in culture toward western principles may a result of adopting the best practices. The main change toward Asian cultures in The Netherlands is that Dutch people put more importance on relationship building than before. Culture can influence the way people perceive key elements in negotiation process and business activities. Information and awareness of these cultural differences and also similarities may help business people better understand and interpret their counterpart's behaviors and to find ways to bridge the gaps shaped by cultural differences.

5.1 KEY FINDINGS

First, predicted differences in preferences for negotiation styles between the Turks and Dutch people were based on the premise that these two cultures differ on individualism-collectivism. Turkey is collectivistic oriented and The Netherlands individualistic (Hofstede 1980).

According to collectivism, conventional wisdom described that time in Turkey (collectivistic cultures) should be considered less important than in the Netherlands (individualistic culture), where time is considered as a scarce resource and has to be used efficiently by strict plans and schedules. Also collectivistic cultures have polychronic work style; they concentrate on different things and often go back and forth between topics by negotiations instead of going sequential. Dutch favor a monochronic work style, the style of working is sequential whereby actions and objectivities are negotiated within an order. However, the outcomes of this study are opposite of what was expected. Turks scored significantly higher on the dimension economicity of time and monocrony than Dutch respondents. Another interesting outcome is that people with duel nationalities (Turkish/Dutch) who live in The Netherlands, perceive time significantly more useful and think that time is used very well and their life has a definite purpose, which is in contrary with Turkish and Dutch respondents. This may be explained that higher educated immigrants (Turkish/Dutch) have better chances at labor market than low educated persons with dual nationalities and are lesser subordinated with respect to high educated Dutch people (Dagevos et al, 2006). This may result that higher educated Turkish/Dutch persons compare themselves with lower educated Turkish/Dutch and this may create positive feelings on the dimension of usefulness of time at work and purpose of life.

Relation building is regarded more important in collectivistic cultures than individualistic cultures. Turkey makes building lasting and trusting personal relationships very important in Turkey. Turks expect to establish strong relationships prior closing deals. People want to do business with those they know and like (Katz, 2006). This theoretical finding is consistent with the findings of the qualitative research. Interview respondents admitted that a relationship building is crucial in Turkey for doing business and in The Netherlands not important at all. Another detail is that a relationship in Turkey even if it is not ended with a contract might also be interesting for future business. In The Netherlands a relationship will not last in most of the cases when the negotiations do not end with a contract. The expectation that Turks are relationship oriented and Dutch contract oriented is not supported in the quantitative part of this study. Goal of negotiations at the Turkish side is getting a contract and on the contrary Dutch respondents tend to be more relationship oriented. This difference is statistically significant.

Conventional wisdom relates indirect communications with collectivistic cultures and a direct communication style with individualistic cultures (Trompenaars, 1997). Qualitative and quantitative outcomes of this study do not support this. Both of the countries tend to be direct in communications.

The expectations about face concerns are supported in this research. The premise was that collectivistic cultures would put more emphasis on own face and others' face (Oetzel & Ting-Toomey, 2003). The outcome is that Turks are more concerned about oneself with a mean score 4,3 and others with a mean score 3,6 than Dutch respondents respectively 3,5 own face and other's face with a mean score 3,4 which is statistically significant. This makes that Turkish people do not like critics when there is a conflict. Dutch people have a higher tolerance for critics within conflict situations. These outcomes can be related to the conflict handling, yielding, compromising, problem solving, avoiding and forcing. Because Turkish respondents scored high on concerns for self and low for concerns for others, still higher than Dutch respondents, this might mean that forcing or problem solving strategy fits Turkish negotiators and due to intermediate scores of the Dutch, compromising fits better. This is also approved at the qualitative part of this study. Interviewees indicate that compromising and win/win strategy was more Dutch and win/lose or problem solving was more Turkish style. However the DUTCH test for conflict handling did not give statistically significant outcomes and the win/win or win/lose dimension of (Salacuse,1999) resulted that both countries prefer a win/win strategy. The discrepancy between the qualitative part and the quantitative part might be a result of subjectivity of the interviewees or that the respondents have give socially acceptable answers.

Second, predicted differences in preferences for negotiation styles between the Turks and Dutch people were based on the premise that these two cultures differ on power-distance. Turkey has a higher power-distance and The Netherlands lower power-distance (Hofstede, 1980).

Due to high hierarchy, expectancy was that Turkish people would rely on one leader and Dutch for consensus. Qualitative part of this research support this by statements like boss decide and subordinates never take initiatives or responsibilities, even if they are qualified for this. The quantitative part of this study does not support this conventional wisdom. The outcomes, which are statistically significant, showed that Turks have a preference for consensus and Dutch respondents were divided between one leader and consensus.

Third, predicted differences in preferences for negotiation styles between Turkish and Dutch people were based on the principle that these two cultures differ on

uncertainty avoidance. Turkey has a high uncertainty avoidance and The Netherlands low uncertainty avoidance (Hofstede, 1980).

The expectance was that Turkish respondents would favor specific agreements forms, and Dutch general. The research outcomes are consistent with the conventional wisdom. Turkish respondents score high on specific agreement forms and Dutch were divided between specific and general. However these outcomes are not statistically significant.

Another expectance was that Turkish people would be risk averse at negotiations and Dutch people would take risks because of the low uncertainty avoidance. This is not supported within this research. 67.5% of Turkish respondents answered that they would probably take risks at the negotiation table and 48.6% Dutch respondents. Also the findings of the qualitative part of this study approve that Turkish negotiators take a lot of risk by going to the utmost at the negotiation process. This is the reason why Turkish negotiators are phrased as tough negotiators by the Dutch.

Last dimension related to uncertainty avoidance is emotionalism versus rationalism. According to Hofstede (1980) people in uncertainty-avoiding countries like Turkey are more emotional and motivated by inner nervous energy. Decisions are made more emotionally than rationally. On the contrary uncertainty-accepting cultures like in The Netherlands decisions are more based on rational and relativist approaches. In this research, outcomes of the qualitative part support this expectancy but the outcomes of the quantitative are arguable. Turkish respondents score relatively higher on emotionalism than Dutch respondents but the difference is not statistically significant and might be a result of coincidence.

Fourth, predicted differences in preferences for negotiation styles between Turkish and Dutch people were based on the principle that these two cultures differ on Masculinity versus femininity. Turkey has a higher score on masculinity than the Netherlands (Hofstede, 1980).

Another expectation was that Turkish People would be more formal in communications than Dutch people. Cultures with masculine attitudes place more importance on titles, materialism, and status (Hofstede, 1980). Research outcomes supported this expectation. Turkish respondents tend to be more formal, this includes formal dressing and using titles during negotiations. Dutch respondents tend to be more informal. However, the outcomes are not statistically significant. Another point is that business decisions are often reached outside the negotiations during business dinners or other activities by building and maintaining relationships, than communications are often very informal.

