

**University of Economics, Prague**

**International Business**



# **Czech – Vietnamese and Vietnamese – Czech cultural standards in business negotiations**

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**Declaration:**

I hereby declare that I am the sole author of the thesis entitled “Czech – Vietnamese and Vietnamese – Czech cultural standards in business negotiations“. I duly marked out all quotations. The used literature and sources are stated in the attached list of references.

In Prague on .....

Signature

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I hereby wish to express my appreciation and gratitude to the supervisor of my thesis, Ing. Zuzana Křečková Kroupová, M.A., Ph.D. for her guidance, time and valuable advises that she provided me with not only during writing of this thesis, but also during my studies. I would also like to thank all the respondents who participated in my research. Lastly, I would like to thank my parents for their persistent patience and endless support throughout my studies.

**Abstract:**

The primary focus of this bachelor thesis is to reveal cultural standards that exist in the eyes of Czechs who have had a working experience with the Vietnamese, and in the eyes of Vietnamese who have had a working experience with Czechs. First, the thesis starts off with a definition of culture alone; cultural dimensions according to Geert Hofstede, Fons Trompenaars and Edward T. Hall, and lastly, cultural standards according to Alexander Thomas are covered. The explanation of geographical and historical aspects, which influenced the Czech culture and both geographical and historical aspects, which influenced the Vietnamese culture, is following. Furthermore, the history of the Czech – Vietnamese relations as well as the development of this relationship is described. Afterwards, there is a description of the five Vietnamese cultural standards derived from the interviews conducted with the Czechs and three Czech cultural standards derived from interviews conducted with the Vietnamese. The thesis concludes with suggestions for smoother communication and interaction between people from the two different countries and cultures.

Key words: culture, cultural dimensions, cultural standards, Geert Hofstede, Fons Trompenaars, Edward T. Hall, Alexander Thomas, Vietnamese, Czech

## **Abstrakt:**

Tato bakalářská práce se zabývá odhalením kulturních standardů z pohledu Čechů, kteří měli pracovní zkušenost s Vietnamci, a z pohledu Vietnamců, kteří měli pracovní zkušenost s Čechy. Práce začíná definicemi kultury, kulturních dimenzí dle Geerta Hofstedeho, Fons Trompenarse, Edwarda T. Halla a kulturními standardy dle Alexandra Thomase. Práce dále pokračuje vysvětlením geografických a historických faktorů, které ovlivnily českou kulturu a geografických a historických faktorů, které ovlivnily vietnamskou kulturu. Mimo tyto aspekty je popsána historie česko–vietnamských vztahů včetně jejího vývoje. Následuje vysvětlení pěti vietnamských kulturních standardů, které byly odvozeny z rozhovorů s Čechy a tří českých kulturních standardů, které byly odvozeny s rozhovorů s Vietnamci. Na závěr práce jsou představena doporučení pro plynulejší komunikaci a spolupráci mezi lidmi z těchto dvou odlišných kultur.

Klíčová slova: kultura, kulturní dimenze, kulturní standardy, Geert Hofstede, Fons Trompenaars, Edward T. Hall, Alexander Thomas, Vietnamci, Češi

## **1. INTRODUCTION**

Being raised within two different cultures, Czech and Vietnamese, has opened me the door to two different worlds. Since my childhood, I could analyze issues from two different perspectives. This is one of the reasons why I would like to pursue the idea of analyzing Czech and Vietnamese cultural standards in business negotiation in this bachelor thesis.

There is a high level of integration of Vietnamese people in the Czech Republic. This fact also encouraged me to devote the thesis to this topic. Moreover, my everyday interactions with people from both cultures increased the interest to write the thesis on a topic of such kind. Evidently, there still exist cultural barriers, which discourage people from further mutual understanding. Therefore, I strongly believe this is a great opportunity to explore both worlds and compare them at the same time.

The main aim of this thesis is to identify Vietnamese-Czech and Czech-Vietnamese Cultural Standards in Business Negotiations.

Additional aims include:

- Analysis of historical and geographical backgrounds of the Czech Republic and Vietnam with impact on its cultures
- Comparison of outcomes of the research with the theoretical background for both countries
- Suggestions for Czech and Vietnamese employees for improvement of cooperation in business settings

In the first chapter, the meaning of culture will be discussed thoroughly in order to clarify its definition. Additionally, the cultural theories of Geert Hofstede, Fons Trompenaars and Edward T. Hall will be discussed too.

Second chapter, consisting of cultural theories of Geert Hofstede and Fons Trompenaars, will follow the first theoretical part. Alexander Thomas's explanation of cultural standards will be pointed out too. In comparison with Hofstede and Trompenaars, Thomas doesn't

measure culture by dimensions. He rather looks at the culture as a whole and concentrates on specific aspects of nation's culture, which define it. The theoretical part will be closed with analyzing the problems and benefits of intercultural communication and business negotiation.

Practical part will largely consist of describing and defining historical and geographical aspects defining culture in both countries I chose to analyze – Vietnam and the Czech Republic. I am looking forward to explaining differences, which lie not only in having these two countries located in two different continents.

The very last part of the thesis is focused on the research itself. Methodology of the research is described as well as the typology of the respondents. Derived cultural standards are then supported with various citations from interviews. Lastly, suggestions for people from both countries doing business together will be made.

## **1 Culture**

### **1.1 Definition of Culture**

It is essential to make clear how is the word culture understood to clarify what am I looking for in the research. Studying culture is somewhat close to studying human behavior, psychology, ethics, morality etc.

English meaning of the word itself is equal to *“the way of life, especially the general customs and beliefs, of a particular group of people at a particular time”* and art: music, art, theatre and literature.” (Cambridge Dictionaries).

### **1.2 What is culture?**

*„Culture is always a collective phenomenon, because it is at least partly shared with people who live or lived within the same social environment, which is where it was learned. Culture consists of the unwritten rules of the social game. It is the collective programming of the mind that distinguishes the members of one group or category of people from others.”* (Hofstede,

2005 , p. 6)

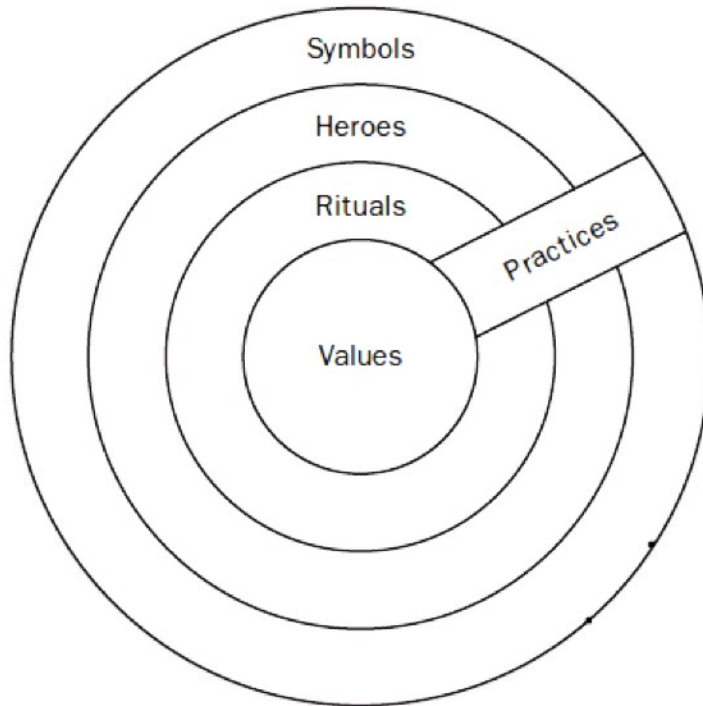
People create culture. Culture doesn't exist on its own. If there was a country without any inhabitants occupying the territory it would just be a plain land. We can perceive culture as an abstract value that can be created by tangible but also intangible matters. We also know that culture is different from one another. That is why we are able to differentiate one group of people from another.

Obviously there are some similarities between cultures; on the other hand there can be significant differences. Just to mention one example: in Vietnam there is no Christmas while in the Czech Republic we celebrate Christmas. Even though most of the population in the Czech Republic is Atheist, Christmas is celebrated across households in traditional ways. Christmas is a religious celebration of birth of Jesus Christ. In the western world Christianity is the most believed in religion and as already mentioned, even though Czech Republic is among the most atheist countries, Christmas is celebrated because throughout the centuries Christmas became part of the Czech culture. On the other hand, Vietnam is by large extent a Buddhist country and Christmas is not celebrated.

Preserved customs which have roots long time back in the history shaped nations cultures to what they are today. Humans are mentally programmed from their very early lives to become what they are in later stages of life (Hofstede, 2005 ).

### 1.2.1 Cultural model

- Onion model



**Figure 1: Hofstede's Onion Cultural Model**

**Source:** Hofstede, G. (2005 ). *Cultures and organizations : software of the mind*. New York: McGraw-Hill.

Hofstede suggests an “onion” cultural model which core we understand by “peeling off” layer by layer of the culture diagram. Each layer represents different values. Symbols are the most outer layer of the diagram. Symbols are represented by words, pictures or gestures and other features, which are understandable only to those who come from such culture. Symbols can be easily copied or displaced and that is the reason why they are placed in the most outer layer.

Heroes are persons who are deeply respected and who, with their behavior, represent the majority of specific culture. Heroes can be persons dead or alive, as well as imaginary characters.

Rituals are mutual activities, which serve as a medium for socializing. Such customs can be represented by shaking hands or they can be in form of religious ceremonies too.

Values are resistant to changes and are hard to observe. Values help us determine and prefer one thing over another. Having values help us determine if something is good or bad, pretty or ugly, safe or dangerous.

