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**The Influence of Culture in International
Negotiations**

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Abstract

The purpose of this thesis is to analyse the influence of culture in international negotiations. I chose this topic because I have always been interested in the role of culture in an individual's life. The work is divided as follow: first there will be a definition of what an international negotiation is, then there will be a definition of culture: what are its characteristics, and its limits. Next, there will be an analysis on how scientific literature analyses culture in the context of negotiations. Particularly, the structure of the work in this part will be based on the article "The Cultural Dimension of Negotiation: the Chinese Case" (1999) written by Guy Oliver Faure, in which he divides the scientific work in four approaches: structural-processual approach, behavioural approach, cognitive-strategic approach, and stages approach.

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1 | Introduction

Preservation of one's own culture does not require contempt or disrespect for other cultures.

Cesar Chavez

In the field of international relations, it is very important to acknowledge and respect the diversity of cultures, especially when different cultures meet, such as in a negotiation process. Culture is one of the factors which helps us create our own identity and that guides us in our behaviours. But to which extent does culture affect our choices? Is it possible to overcome this influence? These are the central questions of this thesis.

I chose this topic because I have always been interested in the role of culture in an individual's life: it is fascinating to see how it shapes the mindsets of the individuals, how it is always changing and evolving and how this shaping can happen also when there are national interests at stake, such as during a diplomatic negotiation.

The aim of this thesis is to analyse the role of the influence of culture in diplomatic international negotiations. In particular, the focus is on how the parties of a negotiation are influenced by the culture they are embedded in and, in turn, how the parties' behaviour affects the outcome that has to be achieved.

But what does "influence" mean in this context? It is necessary to look at the environment an individual belongs to. Culture is at the centre of society, and it guides societal elements (even the one considered not 'cultural' by someone) such as organisation of production, family structure, the structure of institutions (Williams 32). As individuals belong to a society in which culture has a say in the important aspects of their lives, it goes without saying that culture will influence a negotiator in the context of a negotiation.

Undoubtedly, it is important to understand when an action of a negotiator is dictated by the influence of culture or it is an implementation of a negotiating strategy. It is up to the observer to assess whether it is one case or the other, and every negotiation stands on its own. Thus, it is necessary to analyse each negotiation case by case. Moreover, we are assuming that the actors of the negotiation can be influenced by culture, instead of considering them as rational (the game-theory approach, for example).

Of course this work does not have the presumption to be an exhaustive collection of every article or book that has been written about the influence of culture in international negotiations. It tries to make some order on the subject by following the streams identified by Faure in his article "The Cultural Dimension of Negotiation: the Chinese Case" (1999). In order to deliver an objective research, it is important to avoid stereotypes and generalisations. Hence, in the works considered in this thesis, every cultural trait was explained not through stereotypes but through a reasonable explanation.

This thesis is divided as follows. First, there will be a chapter which will guide the reader through the work by giving them a background contextualisation and a conceptual map to follow the road of the work. Then, Faure's identified approaches are analysed.

This introductory chapter is divided in three main parts. Each part deals with a pillar on which the work is built. Particularly, in the first part, since we are dealing with international negotiations, there will be an introductory presentation of what is a negotiation, what are the actors, the stages of a negotiation, the strategies, the dynamics behind the position of a negotiator. Of course, there are many aspects of a negotiation to consider but cannot be reported here; for more details, refer to the specific literature. Anyway, for the purpose of this thesis, the definitions and notions given in the chapter are enough to contextualise the work. In the second part of the chapter, there will be an analysis of the cultural aspect of this work. Here Hofstede's work will be presented: he identifies many level of cultures, however, to address the issue of this thesis, it is sufficient to distinguish just the national one. This is because, in international negotiations, negotiators are thought to belong to the same (more or less) organisational, generational, social class category. The third part introduces the structure of Faure's article "The Cultural Dimension of Negotiation: the Chinese Case" (1999). I chose this article because I reckon it

orders well the extensive scientific literature there is on the subject. Faure identifies four approaches with which various authors have dealt with the influence of culture in negotiations. Other than the authors cited by Faure, I added the authors I read by putting them under the approaches I found most suitable; for every addition an explanation is given.

The second part of the thesis contains the unfolding of Faure's identified approaches. Each approach has a dedicated chapter, and they are the following.

The aim of Chapter 3 is to unveil the cultural influence perceivable from either the contextual factors of a negotiation or from the relationships among the negotiators. An analysis of the structural-processual approach is presented: it takes into consideration the context of a negotiation and it relies on the model of Sawyer and Guetzkow (1965). Since it was not possible to trace the original book, it is sufficient to say that they identify five groups of variables that intervene within the negotiation process.

Chapter 4 focuses on the behavioural approach: the influence of culture relies in the behaviours of the negotiators. Faure identified two streams, and both will be analysed: in the first stream, the focus is on the assessment of the actual influence of culture by analysing behavioural-related variables. The aim is to verify to which extent the behaviour is influenced by culture and not by, for example, personality. In the second one, instead, analyses the impact of culture on negotiators' behaviours and then assesses the consequences of this impact. This second stream is a step forward: established that there is indeed a cultural influence, the question is how it is possible to measure its consequences.

Chapter 5 is directed at connecting the mindset and cognition of negotiators with their behaviours in order to explain what is the logic behind that. In this case, cultural influence can be acknowledged behind this connection: sometimes, what drives a negotiator to an action can be explained through a cultural vehicle.

Chapter 6 focuses on explaining the cultural dimension in the negotiation process by dividing the negotiation in stages. By doing this, it is possible to assess which stage is more influenced by culture, or if every stage is influenced in a different degree. Discerning the negotiation in different stages means to simplify the process in order to make it easier to verify the cultural influence.

2 | Contextualisation of the work

This chapter will serve as a guide for the thesis. Indeed, it will present the context to the reader by giving definitions and structure to the thesis. The goal is also to help the reader to build some tool in order to make their own opinion about the subject of this work. As the concepts introduced in the following pages are broad, only the main features will be presented. For further, more accurate details, see the appendixes at the end of the thesis.

First, there will be an introduction to international negotiations. What are the main elements, who is involved, what are the strategies. It is a broad concept, however, only the salient aspects will be covered, as this chapter serves as a base to understand better the issue of the whole work.

Next, the other main protagonist of this work will be presented: culture. Culture is a vast concept and has many facets and elements. But, also in this case, only the main characteristics will be taken into consideration.

Finally, the important part is to assess the structure of this thesis. To make some order within the literature that exists on the subject and considering how vast it is, I decided to categorise the literature contemplated in this thesis following the streams of thought identified by Faure in his article "The Cultural Dimension of Negotiation: the Chinese Case" (1999).

The Concept of Negotiation.

Negotiating is something that we all in everyday life, it is just that we do not realise it. When making plans with friends about what to do for the night, when deciding with your significant other who is going to do the dishes, when settling a price of a car. In international negotiations, things are not much different: they are just in a bigger scale. The following pages will give an insight and some definitions of what an international negotiation is.

In order to define what an international negotiation is, it is convenient to define the concept of "negotiation". To negotiate means, according to the Merriam-Webster dictionary, "to confer with another so as to arrive at the settlement of some matter"¹. Hence, a negotiation is a process, a sequence of actions, in which the actors involved will try to reach a situation that is superior to the *status quo* situation. An international negotiation is a negotiation that involves international actors, such as States, Non Governmental Organisations, Supranational Institutions (such as the European Union), etc.

Actors. The actors in a negotiation process can be either internal or external. The internal actors are the *parties*, which are directly involved in the negotiation process and in its outcome: they have interests involved in the negotiation and they stand on a position during the process. Ideally, the position should be representing someone's interest, but a clarification needs to be made:

- Position: is what the actors say they want, that is what the actor choose to share with the other party. Positions are surface statements of where a person or organisation stands, and rarely provide insight into underlying motivations, values or incentives (Watershed Associates).
- Interest: is what really moves the process behind the fuss of position; the interest is a party's underline reason for the initiation of the negotiation in the first place and it reflects the values and the motivation of the parties. An interest can explain why a party choose a certain position but it does not mean that the position and

¹Definition of Negotiate. Merriam-Webster <https://www.merriam-webster.com/dictionary/negotiate>

the interest beneath it overlap.

The external actors, also known as *third parties*, form a part of the negotiation structure but they are not directly involved in the negotiation: they don't have direct interest but they contribute to shape the outcome of the negotiation. There are three types of third parties: the *Chair* of a negotiation, the *Mediator*, and the *External parties*. The Chair makes sure that actors follow the rules of procedures; the Mediator is a neutral and impartial actor whose goal is to smoothen the process by facilitating the communication between the parties; the External parties do not have an official role in the process, but somehow they have some interest in the outcome of the negotiation.

The negotiation process can be divided in four main stages:

1. **Status quo:** is the initial situation. It is usually a situation less favourable than the one after the negotiation is concluded. Nonetheless, sometimes actors prefer the status quo rather than an outcome that could be less favourable for them.
2. **Verbal exchange:** is the reason why and in what ways the parties talk to each other. In this stage, information are exchanged between the parties.
3. **Strategy:** is the intellectual line of action that a party will adopt in order to maximise its payoff of the negotiation. According to Pruitt, there are four types of negotiations strategy, as he explains in his article "Strategic Choice in Negotiation"(Pruitt 167).
4. **Tactic:** all the actions used to implement the strategy adopted. The entirety of all the tactics used by the parties compose the strategy.

One other contribution on the division of the negotiation process is provided by Zartman and Berman in their book *The Practical Negotiator*. They describe the negotiation process as a process in which divergent values are combined into an agreed decision, and it is based on the idea that there are appropriate stages, sequences, behaviours, and tactics that can be identified and used to improve the conduct of negotiations and better the chances of success (Zartman and Berman 2). They divide a negotiation process in

three stages: diagnostic phase, formula phase, and detailed phase. These stages are not isolated, indeed they sometimes overlap.

The diagnostic phase feature the definition of the situation in which the parties explore the possibilities of negotiating. According to Zartnam and Berman, a negotiation will be due when the a situation that is already not positive for the parties will become worse in the future if no action is taken.

In the formula phase, the parties have agreed to proceed with the negotiation reaching a point that is called *Turning Point of Seriousness* (Zartman and Berman 3): that is when each parties realises that the other is serious about jointly work to find a common solution. Indeed, the parties will try to search a general principle that will serve as a guideline for the entirety of the negotiation.