Fifth, the last predicted differences about frequently used tactics was not based on conventional wisdom but more explorative. The tactics considered appropriate during very important negotiations for Turkish respondents were:

1. Talk directly to the people who your opponent reports to, or is accountable to, and try to encourage them to defect to your side.

2. Make an opening demand that is far greater than what one really hopes to settle for.

The first tactic can be explained with the high power distance in Turkey (Hofstede, 1980) talking directly to the leader of your opponent. This might indeed effective in Turkey. The second tactic is also typical Turkish, because the gap between first demand and target price is higher in Turkey than in The Netherlands. The outcome was 33,9% for Turkish respondents and 23% for Dutch.

There was only one tactic that is considered appropriate by the Dutch respondents:

1. Convey a false impression that you are in absolutely no hurry to come to a negotiated agreement, thereby trying to put time pressure on your opponent to concede quickly.

This tactic is also logical because time is considered important and as a scarce resource in the Netherlands which have to be used well with tight deadlines. So using this tactic might be very effective in The Netherlands.

5.2 LIMITATIONS

In the first place, small sample size may have affected the research outcome. The total group constituted of 43 Turkish, 44 Dutch and 12 Turkish/Dutch respondents, which is a relative small size. With a larger sample size more accurate results could be obtained, especially when considering the company sectors and provinces in Turkey and The Netherlands. This research focused only on large multinationals in The Netherlands and mergers in Turkey located in Istanbul and Ankara. Cultural aspects between large firms, small firms and public sector seem to differ in Turkey. Also culture in Turkey differ a lot between coastal areas and inland areas (Professor Aldemir albayrak, 9 Eylul University in Izmir). Naturally, it was not possible to make generalized statements about the different sectors and different places. Another limitation is the composition of the respondents. The respondents are on average highly educated and were active on large multinationals, meaning culture may be hybrid and assimilated. This has consequences to the results of the research. Furthermore the questionnaire of the quantitative research is a bit long, approximately 20 minutes is needed to fill in the questionnaire. Several respondents commented about the length of the questionnaire. This may cause that the respondents do not read the questions carefully and misinterpret the questions, which will reduce the validity of this research. Also non response rate is increased at the end of the questionnaire. This may lead to bias in the outcomes what also result in decreased reliability and validity. Furthermore, regarding the construct validity

there may be argued about the scales. In this study has made use of existing scales, which enhance the reliability, because these scales are tested earlier on previous studies. The main concern is about the conflict scales of Dreu et al (2001) in this research. The reliability test outcomes are varying between modest and weak. Respondents may have had problems with interpretations or interpreted the questions differently. The results were also not significant, which may due to the variance of answers. Also the scales of tactics were problematic. Most of the tactics were unethical this may have resulted with socially accepted answers that not represent the true behaviors. Even when the respondents know that the information would kept anonymous. Other limitation with respect to the scales of Salacuse (1999) one leader or consensus, emotionalism, team organization, agreement form, communication, win/win or win/lose and goal contract or relationship are single item bi polar dimensions. Respondents from two countries were often oriented toward both sides of the dimension. The outcome is better if the scales have multiple items for each dimension (Metcalf et al, 2006).Overall, the effect found in this study may not hold for whole Turkey and The Netherlands but is more specific to large firms in both countries. However, scales of Salacuse (1999) are used earlier in Turkey on 327 business people and university students by (Metcalf et al, 2006) whereby the outcomes are similar, which postulates this research also reliable. Regarding qualitative analysis, it needs to be taken into account that the analysis was subjectively executed. This has also consequences for the cultural aspects pace of time, negotiation strategies, negotiation tactics, personal relationship and decision-making. Therefore outcomes of the interviews may result differently when it will be done with other respondents.

5.3 THEORETICAL IMPLICATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

The added value of this research on science is an insight on the ongoing debate about convergence, crossvergence and divergence in cross cultural research. *Convergence* is the change of a values system into one that is consistent with the current technology of their society. This can include educational demands and business structures. Commonly industrializing countries adopt the technologies of more advanced industrialized countries, which lead to the adaptation of their values as well (Ralston, 2008, based on Webber, 1969). *Crossvergence* is the combination of socio-cultural influences and business ideology (driven by technology) resulting in the development of a new and unique values system among individuals in a society (Ralston, 2008, based on Webber, 1969). However, it could also occur that negotiation styles lead in the direction of divergence. *Divergence* is the socio-cultural influence causing individuals from a society to retain the specific values system of the societal culture through time. Regardless of other possible influence such as technological, economic, and political change (Ralston, 2008, based on Webber, 1969). This research suggest that

convergence is going on by cosmopolitan Turkish managers, because western values are adapted.

Pace of negotiations

The outcome that Turkish respondents had a higher score on economicity of time and a monocrony work style than Dutch respondents might have several explanations; due to global diffusion the way of experiencing time is changed, westerns values are incorporated. This research was focused on Istanbul and Ankara, environmental factors in bigger cities differs from smaller ones. Like chaos, traffic jams, and rushing might make people more time sensitive. Another explanation is education. Most of the universities in cities like Istanbul and Ankara are western oriented. Concluding, there can be said that time sensitivity in major cities in Turkey is increased and conventional wisdom about time do not last anymore at major cities. But firms in smaller cities more inlands may hold the traditional culture.

Personal relationship

Research outcome have shown that Turkish negotiators prefer contract more than relationship and Dutch respondents were divided between contract and relationship. The discrepancy between conventional wisdom and qualitative research outcomes is also supported by earlier research from Metcalf (2006). Overall, the explosion in global trade over the past decade and the diffusion of best business practices across the globe may have simultaneously increased the relationship sensitivities of Dutch negotiators, and increased the contract sensitivities of negotiators in Turkey, which have traditionally relied more heavily on relationships as a mechanism for obedience. Further, the effect of economic crisis, market conditions in various sectors are getting worse and/or more competitive. So it is getting less important day by day the social side of doing business. Economic determinism is getting more important. Desire for working with contract between sides is a generally increasing phenomenon in Turkey. But awareness should be laid on the implication that the goals of a signed contract and of building a relationship are not necessarily mutually exclusive and that the achievement of one can lead to the other.

Decision making

Another remarkable outcome was that Turkish respondents favor consensus style more than one leader and Dutch respondents are divided between one leader and consensus. This is contradicting the conventional wisdom and also the findings of the qualitative research. But study of Metcalf et al (2007) and the GLOBE project (House et al,2004) do support this

extraordinary outcome. According to the GLOBE study Turkey place a lower value on power-distance and a high value for collectivism. Another research stated in (Metcalf,2006) is (Inglehart et al, 2004) gives insights that Turkey scored very low on trust towards leaders in society. This may explain the consensus orientation of the Turks at negotiations. Thus relying on other persons and experts instead the decisions of one leader within negotiations is common in Turkey. An additional explanation is that Turkey is vertical collectivistic whereas emphasis is placed on equality within collective (Cukur et al,2004)

Last contradicting outcome with uncertainty avoidance dimension of Hofstede (2005) is that Turkish people take more risks than Dutch people. This is partly due to the fact that Turkish business people operated in an unstable economic environment for decades long, in which they had to adapt to ongoing changes, risks and shocks continuously. The most difficult part for them was the ability to generate long-run business strategies because of the heavily changing business climate.