So-called “practices” dissect the whole onion diagram and they lie across symbols, heroes and rituals. Practices are easily visible to external observer, someone from a different culture. Nonetheless, outsiders can understand the true meaning only by insider’s good representation of these practices (Hofstede, 2005 ).

### **1.3 Edward T. Hall**

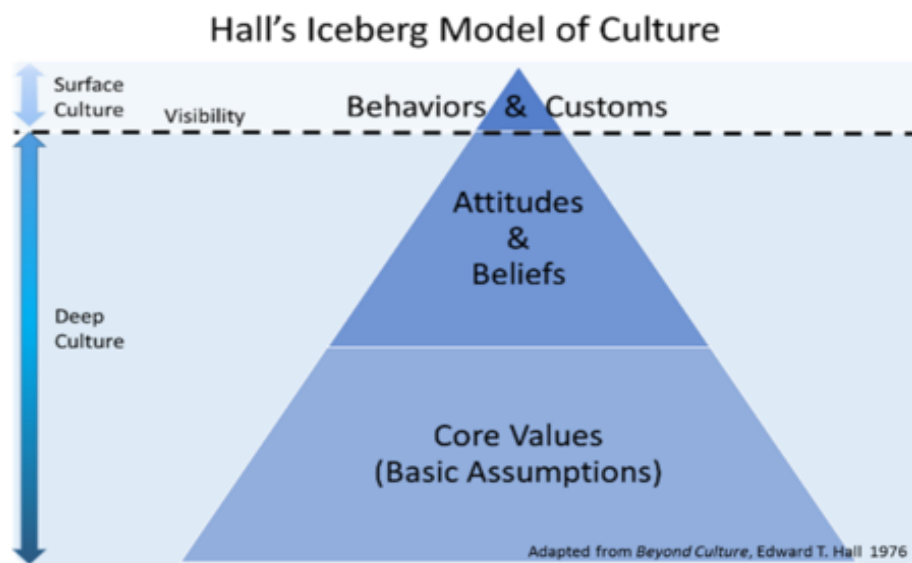
Edward Hall was an anthropologist who received a doctorate from the Columbia University. Before becoming a professor and teaching at several universities, Hall did an intercultural communication fieldwork with Navajo and Hopi, the Native American tribes. (Hall, Edward T. Hall, 2016) Apart from dedicating his life to being a professor, Hall also focused on studying nonverbal communication. Hall wrote several anthropological pieces out of which the most famous one would be *Beyond Culture*, 1976.

#### **1.3.1 Iceberg Model**

The book *Beyond Culture* discusses classical problems of cultural differences in the context of comparing high and low context cultures as an example. Hall suggested in his book *Beyond Culture*, that there are two parts of culture – external and internal. He portrayed those two parts as an iceberg. Hall considered external parts to be the ones that are visible above the sea. Outer behavior, which is visible to society, is the external part of the culture. However, it is only a small portion of culture as a whole. The main part of a culture lies in

the internal area – according to Hall’s iceberg model this is the area, which is below the water, it is not seen.

External culture, in other words, is what we consciously notice. This is because when we encounter with people from other cultures their behavior is what we sense and analyze at first. Internal culture is, on the other hand, the subconscious part. Internal part of the culture is the more essential side. Values and beliefs of people is what make culture what it is. One can understand values and beliefs by actively participating in the culture. That is why internal culture is the subconscious part. Once individuals start actively participating, only then they can see underneath the surface and start noticing what are the internal parts. It surely doesn’t necessarily mean one has to acquire other’s culture beliefs in order to understand it.



**Figure 2: Hall’s Iceberg Model of Culture**

**Source:** Nuture Networks, *Engaging Culture in the Global Workplace*. Retrieved 03-12-2016, Online: <http://www.nuture.co.jp/archives/globalage/globalage-172>

Language, behavior, clothes are all factors visible at the first sight. People usually say “don’t judge a book by its cover” which is applicable to judging people too. We shall not judge people only by those external parts that are seen at first. Nonetheless, this is what most

people do when they encounter with someone for the first time. When visiting a foreign country for the first time, we truly are unconsciously more aware of above mentioned aspects. What is the language local people are speaking? What is the tone of their language? What are the odds of people in this country? We sense all that and we analyze. Does that mean we understand their culture? No, but we create an image in our heads and critically estimate the culture as a whole. However, this is only the external, which makes up for only a small portion of what culture really is.

Only when we understand those internal parts of the iceberg model we can say we know this culture. Values, beliefs, time perception are all forms of hidden expressions of cultures. Understanding the complexity of cultures requires spending more time within one. Hall, however, points out that it is not essential to understand foreign culture. Throughout our lives we should understand our own.

*“Culture hides much more than it reveals, and strangely enough what it hides, it hides effectively from its own participants. Years of study have convinced me that the real job is not to understand foreign culture but to understand our own.”* (Hall, *The Silent Language*, 1973, p. 30).

Today’s modern anthropologists seek for understanding of foreign cultures. Hall’s point was that in order to understand foreign culture we firstly have to understand our own. In order to be able to do that, Hall advises that we should leave our culture for a foreign one. That way, we must interact with foreigners and that is the point when we start understanding our own culture.

#### **1.4 Nation states**

*„The nation state is one where the great majority are conscious of a common identity and share the same culture”* (Yuval-Davis, 1997).

Niccola Machiavelli – philosopher, politician and historian, set the term “state” for an organized society that has land, population and government. The word “State” itself is

derived from Latin term 'lo stato' which could be translated as an establishment or condition. Characteristic features of the definition of state include clearly defined territory, stable population, sovereign state power and being recognized by other, already existing states (Nelson, 2006).

The term nation gained importance in the 19<sup>th</sup> century during the first wave of globalization. With increasing globalization the term nation acquired the meaning of community of people who are living in the same geographical area and share the same values, beliefs, language and history (Blecha, 1995 ).

Nations and states were identified up until 19<sup>th</sup> century. After the French revolution in the 19<sup>th</sup> century, the most important feature of nation state was to be specifically defined by borders. Nations living in the area defined by such borders started building up their own cultural identity. Trends of building cultural identity could be sensed in literature, music and language. That is why there are for example distinctions in French or Russian music styles. Such level of cultural identification brings up the feeling of cohesiveness and belongingness to a group of people – in this case, the nation.

State can therefore be defined as a territory with specific frontiers. Nation is rather a matter of association with one specific culture sharing the same values and beliefs.

## **2 Cultural Dimensions**

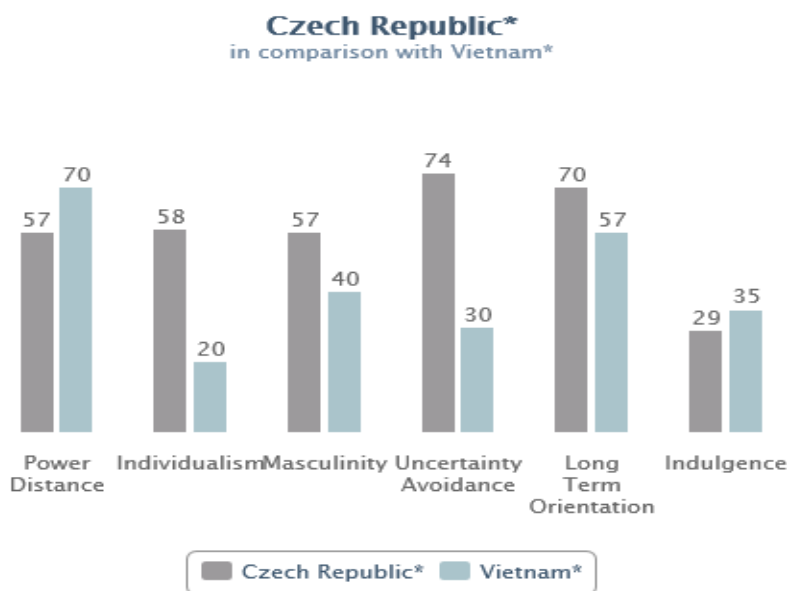
One starts to define his or her culture at very young age. The environment in which we grow up defines our culture – how do parents pass on their habits and customs on their children, how our religion influences us, how teachers present themselves at school and how it affects children. Later on it's the work environment that consists of a group of colleagues who interpret their perception of culture in different ways what helps us to shape up our own culture. We bring and share our habits in communities of which we are part of.

Cultural dimensions help us to measure the differences between cultures. The differences can be measured and analyzed in various ways. Geert Hofstede's and Fons Trompenaars' theories of cultural dimensions will be discussed in more depth.

## 2.1 Geert Hofstede

Geert Hofstede dedicated quite significant amount of time to investigating and exploring of measuring cultural differences. He came up with a standardized way of how to measure such distinctions. In the late sixties Hofstede conducted a research in which approximately 110 000 respondents participated. Respondents of this research were IBM employees of 66 nationalities from 53 different countries. Originally, there were 4 cultural dimensions derived from this extensive research. Later on, two more dimensions were added.

### 2.1.1 6 cultural dimensions measuring cultural differences



**Figure 3: Hofstede's results of cultural dimensions portrayed in a Graph – results of the Czech Republic compared with Vietnam**

**Source:** The Hofstede Center, *Country Comparison*. Retrieved 03-29-2016, Online: <http://geert-hofstede.com/czech-republic.html>

### **a) Power Distance Index**

*„Power distance can therefore be defined as the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally. Institutions are the basic elements of society, such as the family, the school and the community; organizations are the places where people work.“ (Hofstede, 2005 , p. 61).*

The first cultural dimension that will be thoroughly discussed is power distance. This part of the study of cultural dimensions is concerned with how people perceive the fact that people are unequal (Hofstede, 2005 ). Mental programming of ones personality starts at very early stage in life. Children inherit habits and customs from the environment where they grow up i.e. parents, family. Later on in life, when children start attending kindergartens and schools they are influenced by such institutions. In large power-distance family children understand they must obey parents as parents form kind of authority. To children, authority can also be in the form of their older siblings or grandparents to whom they shall naturally show respect. Such trait is carried on into adulthood when we learn to respect elders and people of higher position at the workplace. We learn to estimate to whom we show respect.