During the detail phase the negotiation are going to focus on the assessment of the details for the implementation of the formula they agreed. According to Zartman and Berman, one of the most important thing in a negotiation should be the high level creativity of the parties that corresponds to the way negotiators handle concession-making situations.

The strategies implemented can be many. In general, parties will adopt three kind of strategies. Sometimes they will combine strategies if the situation requires so. The main strategies are:

- **Yelding:** a party will diminish its own demands and will concede. Therefore, an agreement will be found, but at the expenses of the party that implements this strategy. This strategy is implemented mostly when the the issue is not relevantly important and there is the presence of high time pressure.
- **Problem Solving:** it is a strategy based on collaboration. By adopting this approach, parties will cooperate in order to identify solutions that will satisfy everyone's goals. In order to do so, various formulas are available, such as: expanding the pie (parties will find a way to increase resources that have been in short supplies), cost cutting (one party gets what it wants by cutting the other's cost of conceding), compensation (a party rewards the other for conceding), logrolling (each party con-

cedes on issues that have low priority to themselves), and bridging (a new option is developed that satisfies both parties' aims) (Pruitt 168).

- **Contending:** a party will pursue its goal without making concessions by trying to make the other party to concede. By adopting this type of strategy, the actors show themselves as competitive: this results in a lower chance to find an agreement than it would have been by adopting other strategies.
- **Inaction:** it means that the parties will do as little as possible. This type of strategy often wastes time and sometimes it even suspends temporarily the negotiation (Pruitt 172).

To summarise, the main protagonists of a negotiation are the parties directly involved. In order to find an outcome, the parties will start to exchange proposals until an agreement will be found. There are many elements to consider and there are many strategies that can be implemented.

Of course, there are many factors that influence the negotiator during the implementation of a strategy. Those factors refer to the structural context, to the personality of the actors, or of their culture. Indeed, this is the main focus of this thesis. However, before getting into it, it is necessary to analyse the concept of culture.

The Concept of Culture.

What is culture? How can it be determined? What are its borders?

Culture is a "fairly imprecise concept" (Elgström, 'National culture and international negotiations' 293), thus its boundaries are difficult to outline. Therefore, these questions are very complicated to answer. But, for the purpose of this thesis' topic, I will try to define and mark the borders of the concept. In order to do so, I will appeal to the article of Helen Spencer-Oatey: "What is Culture? A compilation of Quotations"(2012), in which she orderly makes some considerations about culture and collects quotations from the most famous scholars. Only the points relevant for this thesis will be considered. For the entire analysis, see Appendix ? page ?.

Culture can be perceived from different things: a painting, a habit, a behaviour. Sometimes we do not even realise that an action embedded in our routine comes from our cultural background. This differentiation of manifestation of culture comes from the fact that culture is made of layers (Schein 3). Those layers are: observable facts, values, and basic underlying assumption (Figure 2.1). The first one relates to the surface, to what



Figure 2.1: Schein's model: levels of culture (Schein 4).

is visible: here data is very easy to acquire but difficult to interpret. To put it in other words, by looking at the observable facts, we can understand "what" are the behavioural norms followed and "how" the group builds the surroundings, but we cannot understand "why" a group adopts a specific behaviour. To answer the question of "why" a group of people adopts certain behaviours, we need to take into consideration the values, that

compose the aforementioned second layer. However, values represent only the espoused values of a culture: this means that they unveil only what people *say* it is the reason for their actions. Therefore, the real motivations remain obscure or unconscious. To solve this issue, it is necessary to appeal to the basic underlying assumptions. Those assumptions are themselves a sort of learned responses that were originally espoused values (Schein 3). However, as values lead to a certain behaviour and behaviours are a manifestation of a culture, values turns into an underlying assumption about how things really are. Once the assumption is established and, therefore, taken for granted, it abandons consciousness. Assumptions that are taken for granted are powerful because are less keen to be a subject of debate than espoused values. When dealing with an underlying assumption, it will be hard to find someone willing to discuss the reason behind it. For example, the belief that a business should be profitable is something that we assume is the right way of doing business but actually we cannot explain exactly when we learned that notion, we just know it. The result of Schein suggestion is that, in order to visualise the effects of culture on international negotiations, it is necessary to search for the behaviours, then the values, and, eventually, those will lead to the underlying assumptions (Schein 4).

It is important to acknowledge the fact that culture can manifest itself through subconscious patterns because, in international negotiations, parties will make assumption on what is thought to be a universal principle (for example, the concept of time), whereas it is a subconscious reflex of what it once was an acknowledged value.

Speaking of universal principle, it is important to remark that culture can be discerned between universal human nature and unique individual personality (Spencer-Oatey and Franklin 6).

As Hofstede points out, culture is learned not inherited. This is a very important remark because it implies that culture does derive from the social environment and it is not something that comes from the genes. Moreover, culture should be differentiated in human nature, on one side, and in an individual's personality, on the other. Nonetheless, the border between those two concepts is very blurry and it is still object of discussion. Hofstede identifies three levels of uniqueness in the human mental programming (Figure 2.2):

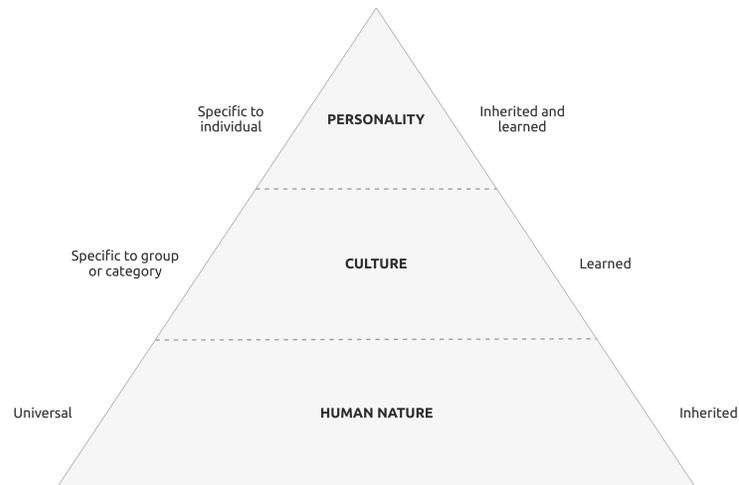


Figure 2.2: Hofstede's model: levels of mental programming (Hofstede 6).

Human nature is maybe the only thing that all human beings have in common: this level is inherited from one's genes and it relates to one's physical and basic psychological functioning. For example, the human ability to perceive feelings or the basic needs, such as the need to associate with others. However, the way in which the feelings are expressed and how an individual associates with others is affected by culture. Most of the aspects related to this level concern also the animal kingdom when there is a reference to primal instincts. On the other hand, the *personality* of an individual is their personal set of mental programming that do not share with anyone else. It is a combination of human nature deriving from one's genes and of something learned through both culture and personal experiences. Historically, cultural assets have been linked with heredity because scholars could not find a better explanation for the outstanding differences in cultural patterns among different civilisations. But, the role of hereditary has been amplified in the "theories" about race which somehow have been used to justify, over the course of history, cultural superiority and inferiority².

Therefore, what it is important to assess in a negotiation is the culture of a negotiator which stands between their human nature and their personality. Personality is the deceiving feature because it can be dealt with as culture when, in reality, it is not.

²It is sufficient to think about how the feeling of being a "superior" race led to despicable events, such as the Holocaust, the Apartheid, the racial laws that existed in the US against African-American people.

One more thing that needs to be pointed out is that culture is associated with social groups (Spencer-Oatey and Franklin 7). Hofstede identifies many levels of culture:

- National level according to one's country (or *countries* for people who migrated);
- Regional/ ethnic/ religious/ linguistic affiliation (as most nation are composed of culturally different groups);
- Gender level;
- Generation level, which separates different kin generations;
- Role category (e.g. parent, son/daughter, teacher, student);
- Social class level, associated with educational opportunities and with a person's occupational profession;
- Organisational or corporate level, according to the way employees have been socialised within their working environment. (Hofstede 18)

Hofstede also notes that, especially in modern society, many layers are in conflict with each other. For example, religious values may conflict with generation values. As a result of these conflicts in mental programming, anticipating the behaviour of people in a new situation gets challenging.

Other authors give their contribution, such as Salacuse in his article "Ten ways that Culture Affects Negotiating Style: Some Survey Results" (1998). He defines culture as "the socially transmitted behaviour patterns, norms, beliefs and values of a given community." (Salacuse, 'Ten Ways that Culture Affects Negotiating Style: Some Survey Results' 222). Indeed, for the purpose of his article, he makes a distinction between national culture and professional or occupational culture. The professional background forms a subculture of some sort, therefore it is necessary to take it into consideration.

In his article, he takes on a survey and analyses both national and professional culture of the participants (the nature of the article will be discussed in details in the next chapter).

For the purpose of this thesis, however, these distinctions concerning the different layers of mental programming (in Hofstede's words) will not be contemplated as, in an international diplomatic negotiation, the negotiators are thought to belong (more or less) to the same professional, generational, social class background. Therefore, the cultures that are taken into consideration in this work are the one belonging to a country³. From now on, the focus will be on national culture (mentioned as just culture).

Since it is possible to acknowledge other cultures, it is also possible to learn them: culture is learned through the people you interact with. Ferraro informs us that this concept causes many implications. First, saying that culture is learned implies that an individual can also learn about other cultures: this will lead to a greater tolerance and understanding, therefore leading to a better communication with others. Second, since we learn culture, it is possible for an individual not only to function in their own culture, but also in other cultures. Third, foreign work forces lacking certain job related skills are capable to learn those skills in the future (Ferraro 19).

And if people can learn about other cultures, they can also borrow traits from them. Therefore, Culture is subject to gradual change (Spencer-Oatey and Franklin 12).

We cannot think that culture is a static concept. It is essentially fluid and constantly in motion. This makes it so that it is difficult to define any culture in only one way in the first place. Ferraro (25-29) helps us once again to understand better this concept. First of all, mechanisms of change within a culture are called *discovery* and *invention*. Nonetheless, most innovations introduced into a culture are the result of borrowing from other cultures. This process is called cultural *diffusion*, meaning the permeating of cultural elements from one culture to another.

Why this happens? It is merely an explanation in term of economy of effort: indeed, it takes less effort to borrow someone else's invention rather than making it from scratch. Cultural diffusion varies from situation to situation but there are some stable elements worth mentioning.