With regard to suggestions for further research, it can be recommended to perform a thorough investigation on the founded shifts toward western principles, which contradict with the Hofstede's dimensions, to provide better understanding about the transition of Turkey. Another fact is that there is not a homogeneous culture in Turkey. There are ideas to do a similar research in Kayseri, which is located in central Anatolian region in Turkey. Comparison of this research with (future) research in Kayseri will give better understanding about business practices with respect to cultural values. Within this research distinction between several sectors is not made and might be an interesting focus for future research. The total number of the respondents was not enough to make comparisons between different functions within this research, so it could be interesting to know if there is a difference between the given answers of business people within an hierarchy like, top management, middle management and operational management employees.

5.4 PRATICAL IMPLICATIONS

This research has some practical implications for Dutch and Turkish managers. See appendix 7 for the complete list of do's and don'ts at page 77.

Practical implications for Turkish managers

Being punctual and organized by using milestones, persons to act, progress reports and deadlines is very important in The Netherland. Because structure and setting an agenda is very appreciated by Dutch people. Use always facts and figures during business negotiations. Also not forget that subordinates in The Netherlands are influential as well with decisions

making and ask opinions of them, because persuading only the leader will not be enough. Also the pace of negotiations is very quick in The Netherlands, It is advisable to be prepared well, due to this quick negotiations. Relationship building is getting more important in The Netherlands. Furthermore, constructive criticism is appreciated in The Netherlands and specific contracts are favored. Being assertive and dominating with negotiations is not preferential but a win/win style is more favored. Dutch people do not like to take al lot of risks but calculating and making plans will give them a feeling of more control. Also the difference between first demand and target price should not vary a lot, this makes careful pricing appropriate, otherwise too high mentioned first price will afraid the Dutch counterparts. Moreover, do not ask for any personal favors which is not related with the business where you in. Further social interactions in The Netherlands is weaker than in Turkey, after working hours interaction with colleagues are minimized, thus do not expect intensive personal attention too much. Dutch people do not like to show emotions, acting emotional and giving much compliments may feel them dishonest.

Practical implications for Dutch managers

Building tight relations in Turkey may influence business positively. Social interactions are very strong and participation in activities after working hours is very appreciated by the Turks. Business negotiations may have a slow pace because trust building is needed, do not rush about time and deadlines, however managers in large multinationals have adapted the western style of time sensitivity. Communications during negotiations are direct and formal, using titles are common and dress a code is mostly formal. Turks are considered as tough negotiators and will take a lot of risks. The opening demand is in most of the cases much higher than the target price. In most of the cases one leader will decide in Turkey due to the high hierarchy, but experts and other people may have influence as well, this should be considered. Do not expect that all of the decisions will be taken during the formal negotiations; decisions can be reached also indirectly during dinners and other informal activities. Specific contracts are more favored than general contracts in Turkey. Further personal criticism and open conflicts should be avoided, because face concerns is regarded essential in Turkey.

Concluded, being aware of these differences, which is influenced trough culture, will help performing better cooperation in business.

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APPENDICES

APPENDIX 1 TACTICS

1. Make an opening demand that is far greater than what one really hopes to settle for.

2. Gain information about an opponent's negotiating position by cultivating his/her friendship through expensive gifts, entertaining, or personal favors.

3. Gain information about an opponent's negotiating position by paying your friends, associates, and contacts to get this information for you.

4. Promise that good things will happen to your opponent if he/she gives you what you want, even if you know that you can't (or won't) deliver those good things when the other's cooperation is obtained.

5. Intentionally misrepresent factual information to your opponent in order to support your negotiating arguments or position.

6. Intentionally misrepresent the nature of negotiations to your constituency in order to protect delicate discussions that have occurred.

7. Convey a false impression that you are in absolutely no hurry to come to a negotiated agreement, thereby trying to put time pressure on your opponent to concede quickly.

8. In return for concessions from your opponent now, offer to make future concessions which you know you will not follow through on.

9. Deny the validity of information which your opponent has that weakens your negotiating position, even though that information is true and valid.

10. Talk directly to the people who your opponent reports to, or is accountable to, and try to encourage them to defect to your side.

APPENDIX 2 INTERVIEW QUESTIONNAIRE

Introduction

The aim of this research is to describe the influence of cultural differences on business cooperation between Turkey and the Netherlands. Focus is laid on business negotiations and aims to get information about problem issues and solving mechanisms which can occur at business negotiations between Turkish and Dutch negotiators.

Name Respondent	…………………………………….
Function	…………………………………….
Company	…………………………………….
Nationality	…………………………………….

Question 1

Could you describe three different types of business negotiations with Turkish/Dutch companies in which you were involved? Examples could be: joint ventures, licensing agreements, seller buyer relationships, distribution agreements, mergers and acquisitions

Question 2

Could you indicate the conditions within each of these situations using the following scale.

1   2   3   4   5   6   7
Not at all   somewhat   much

Situation 1		situation 2		situation 3	
Importance		Importance		Importance	
Long term business		Long term business		Long term business	
Time pressure		Time pressure		Time pressure	
Outcome beneficial for you		Outcome beneficial for you		Outcome beneficial for you	
Outcome beneficial for the other party		Outcome beneficial for the other party		Outcome beneficial for the other party	
Power position		Power position		Power position	

Question 3

Could you describe aspects of negotiations where cultural differences between Turkey and the Netherlands had an impact on the negotiations, were problematic, lead to misunderstandings etc? Further questions will follow on the aspects which are considered important and very important. Aspects which are considered not important will not be questioned further.

a. **Pace of negotiations:** (question 4)
- The amount of time used with negotiations
- Punctuality
- Following a schedule

☐ Not important/problematic   ☐ Important/problematic   ☐ Very important/problematic

b. **Negotiation strategies:** (question 5)
- Win/win or Win/loose/ Problem solving approach
- Risk taking
- Presentations

☐ Not important/problematic   ☐ Important/problematic   ☐ Very important/problematic

c. **Negotiation tactics:** (question 6)
- Competitive bargaining (high opening demand)
- Collecting information about your opponent's position
- Bluffing (false promise/ false threat)
- Misrepresenting information to your opponent

☐ Not important/problematic   ☐ Important/problematic   ☐ Very important/problematic

d. **Personal relationship** (question 7)
- Emphasize relationship
- Emphasize contract

☐ Not important/problematic   ☐ Important/problematic   ☐ Very important/problematic

e. **Communication** (question 8)
- Direct vs. indirect;
- Controlled vs. expressive
- Informal vs. formal
- Loss of face
- Personal distance
- Need for interpreters
- Degree of detail; asking for much information

☐ Not important/problematic   ☐ Important/problematic   ☐ Very important/problematic

f. **Decision making** (question 9)
   - Top down or consensus
   - Rational vs. emotional
   - Agreement form specific vs. general
   - Degree of bureaucracy including factors like multiple layers of decision-making, ministerial overlap and goal conflicts, tenuous lines of internal communication, specialization and hence lack of complete information available to any one individual.