In cultures where there is small power distance the distinction between authority and children is smaller. Emphasis is put on independency. Education system is rather customized to student's needs, than creating authoritarian environment.

Inequality can be seen in all nations, it doesn't necessarily have to be social inequalities or disparities of wealth. Differences can also be seen in the behavior, thinking and approach to life.

In many countries there are institutions set up to treat the people equally, regardless of age, occupation and salary. Nonetheless, society divides itself into unequal classes. We normally have lower, middle and upper classes. The distinctions lie in the opportunities people are

given and the number of opportunities people in these different social groups are able to take advantage of, e.g. level of education or type of occupation.

Figure 1 shows us the values of PDI in both countries. For the Czech Republic it is 57, for Vietnam the value is 70. Both values are relatively high. High PDIs indicates that societies are accepting hierarchical system with no need for any further rationalization. Higher PDI value for Vietnam, in comparison with the Czech Republic, indicates a better understanding of the hierarchical order in which the society lives (ITIM International, 2016).

### **b) Individualism vs. collectivism Index**

*„The vast majority of people in our world live in societies in which the interest of group prevails over the interest of the individual. We will call these societies collectivist, a word that to some readers may have political connotations, although the word is not being used in any political sense here. It does not refer to the power of the state over the individual but to the power of the group.” (Hofstede, 2005 , p. 74).*

This dimension is concerned with the extent to which some people prefer to function in collective groups in contrast with those who prefer to work individually. Individualists are perceived as those who put their own interests above group's common interest.

Collectivists on the other hand prefer to subordinate to the majority. Nonetheless, the extent of individualism differs within one country just like it differs between countries.

Some working environments require collective thinking where team performance is very important. It is true this might be a “free rider” problem as lazy people are hidden behind groups work because usually overall outcome is what matters. Asian cultures are usually considered to be collectivist. It is very rare for someone to stand up from himself or herself, Asian cultures stand out collectively. This differs from the western cultures where people are rather individual. The environment in Western cultures is more competitive as everyone strikes to stand out the crowd.

For the individualism vs. collectivism index figure 1 displays a big difference between the countries in this area. While for the Czech Republic, the value is 58; it is only 20 for

Vietnam. This tells us that the Czech Republic is pretty much individualistic society where people prefer to look after themselves and think in the terms of "I". In Vietnam, on the other hand, the value of 20 tells us that Vietnam is rather collectivist society where people think in terms of "we". Belongingness to a group is an important for the Vietnamese and loyalty is one of the most valued characteristics (ITIM International, 2016).

### **c) Masculinity vs. Femininity Index**

The issue of masculinity and femininity is dealing with the problem of which values are preferred in a nation, whether they are rather masculine or feminine.

*"A society is called masculine when 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."* (Hofstede, 2005 , p. 120).

Femininity and masculinity is distinct not only because of the different values that either feminine or masculine person is denominating. This dimension explains how the whole mentality of one nation can be different due to professing of one or the other. Masculine characteristics are for example self-esteem, pride, competitiveness and material values. Feminine characteristics are for example toleration, interest in the quality of life and environment, overall increased tendency to care.

Countries like Netherlands, Sweden or France are considered rather feminine. In work environment of these countries, people are used to coming to conclusion by mutual discussion and negotiation. On the other hand, in masculine countries like Britain or the USA, the work environment has different dimension. In latter mentioned countries people stand up for themselves and the best way to coming to conclusion is to fight for it. The better the fighter the more opportunities he can get.

Czech Republic's score of 57 shows us that it is more of a masculine society. The society is driven by rivalry, success and performance. Managers in the Czech society are expected to be determined and critical, being able to take important measures. Vietnam scored a little less in comparison with the Czech Republic. The value of 40 indicates that the country is

feminine. Therefore it is important for the Vietnamese to reach consensus through negotiation and to avoid any kinds of conflicts (ITIM International, 2016).

#### **d) Uncertainty Avoidance Index**

*„The term uncertainty avoidance has been borrowed from American organization sociology, in particular from the work of James G. March. March and his colleagues recognized it in American organizations. Ways of handling uncertainty, however, are part of parcel of any human institution in any country. All human beings have to face the fact that we do not know what will happen tomorrow: the future is uncertain but we have to live with it anyway.“*  
(Hofstede, 2005 , p. 189).

Uncertainty avoidance discusses the extent to which people feel threatened by uncertain and unpredictable situations. The index states how much are people keen to avoid these situations when they are confronted with something they didn't expect.

There is an emotional need for rules and guidance in culture with high uncertainty avoidance. In these cultures people tend to follow organized set of rules for smooth communication in order to reach the best possible outcome. The problem with having too many rules and laws is that people tend to break them. Nevertheless having rules satisfies the need of necessity for having formal structure.

In workplace, low uncertainty avoidance can lead to creativity and taking courageous measures. People are more relaxed than people in countries with high uncertainty index. As a result, people don't have the need to be constantly productive unlike in cultures with high uncertainty index. High uncertainty avoidance cultures consist of communities, which are inner driven to be constructive at all times.

As shown in the above Figure 1 Czech Republic scores 74 in uncertainty avoidance index. The value is quite high meaning that the Czechs prefer to avoid uncertainty. They don't like to confront with situations where they don't know what will happen. Czechs need rules and guidance, which they can follow.

Vietnam scored 30 in the UA index. The preference for avoiding uncertainty is low. When the Vietnamese have to face unexpected situation their attitude is calmer than attitude of someone coming from a country with high UAI (ITIM International, 2016).

#### **e) Long term and short term orientation Index**

*„Long-term orientation (LTO) stands for fostering of virtues oriented toward future rewards – in particular, perseverance and thrift. Its opposite pole, short-term orientation, stands for the fostering of virtues related to the past and present – in particular, respect for tradition, preservation of “face”, and fulfilling social obligations.” (Hofstede, 2005 , p. 239)*

Long-term oriented culture is focused on future. Asian nations are considered to be long term oriented where the expectations are the future benefits. Typical values of LTO are for example hard work, learning, openness, self-discipline etc. It is important to focus on the future and the fruits that the future can bring.

Short term oriented culture is on the other hand focused on past and present. STO nations typically invest most in the moment and expect immediate outcome. In comparison with LTO, STO cultures are mostly the western ones.

Czech Republic and Vietnam have similar scores in the LTO index. Czech Republic scored 70 and Vietnam scored 57. The results demonstrate that both countries are rather long-term oriented. This indicates the ability to adapt traditions to changes (ITIM International, 2016).

#### **f) Indulgence vs. Restraint Index**

This dimension is the latest one that was added to Hofstede's original theory in 2010. IR index shall help to reflect satisfaction of one nation and how culture influences well-being of the population.

*„Indulgence stands for a tendency to allow relatively free gratification of basic and natural human desires related to enjoying life and having fun. Its opposite pole, restraint, reflects a conviction that such gratification needs to be curbed and regulated by strict social norms.” (Hofstede, 2005 , p. 281)*

Indulgent society is the one that allows for free enjoyment of basic human needs that are identified with happiness and having some good times. Countries in Latin America are an example that falls into this category.

Restraint society follows a set of rules, which shall not be broken. It is pretty hard to unwind for the people who belong to this group.

Both countries also scored pretty low numbers in the indulgence vs. restraint indexes. This indicates that the countries are rather restraint. The Czech Republic scored 29 and Vietnam scored 35. The numbers tell us that that both countries are rather restraint than indulgent. Therefore, people in both countries have tendencies to be cynical and pessimistic. They also tend not to put too much emphasis on leisure time.

## **2.2 Fons Trompenaars**

Trompenaars' concept of cultural dimension is significantly different to Hofstede's. He went in more depth regarding specifics of cultural differences in order to identify what influences mentality and behavior of one nation. Primary focus was on culture differences in business negotiation and management. Trompenaars's point of view on cultural differences is based on perception of interpersonal relationship and relationship towards the environment. Trompenaars examined seven cultural dimensions.

### **2.2.1 7 cultural dimensions measuring cultural differences**

#### **a) Universalism vs. particularism**

*„Here the dilemma is whether it is more important to focus upon the enhancement of individuals, their rights, motivations, rewards, capacities, attitudes, or should more attention be paid to the advancement of whole communities, which all its members are pledged to serve?“ (Trompenaars, 2004)*

Universalism is something that is applicable universally to everyone. Laws and rules generally apply to everyone in the country. Therefore universalism doesn't concentrate on

specifics. Without having laws that generally apply to everyone equally the society wouldn't function properly.

Particularism on the other hand focuses on specifics of individuals. Individual approach is important in cultures where particularism is acknowledged. Law and rules are being followed but they can also be broken. Other aspects of certain situations are also taken into consideration (Trompenaars, 2004).

### **b) Individualism vs. Communitarianism**

Societies and their perception of belonging to group are different. Contrasts can be found across continents. Countries on the old continent are rather individual in comparison to Asian cultures. Individualistic societies consist of people who are likely to take responsibilities for themselves. In communitarian societies people split responsibilities between individuals in the whole group, as a result people rely on cohesion of the group as a whole (Trompenaars, 2004).

### **c) Specificity vs. Diffusion**

*„Are we more effective as managers when we analyze phenomena, reducing these to specifics, i.e., facts, items, tasks, numbers, units, or bullet points, or when we integrate and configure these into diffuse patterns, relationships, understandings, and contexts?“ (Trompenaars, 2004)*

The difference between specificity and diffusion is how people are able to separate their private lives from work life.