First, cultural diffusion is a selective process. This means that cultures do not borrow

³For the scope of this work, a country is considered an homogeneous entity enclosed within its current political border.

every item from other cultures indistinctly. If so, the difference among cultures would have eventually disappeared. Rather, cultures borrow from other cultures the items useful for them and that result compatible with their own characteristics. Therefore, an item will be taken into consideration if it is seen superior to the existing one, it is consistent with the cultural pattern, it is easily understandable, it can be tested on an experimental basis, and it provides clear benefit that can be seen from a large group of persons.

Second, culture diffusion is a reciprocal process. It means that when two cultures get in touch with each other, *both* cultures will borrow something from the other.

Third, it is very rare that the items cultures borrow from other cultures are embedded within the culture in the original form. Every item goes through a process of reinterpretation in order for it to be more effectively and more efficiently integrated into the total configuration of the borrowing culture. As an example, let us take into consideration the food par excellence: pizza. Pizza is notoriously a wide-world recognized Italian dish, however it has been adopted by cultures all over the world. Originally, pizza is made with mozzarella, tomato sauce, oregano, on a crust made of water, flour, oil, and yeast. However, in some cultures, oregano is considered too spicy, therefore the dish has been reinvented to meet the taste of other cultures. In some countries it is topped with processed cheese instead of mozzarella and the oregano has been left out. Or in some other occasions, the toppings chosen are very far from the original ones. Such as the choice of putting pineapple on pizza. Even if an Italian person would not recognize as legitimate a pizza with pineapple on it, they would still call it pizza.



(a) Pizza.



(b) "Pizza".

Fourth, some cultural traits are more easily diffused than others. Logically, technological innovations are more likely to be borrowed than social patterns. For instance, it is easier to convince a man that a car will carry you faster than by walking on foot; however, it will be more difficult to convince a Hindu person to switch to socialism.

Culture is a vast concept that is not possible to describe and analyse thoroughly in just a few pages. Culture hides and, at the same time, manifest itself through a gesture, a word, a behaviour. Culture is intricate, yet intuitive. It has many aspects to be acknowledged in order to have at least a partial conception of it. However, some remarks are important to make, in order to keep going with this work. Culture has many layers, as it can relate to gender, age, professional environment, social class. But, as stated before in this chapter, as the focus is on negotiations, negotiators are thought to belong to the same (or almost the same) group concerning age, social class, professional environment. Therefore, what matters, what stands out is the difference in national cultures. In recent times, though, with globalisation, it is easier to see that cultures are diffusing among them, meaning that they borrow traits and inventions from one another and this leads to some sort of homogenisation concerning some aspects. A good negotiator might get to know the culture of their counterpart before meeting them, since culture can be learned. Indeed, when confronting a party from another culture, a negotiator can learn about the other party's culture and be prepared for differences and divergences. Hence, it is possible to restrain potential disagreements. What is important to remember is that the intentions of the negotiators are all the same: to reach an agreement in the smoothest way. The issue comes when it is time to manifest the actions in order to reach the desired effect. That is when culture does its part and leads to different approaches and behaviours.

For the purpose of this thesis, this analysis of culture is sufficient to understand what relies under this notion. It is, indeed, a very broad, rich, varied conception which still today causes debates over its nature, its definition, its characteristics. But, as much as it is an interesting and fascinating debate, the clarifications made in this chapter are enough for the usefulness of this thesis.

Culture and Negotiation across Research.

In the previous pages, there was an analysis of the concept of negotiation and the concept of culture. The hope is that the analysis will provide the reader some tools and definitions to better comprehend this chapter. Indeed, in these next pages, there will be an analysis of the literature concerning the influence of culture on negotiation. The main subject of this work is international *diplomatic* negotiations but, since culture affects negotiations on common features regardless of whether it is a diplomatic one or not, also scientific works on other types of negotiations will be included as a theoretical base for this thesis.

Faure informs us that with the growing interrelations between states has put national culture in the spotlight. This has led to a major sensitivity to "the differentiating effects of culture" (Faure, 'Cultural aspects of international negotiation' 155). The reason why culture is important in the context of international negotiations is that "national ethnic cultures strongly contribute to shaping what is usually referred to as a national negotiating style by combining its own influence with that of history, of the political system and of the geographic and economic position of the country" (Faure, 'Cultural aspects of international negotiation' 158). Considering the remarkably vast literature that exists on the subject, I decided to categorise the literature contemplated in this thesis following the four streams of thought identified by Faure, in his article "The Cultural Dimension of Negotiation: the Chinese Case" (1999). In the article, he addresses the work of Hofstede and also tries to categorise the cultural studies. Particularly, Faure identifies four main streams of approaches on the research on international negotiation that focuses on cultural aspects.

1. **Structural-processual approach:** it relies on the model of Sawyer and Guetzkow. Since it was not possible to trace the original model, it is sufficient to say that it is based on a set of variables intervening in a negotiation. This approach tells us that culture is either perceived as integrated within the factors that compose the context of the negotiation, or it acts through each analytical category (contextual or situational, processual or behavioural, strategic or related to the outcome). Under

this approach, Faure cites a book written by Rosalie Tung called "U.S.-China Trade Negotiations" and the article "Analysis of Complex Negotiations in International Business: The RBC Perspective" written by Stephen Weiss.

2. **Behavioural approach:** under this approach, two different methodological traditions have been established. The first one aims at assessing the impact of culture on a number of behavioural variables. The second one is based on surveys and focuses on describing the influence of culture on the behaviour of the negotiators.

The authors cited under the first stream are: Carnevale and his article "Property, Culture, and Negotiation" that approaches the issue under the individualist/collectivist cultural opposition. Kirkbride, Tang, and Westwood with their article "Chinese Conflict Preferences and Negotiating Behaviour: Cultural and Psychological Influences"; then, Trompenaars' book "Riding the Waves of Culture: Understanding Cultural Diversity in Business". The last author quoted under the first stream is Hall with his book "Beyond Cultures". Under the second stream, the article mentioned is "The Influence of National Culture on Negotiating Style: A New Zealand-UK Perspective", written by Dr Anna Zueva, Dr Helen Rogers, Jemma Corbett, and Virginia Cathro.

3. **Cognitive-strategic approach:** it intends to study the connection between a negotiator's action and their mindset in order to disclose the logic implemented during the negotiation. There are three articles mentioned: "Negotiating with Foreign Business Persons" written by Stephen Weiss and William Stripp; the second article mentioned is "Negotiation: the Chinese Concept" written by Faure himself; the third article is "Ten Ways that Culture Affects Negotiating Style: Some Survey Results" by Salacuse (already mentioned in Chapter ??).
4. **Stages approach:** within this framework, negotiations are divided in stages with different requirements. The satisfaction of the requirements in each stage allows the the adjustment on the different sequences and the reaching of the agreement. Two main articles will be analysed: "The Global Negotiator Making, Managing, and Mending Deals Around the World in the Twenty-First Century" written by

Salacuse, and "The Negotiation Dance: Time, Culture, and Behavioral Sequences in Negotiation" written by Adair and Brett.

Faure already includes some authors in his article, dividing them in the categories he has identified. However, for the authors that are not mentioned in the article and that I have arbitrarily considered and included in this thesis, there will be an explanation for the reason why they are inserted within a specific approach.

3 | Structural-Processual approach

The first approach relies on the social-psychological model of Sawyer and Guetzkow. However, since it was not possible to trace the original book, about the model it is possible to say that it is based on five groups of variables intervening in a negotiation. They extrapolate a set of factors which play an important role within the context of a negotiation. Those factors are "contextual or situational, processual or behavioral, strategic or related to the outcome" (Faure, 'The cultural dimensions of negotiation: The Chinese case' 192).

Faure asserts that culture is either embedded among contextual factors or acts through each analytical category. To provide an explanation for this statement, Faure cites the book "U.S.-China Trade Negotiations" written by Rosalie Tung. In this book, she explains cultural influence by giving an insight on the negotiation between Chinese and American negotiators. Successively, Faure mentions an article written by Stephen Weiss: "Analysis of Complex Negotiations in International Business: The RBC Perspective". It explains the cultural influence on international negotiation through *relationship*, *behaviours*, and *influencing conditions* (hence, the RBC perspective).

The book "U.S.-China Trade Negotiations" written by Tung is a vast analysis on the trade between American and Chinese companies. Particularly, a questionnaire was conducted on American firms, in order to identify the practices and procedures. For the purpose of this thesis, only the Chapter 3 of the book will be analysed, as it contains the analytical framework to contribute to this work.

The questionnaire had several sets of question concerning many topics. Specifically, information was gathered about: the history of the trade relationship on the American firm

with China; the conduct of business negotiations; the degree of satisfaction or dissatisfaction of the company towards the negotiation; perceived differences in the decision-making approach between American and Chinese teams; negotiations' rate of success; the factors accountable for the success or the failure of negotiations; preparatory programs to help firm deal with negotiations; and operations' base to conduct trade with China (Tung 56).

What is interesting for the scope of this chapter are the perceived differences in the decision-making process and the factors accounting for the success or the failure of the negotiations as these points deal with cultural factors.

Decision-Making Styles. The set of question regarding this aspect generated mixed responses. Indeed, 26 percent of the respondents indicated that a member dominated the group decision; 21 percent suggested that no member of the group seem to have the power to make a decision; 18 percent reckoned that every team member had equal power in decision-making; the rest indicated that there was a leader in the team (Tung 63).

The author provides us with two possible explanations for the mixed opinions. Either Americans think that they know how things work when they actually do not, or the fact that Chinese negotiators gather in a room to make decisions makes Americans unaware of the Chinese decision-making process.

Moreover, according to American respondents, Chinese negotiators take longer time to make a decision, focus more on a long-term relation, and are more indirect. This has to do with the different concept of time: indeed, Chinese cultures perceive time as cyclical and repetitive. Chinese have a longer view of time that lead them to take more time to make decisions. In addition, since Chinese are more inclined to the relationship among negotiators rather than to the issue itself, they will be more focused on the long-term period, rather than on the immediate present. Also, Chinese culture is defined high-context. It means that Chinese negotiators use indirect communication and disclose very little information if not at all¹.

This opposition with American negotiators (who focus on the substantial issue and belong to a low-context culture) lead to a difference in the behaviour in the negotiation.