☐ Not important/problematic   ☐ Important/problematic   ☐ very important/problematic

g. **Other important aspects not mentioned so far**

   - …………………………………………..

In what ways did these aspects turn out to play a role with respect to the cultural differences?
……………..

Which problems have arisen (real life examples)
……

How were these problems resolved?
……

Question 4 Aspect of time

4.1 To what extent have aspects related to time been important or problematic with respect to the cultural differences?

   - Think of setting an agenda
   - Punctuality

4.2 Which problems have arisen (real life examples)
…………………………………………………………

4.3 How were these problems resolved?
………………………………………………………..

4.4 According to the literature review, there are three phases distinguished:
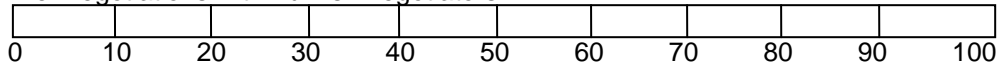
Pre- negotiations; begins with the first contact between parties in which interest is shown in doing business. During this stage the first offers are made. Parties begin to understand ones needs and tend to evaluate the benefits of entering into a process of negotiation.

Face to face negotiations; The basic issue at this stage is that parties believe that they can work together to find a solution to a joint problem.
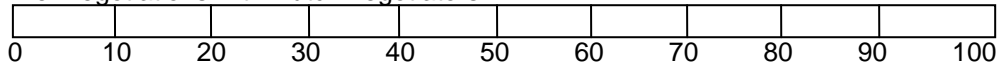
Post negotiations; at this stage all terms have been agreed upon. The contact is being drawn up and ready to be signed and the contract can be signed. Next step is the implementation of the contract

Please rate subjectively how much time is used in negotiations with the Turks for each stage, and could you do the same for negotiations with the Dutch
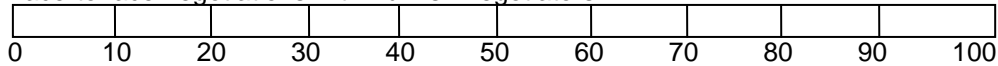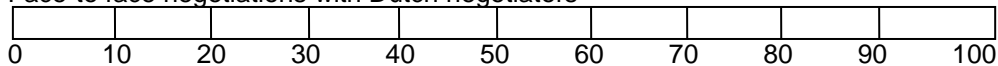
Pre- negotiations with Turkish negotiators

0	10	20	30	40	50	60	70	80	90	100

Pre- negotiations with Dutch negotiators

0	10	20	30	40	50	60	70	80	90	100

Face-to face negotiations with Turkish negotiators

0	10	20	30	40	50	60	70	80	90	100

Face-to face negotiations with Dutch negotiators

0	10	20	30	40	50	60	70	80	90	100

Post negotiations with Turkish negotiators

0	10	20	30	40	50	60	70	80	90	100

Post negotiations with Dutch negotiators

0	10	20	30	40	50	60	70	80	90	100
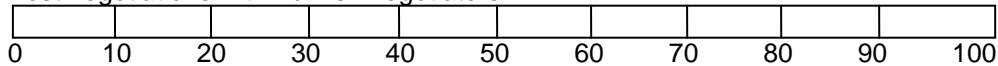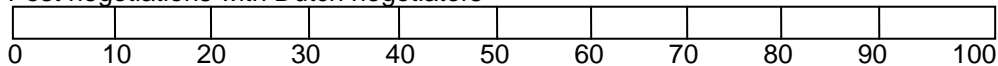
4.5 Other comments

…………………………………………………………

Question 5 Aspect of Negotiation strategies

5.1 Which negotiation strategies have you observed by either party? To what extent have cultural differences influenced the use of different strategies?

……………………………………………………

5.2 Which problems have arisen (real life examples)

……………………………………………………

5.3 How do you solve these problems

…………………………………………………….

5.4 Which strategies do you use in negotiations with Turks/Dutch? Think for example of strategies at the three different stages pre, face to face and post negotiations

Pre- negotiations; begins with the first contact between parties in which interest is shown in doing business. During this stage the first offers are made. Parties begin to understand ones needs and tend to evaluate the benefits of entering into a process of negotiation.

……………………………………………………

Face to face negotiations; The basic issue at this stage is that parties believe that they can work together to find a solution to a joint problem.

……………………………………………………

Post negotiations; at this stage all terms have been agreed upon. The contact is being drawn up and ready to be signed and the contract can be signed. Next step is the implementation of the contract

……………………………………………………..

5.5 To what extent would you agree with the phrase "Dutch negotiators tend to be risk averse and Turkish negotiators tend to be a risk takers"

☐ I do not agree   ☐ maybe   ☐ I agree

Please explain: …………………………………

5.6 Which of the following strategies fits best to your negotiation style, according to the three situations that are mentioned in the First question of the questionnaire?

Assertive		My way Dominate		New way win / win
		☐	☐	

Assertive   ☐ My way   ☐ New way
                     Dominate   win / win

                          ☐ Compromise
                              Give and take

                     ☐ No way   ☐ Their way
                         Give up   Adapt

Unassertive   Uncooperative   Cooperative

*assertiveness, the extent to which the individual attempts to satisfy his own concerns
*cooperativeness, the extent to which an individual attempts to satisfy the other persons concern

5.7 Other comments
……………………………………………………………

Question 6 Aspect Negotiation tactics

6.1 To what extent have aspects related to negotiation tatics been important or problematic with respect to the cultural differences?
……………………………………………………

6.2 This is a list with some negotiation tactics can you ad some more?

- ○ Competitive bargaining (high opening demand)
- ○ Information collection of your opponents position
- ○ Bluffing (false promise/ false threat)
- ○ Misrepresentation of information to your opponent
- ○ ……………………………….

6.3 Which one do you observe commonly in your country (sign the bullets)?

6.4 Which problems have arisen (real life examples)
…………………………………………………

6.5 How do you solve these problems

……………………………………………….

6.6 Could you give an indication what the difference is between your opening demand and your target demand?

With Turkish negotiators   ……….%

With Dutch negotiators   ……….%

6.7 Other comments

………………………………………………

Question 7 personal relationships

7.1 To what extent have aspects related to personal relationships been important or problematic with respect to the cultural differences?