People from specific cultures make clear distinction between their work and personal lives. They don't allow anything to enter either of these two spheres. On the other hand, the work circle is pretty broad. They allow for people to get into the work sphere but not any further.

Diffused types of people have it all mixed together. Distinction between work and personal life is not so clear. After allowing for others to enter a certain border they can easily gain access to all other areas (Trompenaars, 2004).

#### **d) Neutral vs. Affective**

*„Here the dilemma is whether we should communicate the full extent of personal feelings to other people (affective) in the course of engaging them, or whether we should behave “professionally” with an air of detachment and dispassion (neutral), so as to focus on the tasks to be completed.” (Trompenaars, 2004)*

Here we discuss to what extent individuals from different cultures allow for their emotions to take over in certain situations. In neutral cultures people are more capable to “save face” in the public. They are diplomatic even in emotional situations. Changing moods is not a typical aspect of neutral culture, as it would appear unprofessional.

Affective cultures don’t let go off feelings, they rather let them out in any kind of situations. If a situation causes one to be angry then the person let him self out by for example shouting at his colleague. People from affective cultures expressively show their moods whether they are happy, sad or angry. To people from neutral cultures this can be seen as an unprofessional behavior however it is utterly normal for individuals within affective cultures. Loud laughter, anger or greeting is simply seen as a normal way of behavior.

#### **e) Achieved status vs. Ascribed status**

*„Should we reward what employees have done and how they have performed exclusively, or are other characteristics important, such as the employees potentials, rights, seniority, ethnicity, gender, and so on?” (Trompenaars, 2004)*

How does one person gain his or hers status in the society? It can either be achieved or ascribed. Achieved status is such status that is gained through education, occupation, talent, achievements in life etc. It is the kind of status for which one has to work pretty hard.

Ascribed status is on the contrary the type of status that you can already gain when you are born. Essential characteristics are gender, age, family, etc. The important factor is social origin.

#### **f) Sequential vs. synchronic perception of time**

*„Is it more important to do things fast, in the shortest sequence of passing time, or to synchronize efforts so that activities are coordinated?“ (Trompenaars, 2004)*

Cultures also differ in way people perceive time. People from different cultures organize their schedules differently. Based on that we distinguish whether cultures have either sequential or synchronic perception of time. Those who perceive time sequentially have to firstly finish one task in order to start another one. They strictly stick to their schedules. On the other hand, people who have synchronic perception of time can multitask. Time is just their starting point to which they do not necessarily stick to.

#### **g) Inner direction vs. outer direction**

*„Should we be guided by our inner convictions, our conscience, and moral compass, or by signals from the wider social and physical environment into which we must fit?“*  
(Trompenaars, 2004)

This dimension is concerned with a relationship of human towards the nature. By nature we mean all surroundings around us. When people are inner direction oriented they ask themselves – can we control the surroundings? Can we control what will happen to us? Such people believe they are in control of their own faith.

Outer oriented individuals trust their pathways were already set for them in advance. They have to make compromises in order to keep harmonized balance in their lives.

### **2.3 Cultural standards**

Alexander Thomas wrote the most famous methodology constructed for the purpose of investigating the conflicts between cultures. When people communicate with others from the same cultures they don't sense any cultural unlikeness. Communicating, negotiating and understanding peers from other cultures can become complicated due to cultures collision.

Thomas therefore examined such differences and came up with standardized norms of negotiating and thinking that are applicable to certain cultures.

## **2.4 Alexander Thomas**

By cultural standards we mean values and behavior that are common in one nation. Individuals in these cultures consider such behavior to be normal and these behavioral traits are passed on to younger generations. If one's behavior deviates from the behavior of other people, that individual's attitude can be denied by the people or worse, punished.

Unlike cultural dimensions, cultural standards are concerned with peculiar norms of behavior. Cultural standards pick up specifics of country's behavior on which the differences can be reflected. We can easily identify standards after collision of two specific cultures. Cultural standards present values, behavior traits and other characteristics specific for that certain culture. Cultural dimensions are on the other hand too generalized.

Cultural standards of one country are analyzed through the perspective of the other country. For instance if the Czechs would want to analyze what is the business culture like in Vietnam, they would concentrate on problematic of Vietnamese culture. Unlike for cultural dimensions, which are applicable universally, cultural standards can be only interpreted on two specific cultures.

Cultural standards can also be derived only from certain environments, i.e. work, school. In different environments there are contrasting situations based on which we can define various cultural standards. The bigger the range of environments one can collect, the wider range of cultural standards can be derived (Thomas, 2010).

## **2.5 Intercultural Communication**

The word communication itself comes from the Latin word *communicare* that means to connect or to inform (Niklesova, 2006).

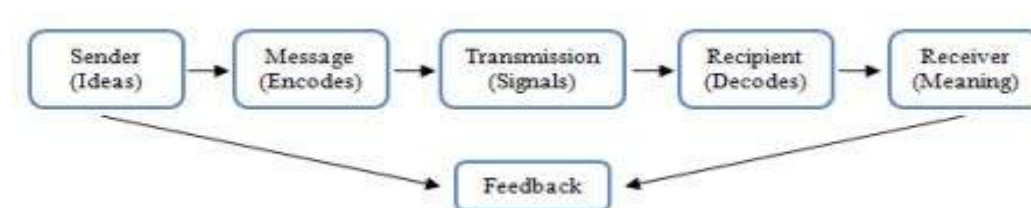
Communication is the basic mean of passing on a message. There are number of ways how to communicate an information to someone. Apart from verbal communication we must not forget that people also communicate non-verbally. Mimics and gesticulations are

considered to be parts of non-verbal communication. In the communication process we aim to exchange information and reach collective understanding. Communication between individuals whose origin is from the same country is much easier than intercultural communication. This is because there is no language barrier between people speaking the same language as well as no different non-verbal gestures.

In a communication process there are two parties. One party is the one who initiates to start communicating. According to the diagram below it is the sender. The one to whom the message is addressed is the receiver. Channels that lie between the sender and receiver are message, transmission and recipient.

Sender of a message cannot influence the way that receiver understands the message. Misunderstandings can occur in everyday communication between people speaking the same language. It is even more likely to happen between people whose mother tongues are different who are trying to communicate in English per say.

Picture:



**Figure 4 Message Communication Model**

**Source:** Tutorials Point, *Communication Models* Retrieved 03-07-2016, Online: [http://www.tutorialspoint.com/management\\_concepts/communication\\_models.htm](http://www.tutorialspoint.com/management_concepts/communication_models.htm)

Gesticulation and mimics are different across nations. Some gestures, which can have a positive meaning in one language, can mean something completely different in other language. When negotiating with counterparts from different countries we must be very well aware of our body language.

Language and culture are closely related. Both easily determine the character of one nation. Part of the verbal communication is also intonation, dynamics and voice of the person speaking. Higher voice pitch is typical for Latin American cultures per say. For someone who comes from more conservative and quitter environment this can be harder to absorb. Again, this is a matter of how well we are able to accept cultural differences.

## **2.6 Business Negotiation**

Negotiation had been one of many human's abilities since a very long time ago. People had the need to trade food, tools and animals with other people and between communities in order to sustain certain standard of living.

Cultural values, beliefs, language and behavioral manners are all factors, which influence negotiations. In multinational negotiations these factors have to be taken into account. At times, language barrier can cause a complication. English language is considered to be universal language with which one should be able to negotiate business matters in foreign countries. The problem arises when aspects like nationalism of people in certain countries or emphasized importance of educational and family background play bigger role than the interest of negotiating with a foreign partner. Therefore with such prejudices it is sometimes hard to even begin negotiating (Bradley, 2004).

To reach the most effective result in business negotiation we shall adapt to the party we are trying to negotiate with. The same is expected from partners from foreign country who try to negotiate with us. Companies, which largely consist of people coming from the same cultures, are more likely to avoid conflicts that result from misunderstanding. It is definitely easier to interpret a message from someone speaking the same language rather than decoding the message from someone speaking foreign language (Bradley, 2004).

During business negotiations both parties aim to reach common ground. Before reaching the common ground all aspects of business must be discussed through. Every business discussion is different yet there can be several patterns found in the discussion procedure. There are 4 generalized possible types of negotiation in which we either prefer winning over counterparts or keeping good relationships. Accommodating – lose to win; principled -

win-win; avoiding lose – lose and positional - win-lose. In all of these types of negotiations we are trying to reach a compromise.

Positional type of negotiation is goal focused. For example in positional bargaining both parties starts with extreme exaggerated positions. Both parties are ready to settle for a lower price than originally stated. Yet there is only one winner who stubbornly lowers the amount by small bits in order to satisfy the negotiator yet still win (Coburn, 2016).

Accommodating type of negotiation is rather relationship based. We encounter in with such negotiation in our everyday lives. An example of such negotiation can be a family argument over where to spend the summer holidays. If the mutual decision is to spend holiday in Greece at the beach but one person disagrees then even the one who disagrees decides to go on holiday with the rest of the family for the sake of keeping good relationship with his or hers relatives (Coburn, 2016).

Avoiding style of negotiation could be perceived as diplomatic. People who proceed to such negotiating style rather avoid confronting situations.

„The method of principled negotiation developed at the Harvard Negotiation Project is to decide issues on their merits rather than through a haggling process focused on what each side says it will and won't do. It suggest that you look for mutual gains whenever possible, and that where your interests conflict, you should insist that the result be based on some fair standards independent of the will of either side.” (Fisher and Ury, 1991, p. 18).