¹In the next chapter, there will be given detail analysis on the concept of time and on the dichotomy high-context/low-context cultures.

Factors Responsible for Success or Failure of the Negotiations. The questionnaire examines the factors perceived as successful or unsuccessful for a negotiation.

Concerning the successful factors, from the questionnaire's answers it was possible to identify three separate factors containing a total of eleven items (Tung 66).

Attitude of US firms. American negotiators reckon that the preparation of the American firms, the patience of US teams, the US team's sincerity, and the personal relationships were all elements of success (the preparation being the most successful one).

Product characteristic. This factor included the uniqueness of the product, the need of Chinese people of American products, and the American technical expertise.

Familiarity with Chinese culture. This factor (which is the most relevant for the purpose of this thesis) includes familiarity with "Chinese business practices, social customs, politics, and the language" (Tung 67).

As far as it concerns the unsuccessful factors, by gathering the answers, it was possible to identify three factors that include a total of nine items.

Cultural differences. This factor includes items such "differences in business practices, negotiation styles, social customs and culture, and communication breakdown" (Tung 67). The cultural differences are indicated as the most relevant factor that leads to failure.

Product characteristic. This factor is both success and failure related. However, the items characterising the factor are different. According to the responses of American negotiators, either Chinese did not really need the product that the firm was offering or there were too many competitors offering the same product.

Chinese insincerity. As stated before, Chinese people belong to a high-context culture where communication is indirect and seldom negotiators disclose information about their interests. However, this factor was not considered as being relevant in the quest to find factors for the failure of negotiations (just 20 percent of the firms expressed the feeling of it being responsible "to a great extent").

It is possible to notice that culture is a key factor in both cases. In the successful factors, the familiarity of American negotiators with Chinese culture smoothen the process: however, this factor is necessary but insufficient for a negotiation to be successful.

In order to have a successful negotiation, Americans need to be willing to invest in a

long-term relationship with Chinese negotiators by putting money, resources, and time in the process (Tung 71).

Moreover, cultural differences are seen as an important difficulty in reaching a success. Cultural differences are perceived on many levels, and the author suggests that, in order to overcome the gap, American negotiators might document themselves through books or they can hire experts to train the negotiators (Tung 68). Indeed, in order to negotiate with Chinese people, American negotiators should overcome the cultural gap and embrace the issues and the intricacies (Tung 72).

Cultural influence here is embedded in contextual factors as American and Chinese negotiate. When an American negotiator approaches a Chinese person to negotiate, it is like meeting someone in their own house: it is not sufficient to consider the personal culture within an individual, but their culture can be acknowledged and perceived also by a certain painting on the wall or by the disposition of the furniture. Everything counts.

Weiss article is relevant because of its perspective on the relationship among parties' relationship and behaviours and the influencing condition of a negotiation. Indeed, this perspective "is intended to be an inclusive, analytic perspective that furthers broad understanding of complex negotiations" (Weiss 275).

The element that is significant for the purpose of this thesis is *conditions*. As a matter of fact, conditions relate to those factors that stimulate or modify the parties' behaviours and relationships (Weiss 286). However, in order to have a wider view on Weiss' work, also *relationships* and *behaviours* will be briefly analysed.

Before going into the RBC analysis, it is important to remark that Weiss also identifies three time period during which the negotiation happens: pre-negotiation, negotiation, and post-negotiation (Weiss 289). *Pre-negotiation* starts when parties decide to negotiate with one another and ends when parties begin to make offers and counteroffers. *Negotiation* begins when parties set an agenda and they move from their respective initial positions and it ends when parties reach an agreement about the outcome of the process. *Post-negotiation* begins right after and it does not have a designed endpoint.

Relationship, in the RBC perspective is conceived as the parties' "connectedness to

each other as negotiators" (Weiss 277). The focus is on the "space in between" the parties. This is important because a negotiation concerns a relationship between the parties and because, at the end of a negotiation, if there is not an overarching relationship-based perspective, the final agreement of that negotiation will go unattended (Weiss 277).

Weiss distinguishes three types of parties: primary, secondary, and third. The primary parties are the most directly involved in the negotiation. The secondary have an interest in the negotiation but are not directly involved. Third parties are the ones that do not play a regular role. The relationships (and behaviours) are considered to be among primary parties. He also acknowledges three level of analysis: relationships among organisations, among groups, and among individuals (Weiss 278).

Behaviours of primary parties are directed towards the other party or are affecting the counterpart in a negotiation. Both unintended behavioural effects and intentional negotiating actions are considered for the purpose of this analysis (Weiss 279). Moreover, Weiss identifies many spheres of action for the behaviours: other than the three he borrows from Colosi², he adds another three for a total of six behavioural areas:

- 1) *Independent*: relevant to the negotiation but not communicated to the counterpart;
- 2) *Horizontal*: directed at the counterpart at the negotiating table;
- 3) *Internal*: happens within a party (e.g. the negotiating team);
- 4) *Vertical*: happens between the party and their superior/subordinate;
- 5) *Lateral*: happens between the party and their colleagues;
- 6) *External*: directed to the outside of the negotiation (e.g. mass media). (Weiss 286).

Weiss distinguishes four sets of conditions that have an influencing role within the negotiation process: circumstances, capabilities, cultures, and environments (Weiss 287).

1. *Circumstances* refer to physical and social assets of the negotiation's context that address both parties. They include the availability of different communication channels, the media coverage, the presence of interpreters, just to cite some. These circumstances can influence the relationship and the behaviour of the parties at any level (individual, organisational, or group) (Weiss 287).

²See: Colosi, Thomas. "Negotiation in the Public and Private Sectors." *American Behavioral Scientist*, vol. 27, no. 2, 1983, pp. 229–253.

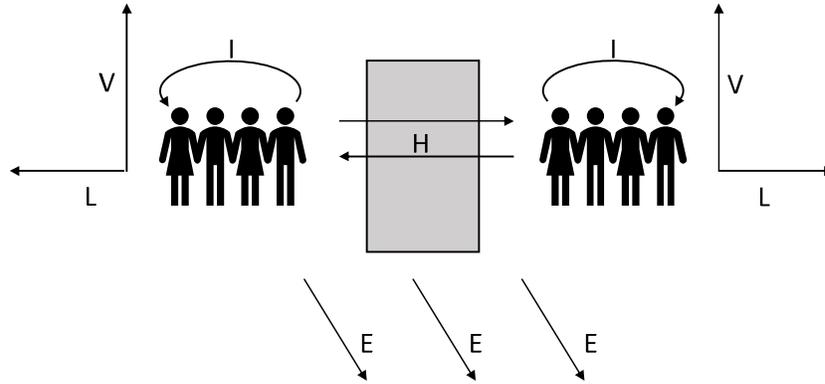


Figure 3.1: Activities of the primary parties (Weiss 286).

2. *Capabilities* are the set of skills, resources, and traits of a primary party that make it capable of influence and be influenced by their counterpart, directly or indirectly, through behaviours. Capabilities include negotiating experience, personality, authority, and more (Weiss 288).
3. *Cultures* refers both to the knowledge acquired by people to interpret the world to behave accordingly and to the set of learned behaviours (Weiss 288)³. In complex negotiations, some cultural traits may be shared by both negotiating parties. Weiss classifies two cultural factors. First, both parties may form a "negotiator subculture". Second, the RBC view of general characteristics of a multicultural exchange depends on the awareness of the parties of those characteristics (Weiss 289).
4. *Environments* refer to the sets of elements that are beyond the negotiation context but that somehow affect the parties' behaviour and relationships. Those elements include resources, power, legal frameworks, and, most importantly, other organisations

According to Weiss, cultural influence can be seen in all phases of the negotiation process. Indeed, in the pre-negotiation and negotiation phases, cultural influence can be

³See also: Spradley, James P., and David W. McCurdy. *Conformity and conflict: Readings in cultural anthropology*. Jill Potash, 2012. pg 2 and

Gregory, Kathleen L. "Native-view paradigms: Multiple cultures and culture conflicts in organizations." *Administrative science quarterly* (1983): 359-376.

perceived within the corporate culture of a negotiation, by looking for example at the information-sharing propensity; a cultural element can also be seen within the organisational control structure by looking at how and in which way the top management is involved in the negotiation or which communication channels are available. During the post-negotiation process, Weiss reckons that the main elements to be accounted in order to perceive a cultural influence are the corporate culture, the compensation of the negotiators, the national culture, and, once again, the organisational structure (Weiss 285).

Moreover, Weiss adds that conditions influence the parties but the parties themselves can act in order to modify some conditions. Under this reasoning, "cultures not only influence parties' behaviour, but adapt and change because of it" (Weiss 289).

Weiss work is visually reassumed in the following scheme.

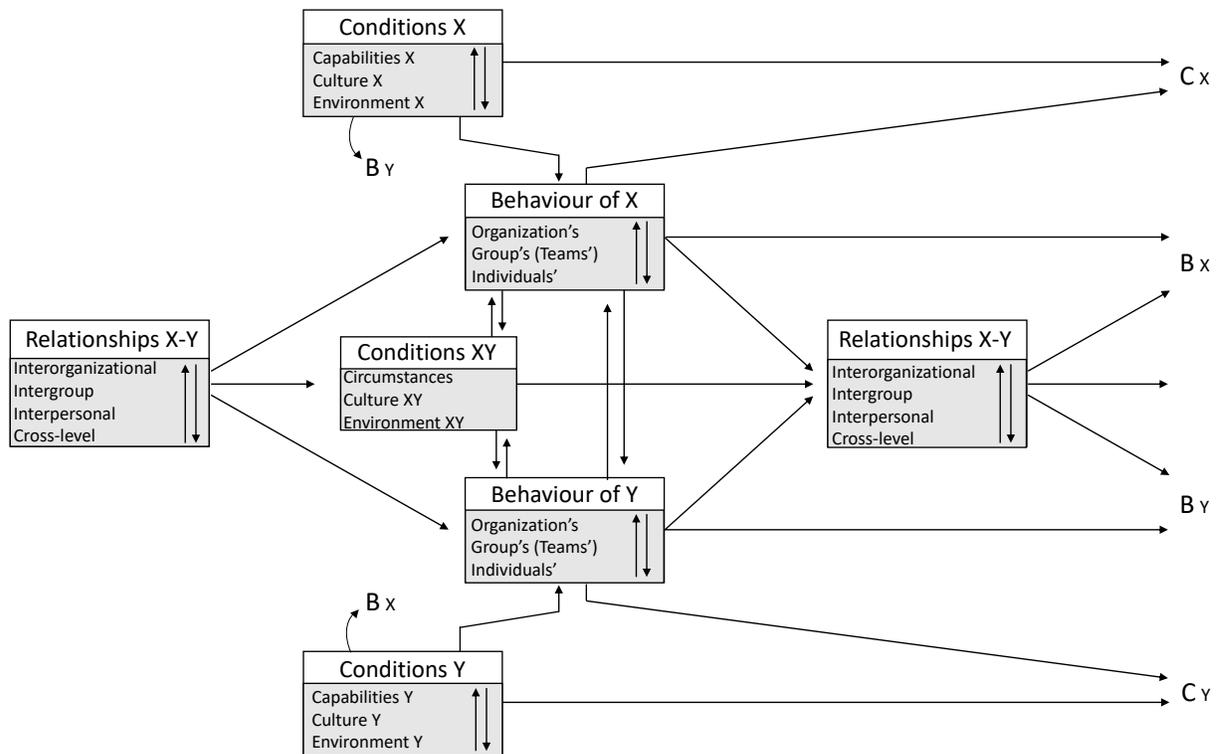


Figure 3.2: Basic RBC Model of a Complex Negotiation: X and Y are the parties negotiating.(Weiss 276).