…………………………………………………

7.2 Which problems have arisen (real life examples)

…………………………………………………

7.3 How do you solve these problems

……………………………………………….

7.4 Before doing business building a relationship is very important

By doing Business with Turks   ☐ I do not agree   ☐ maybe   ☐ I agree
By doing Business with Dutch   ☐ I do not agree   ☐ maybe   ☐ I agree

Because…………………………………………

7.5 Getting the contract is more important for me than building a relationship

By doing Business with Turks   ☐ I do not agree   ☐ maybe   ☐ I agree
By doing Business with Dutch   ☐ I do not agree   ☐ maybe   ☐ I agree

Because…………………………………………

7.6 How important are the following relationship aspects to a typical negotiation?

Trust   (I can depend on this person)
☐ Not important   ☐ Important   ☐ Very important
Empathy   (opponent see things from my perspective)
☐ Not important   ☐ Important   ☐ Very important
Acceptance   (I am accepted just a way I am)
☐ Not important   ☐ Important   ☐ Very important
Respect   (I respect the person)

☐ Not important ☐ Important ☐ Very important

Affection (I like my opponent)

☐ Not important ☐ Important ☐ Very important

Alliance (I can count on my opponents loyalty)

☐ Not important ☐ Important ☐ Very important

Common interests (sharing many interests)

☐ Not important ☐ Important ☐ Very important

7.7 Other comments

……………………………………………………………

Question 8 Aspect Communications

8.1 To what extent have aspects related to communications been important or problematic with respect to the cultural differences?

…………………………………………………...

- Think on degree of details
- Language barriers, need for interpreters

8.2 Which problems have arisen (real life examples)

…………………………………………………

8.3 How do you solve these problems

………………………………………………….

8.4 Do you agree with the following statements

Turks tend to communicate indirect	☐ Yes	☐ No
Dutch tend to communicate direct	☐ Yes	☐ No
Turks are very expressive with communications and emotions	☐ Yes	☐ No
Dutch are controlled with communications and emotions	☐ Yes	☐ No
Personal distance is short by the Turks	☐ Yes	☐ No
Personal distance is short by the Dutch	☐ Yes	☐ No
Turks don not like to be criticized in public	☐ Yes	☐ No

8.5 Other comments

……………………………………………………

Question 9 Aspect of decision making

9.1 To what extent have aspects related to decision making been important or problematic with respect to the cultural differences?

…………………………………………………

Think on
- Hierarchy ; top down or consensus decision making

- Rational (facts) vs. emotional
- Agreement form specific or general
- Degree of bureaucracy including factors like multiple layers of decision-making, ministerial overlap and goal conflicts, tenuous lines of internal communication, specialization and hence lack of complete information available to any one individual.

9.2 Which problems have arisen (real life examples)

………………………………………………

- Problems with implementation

9.3 How do you solve these problems

………………………………………………….

9.4 Other comments

…………………………………………………..

APPENDIX 3 QUESTIONNAIRE

Cultural differences between Turkey and The Netherlands, which influence business cooperation

In completing this questionnaire, please try to be as candid as you can about where you think to agree on or not. You are being asked about several topics, that are related to culture. These topics are: perception of time, strategies, tactics, communication, relationship building and decision making. However, your responses on this questionnaire are completely anonymous, and no one will ever know your individual responses.

This questionnaire will take proximately 20 minutes.

General questions

Please tick the appropriate box

1.   Gender
Man

Women

2.   Age
…..

3.   Nationality
Turkish

Dutch

Turkish/Dutch

Other

4.   Function
Director

Manager

Employee

Student

Other

5. Could you indicate how much of your work is on average spend on negotiations
Time spend on negotiations .. %

6. Could you estimate the distribution of your professional time spend on negotiations?
External: with private sector parties   ….%

External; with public sector parties   ….%

External with non-profit sector parties   ….%

Internal: within department   ….%

Internal: with other departments   ....%

7. Could you indicate how much time you spend on negotiations in your private life, for instance on the market or with an insurer?
   Private life ..%

A.   Pace of negotiations:

Time perception plays an important role in negotiations. By answering the following questions, you will help us understand whether there are culturally different time perceptions between members of the two cultures, and how these may influence the process and success of a negotiation.

Please tick the box that matches your view most closely.

1= Disagree   2= Tend to disagree   3=Not sure   4=Tend to agree   5= Agree

Economicity of time

8. I plan my activities so that they fall into a particular pattern during the day
9. I like to have a definite schedule and stick to it
10. I like to plan my daily activities so I know just when to do each thing
11. I enjoy following a schedule

Time submissiveness

12. No matter how hard I try, I am nearly always a little late (reverse scored)
13. I am almost never late for work or appointments
14. If the only way I can get to an appointment is by rushing, I'd rather be late (r)
15. I would rather come early and wait than be late for an appointment

Time anxiety (perceived usefulness of time)

16. Looking at a typical day in my life, I think that most things I do have some purpose(r)
17. I sometimes feel that the way I fill my time has little use or value
18. I am bored by my day-to-day activities
19. I often feel that my life is aimless, with no definite purpose

Monocrony
20. Once I have started an activity, I persist at it until I've completed it
21. When I begin a project, I don't like to stop it until it is finished

22. When I am interrupted doing a task, I almost always go back to it as soon as I can
Polycrony
23. I would prefer doing several very small projects than one very large one
24. I would prefer doing one very large project than several small ones (r)
25. I would rather try to get two or three things done quickly than spend my time on one big project.

Negotiation strategies
Please answer the statements below by ticking the box that matches your view
most closly.

When I am involved in a conflict at my work or negotiations, then I do the Following:

1=never   2=seldom   3=sometimes   4=regularly   5=(almost) always

26. I give in to the wishes of the other party
27 I examine issues until I find a solution that really satisfy me and the other party
28 I try to realize a middle of the road solution
29 I avoid a confrontation about our differences
30 I push my own point of view
31 I concur with the other party
32 I stand for my own and other's goals and interests
33 I emphasize that we have to find a compromise solution
34 I avoid differences of opinion as much as possible
35 I search for gains
36 I try to accommodate the other party
37 I examine ideas from both sides to find a mutually optimal solution
38 I insist we both give in a little
39 I try to make differences loom less severe
40 I fight for a good outcome for myself
41 I adapt to the other parties' goals and interests
42 I work out a solution that serves my own as well as others' interests as good as possible
43 I strive whenever possible toward fifty-fifty compromise
44 I try to avoid a confrontation with the other
45 I do everything to win

Could you indicate your willingness to take "risks" in a negotiation — to divulge information, try new approaches, or tolerate uncertainties in a proposed course of action.