The last method, principled negotiation, shows us how to obtain what we want while still being decent about it. It allows us to be fair with counterparts while being protected from those who would want to take advantage of our decency (Fisher and Ury, 1991).

### **3 PRACTICAL PART**

The practical part is an essential part of this work. It introduces us to both Czech and Vietnamese backgrounds that helped to shape up countries' culture to today's forms. Historical and geographical backgrounds will be analyzed for each country. There will also

be a word about the history of Czech – Vietnamese relationship and their current business relations.

### **3.1 Aspects influencing Czech culture**

#### **3.1.1 Historical background**

Czech history is a very rich and comprehensive chapter in Europeans history. The Czechs are recognized as cynical, negative and envious human beings. With their bitter approach towards life, the Czech Republic is listed to be amongst the top of the most atheist countries in the world. Just like any other country, which has its own character specifics, the Czech republic had gone through several radical changes, which made the country, and its people, what it is today (Staufenberg, 2016).

The Czech Republic consists of three parts: Bohemia, Moravia and Silesia. All three parts were also known as the Czech lands. Although the Czech Republic and Slovakia were once one country, it would be misleading to talk of these to separate country as one before the 20th century.

It is definitely worth mentioning the arrival of two Christian missionaries Cyril and Methodius, who came to Grand Moravia to propagate Slav liturgy, into which they translated the Bible. They came to Grand Moravia to promote it and spread Christianity.

In 14th century the Czechs certainly became rich and powerful under ruling of Charles IV. Sometimes the era is also called the “Golden age”. During his ruling Prague became the center of the Holy Roman Empire. For this reason Charles dedicated special attention in developing the city. Charles contributed into development of the university, Karlštejn castle Charles Bridge and many more, significant monuments.

Since 1918, Czech history becomes intriguing. In that year the republic of Czechoslovakia was formed under the president Tomas Garrigue Masaryk. At that time, Czechoslovakia was one of the most prosperous and developed countries in the world. Unfortunately, this democratic and prosperous era was ended by German occupation in 1939.

After the Second World War Czechoslovakia became a part of the Soviet Union. The Czechoslovaks had to say goodbye to democracy and prosperity as well. Instead, communist regime took over and Czechoslovaks faced almost 50 years of tough communist regime during which people lost their properties and faced suppressing of human rights. Those who opposed to this regime were repressed and chased. Many of those who found the strength and stood up against the Communists were killed, imprisoned or other enacted tools limited their freedom. This era left a bitter taste in the mouths of Czech people. (Petr Čornej, 2015)

### **3.1.2 Geographical background**

Neighboring with 4 other countries, the Czech Republic is known as the “heart” of Europe. The Czech Republic, with Prague being the capital city, is divided into 13 regions. Each region has its administrative city. Regions are further split into districts, which fall under administration of the regions (Czech Index, 2016).

After the split of Czechoslovakia in 1993, the Czech Republic’s political system was defined in the written Constitution of the Czech Republic. The Czech Republic is a parliamentary republic with the prime minister being the head of the parliament and the president being the head of the country (Atlas Ceska, 2016).

## **3.2 Aspects influencing Vietnamese culture**

### **3.2.1 Historical background**

First mentions of Vietnamese roots talk about occupying the delta of river Sông Hồng (Red River) where the first culture of Quynh Anh was developed. The most famous culture though was Phùng Nguyên as people started to grow rice crops. It is believed that the first crops of rice were exactly grown on the Indochinese peninsula. However, since from the year 111 BC it is believed to be the era of the Chinese rough dependence, which lasted till 939 A.D. In the first century, constitution of Vietnamese population took place as, thanks to China, it came to learning of difficult philosophical and religious systems of Buddhism, Taoism and Confucianism. Once again, the Chinese started occupying Vietnamese territory, against which the Vietnamese people revolted. With some hints of uprising throughout the

centuries, the Vietnamese accustomed to the Chinese dominance, which lasted for a very long time (Nguyen, 1977).

9<sup>th</sup> century was very important for the Vietnamese. At that time they were able to free themselves from the Chinese to form their own nation state by winning a battle by the river Bach Dang. Vietnam consisted of several feudal states with centralized government through which feudal leaders ran important documentation. As large proportion of the feudal states were ran by strong governments who were in control of extensive area and owned separate army, there were tendencies to separation from the central government. As there was still a fear of having China ruling over Vietnamese, Vietnam trembled with inner riots. In year 968 it was clear that China united under new dynasty Sung and so was Vietnam united as well (Nguyen, 1977).

In the 10<sup>th</sup> century first statue book “Hinh thu” was written which was followed by the Vietnamese judicial system. The statue book reflects Confucian way of thinking where alongside with natural hierarchy respect to the elderly was very important. Apart from believing in the three religious systems – Buddhism, Confucianism and Taoism, it was and still is typical for the Far East countries to believe in ancestor worship. Worshiping ancestor is based on worshipping ancestors who gave life to those who live in the present. The cult of worshipping ancestors is perhaps the most important one. When someone dies, his or hers spirit remains to exist in the supernal sphere. Once the bereaved show proper respect to deceased, ancestors are then able to communicate via dreams and other mediums (Nguyen, 1977).

Vietnam suffered from several busy periods throughout the centuries, one of them, in the 13<sup>th</sup> century, were raids of Mongolian army against which the Vietnamese managed to defend themselves. Nonetheless, Vietnam grew economically and in the 16<sup>th</sup> century, there are first mentions of making contact with the western culture. At the same time, Vietnam was endangered by its inner disputes between two dynasties Bac Trieu (Northern dynasty) and Nam Trieu (Southern dynasty). Later on, Northern dynasty Bac Trieu was endangered by the Nguyen dynasty who managed to extend its influence to southern part of Vietnam. At that time, Vietnam experienced era of famine and agricultural crisis (Mullerová, 2004).

### The Nguyen dynasty (1802 – 1945)

The Nguyen dynasty was the last dynasty to rule the country. It was confronted with the inflow of French colonialists who were, at that time, trying to colonize the whole Indochinese peninsula. Da Nang or Hoi An, Vietnamese coastal cities, were conquered in the 19th century. The then ruling emperor Gia Long believed the French seized the cities for trade purposes so no resistance took place. Only after the French occupied the southern city Saigon, Vietnamese units started resisting. However, the French took over the Cochinchina (South Vietnam) anyway and even occupied the Northern harbors in Hai Phong (Mullerová, 2004).

During the First World War France used the whole of Indochina for its support of their interests in Europe. Indochinese countries served as sources of food that was exported to France and therefore there were periods of famine in these countries. Resistance against the French colonialists strengthened during this period. The Americans supported the French.

### American intervention

In 1953 the Vietnamese population finally won over the French in the battle at Dien Bien Phu, after nearly one hundred years long lasting uprisings against the French colonialists there appeared another threat in form of American imperialism. After the Vietnamese won over French, Vietnam was divided into communist North and pro-Western South. American intention was to make Southern Vietnam their colony for political, strategical and trade purposes to gain control over Southeast Asia. In the 50s Americans were able to slowly force out the French influence for the price of granting several benefits to the French. American ambition was to exclude the French from Vietnam and take over Southern part, to dispose revolutionary movement and to proceed to conquering Northern Vietnam (Nguyen, 1977).

Resistance movement of Southern Vietnam continued throughout the years. The South, supported by the USA fought against the North that was supported by China and SSSR. South of Vietnam was largely devastated and supplies were sent from North to South. As a

result, American army started bombarding both parts of Vietnam. Unbearable devastation of the country, high number of deaths and great dissent of American people forced Washington to rethink its steps. Washington started negotiating. On 2nd of July 1977 Socialist Republic of Vietnam was declared.

### **3.2.2 Geographical background**

Socialist republic of Vietnam, with its capital city Ha Noi is segmented into 60 provinces and 4 centrally administrative cities – Ha Noi, Ho Chi Minh city, Hai Phong and Da Nang.

Provinces are further divided to municipalities and provincials. Vietnam is unitary republic with one party system. Leading political party is Communist party; no other political parties exist in Vietnam. President is the head of state. President has the power to name and dismiss members of the government. He is the commanding officer of armed forces, he signs laws and is in charge of naming generals, ambassadors and admirals of armed forces. Parliament elects the president whose term of office lasts for 5 years. National Assembly is the highest legislative body. Vietnamese National Assembly elects ministers. Government is the highest executive body of state power (Mullerová, 2004).

### **3.3 History of Czech-Vietnamese relations**

Czech-Vietnamese diplomatic relation was officially established in 1950. Czechoslovakia, at that time, was the fourth country to establish diplomatic relations with Vietnam. Agreement of economical, scientific and technical cooperation was signed between those two countries in 1956. Since the late 50s, many Vietnamese came to Czechoslovakia to study.

Both nations started interacting with one another. Although they were mostly propaganda events, both nations successfully collaborated. For example Czech Puppet Company visited and performed in Ha Noi. The president Ho Chi Minh, on the other hand, visited the Czechoslovaks. There was also established Czech-Vietnamese hospital in the city of Hai Phong. The hospital was fully equipped and was operated by the Czech staff.

There was gradual increasing inflow of Vietnamese students into Czechoslovakia. Between 1960s and 1970s Czechoslovakian people perceived the Vietnamese community as nice people who were usually in larger or smaller groups of people who never caused any

trouble. University professors were constantly surprised by the excellent academic results of Vietnamese students. Only little did they know that the Vietnamese study department, which was located in representative office in Prague, controlled Vietnamese students. Those who were getting worse grades than excellent or very good were facing expulsion from the Czechoslovakia back to Vietnam. In addition, Vietnamese recognized bad grades as a bad image of their country.

Number of Vietnamese people living in the Czech republic reached to 30 000 between years 1980 – 1990s. Factual number was actually even higher. The Czechoslovak society was not ready for such high inflow of Vietnamese immigrants into their country. Culturally, both countries were very different.