This approach in a way tells us that culture is already there, even before negotiators

start a negotiation process. It is not manifested after parties begin to express themselves: it is contextual and it belongs to the factors that form the structural assets of a negotiation. In the next chapters, other approaches will be taken into consideration.

4 | Behavioural approach

The behavioural approach relates to the negotiators' behaviours. How can we evaluate the influence of culture on a negotiators behaviour? There is an important distinction to make. It is important to assess whether a behaviour comes from a cultural influence or from a structural need of the negotiation process (that is when an action is perpetrated on the basis of a strategy regardless of a cultural background). For example, Tanzanian negotiators rarely refuse an offer of foreign aid, that is that they never say no. Is this a culture-driven phenomenon? No, it is more related to the fact that Tanzanian negotiators have a weak bargaining position (Elgström, 'Norms, culture, and cognitive patterns in foreign aid negotiations' 157).

Faure identifies two main streams on which this approach is supported. The goal of the first one is to test the impact of culture on a series of behavioural variables in order to verify its actual influence. The second stream is based on surveys describing the impact of culture on negotiators behaviours and subsequently analysing its consequences.

Under the first stream, the first author mentioned is Carnevale: his article "Property, Culture, and Negotiation" approaches the issue under the individualist/collectivist cultural opposition. Then Kirkbride, Tang, and Westwood, with their article "Chinese Conflict Preferences and Negotiating Behaviour: Cultural and Psychological Influences", provide us with an analysis of the Chinese approach to negotiation by highlighting the cultural context. Then, Trompenaars gives his contribution to the topic by identifying seven cultural dimensions in his book "Riding the Waves of Culture: Understanding Cultural Diversity in Business". The last author quoted under the first stream is Hall: in his book "Beyond Cultures", in order to explain the influence of culture on negotiations he uses the dichotomy high-context and low-context cultural dimensions.

Under the second stream, the article mentioned is "The Influence of National Culture on Negotiating Style: A New Zealand-UK Perspective", written by Dr Anna Zueva, Dr Helen Rogers, Jemma Corbett, and Virginia Cathro. It analyses the influence of culture through a survey conducted on New Zealander and British negotiators. It appeals also to Hofstede's classification under his cultural dimensions: these are explained in Appendix 3. For further references, see "National Cultures in Four Dimensions: A Research-Based Theory of Cultural Differences among Nations" (1983).

The first author cited by Faure is Carnevale, particularly his article "Property, Culture, and Negotiation"(1995). In this article, Carnevale analyses property negotiations within their cultural context. Since, as we already said, culture is a broad concept, Carnevale focuses only on the individualist/collectivist paradigm¹. Indeed, his thesis put self-concept at the centre of the influence of culture on property negotiations. He argues that both individualism and collectivism can influence the preferences in the formula phase of a negotiation². Individualism also depends from the affluence of an individual; moreover, the number of groups available in a given society is important in determining the degree of individualism in a culture. Then, it is possible to say that individualism depends on: the number of available groups, the affluence of an individual, social mobility, and geographical mobility (if a person can change groups easily, then the group wont influence that individual much). Carnevale processes also the concept of allocentrism and idiocentrism, that, according to him, are intertwined with individualism and collectivism (Carnevale 312). In particular, he asserts that allocentrism goes with a collectivist context because an allocentric person is more concerned about the well being of the community; whereas, in individualistic cultures, people are idiocentric, meaning they are self-driven.

Subsequently, Carnevale argues that there is a hypothetical relationship between the collectivism and individualism approach and the behaviour in negotiations. Particularly, Carnevale and other collaborators affirm that negotiators from a collectivist background

¹Individualist cultures focus on the individual's needs and aspirations, whereas collectivist cultures are group-oriented. Further explanations of these concepts will be given later on in the chapter.

²For the concept of formula phase, see Chapter 2.

are more attentive towards the nature of the relationship with the opposite party during the negotiation. As samples, they used individuals from Hong Kong (collectivist country) and the United States (individualistic country). The results showed that Hong Kong negotiators had more tendency to cooperate in negotiating with a friend than with a stranger (Carnevale 314). This is because Asian cultures are relationship-oriented, thus once negotiators belonging to that culture have built a relationship with their counterpart, they will be more willing to negotiate. This is the reason why Hongkonger negotiators tend to cooperate more with a friend than with a stranger: because they already have a relationship with a friend, thus they trust their counterpart.

What emerges is that culture is seen as a mediator more than a moderator (Carnevale 321)³. This is because cultural variables may have an impact on the outcome of the negotiation or an impact that is mediated by the strategies and tactics chosen by the parties (as shown in the picture below). That means that culture stands "in the way" between the negotiation and the negotiators' behaviours. It shapes and contributes actively to the negotiation, whereas a moderator has a neutral stance.

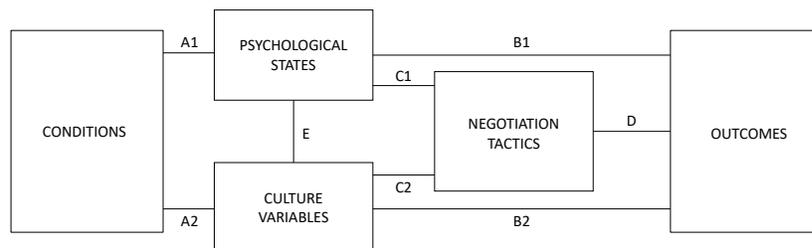


Figure 4.1: Carnevale's model of the negotiating paradigm (Carnevale 321).

Carnevale's point is that, according to him, it is not important to assess that people belonging to a culture adopt certain behaviours but, rather, what matters are the underlying theoretical processes that distinguishes the two parties on a relevant measure.

³For the notion of mediator, see chapter 2.

Another article cited by Faure in the first stream of the behavioural approach is "Chinese Conflict Preferences and Negotiating Behaviour: Cultural and Psychological Influences" (1991) written by Kirkbride, Tang, and Westwood. They analyse how Chinese cultural values influence the Chinese conflict resolution approach.

First of all, they define culture as the "means for, and the outcome of, attempts by people to locate and confer meaning upon their lives, experiences, events, and objects through the application of shared symbolic systems" (Kirkbride et al. 366). They also determine the key aspects which can help understand Chinese value orientations. These consist of: harmony, collectivism, conformity, power distance, holism, contextualism, time, face, shame, reciprocity, and guanxi.

In Chinese culture, harmony between man and nature, man and man is derived from Confucianism. The focus is on keeping the relationships continuous and harmonious.

Collectivism is connected to harmony because, in a harmonious world, the central point is the maintenance of the collectivity and issues are dealt in relation of their importance for the group.

Conformity is related to two Confucian principles. First, there are "rules of propriety" which frame relationships into five hierarchical dyads ('prince-minister', 'father-son', 'husband-wife', 'older brother-younger brother', 'senior friend-younger friend') and each individual is expected to behave according to these interpersonal relationships. Second, there is a principle according to which a human does not exist as a separate entity but is inevitably engaged within the context. Therefore, the individual will conform to the natural order of the relationships (Kirkbride et al. 367-368). This will lead the individual in a conflicting situation to consider the relationship with others as the main factor. Indeed, usually, in a conflicting context, the person who is in a subordinate position in the relationship will be more likely to accommodate the person in a superior position.

Chinese culture is determined by an holistic view of life, and this can be mirrored in their approach in conflicting contexts. They have a high sensitivity to the context and tend to face the problem as a whole, instead of facing it little by little (as in Anglo-American cultures). This approach is connected with the harmonious view of life according to which issues are seen as a part of a whole.

Time is perceived as polychronic, repetitive, and associated with the events. They tend to deal with more issues at a time, contrarily to Western cultures⁴.

Moreover, in Chinese culture, face is defined as an image of self determining attributes in terms of socially approved ones. Also, it is very shameful to interfere with group or interpersonal harmony. Indeed, shame is seen as an interpersonal frame in which a person's behaviour is compared to social norms rather than to assimilated personal standards. Thus, despite the tendency to avoid aggressive behaviour in conflictual context, there is the possibility of "shameful" behaviours.

Reciprocity is another universal principle that is significant in the Chinese culture. Indeed, they have the concept of favour (*renging*) and reciprocation (*pao*). In a negotiation, a concession made by one party is expected to be countered with a reciprocation of equal value by the other party.

Finally, the *guanxi* refers to the status of a relationship (including its intensity); therefore, in a collectivist society, a party will not only consider the relationship with the other party but will also consider the relationship with eventual third parties, in particular how they will perceive the behaviour of the negotiating parties.

In order to study how Chinese culture influences the negotiating processes of Chinese negotiators, the authors cite the Thomas model⁵ which identifies five different conflict-handling styles (competing, collaborating, compromising, avoiding, and accommodating).