Tick the box that best reflects your willingness to take risks

46 Attitudes   Win-lose   Win-win

                      1   2   3   4   5

Could you indicate what your attitude is within a negotiation process. This continuum shows where both parties can gain or a struggle in which there is a winner and a loser.

Tick the box that best reflects your attitude to the negotiation process.

47 Risk taking   High   Low

                      1   2   3   4   5

B. Negotiation tactics:

You will be asked to consider a list of tactics that negotiators sometimes use. You should consider these tactics in the context of a situation in which you will be negotiating for something which is very important to you or your business. For each tactic, you will be asked to indicate how appropriate the tactic would be to use in this situation. Then assign a rating to each tactic, evaluating how appropriate it would be to use this tactic in the context specified above.

1   2   3   4   5

not at all   somewhat   very
appropriate appropriate appropriate

48 Make an opening demand that is far greater than what one really hopes to settle for.
49. Gain information about an opponent's negotiating position by cultivating his/her friendship through expensive gifts, entertaining, or personal favors.
50. Gain information about an opponent's negotiating position by paying your friends, associates, and contacts to get this information for you.
51. Promise that good things will happen to your opponent if he/she gives you what you want, even if you know that you can't (or won't) deliver those good things when the other's cooperation is obtained.
52. Intentionally misrepresent factual information to your opponent in order to support your negotiating arguments or position.
53. Intentionally misrepresent the nature of negotiations to your constituency in order to protect delicate discussions that have occurred.
54. Convey a false impression that you are in absolutely no hurry to come to a negotiated agreement, thereby trying to put time pressure on your opponent to concede quickly.
55. In return for concessions from your opponent now, offer to make future concessions which you know you will not follow through on.
56. Deny the validity of information which your opponent has that weakens your negotiating position, even though that information is true and valid.
57. Talk directly to the people who your opponent reports to, or is accountable to, and try to encourage them to defect to your side.

The first price that negotiators mention is usually higher/lower than what they realistically can achieve, i.e., their target price. The price that sellers mention will be higher than their target price; that of buyers will be lower than their target price. The difference between the first mentioning of a price and the target price is called the nibble. Cultures differ in how big the nibble typically is: Do negotiators add, say 10% to the target price, or even 100%?

58. Please indicate how big the nibble is that you commonly use when negotiation?

   ……%

Personal relationship and communication

Apart from reaching a specific agreement in a negotiation, people may also aim for something in addition to this agreement, or expect a certain way of formalizing the agreement. They may have the goal of establishing a contract or the goal of creating a relationship between both parties.

What do you expect to achieve? Tick the box that best reflects your goal in a negotiation.

59 Goal   Relationship   Contract
                       1   2   3   4   5

A negotiator with a formal style insists on addressing counterparts by their titles, avoids personal anecdotes, and refrains from questions touching on the private or family life of members of the other negotiating team. An negotiator with an informal style, on the other hand, may try to start the discussion on a first-name basis, quickly seek to develop a personal, friendly relationship with the other team.

Tick the box where your own negotiating style and approach in business negotiation falls along.

60. Personal style   Informal   Formal

                   1   2   3   4   5

A more direct style of communicating consists of straightforward statements, clear and explicit ways of saying what one wants to say. One does not have to read between the lines in order to know what a direct communicator wants to say: Everything is out in the open.
In contrast, a more indirect style of communicating includes vague expressions, indications of what one wants to say, implicit messages. Gestures, body language and other nonverbal means must be taken into account in order to infer what the indirect communicator actually means. One needs to read between the lines, get a feel for what is meant.

Tick the box that best reflects your style of communicating during a negotiation.

61. Communications   Direct   Indirect

                   1   2   3   4   5

People may have different ideas about whether to control their emotions during negotiations, or whether to show them openly. They may also differ in whether they believe that emotions are important for decision-making: Do emotions reveal whether a decision is right or wrong, or do they make it more difficult to focus on the facts?

Tick the box that best reflects your view on this matter.

62. Emotionalism   Emotional   Rational

                   1   2   3   4   5

The following statements consider the concern of your own image and the care for another's image within a conflict situation like negotiations.

Please tick the box that matches your view most closely.

1= disagree   2= tend to disagree   3=not sure   4=tend to agree 5= Agree

Other-face

63. I am concerned with maintaining the poise of the other person.
64. Maintaining humbleness to preserve the relationship is important to me.
65. Helping to maintain the other person's pride is important to me.
66. Maintaining peace in our interaction is important to me.
67. I try to be sensitive to the other person's self-worth.
68. I am concerned with helping the other person to maintain his/her credibility.

Self-face

69. I am concerned with not bringing shame to myself.
70. I am concerned with protecting my self-image.
71. I am concerned with not appearing weak in front of the other person.
72. I am concerned with protecting my personal pride.

C. Decision making

Specific agreement form means preference for detailed contracts that attempt to anticipate all possible circumstances and eventualities. General agreement form contains preference for a contract in the form of
general principles rather than detailed rules. the parties should look to their relationship, not the details of the contract, to solve the problem.

Tick the box where your own negotiating style and approach in business negotiation falls along.

73. Agreement form   Specific   General
                            1   2   3   4   5

Negotiating teams with a supreme leader who has complete authority to decide all matters falls under "one leader" and on the other hand stressing team negotiation and decision making by consensus falls under "consensus".

Tick the box where your own negotiating style and approach in business negotiation falls along.

74. Team Organization   One leader   Consensus
                              1   2   3   4   5

75. Are there other comments regarding this questionnaire?

APPENDIX 4 INVITATION LETTER

Dear participant,

The Turkey Institute, together with the University of Twente (Business Administration) and Baskent University (Faculty of Economics) is conducting a study regarding differences and similarities in negotiating and business cultures between Turkey and The Netherlands.

Until now, very little research has been done in this area. We therefore designed a survey that will provide important information to business people from both countries. The findings will be presented at the closing event of ING 2009 Turkey Year in December 2009. [if you decide to participate in our survey, you will receive a copy of our summary report].

The survey assesses some of the underlying beliefs, values, and assumptions that have been shown to influence how business people negotiate. It focuses on the following: Perception of time, Negotiation strategies, Negotiation tactics, Communication, Relationship building, and Decision making. To the extent that Dutch and Turkish business people differ in these areas, they may find it more difficult to negotiate successfully with each other and miss out on opportunities for their and the other party's business.

Your input to our survey will help us greatly to better understand where each party is coming from. Please note that our survey assesses opinions and perceptions: There are no "right" or "wrong" answers. Please be as open and honest as possible when answering the questions.

To start the survey, please click on the link below (or type the address into your browser). You will be asked to fill in your e-mail address or a unique login name instead of your email address in order to be granted permission to enter the questionnaire. This information is not available for the researcher, so that the participants remain anonymous. After that, you will give answers to the 88 questions, and submit them electronically **before 27-05-2009.**

http://www.thesistools.com/?qid=80293&ln=eng

If you have any questions about this research, feel free to contact:
Meltem Ücer (m.ucer@student.utwente.nl) or Lily Sprangers (sprangers@turkije-instituut.nl)

Your participation is highly appreciated.