Nowadays, the official number of Vietnamese living in the Czech republic is around 30 000. The actual number is higher taking into consideration the fact that many Vietnamese were able to acquire Czech nationality and there are also many illegal migrants (Vláda ČR, 2013).

### **3.4 Development of Czech-Vietnamese business relations**

During the 1990s protectionist measures were taken by the Vietnamese government in order to protect its domestic market; therefore it became less attractive for the Czechs to export to Vietnam. However, it is believed that current export to Vietnam is 21 times higher now than in the 90s. Moreover, import from Vietnam is believed to be 82 times higher than in the 90s. Czech Republic runs negative trade balance with Vietnam (Mullerová, 2004).

As Czech investors and entrepreneurs were afraid of establishing deeper business relationships with the Vietnamese, Czech Republic lowered the chance to export to this country. Despite all the legislative and bureaucratic difficulties, Vietnam became attractive market to foreign countries. Potential export from the Czech Republic was replaced by exports of products from countries such as Belgium, Netherlands or Thailand (Mullerová, 2004).

	Export	Import	Turnover	Trade balance

2008	34,1	251,8	285,9	-217,7
2009	42,2	238,7	280,9	-196,5
2010	64,7	273,4	338,1	-208,7
2011	45,4	374,8	420,2	-329,4
2012	91,9	347,8	439,7	-255,9
2013	128,9	418,9	547,8	-290,0
2014	84,7	569,8	654,5	-485,1

**Figure 5: Czech-Vietnamese trade development between years 2008 – 2014 (in bill. USD)**

**Source:** Zastupitelský úřad ČR v Hanoi. (2015). *Souhrnná Teritoriální Informace Vietnam*. Retrieved: 04-15-2016, Hanoi: [www.businessinfo.cz](http://www.businessinfo.cz).

Imports from Vietnam clearly exceed Czech exports. The Czech Republic ran a huge balance deficit with Vietnam – 485,1 bill. USD. Products, which are exported to Vietnam, are namely electronic components for TVs, leather, plastics and products manufactured from plastics, toys or glass. Products imported from Vietnam are also electronic components for TVs, leather, manufactured components to heating devices, clothing, plastics, etc. (Zastupitelský úřad ČR v Hanoi, 2015).

## **4 RESEARCH**

This part of is dedicated to the research of cultural standards from both Czech and Vietnamese points of view in a business environment. Description of the methodology of the research will be provided at first, so that it is clear upon which method was the research conducted. Following with a short summary of respondents who participated in the research. Results of the research will be discussed in the following parts. In the end, I will talk about suggestions for both cultures that would be suitable to apply for improved business negotiations for both cultures.

### **4.1 Methodology of the research**

For this kind of research the most suitable is a qualitative one. The method chosen for acquiring results was making an interview with twenty-four people. Twelve of which they are Czechs and the other twelve are Vietnamese. Through interviewing and asking specific range of questions it is possible to conclude Czech and Vietnamese cultural standards (Gerhard Fink, 2005).

Respondents from both countries are the ones who encountered with people from other cultures in the business environment. The methodology of examining critical incidents helps us to define cultural standards. Such critical incidents can occur due to difference in behavior benchmarks in each culture (Gerhard Fink, 2005).

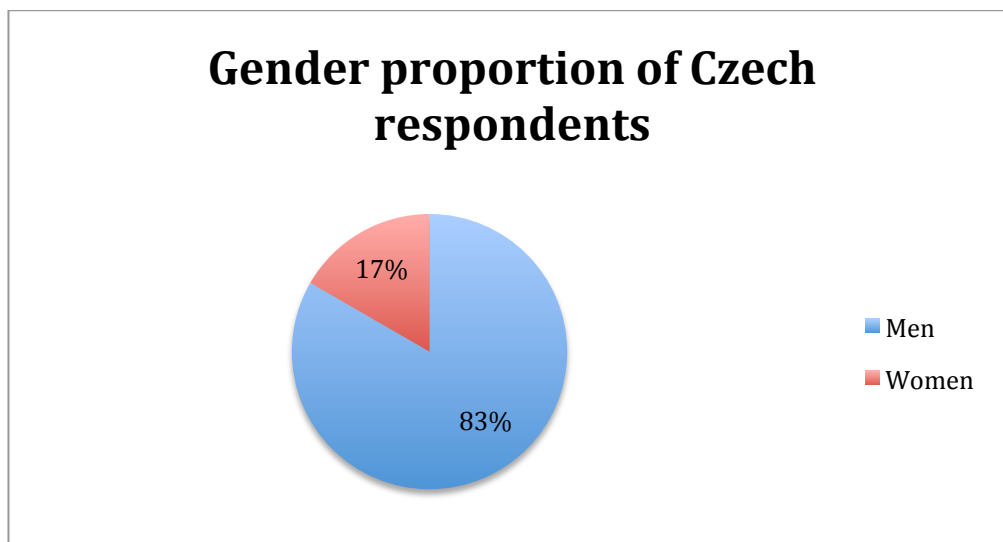
To reach the most convenient outcome from this research it is recommended that the interviewer comes from the same country as the respondent. Otherwise, respondents might not provide us with sincere information and he or she could feel uncomfortable. If the interviewer was someone coming from different culture, respondents' answers could have been portrayed differently due to existing cultural standards. Additionally, interviewer from different culture could highlight other aspects, which he or she would consider unusual (Gerhard Fink, 2005).

During the interviews, respondents were asked open questions such as „What surprised you the most when encountering with the other culture?” or „What shocked you the most and why?”. Otherwise, interviews weren’t strictly followed by any outline. Range of selected questions were at times supplemented with additional questions such as „Why do you think this happened?”, „How did you behave in this situation?”. (Gerhard Fink, 2005)

The research was conducted from 5<sup>th</sup> January until 10<sup>th</sup> April 2016. All of the interviews were carried out in Prague. Only one interview was done via Skype as the respondent was in Vietnam. All of these interviews were recorded and noted down for future references and for better analysis.

#### **4.2 Respondent’s summary**

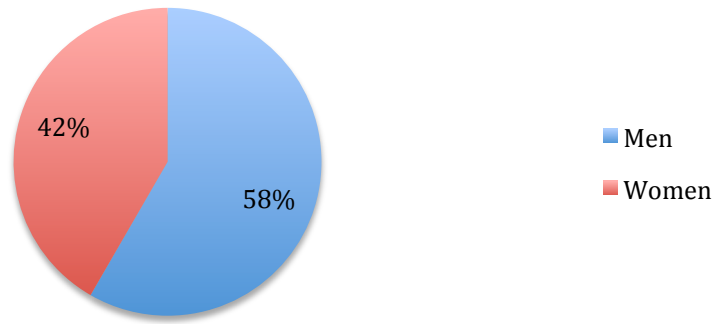
Twenty-four people participated in this research. Group of twelve people are Czechs, the other group of twelve people are Vietnamese. Both groups consisted of people who had business related experience with people from the other culture. Respondents are all currently employed. Majority of them are self-employed and the rest are employees of Czech and international companies. Some respondents are younger than others and are at the beginning of their work experiences. Others have greater work experience.



**Figure 6: Gender structure of the Czech respondents**

**Source:** author of this thesis, based on the research

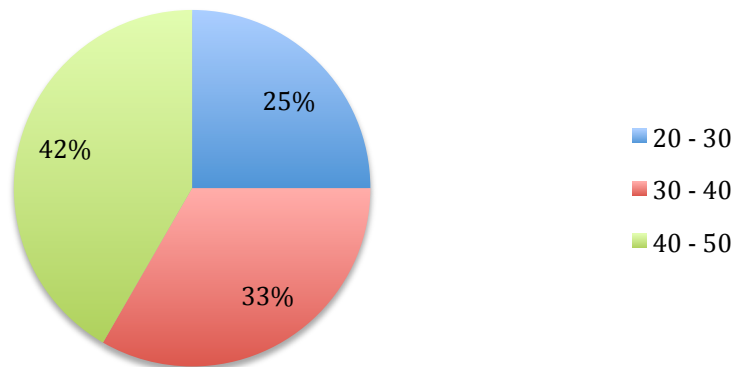
### Gender proportion of Vietnamese respondents



**Figure 7: Gender structure of Vietnamese respondents**

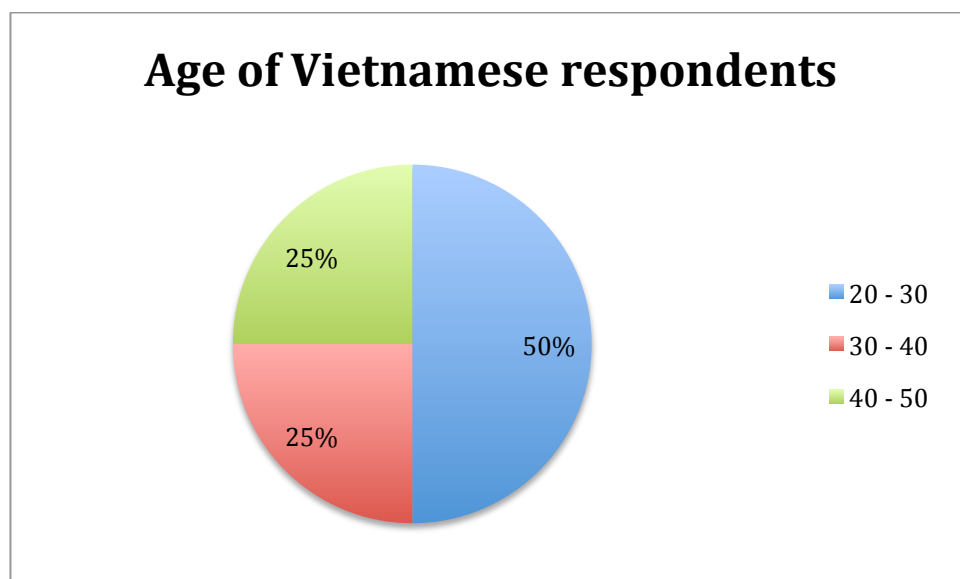
**Source:** author of this thesis, based on the research

### Age of Czech respondents



**Figure 8: Age structure of the Czech respondents**

**Source:** author of this thesis, based on the research



**Figure 9: Age structure of the Vietnamese respondents**

**Source:** author of this thesis, based on the research

### 4.3 Czech cultural standards from Vietnamese perspective

#### 4.3.1 Envious character

The Czechs are considered to be envious. Really envious. In Vietnamese society, people tend to save their face in the public. If people show off in front of their friends, their friends will compliment them. Anything bad they have to say they keep in their minds and tell that to their partners at home. Czechs, however, make their opinions to be heard out by showing disagreeing mimic or by complaining.