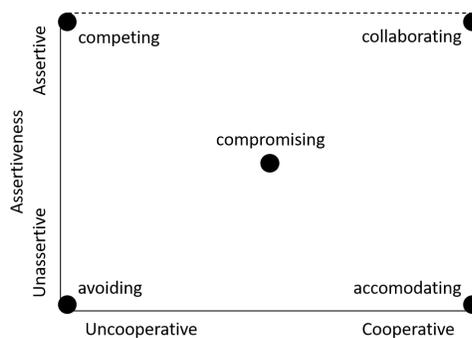


Figure 4.2: Thomas model of conflict handling styles.

⁴For further explanation of the concept, see Appendix 2 at the end of this chapter.

⁵For further references, see Thomas, Kenneth W. "Conflict and Conflict Management" in *Handbook of Industrial and Organizational Psychology*. M. Dunnette (ed.), 889-935. Chicago: Rand McNally.

The authors suggest that conformity, harmony, collectivism, and shame create such pressure that lead Chinese negotiators not to show emotion and assertiveness in conflict situations. Thus, negotiators tend to compromise and to be avoidant. Moreover, the group-mindedness and relationship-centeredness induce negotiators to avoid confrontation and open competition. So do the holistic perspective and the fear of shame.

Another scholar who focused on culture and its dimensions is Trompenaars in his book "Riding the Waves of Culture: Understanding Cultural Diversity in Business."⁶ He borrows the definition of culture from Schein's book "Organisational Culture and Leadership"⁷ in which culture is defined as the way in which a group of people solves problems and reconciles dilemmas. Trompenaars starts by providing a basis for cultural differences in explaining his point of view. According to him, cultural differences come from the different ways a culture approaches and solve a dilemma. Dilemmas can originate from three different situations: from the relationship with people; from the passing of time; and from environment-related context. By analysing the way in which cultures face problems within these three categories, Trompenaars identifies seven cultural dimensions . The first category originates five of the mentioned dimensions (Trompenaars and Hampden-Turner 8).

Relationship with people. Trompenaars refers to five ways in which human beings relate to each other. To start, he takes inspiration from Parson's five relational orientations⁸.

Universalism vs Particularism. In the universalist approach, there is the belief that there is a general principle that applies anywhere. In the particularist approach, far greater attention is given to the obligations of relationships and unique circumstances (Trompenaars and Hampden-Turner 9), the matter is about concrete reality rather than abstract codes. For example, in particularist cultures, a friendship is valued more: friendship may even come first than a better agreement. This can deeply shape the negotiators

⁶He is also included under this approach because of his contribution to assess the reality of the cultural influence on negotiations.

⁷See: Schein, E., *Organisational Culture and Leadership*, Jossey-Bass, San Francisco, 1985.

⁸See: Parsons, T., *The Social System*, Free Press, New York, 1951.

behaviours.

Individualism versus Communitarianism. It corresponds to Hofstede's collectivism versus individualism or to Schwartz's embeddedness vs autonomy⁹. In an individualist culture, there is a focus on the individual, therefore there is a tendency to concentrate on individuals' goals (even at the expenses of the community welfare). In communitarianism cultures, on the other hand, there is a tendency to strive for the community's interest. This opposition will reflect in a negotiator's behaviour when, for example, persuading the other party: in a collectivist culture, there might be the willingness to use rational reasoning because community interests are at stake.

Neutral versus Emotional. In neutral cultures, the goal is to show very little emotion and be as similar to a machine as possible in order to be more efficient. Characteristic behaviours might be a controlled language where every word is weighted before being used and where social distance is wider. Examples of these cultures can be North American countries and North-Western European countries. The emotions are set aside as they are believed to confuse the issue. In emotional countries, expressing the whole spectrum of emotions is part of the negotiation process. This can be mirrored in using the whole body to communicate or to use less social distance in order to show better the emotions.

Specific versus Diffuse. It relates to the approach of a negotiator towards their counterpart. Particularly, it relates to how much a negotiator puts themselves in the relationship with the other. In specific cultures, a negotiator will have the relationship prescribed by the contract. In diffuse cultures, the contact is more personal and a negotiator will put themselves as a whole in the relationship with their counterpart. Trompenaars provides us with an example: in a negotiation between North American and South American negotiators, the North Americans gave a well-thought presentation about their offer without respecting the South American diffuse approach. Then Swedish negotiators intervened, by getting to know the South American negotiators for over five days, then they offered a deal and, even though it was slightly less convenient than the one offered by the North Americans, the South American negotiators accepted. This indicates that a change in behaviour will also be a counterbalance for a disadvantaged situation in which negoti-

⁹For the explanation on Schwartz work, see Appendix 1 at the end of the chapter.

ators have to top another deal made by other competing negotiators (Trompenaars and Hampden-Turner 9).

Achievement versus Ascription. In the first case, the status of a person is gained with successful accomplishments. In the second one, the status is gained by birth, by blood, by kinship, by gender, by age, but also by connection or by educational record.

Attitudes to time. Time is also important in distinguishing different cultures. Particularly, the way a society looks at the concept of time. Indeed, in some cultures, there is a grater consideration for the past and the accomplishments achieved in there, such as the French culture: they give much value to *ancien pauvre* opposed to the *nouveau riche*. Contrarily, in some other cultures, there is focus on the accomplishments achieved in the present and what can be achieved in the future. One example is the American culture: Americans generally start from zero and what matters is their present performance and their plan to “make it” in the future (Trompenaars and Hampden-Turner 10). Moreover, in North American, Swedish, and Dutch cultures, time is perceived as a series of consecutive frames of events in a straight line. Whereas in other cultures, time is conceived in a circle in which the past and the present chase each other with some together with some future possibilities. The difference in the concept of time has a consequence on the choice of negotiation strategy.

Attitudes to the environment. Cultural differences also come from the attitudes towards the environment and how it is conceived. In some cultures, values come from the individual and the surroundings are just a frame. In other cultures, the environment is conceived as something more powerful than individuals, almost as something to be feared or mirrored.

Each of these cultural dimensions have an impact on the negotiation process as negotiators from different cultural background will approach each of these above-mentioned dimensions. Some of them will have a bigger impact than others, but Trompenaars provides us with an all-around vision of how different aspects of the cultural dimensions actually influence the behaviours of the negotiators.

Edward Hall¹⁰ was an anthropologist who provided some cultural dimensions in relation to cultural context, time, and space¹¹.

In his book "Beyond Culture", he presents the differences between *high context* and *low context* cultures. He chose the law as a comparing basis to understand the contrast between the two different context for many reasons, but the main one is that "culture underlies the law, and many things can be read and understood by studying the way in which the law is handled" (Hall, *Beyond culture* 107). From the way law is conceived and treated, he draws some characteristics that distinguish high context and low context cultures.

High-context cultures are characterised by use of non verbal communication, of implicit messages, of a solid distinction between the inner circle and the outer circle, of a inner locus of control. Time can be flexible and parties take time to negotiate as the process is more important than the outcome; there is a high commitment to long-term relationships. On the other hand, in low-context cultures, the locus of control is external, communication is based more on verbal language than body language, the distinction between inner circle and outer circle is not strong, in fact the group pattern changes if needed. There is low commitment to relationships and time is highly organised: in a negotiation, the outcome is more important than the process itself. Hall then compares these two types of context: by remaining in the legal framework, Hall highlights the difference between the French legal system (high context) and the North American one (considered low context within the legal framework). French contracts are much shorter than the American ones because, in the French system, information is available in the context and many concept are thought to be known by everyone. Contrarily, American contracts are long because in low context cultures nothing is taken for granted and in contracts there has to be an explanation of every principle that maybe in high context culture is thought superficial to be explained.

This difference can influence the behaviours of the negotiators. Indeed, negotiators from low-context culture take less time to negotiate, communication is straight and direct.

¹⁰Hall is included under this first stream because of his contribution in providing dimensions in which culture can influence the negotiators' behaviours.

¹¹In this analysis, only the cultural context will be examined: for further details on time and space, see Appendix 2 at the end of the chapter.

Whereas high-context cultures' negotiators take time to negotiate and they use formal, refined language, their communication is not direct.

Hall shows us that this opposition fed by cultural differences has an effect on the outcome of the negotiation (in his example, within the law framework) to the extent that the actual material agreement has different lengths depending on which culture we are referring to.

Under the second stream, which is based on surveys at describing the impact of culture on negotiators behaviours and subsequently at analysing its consequences, the first article worth mentioning is "The Influence of National Culture on Negotiating Style: A New Zealand-UK Perspective", written by Dr Anna Zueva, Dr Helen Rogers, Jemma Corbett, and Virginia Cathro ¹². It provides an analysis of the negotiating style of negotiators from New Zealand and from the United Kingdom. They base their work mainly on Hofstede's cultural framework¹³, but also on Hall's and Trompenaars' works. They focus on nine characteristics of the negotiation style that might be influence by culture in the UK and New Zealand contexts. Those aforementioned characteristics are:

1. The use of formal written or informal verbal contracts;
2. Collaboration and competition in negotiations;
3. Decision-making;
4. The meaning and uses of time;
5. Priorities in negotiation (deal- or relationship-focus);
6. Importance of cultivating relationships;
7. Attitudes towards negotiators' status;
8. Importance of structure in negotiations;

¹²This article is under this approach because it deals with the influence of culture through a survey.

¹³For Hofstede's work, see Appendix 3 at the end of the chapter

9. Importance of long-term objectives;
10. Willingness to disclose information during negotiations.

The interviews were held with eight British and eight New Zealander sales managers. The respondents were searched mostly following a basis of equivalence and comparability. This means that the authors selected people to interview with a close match of background, education, occupation, demographic characteristics¹⁴.

Respondents were asked to formulate their answers on the basis of past negotiations in which they participated (Zueva et al. 10), that is their answers were based on personal experiences. Respondents were also free to suggest their own additional discussion topics.

The results showed both similarities and differences in the above-mentioned characteristics. The similarities were related to:

Use of formal written or informal verbal contracts. Both nationalities ended the majority of their respective previous negotiations with verbal agreement even though a written document is needed for formal reasons. Indeed, while they feel comfortable ending an agreement with a verbal deal, they still necessitate the security of legal language and a written, signed contract.

Decision-making. The respondents from New Zealand and from the United Kingdom had similar feedbacks related to decision-making practices in negotiations. In both cases, negotiators have consistent individual decision-making power. For example, negotiators were not required to ask for permission or approval of decisions to their superiors; indeed, there was not even the need to reach for consensus with other members of the organisation.