Lily Sprangers and Meltem Üçer

APPENDIX 5 REMINDER LETTER

Dear Friends,

I kindly ask your cooperation for the following project, which merely consists of answering questions of a survey. For some of you this request is a reminder, for some of you this will be a first time request. I sincerely hope that you will find a few minutes of your valuable time to assist us with this one!

 The Turkey Institute, together with the University of Twente (Business Administration) and Baskent University (Faculty of Economics) is conducting a study regarding differences and similarities in negotiating and business cultures between Turkey and The Netherlands.

Until now, very little research has been done in this area. We therefore designed a survey that will provide important information to business people from both countries. The findings will be presented at the closing event of ING 2009 Turkey Year in December 2009. [if you decide to participate in our survey, you will receive a copy of our summary report]

The survey assesses some of the underlying beliefs, values, and assumptions that have been shown to influence how business people negotiate. It focuses on the following: Perception of time, Negotiation strategies, Negotiation tactics, Communication, Relationship building, and Decision making. To the extent that Dutch and Turkish business people differ in these areas, they may find it more difficult to negotiate successfully with each other and miss out on opportunities for their and the other party's business.

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http://www.thesistools.com/so/web/index.php?formID=80293&ln=eng&page=1&uid=

If you have any questions about this research, feel free to contact:
Meltem Üçer (m.ucer@student.utwente.nl) or Lily Sprangers (sprangers@turkije-instituut.nl)

Your participation is highly appreciated.

Lily Sprangers and Meltem Üçer

APPENDIX 6 INTERVIEW QUOTES

Pace of negotiations

Turkish Manager (experience with public sector and large firms specialized in insurance): *"Time is considered very important in the Netherlands, progress reports are asked and deadlines are set. Before merging with Aegon we where a public firm and had a different business culture and no attention was given for deadlines, because they did not use sanctions, which resulted and the results was that people were used to redo or undo the work and give a lot of excuses why they did not met the deadlines and promises. But the numbers of firms are rising with professionals who begin to think that time and deadlines, schedules and gap analyses are important in Turkey. Turks can work very practically and can be very fast. Foreign managers who have quick contacts or have less contacts with different Turkish firms might be very surprised when they have to work with Turkish firms who do not take the deadlines very serious this can be very irritating. New generation firms and middle/top managers are rising who pay attention to deadlines and works with western values. But I am talking about multinational firms, not especially about family firms or the public sector. But this is not only an issue of Turkish firms, because I have experienced this also by Dutch firms. When the Dutch have holydays like Christmas or other holidays then they think that makes it a good excuse to delay that work. Also if it is said before the holidays. They think that they have the right to forget the work. And if it is Christmas, talking about work is one of the things you may not talk about. But Christmas is not a religion holiday for most of the Turks and they do not consider the religion holidays in Turkey. The same sensitivity is not showed for the Turks, which gives me the feeling that there is a lack of respect.*

Turkish Manager and academician: *"Time is really important for Dutch people, when it is 17.00 o'clock, they want to go home and close everything because the working day is ended. Work and private live is strongly separated by Dutch people. Turkish people are more flexible at this point, staying longer at workplace is mostly not a problem. In Turkey social interactions are stronger. For example we can drink tea and talk for hours about family and children under working time with our opponents, while the business talk can be done very quickly actually. Another point is that Turkish people says hardly no even if they know that they cannot keep their promise. This is due to stronger relations which is build and do not want to hurt their opponent/relation by saying no. Therefore holding on deadlines or promises can be very hard. Dutch people have to bear this in mind and not to take everything literary."*

Turkish/Dutch manager (experience with middle/small firms and public sector): *"Time at business negotiations is very short with Dutch partners but on the contrary business negotiations with Turkish partners might take sometimes longer. The differences can be*

distinguished between private (large) firms, small firms and the public sector in Turkey. My experiences are on small firms and public sector. Schedules and promises about time are not always kept in Turkey. They can say come tomorrow at 13.00 o'clock and when you are there at that time you may see that the person is not there or have other things to do. Result is that the appointment has to be rescheduled."

Dutch Manager (experience with banking sector and public sector):*"Dutch people are more structured and organized compared with Turkish business people, according to my experiences with the Turkish side. The whole process around the acquisition made the Dutch side work hard to put a structure on it, for example with miles stones, persons to act and follow ups. Things also ended up properly in Turkey, but several times we had loosed insight, because lack of structure. The way of working was different then what we are used in The Netherlands."*

Dutch Manager (experiences with Turkish public sector):*"The amount of the time used on negotiations was very long with the Turks. Setting an agenda was impossible, because our Turkish customers were delayed through their own bureaucratic system. Due to the inefficiency of the bureaucratic system they could not give answers or make decisions on time. We had to adjust our deadlines."*

Dutch Manager (experiences with large firms, specialized in banking/insurance):*"Business with Turkish partners means putting a lot of time in pre-negotiations. They want to know you first, understand your needs and background. Building trust is very important, which makes the process of negotiations lengthy. This is very different with our Dutch style, because offering a good product may be enough for a deal but in Turkey investing time in a relationship is very important to result with a deal."*

Negotiation strategies

Dutch manager*: " it was difficult to have an specific strategy. Collecting information about the opponent is very important and to get the right information you have to know the right persons. So relationship building was one of the strategies what we have used to get the contract".*

Dutch manager: *"In my experience power position influence the negotiation strategy. The Turkish party had a strong power position and we had to adapt their way".*

Dutch manager: *"Dutch will go for win/win and Turks are more assertive and dominating but depends on the power position".*

Turkish manager: *"Large Turkish firms will often prefer win/lose strategy, because powerful firms want to show that power"*.

Turkish manager: *"I do not think that the mentioned strategies differs between Turkey and The Netherlands because these strategies are influenced through the power position and not through cultural differences"*.

Negotiation tactics

Turkish manager: "*The opening demand bargaining gap is very high in Turkey something like 50%. Foreigners could think that the Turkish side wants to fool them but this is not the case. This is the way how they work. The gab in Holland is lesser, like 20%"*.

Dutch manager: *"Turks are tough negotiator's we know that they can negotiate hardly on reducing our price. We use a reverse tactic by calculating around 25% above our target price"*.

Dutch Manager: *"Bluffing, exaggerating and high opening demand is used frequently in Turkey"*.

Dutch Manager: *"Dutch business people give too much of their position away by telling a lot of information. Turks negotiators on the contrary are more carefully and are able to maintain a stronger position. In the future I will play lesser open cards by negotiations with the Turks. Also Turks business people are definitely risk takers with negotiations. The difference between the Dutch and the Turks are that Turks go till how far they can come and Dutch how they can get things certain"*.