*„What is with all the jealousy? Actually, I believe it is natural to be envious of a friend who gets a new car but in a good way. The Viet would say something like “you have a nice car” and they would start asking questions relating to the car e.g. its maximum speed etc. Yet I have the notion from my Czech friends and colleagues that they don’t want to hear about it.” (Hà)*

*„it is definitely true, at least I believe, that the Czechs are pretty jealous. Perhaps not so much jealous as they are so negative or can those two characteristics be combined?” (Trang)*

*„If you worked for the stuff you bought hard enough you deserve it. This applies to material things as well as promotions at work per say. When my colleague got promoted, instead of congratulations, I heard stuff like „what did you do for taking this place?” and so on. Not very nice.” (Hùng)*

*„The Czechs don’t know how to save face in such situations. Let me tell you an example, I bought a new car and a neighbor who lives next to the restaurant stopped by and started conversation. He started questioning me about the car, asking me what I do to buy such car and if I am running drug business. This is such a cliché – not every Vietnamese is a drug dealer.” (Tuấn Hải)*

#### **4.3.2 Individualism**

According to Hofstede’s individualism vs. collectivism index Czech Republic scored high in comparison with Vietnam which scored much lower. Czechs prefer individual work over collectivist. The perception of Vietnamese, on the other hand, is that they prefer to work collectively rather than individually.

*„When it came to lunches or some after work sessions I know that some of my colleagues preferred not to go in a group.” (Trang)*

*„At times I wondered if they denied team work for not having to deal with all the issues that team work might bring or if they wanted to take all the credit for a good job. “ (Linh)*

*„I even studied here with Czech students. Whenever we had to do a project and were told by the professor to “make groups” the rest of the class stared at him or her, waiting for a university professor to make groups. Just like in primary school. To me it seemed like they were even scared and reluctant to communication with other people. Sadly enough, I got used to it, so when it came to “making groups” later on during my studies, I became lazy to even initiate group making too. At this very moment, when I talk about it, I think there is a similar pattern in my company where I work. It is not exactly the same because you have more incentives to do team work, one of them being the money you are paid for such performance, however I am realizing that my other colleagues who are foreigners from different countries are mostly the ones to initiate something.” (Uyên)*

#### 4.3.3 Restraint character

These results from the research perfectly correlate with uncertainty avoidance index.

Czechs are more certain when having a set of specified rules they can follow. Not having them leaves them insecure. They do not like to wander around without having any direction in lives. These preferences differ across both countries.

*„They have a good sense of following set of rules.” (Tra Vy)*

*„In Vietnamese business environment it can happen that you have to improvise. Actually, when I think about it, it happens a lot. I don’t think Czechs would be successful if they had to go to a foreign country and had to learn the language and set up a business.” (Tuấn Hải)*

*„I would say they are pretty punctual. We are getting used to it. 20 years ago when I started my business and set up a meeting with Czech man I would come late. I am less likely to do that now as I understand that it is important to come on time. When you set up a meeting with Vietnamese around certain hour, you know you still have from half an hour up to one hour of extra time.” (Phùng)*

#### 4.3.4 Poorer work ethic

The Vietnamese are work driven. In comparison with the Czech they are hard workers. The Czechs are less likely work overtime in comparison with the Vietnamese. Having certain amount of earnings is, for some, all they need and it is all they want. This correlates with the restraint character trait.

*„I think Czechs are lazy. My experience is that when I had my Czech employee come over to work, he would come on time, he might have been late sometimes but I was fine with it. He was working till 9pm until closing time and as the 9 o’clock was reaching he would be constantly checking his watch.” (Trang)*

*„The problem is that it was my friend who worked for me. To be honest I kind of expected him to help me clean up, stay after clocking but I guess it’s not so common in the Czech environment.” (Anonymous)*

*„They never forget any days off, weekends and nine to five shifts. There are no holidays, birthdays or sick days. We work every day. The only excuse for closing the shop would be my daughters wedding and celebration of the Vietnamese Lunar New year.” (Tuấn Hải)*

#### **4.3.5 Family relations and respect**

As values differ across cultures so does the ranking of these moral beliefs. The Vietnamese seem to find it hard that Czechs show little respect to the elderly. Such attitude might be one of the biggest distinctions between these two cultures. Ancestor worship is an important Vietnamese cultural trait. It comes from the unification of Buddhist, Confucian and Taoist philosophies. Even people who might not believe in these philosophies will have the cultural trait of believing that ancestor worship is important.

*„I think Czechs don’t have such good relations with all their relatives. Not that in Vietnam there weren’t disputes between family relatives, but we meet more often, enjoy big family dinners and we care about each other. Czech so called “family” is constituted from mother, father, the kids and perhaps grandma and grandpa.” (Hùng)*

*„When I was little it was quite annoying when we had family gathering and all my aunts started asking me questions about personal stuff like if I already have a boyfriend and so on. I always felt embarrassed, so sometimes I didn’t even come. Later on, as I grew up though, I just can’t imagine not seeing all of these aunts when I have the chance. Now I pull their legs too. I believe Czechs don’t have that in such intensity.” (Hà)*

*„Strong family connections are important to us. I see it as a good thing that we always give each other hand. The more we interact the better chances there are for us to fight. Don’t think that we all live in peace without having any arguments. This is the downside of having tight relationships.” (Trang)*

*„I have a few Czech friends with whom I can share my everyday struggles. I was brought up in the Czech Republic so I went to Czech schools. So far I can sense that I know of very little families who have tight relationships with their families. And as a family I consider grandmother, grandfather, uncles, aunts, etc. Czechs rather live for themselves than they live for others.” (Tuấn Hải)*

## **4.4 Suggestions for Czechs doing business with Vietnamese**

### **1. Be more positive**

The Vietnamese are talkative, positive and outgoing people. They seek action or they make it. Try to be more open. When it comes to interaction with Vietnamese people be more helpful in integrating them. Instead of making fun of them or humiliating be friendlier. It is hard enough for the foreigners to generally integrate in the society, try to make the process smoother. With little chitchats throughout the day, occasional invitation to dinner, beer or any other after work activity would be an improvement.

### **2. Be flexible**

As much as the Vietnamese should get used to different Czech cultural aspects, you should too. Bear in mind that to them, there is no schedule to be followed. Time is just an orientation point. Do not get mad if you have to stay after clocking. To Vietnamese's point of view there actually is no clocking. Try to seek for compensation in the form of coming later the next day. However, always be prepared that something might suddenly pop up and you might have to change your plans.

### **3. Be collective**

There are times when the work has to be done collectively. Some other times it is enough to work individually. Be aware that the Vietnamese like and enjoy all sorts of gatherings, they definitely enjoy eating meals together, spend holidays together. In comparison with the western societies, there is a little less space for privacy.

#### **4.4.1 Comparison of research outcomes with the Theoretical Background**

This chapter will cover the comparison of five Czech cultural standards, which were derived from interviews done with Vietnamese, with the default theoretical background.

The first standard "*envious character*" correlates with the fact that the Czech Republic scored twenty-nine in Hofstede's indulgence vs. restraint index (ITIM International, 2016). This reveals that Czechs prefer to follow a set of rules and it is difficult for them to unwind

and have a good time. It might be a reason for the Czechs to generally have pessimistic approach towards life.

The second standard *“individualism”* confirmed the fact that the Czech Republic scored high in the individualism vs. collectivism of Hofstede’s index (ITIM International, 2016). The Czechs prefer to work individually over collectivist work. This is also the reason why they incline to put their own interests above interests of a group.

The third cultural standard *“restraint character”* also shows similarity with characteristics of Czech Republic scored twenty-nine in Hofstede’s indulgence vs. restraint index (ITIM International, 2016). In comparison with the Vietnamese, Czechs prefer to have certain set of rules which they would follow.

The fourth standard *“poorer work ethic”* relates to the concept of Trompenaars’ idea of universalism – particularism. According to this dimension, the Czech Republic scored around fifty-three – slightly more universalist than particularistic (Křečková Kroupová, 2009). This indicates that the Czechs prefer to follow set of rules. To universalists it is more about formalities, rules and rational way of thinking. A Czech person is, in the eyes of a Vietnamese, rather more settled. The Vietnamese consider “poor work ethic” to be in terms of for example lacking improvisation when necessary or building informal, but strong relationships.