¹⁴The approach adopted by the authors was a qualitative semi-structured interview data collection approach. In fact, this kind of approach enables the researchers and the respondents to have a direct contact, thus reducing the possibility of a misunderstanding due to a potential miscommunication. Because New Zealand and the United Kingdom are geographically distant, surveys were held by telephone. This method carries many advantages, such as: inexpensiveness, reasonably high response rates, high data quality (because respondents can clarify and provide evidence for their answers), and a relatively shorter time for collecting data. Nonetheless, this method has its disadvantages: indeed, a face-to-face connection is missing, hence important body language cues might be missed. Moreover, it was difficult to establish a close relationship by telephone.

Attitudes towards negotiators' status. Moreover, the managers from both countries did not consider important the position of the negotiator as long as the person covering that position is able to make necessary decision on behalf of their company. These answers are consistent with the view of UK and NZ as individualist, low-power-distance, and achievement cultures (Zueva et al. 12).

Importance of Relationships. Both people from New Zealand and from the United Kingdom revealed that they place much importance on building a relationship with the other party. However, the way the respondents described the relationships suggests that the nature of the relationships is at a superficial level. Moreover, the relationships were built for the purpose of the business negotiations and had nothing to do with personal attachments. In this way, what may have seemed an attitude related to collectivist, feminine values (according to Hofstede's scheme of values), it was indeed an endorsement of the view of the UK and NZ business culture as individualist, masculine, universalist, neutral, and specific (Zueva et al. 12).

Meaning of Time. Time is conceived in a typically Western conception from both nationalities. Time carries a monetary value, therefore punctuality and schedules are necessary in order to be efficient. Time can also be seen as a negotiating tactic: some of the respondents replied "some clients are notorious for dragging out the negotiations and time wasting" and "you can use time in a negotiation for leverage" (Zueva et al. 13). Respondents also suggested the length of a negotiation. Managers from both countries agreed that a negotiation should not be rushed and that important negotiations require more time. Still, the main objective of the managers is to solve business issues rather quickly in order not to waste time.

Reliance on Routines in Negotiation Process. Managers from both the United Kingdom and New Zealand stated that they do not rely on specific routines during the negotiations and that they are comfortable in situations in which flexibility is required: that is, they feel able to adapt in unfamiliar situations if needed. Hofstede placed these two countries under the low uncertainty avoidance cultures and the results collected in this survey confirm this attitude carried by the two nationalities.

On the other hand, there were differences in the answers of the managers from the

two countries. Those differences were related to:

Collaboration and Competition in Negotiation Approach. In the answers of New Zealander managers it is possible to notice a trend: indeed, the answers provided show that managers from New Zealand favoured a collaborative approach to negotiations. Conversely, it is not possible to indicate a single, relevant trend in the British managers' responses. Indeed, most frequently they provided responses indicating both competitive approach and a combination of collaborative and competitive approach. The answers given by the British participants were in line with the description of British business culture as being individualist, masculine, and with an internal locus of control¹⁵. The same does not hold, however, in the case of New Zealand, which is also considered as individualist, masculine, and internally-focused. New Zealander managers adopted a highly collaborative approach, which is more characteristic of collectivist, feminine cultures with an external locus of control (Zueva et al. 14). Possibly, the fact that New Zealand scores in a mid range in terms of masculinity in Hofstede's classification explains the collaborative behaviour. Nonetheless, the contradiction still stands because also the United Kingdom scores relatively low in Hofstede's classification. Although, this lack of consistency in the answers of British respondents might indicate that negotiators' behaviour is influenced by something else other than national culture (as it was mentioned in Chapter 3, Hofstede provides us with an explication of the different levels of cultures, such as generation, gender, ethnic, and more).

Short-Term versus Long-Term Goal Orientation. By analysing the responses on the British managers, it was not possible to identify a specific trend if not that the managers agreed on focusing on long-term or short-term goals depending on the situation. Contrarily, the trend in the responses provided by the New Zealanders is clear: there is a preference on satisfying long-term goals over short-term goals. These results were not a surprise as Hofstede had already classified the United Kingdom as being more short-term oriented than New Zealand.

Priorities in Negotiations. The United Kingdom and New Zealand have different

¹⁵The locus of control is the degree to which people believe that they have control over the outcome of events in their lives, as opposed to external forces beyond their control.

priorities in negotiations. Indeed, on one hand, the British respondents' major concern was to close the deal and gain a profit from it; on the other hand, New Zealand was more focused on extracting a worthy relationship out of the negotiations. However, while in the British managers' responses, the trend was univocal and clear (to make a profit, to get a result), in the New Zealanders responses it was not possible to extract a single trend considering that the priorities varied and included achieving a win-win situation, making a good profit, completing negotiations within a certain time and budget, reaching a valuable agreement, retrieving information, building good relationships and focusing on the process rather than the outcome (Zueva et al. 15). While British responses are in line with Hofstede's classification (mentioned in the previous point), in the case of New Zealand it is not possible to assert the same due to the variation of responses.

Information Disclosure. This is the point of greatest difference between the two nationalities. On one side of the spectrum, there is the United Kingdom: the British managers revealed that they disclose very little information. On the other side, New Zealanders were far more open to information disclosure, unless it was about a sensitive or confidential topic. Once more, the British responses match Hofstede's classification. However, New Zealander managers' responses provide no match with Hofstede's scores: indeed, New Zealand is considered, similarly to the United Kingdom, as an individualist, masculine, and with an internal locus of control. Therefore, questions arise as to whether differences in responses could be connected with differences between the UK and NZ individualism and masculinity scores (Zueva et al. 16).

The results of this study showed that there were some matches between the responses collected and Hofstede's classifications, but there also were some inconsistencies. Even though the United Kingdom and New Zealand are both classified as individualist and masculine in their decision-making practices and relationship orientation, New Zealander managers were significantly more collectivist and feminine in their use of collaboration in negotiations. This can be explained by the fact that even if in Hofstede's classification the two countries have a little difference in scores, this little difference equals a large difference in cultures. Moreover, it could be either that the dimensions of individualism, masculinity and locus of control predict better some behaviours, such as the concern about

relationship, than others, such as competitive of collaborative approaches; or that those dimensions are not good predictors of behaviour in negotiations and other factors should be considered (Kirkbride et al. 19).

It is possible to see how culture has an impact on negotiations, even under point of view that one might consider far from the negotiation context. Each of the authors mentioned provided us with tools in order to understand in which way the cultural background can influence the timing, the pace, the language of a negotiation process.

Appendix 1: "A Theory of Cultural Value Orientations", Schwartz.

One author that is worth mentioning within the cultural dimension context is Schwartz and his article "A Theory of Cultural Value Orientations" in which he describes three dimensions within which he places seven values. He identifies values that counterbalance each other: *embeddedness* versus *autonomy* (which correspond to Hofstede's collectivism versus individualism), *hierarchy* versus *egalitarianism*, and *mastery* versus *harmony*. Moreover, he distinguishes between intellectual and affective autonomy (hence, the seven values): the former relates to the attitude of individuals to pursue their own; the latter encourages individuals to seek positive experiences for themselves. The following figure shows the values related to these dimensions:



Figure 4.3: Schwartz's seven values.

In autonomy, people are seen as autonomous and they are encouraged to express their ideas, values, emotions and to embrace their unique selves. In embeddedness, people are seen in function of the collectivity and the life of the individuals finds meaning in the collectivity, in the relationship with others, in the pursuit of the same goals. In a society as such, it is important to maintain the status quo otherwise the traditional order might be altered and the in-group harmony might be spoiled. In an egalitarianism driven society, people are encouraged to acknowledge the other individuals as a moral equals and to care for everyone's welfare. On the other hand, hierarchy ensures a productive, responsible behaviour. There is an unequal distribution of power; people will attain to the rules going with their roles. Harmony refers to the tendency to live in the world as it is, without changing it. Whereas mastery relates to the fact that individuals tend to shape the natural and social environment according to their agenda.

Appendix 2: "Dance of life", Hall.

In his book "Dance of life", Hall provides us with an explanation of the concept of time across cultures. Indeed, Hall distinguishes between monochronic time and polychronic time, explaining that a considerable amount of bitterness between people of different cultures occurs due to different conceptions of time (Hall, *The dance of life: the other dimension of time* 179). In monochronic cultures, time is conceived as something linear in which actions are put in a sequence. Therefore, events are planned to happen one at a time. In this context, efficiency is measured through the use of time. People in monochronic culture are committed to the job, need information as they are usually in a low context culture, are not prone to change plans, and are used to short-term relationships. Conversely, in polychronic cultures, time is conceived as a simultaneous manifestation of many events. People in this context are embedded in high context cultures, easily change their plans, commit to building long-term relationships with people, and tend to borrow and lend things much more.

Hall is arguably the pioneer of proxemics, which is a part of the study of non verbal language that analyses the "symbolic and communicative role in a culture of spatial arrangements and variations in distance, as in how far apart individuals engaged in conversation stand depending on the degree of intimacy between them"¹⁶. In the book "The Hidden Dimension", we are provided with the differentiation of a person's space of interaction. Particularly, Hall distinguishes between intimate, personal, social, and public distance.

In the intimate distance, the presence of another person is unmistakable as it reaches a maximum of 45 centimetres away from the person. It is divided between *close phase* and *far phase*. The former refers to a distance of love-making or wrestling. At this distance, the use of distance receptors is highly reduced aside of the sense of smell and touch. Also vocal communication is reduced and the vocalisations that occurs are mainly involuntary. The latter refers to the situation in which two people are brought together but thighs and pelvis are not touching (contrarily to what happens in the close phase), though hands can

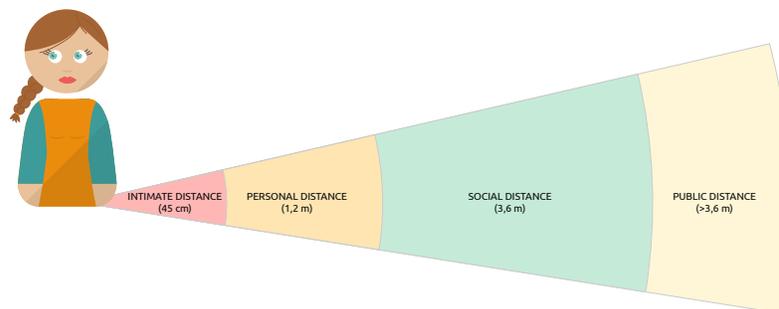
¹⁶According to the definition of Dictionary.com

reach the other person's body. The peripheral vision includes the outline of the head and the shoulders.