Communication and personal relationship

Turkish manager: *"Turks are emotional. But also Dutch persons don't like to be criticized. Dutch people have learned from their own culture to deal with criticism by not showing their emotions and will often use a poker face. This is not the same in Turkey, Turks can show their emotions openly otherwise a person will be seen as unreliable or passive in Turkey. I do not like the phrase; "do not take it personal " if they give me personal criticize. And if you want to explain things they always see it as a defense mechanism. Critics are important, but if it is constructively on behavior and not on personality. There is a big difference if you say for example: you are always late compared with this job/project is delivered late. Another point is that Dutch assume always that the faults or problems are on the Turkish side. They always think that they know things better than we do. That could be true for most of the cases but not always, so they have to take this in to account. Only if you can show it with evidence make*

them believe that they are who makes the fault. Even then they do not like to say that they are wrong. They only apologize if you ask for it. I see a lot of arrogance with the Dutch".

Turkish manager*: "Dutch people like to work with facts and figures. So they will become uncomfortable if you cannot show them things without facts and that will make them feel that they do not have enough control on circumstances. Turkish people on the other hand do not like to look so much on statistics but will base their decisions more on feelings. We like to make generalizations and the last bad or good experience might dominate our feelings. Turkish people like to make quick decisions we do not want to think on many details. This can be very appropriate in some circumstances but also disadvantageous".*

Turkish manager: "*Building good relations is very important and the benefits of the business should be clear. Trust is important as well as to be clear why you do things or not. Directness is also appreciated by the Turks but without rudeness".*

Turkish Manager*: "Business in Turkey is not really separated from private life. If you have a good relation you may expect favors in business or in private life, for example friends or relatives can get more easily that job or a business deal. The distinction of private life and business is greater in the Netherlands, achievement is more important than which person you are, being a good friend does not matter, with other words business is business by the Dutch".*

Dutch Manager*: "Turks are very friendly and hospitably, they show a lot of interest in what you are and what you think. When you have built a relationship, informal conversations are appreciated".*

Dutch manager*: "Social interactions are strong in Turkey, this can be seen also at work. Colleagues are also in touch in their spare time, they go often dining and on holidays together. This is often not the case in the Netherlands".*

Decision making

Turkish manager: *"In turkey you can reach the decision makers easily because of the hierarchy but in the Netherlands is it difficult because there are more decisions makers or influencers and this can be time consuming."*

Turkish manager: *"The consensus style for a leader is perceived differently in Turkey than in the Netherlands. In turkey this can be seen as incapability, like if you do not understand everything and that you are not good as a leader."*

Turkish/Dutch manager*: "Turkish subordinates do not want to make decisions even if they have sufficient authority for that, because they want to avoid risks of being responsible for that decision. In most of the cases they have to discuss it first with their boss before giving a response and this may take a lot of time"*

Dutch manager: *"Dutch people can say things very directly to your face but Turks are more careful they want to avoid loss of face. Turks can be very emotional, making decisions on emotional factors is more common than in the Netherlands. Also decisions or agreements are often made outside the negotiation process but more in an informal way during a (business) dinner or some ware else."*

Dutch manager: *"Time to market in Turkey might be really fast. When the Turks see changes, they go for it and solve the problems in practice. In The Netherlands is it more common to plan things first or calculate possible risks at fore hand. This makes time to market very long. Also decision-making is fast due to the hierarchy in Turkey, when you negotiate with the right person, decisions will be made quickly. If the boss says yes, none of the subordinates will interfere. In the Netherlands, you have to persuade more decision makers and this can be time consuming."*

Dutch manager: *"My experiences with the Turkish public sector are that they were risk averse, 30 persons had to sign the contract in contrary to the Dutch, with only two persons. This means that 30 persons from the Turkish side were responsible for that contract and only two from us."*

APPENDIX 7 DO'S AND DON'TS FOR TURKISH AND DUTCH MANAGERS.

This section provides a summary list of behaviors expected in Dutch and Turkish culture. The do's and don'ts formulated separately for Dutch and Turkish people.

Do's and don'ts for Turkish business people when they want to do business in The Netherlands:

Do

- Prepare well with detailed and practical information about your services and products.

- Be punctual and organized by using milestones, persons to act, progress reports and deadlines. Because structure and setting an agenda is very appreciated in the Netherlands.

- Use facts and figures by presenting your products or arguments.

- Be realistic and modest about your personality

- Do ask subordinates also for opinions.

- Read mails and react on it

- Give constructive criticism, this is appreciated by the Dutch

- General contracts are appreciated

- Take initiative

Do not

- Do not overdress

- Do not talk to much about academic degrees, influential family connections or important people you may know

- Do not think that you can change the situation by persuading the leader, because there is often no one leader

- Do not ask direct questions about family and income

- Do not expect intensive personal attention after the working ours

- Do not (expect) ask for any personal favors which is not related with the business where you in

- Do not be dominant toward subordinates

- Do not act emotional or give too much compliments to Dutch opponents, they may feel dishonest

- Do not be assertive and dominating with negotiations Dutch favor a win/win style

- Do not assume that Dutch people are risk takers

- Be careful about the gap between first demand and target price, difference in first demand and target price is not big in The Netherlands

Do's and don'ts for Dutch people who want to do business in Turkey:

Do

- Building tight relationships may influence business positively

- Read books about Turkish history and culture, knowledge about this is appreciated by the Turks

- Dress code, this is mostly formal

- Communications during business negotiations is formal, using titles are common

- Building relationships and networks is appropriate for future business

- Direct communication is appreciated

- Use oral communications instead of mails or other electronic devices

- Communications are informal during business dinners and other (informal) activities

- Participate also at activities after working time with your Turkish colleagues or partners

- Specific contracts are appreciated

- By presenting your products, services or arguments use also emotional aspects instead of only fact and figures

- Know that your product/service price will negotiated intensively

- Be aware that business culture may differ in large companies, small firms and public sector

- Be aware that Turkey is a large country with cultural variations (coastal area, inlands, metropolis cities)

- Be aware that the gap between rich and poor is large

Do not

- Do not criticize somebody by other people or do not give personal criticism, Turks do not like this and may get very frustrated

- Do not assume that relationship is more important than a contract by the Turks

- Do not rush about the time, business negotiations may take more time than you are used in The Netherlands. However time is also considered very important in large firms in Turkey

- Do not make jokes which are sexual loaded

- Be careful about sensitive subjects about politics, Kurds, and religion

- Do not assume that one leader always decide at negotiations, experts and other people may have influence and should be considered

- Do not think that Turkish negotiators are risk averse, they can take a lot of risks and are really tough negotiators

- Do not assume that all of the decisions will be made during the formal negotiation process. Decisions can be reached also indirectly during dinners and other informal activities

- Do not act too modest