The fifth standard is *“family relations and respect”*. According to Trompenaars dimension comparing individualism vs. communitarianism, the Czech Republic rather scores relatively high number of around fifty five, which inclines to individualism. (Křečková Kroupová, 2009) Tendencies to work as a collective group are seen mostly in Asian countries. Western countries such as USA, UK and Germany are rather individualistic. Based on these results it is possible to state that Czech’s perception of a “real family” is having rather less family relatives with whom they have tighter relationships. Such family perception is not comprehensive to someone who comes from Asia, as in Asia, the bigger the family the better feeling of belongingness to a group. Regarding to *“respect to elderly”* cultural standard, it

shows similarity with the Trompenaars Specific vs. Diffuse dimension. In comparison with the Western cultures, South-East Asian cultures are more diffused.

## **4.5 Vietnamese cultural standards from Czech perspective**

### **4.5.1 High tolerance for uncertainty**

According to Hofstede's results of uncertainty avoidance index Vietnam scored relatively low. My respondents confirmed this idea with their confessions about experiences they have with the Vietnamese. To Czechs it might seem that time wise the Vietnamese are not very organized. Their disorganized character trait is reflected in everyday interaction with the Czechs.

*„I think I have never worked in such uncertain environment, I got paid what I worked off but it could happen I worked overtime.” (Anonymous)*

*„What stroked me the most was that they didn't follow any “rules” or “schedule”, I don't know how else would I call it. Simply, they don't have a problem working from morning to night. However, I wanted to finish my work at certain time and go home to cook dinner or do anything else.” (David)*

*„I worked over time sometimes but I didn't mind, I was young at that time.” (Lucie)*

*„Just like we had no official contract or agreement, there was no official working hours.” (Vaclav)*

*„What I miss about it now, that in case of urgent matters I could have left earlier from work or come later in the morning. Also, it is true I had to be there, but nobody was checking if I came five or ten minutes later. I wouldn't dare to come later every day but it happened that I overslept.” (Andrea)*

### **4.5.2 Family business pattern and its difficulties**

Working with family is nothing unfamiliar to the Vietnamese. On the contrary, they prefer working with family members over hiring strangers. Trust plays an important role to the Vietnamese. However, running a business in the Czech Republic or any other country requires cooperation of local labor for better customer service performance. For some

Vietnamese businessmen hiring a Czech person represents excessive burden for its complex bureaucratic procedures that are necessary to have legally employed person. To a certain extent it also means increased financial liability.

*„I don't think I would be able to work with my family yet I have the experience of working with foreign family. The problem aroused when they were discussing some family issues in front of the customers, sometimes it eroded into a huge argument. Otherwise it was a good environment.” (David)*

*„Can you imagine being with your relatives all day long and even working with them? Sometimes I felt awkward, I got to know the whole family while working. I don't think I would recommend it to anyone. Home is home and work is work.” (Honza)*

*„Of course there were arguments but what I really loved was when they had a fight and five minutes later everyone forgot about it and life went on.” (Lucie)*

*„I didn't know I would work in a family environment. It had it pros and cons. When it came to lunches or dinners we always ate together, including me. Nonetheless, I am sure that I was being laughed at sometimes and I am also sure they didn't trust me one hundred percent. I was never left alone in the shop, I mean I could take payments but there was always somebody around, plus there were security cameras.” (Nikola)*

*„Please, do not expect regular payments on the same date every month or payroll stating what you were paid for. Also do not expect to receive money on you bank account, everything is in cash. I don't really know how the son of the boss got his money, I guess whenever he needed to buy something he asked for the money.” (Vaclav)*

#### **4.5.3 Problem of indirect communication and language barrier**

Asian countries are, in general, high context cultures. Western countries are, on the other hand, rather low context. Vietnam belongs to a group of high context cultures. Therefore, it can happen, there might be a communication problem with people from western cultures. Some things are simply not stated explicitly. Vietnamese people might expect you to just know and understand without any questioning.

*„Sometimes it was hard to decode what I was being asked to do and then I got yelled at for not doing what I was supposed to. Throughout the time I learned searching for the key words in a conversation.” (Martin)*

*„I am not sure if it was the language barrier but sometimes I felt like Vietnamese don't even understand one another.” (Lucie)*

*„My boss was really strict, when something went wrong he didn't hesitate to yell. I was really scared to ask something so when I didn't understand something right I had to improvise. “ (Vaclav)*

*„There were rarely any meetings during my work experience. I mostly got told what I did wrong, not what I do right. Please, never expect to be praised for what you do right when your employer is Vietnamese. The stuff you do right is expected, there is very little space for mistakes. Whenever I was supposed to improve something I was never told directly, I rather got these indirect messages like “do it differently” or “this is not good” which simply meant “be so kind and do it better next time.” (Patrik)*

#### **4.6 Suggestions for Vietnamese doing business with Czechs**

##### **1. Be more organized**

In order to increase performance in any kind of business it is necessary to be more organized. This will benefit the overall work environment. Vietnamese should be clear about all the work they expect from their Czech colleagues. As much as the Czechs will try to understand, that in life of Vietnamese people, schedules don't play an important role, the Vietnamese should also understand, that schedules play an important part from the perspective of Czech people.

##### **2. Separate family from work**

Even though majority of businesses ran by the Vietnamese are family based, the least there can be done is to separate work issues from family issues. Having a family disputes in front of Czech colleagues or any other colleague is unprofessional behavior. The fact that your

Czech colleague doesn't speak Vietnamese might make the situations even worse. He or she cannot estimate the velocity of the certain dispute or where is the dispute leading. He or she might be left insecure about what happened in that moment. It can also lead to misunderstanding in the sense, that he or she might feel involved.

### **3. Communicate explicitly**

Do you want something to be done? Communicate it. Communication, in any form, is very essential to Czech counterparts. Without it, they do not understand what they are expected to do. What might your relatives do automatically, don't expect the Czechs to do the same. Language barrier plays a huge role in communication and Vietnamese should overcome it. Learning Czech languages is very difficult for all foreigners as Czech is listed as one of the most difficult languages to learn in the world. Running a business in any foreign country inevitably requires certain level of ability to speak that foreign language.

#### **4.6.1 Comparison of research outcomes with the Theoretical Background**

This chapter will cover the comparison of three Vietnamese cultural standards, which were derived from perception of the Czechs with the default theoretical background.

The first cultural standard "*high tolerance for uncertainty*" correlates with the low score of Vietnam in Hofstede's uncertainty avoidance index (ITIM International, 2016). The Vietnamese are perceived to be confident when facing uncertain situations. There prevails a general perception of the westerners to generally dislike having to face uncertain situations.

The second standard "*family business pattern and its difficulties*" proves the fact that Vietnam scored twenty in individualism vs. collectivism index. (ITIM International, 2016). The result is relatively low in comparison with results of the Czech Republic. Therefore, it is possible to say that Vietnamese are rather collectivist. Collectivist societies are the ones who think in terms of "we" and put the interest of the whole group above interests of individuals. Based on observations of Czechs with whom the interviews were conducted, the Vietnamese appear to have collectivist trait.

The last cultural standard is called *“problem with indirect communication and language barrier”*. One of the reasons for such viewpoint of Vietnamese from Czech’s point of view is that Vietnam, just like the rest of East Asian countries is rather diffused. Diffuseness, in this sense, relates to the fact that people who carry on such character trait use the means of indirect communication. Diffused people never negotiate any matter directly, their preference is to go around the problem in circles until eventually they get to the point (Křečková Kroupová, 2009).

## 5 Conclusion

The primary aim was to identify the Vietnamese-Czech and Czech-Vietnamese Cultural Standards in Business Negotiations. The increasing number of Vietnamese migrants coming to the Czech Republic has been observed since the 1970s. Therefore, there has been plenty of time for the Vietnamese to integrate in its host country. Over the years, Vietnamese minority became noticeable and significant part of the Czech society and economy. There prevails an impression that Vietnamese immigrants integrated rather easily into the Czech society in cultural terms.

Default theories of Geert Hofstede, Fons Trompenars, Edward T. Hall and Alexander Thomas were used as a base line to explain different concepts of culture perceptions. Following the first theoretical part of the thesis, the practical part pursues with explanation of factors, i.e. historical and geographical, which had an influence on Czech and Vietnamese culture. In the research itself, 24 respondents participated out of which 12 were Czechs and 12 were Vietnamese. Five cultural standards were derived from interviews with the Czechs working with Vietnamese and three cultural standards were derived from interviews with the Vietnamese working with Czechs. Furthermore, suggestions were made for each counterpart in terms of what to improve in order to reach the best possible outcome in business negotiations. Results were then compared with outcomes of the theoretical background.

The main research question – if there exist cultural standards between Czechs and Vietnamese – proved to be true. It was proved by qualitative interviews, which were conducted with people from both countries, under single conditions, people from both countries had to have a working experience with the people from the other country. Respondents were asked questions about critical incidents of which they needed to be reminiscent and answered consecutive series of questions such as „What shocked you the most about the other culture?” and “why?”.

It is very important to say that Czech and Vietnamese cultures are very distinct. Therefore, respondents were, in most of the cases, concentrated on general cultural differences that there exist by which they distracted themselves from specifying cultural differences and

shocks that there exist during business negotiations. Amazed by the differences there exist between the two cultures, my respondents were more inclined to describe general behavioral differences, general values and general character of the other nation.

Accordingly, the Czech cultural standards from Vietnamese perspective were: Czechs have envious character, they are rather individualistic with restraint character, they have poor work ethic and poorer family relations and in comparison with the Vietnamese, Czechs lack respect towards the elderly. Vietnamese cultural standards from Czech perspective is following: Vietnamese have significantly high tolerance for uncertainty, they prefer to run family business which, in the eyes of a Czech person, can make obstacles in running the business smoothly and they have a problem with indirect communication and language barrier.

This bachelor thesis can serve as means to successful interaction between Czechs and Vietnamese in business terms as well as in general terms. The thesis helps to expand the knowledge of both cultures and to provide better understanding of cultural differences that there exist.

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