The personal distance can take up to 1.2 meters and it relates to social events or with interactions with friends. Also this space is divided in *close phase* and *far phase*. In the close phase, bodies are a little further from each other than in the intimate distance, however the personal space is occupied by people close to the the person as it is easy to grasp one's arm and to see clearly the facial feature and the muscles surrounding the eyes. The far phase is the situation in which two people cannot easily touch each other anymore. It is the "limit of physical domination"(Hall, *The hidden dimension* 120) as beyond this area it is not possible to touch each other anymore. Still, details in the other person's face are detectable and sometimes even breath odour can be perceived.

The social distance can be up to 3.6 meters wide and relates to social situations such as meetings. As the two precedents areas, this too is divided in *close* and *far phase*. In the close phase, impersonal business occurs and usually people who work together stand in this area. This distance is also very common for people attending casual social events. The far phase has a more formal character: the desk of an important person is wide enough to reach the far phase of the social distance with the interlocutor. The eyes and the mouth are in the focal point of vision. Also, the voice level is remarkably higher than the close phase.

In the *close phase* of public distance, the voice is loud but it is not at a full volume. Face details are no longer visible: the eyes cannot be seen and also the body loses its multidimensionality by looking flat instead. The *far phase* is set around public important figures. However, it is also used in public occasions by people and also by actors during performances. Voice and expressions have to be exaggerated to be noticed by the public.



Appendix 3: "National Culture in Four Dimensions, A Research-based Theory of Cultural Differences among Nation", Hofstede.

Hofstede, for this article, collected questionnaire data from 67 countries and tried to extrapolate an analysis. The result was the identification of four dimensions that might help to develop hypothesis in cross-cultural studies. These dimensions can be applied to social systems and not on the individuals belonging to them.

1. *Power distance*: relates to authority ranking; particularly, society's way of dealing with power relationships is established through the values of superiors as well as of subordinate;
2. *Uncertainty avoidance*: concerns the tendency to avoid situations that do not have a clear and certain outcome or that cause stress.
3. *Individualism versus collectivism*: involves the degree by which a culture promotes goals from which individuals can benefit, rather than goals for which the individual is dependent from a collectivity.
4. *Masculinity versus femininity*: relates to the tendency of people to be inclined towards values considered more masculine or feminine. Masculine cultures promote assertiveness, individualism, competitiveness. Feminine cultures foster cooperation, collectivism.

5 | Cognitive-Strategic approach

The cognitive-strategic approach aims at linking the negotiators' actions and cognition in order to explain the logic behind their actions. In other words, it connects what negotiators know, reckon, and believe to their actions during the negotiation process in order to assess what is the logic behind that connection.

This approach is the third one assessed by Faure, in his article "The Cultural Dimension of Negotiation: the Chinese Case".

The first article cited is "Negotiating with Foreign Business Persons" written by Stephen Weiss and William Stripp in which they contribute by comparing national cultural profiles. They compare American, French, Chinese, Japanese, Mexicans, Nigerian, and Saudis within twelve different categories. The second article mentioned, which focuses on a single cultural profile, is "Negotiation: the Chinese Concept" written by Faure himself. In this article, he provides us with an explanation on how Chinese negotiators perceive a negotiation. The third article is "Ten Ways that Culture Affects Negotiating Style: Some Survey Results" by Salacuse (already mentioned in Chapter ??). Through some surveys, he identifies ten factors through which cultures behave differently within a negotiation process.

The article "Negotiating with Foreign Business Persons" (1989) written by Stephen Weiss and William Stripp analyses the American business negotiation, in particular it aims at assessing which cultural factors likely influence the success of the negotiations. In order to make the analysis more accurate, they compared these cultural factors within other six cultures: French, Chinese, Japanese, Mexicans, Nigerian, and Saudis. The above mentioned factors are twelve and can be divided in five categories:

- **General model**

1. *Basic Concept of the Negotiation Process.* It relates to how the negotiation process is conceived. Whether as a simple discussion about a topic or a process in which people use strategies. This factor seems to rely on four cultural variables:
 - (a) Attitude towards conflict (functional/dysfunctional, zero-sum game/non-zero-sum game);
 - (b) Prevailing responses (direct/indirect, confrontational/avoidant);
 - (c) Predominant view of business relationship (competitive/collaborative);
 - (d) Purpose of negotiation (maximisation of individual benefit/joint benefit).
2. *Most Significant Type of Issue.* There are at least four types of issue that causes concern in a negotiation process:
 - (a) Substantive: it covers the material issues of a negotiation, such as prices and units of goods to be exchanged.
 - (b) Relationship-based: it relates to building trust within the negotiation parties and the issue of finding compatible negotiation styles.
 - (c) Procedural: it deals with the kind of structure of the negotiation concerning the relationship-based issues.
 - (d) Personal/internal: it relates to issues within one's negotiating team.

- **Role of the Individual.**

3. *Selection of Negotiators.* Many criteria are followed in order to choose a negotiator: negotiating experience, social/ethnic/kinship status, expertise on the subject, and personal virtues (such as trustworthiness, loyalty).
4. *Individuals' Aspirations.* Negotiators may play for their own game or they could associate the interest of the community with their own interests. The attitude toward the negotiations interests may also be influenced by culture.

5. *Decision Making in Groups*. It refers to the procedure by which negotiators make decisions within the team, and between the team and the organisation represented by the team.

● **Interaction:** Disposition.

6. *Orientation towards Time*. Time can be conceived differently according to different cultures. Indeed, it can be perceived as monochronic or polychronic. In western cultures, as already said before, usually time is seen as a straight line composed by a series of events: consequently, issues are taken care of once at a time; whereas, in Eastern cultures, time is perceived as something circular and issues are analysed all together.¹

7. *Risk Taking Propensity*. This factor refers to the willingness to share information with the other party, even if the trustworthiness is uncertain; the acceptance of new approaches even when there are high interests at stake; the reaction to uncertainties-filled proposals.

8. *Bases of Trust*. Trust is a very important issue and it can derive from many sources: they can draw trustworthiness from previous negotiations in which trust was not betrayed, they can use intuition; moreover, negotiators can invoke a third party (be it a chair or sanctions in case of misconduct), or they can establish a code of conduct in which they agree on what can be done during the process.

● **Interaction:** Process.

9. *Concern with Protocol*. As stated in the previous paragraph, parties will address the way to conduct the negotiation process. However, parties can give different value to it. It is a matter of formality: it concerns dress codes, seating arrangements, venue of the negotiation.

¹For further references, see "Riding the Waves of Culture: Understanding Cultural Diversity in Business."(1997) written by Trompenaars, also cited in the previous chapter.

10. *Communication Complexity*. It relates to how communication is delivered apart from the verbal mean. Complexity involves the degree with which information and intentions are accurately transmitted through non verbal suggestion. Non verbal cues can include distance (for further references, see the appendix in the previous chapter), gaze, gestures. The more the counterparts' verbal communication lacks of relevance, trustworthiness, or is vague, the more non verbal expression matters.
11. *Nature of Persuasion*. It relates to the way in which parties persuade each other. Indeed, at some point in the negotiation parties will try to influence others by using rational arguments or intuition, experience, emotions. This kind of power to seduce others is called *soft power* and it comes from the military environment.

- **Outcome.**

12. *Form of Agreement*. The form of the agreement is based on many issues, such as trust, communication, credibility, and more. Generally, there are two types of arrangements: explicit and implicit. The explicit one is detailed, drafted as a contract, and it is legally binding for the parties. The implicit form addresses general principles and it is often sealed orally rather than with a formal contract.

The different cultures taken into consideration in this article responded differently for each variable. Here following, there is the list of the aforementioned variables with the responses each culture gave. The findings are summarised in Figure 5.1.

Basic Concept of the Negotiation Process. In the American culture, the negotiation process is based on distributive bargaining: that is a negotiation strategy in which the zero-sum-game leads the process. Indeed, negotiators will exchange offers and counteroffers to the extent that a negotiator's win will be the other negotiator's loss. In Chinese culture, as stated in the previous chapter when citing the article "Chinese Conflict Preferences and Negotiating Behaviour: Cultural and Psychological Influences"

(1991) written by Kirkbride, Tang, and Westwood, there is the tendency to avoid direct conflict. Chinese negotiators, however, are also known for their bargaining tactics, such as sticking to a position, slowly conceding, and so on. Moreover, one of the strongest concept in Chinese culture is *guanxi*. According to it, connections and relations are the most important things, hence Chinese negotiators negotiate on "two levels": the practical one in which they bargain for the negotiation's topic and the "emotional" one in which they try to connect with the other party. French negotiators face a negotiation process as a quest for logical solutions. Their approach is direct, confrontational: they acknowledge the fact that there might be dissenting opinions and that sometimes they cannot be conciliated. Japanese culture precludes negotiators from being openly confrontational. Indeed, according to Japanese culture, maintaining harmony in a relationship is very important. Also, since in Japanese culture, in a relationship an inferior is expected to accommodate the superior's interests, there will be avoidance of open conflict. Actually, an open conflict would upset this hierarchical structure. As a result, the goal of a negotiation is a fair deal and a long-term relationship. Mexican negotiators will assume a non-zero-sum game and a competitive approach. However, this does not mean that they will have an open verbal exchange about their disagreements. Indeed, they see negotiations as formal contexts in which the main goal is to socialise with each other. Nigerian negotiators mostly use bargain and compromise to achieve their goals. Being Nigeria the world's most corrupted country, the *dash* (to buy protection, for example) is often the first thing to be negotiated, even before than the actual matter of negotiation. Lastly, the Saudis are sensitive towards criticism, confrontational openness, and directness. When forced to face a conflict, they tend to procrastinate as long as possible to the extent that they fabricate reasons that become eventually insuperable.

Most Significant Type of Issue. American negotiators seem to opt for substantive types of issues. Chinese negotiators are more focused on the nature of the relationships among negotiators, as they try create emotional bonds with their counterparts (Weiss and Stripp 66). French negotiators also focus on relationship with the other parties: however, the range of interaction is limited, indeed, personal and family matters are left out. The

French, more than on substantive issues, concentrate on abstractions. Also Japanese negotiators are relationship-oriented when it comes to negotiations' issues. However, in respect to substantive issues, the Japanese tend to offer a price which is close to what they need but that they also consider fair. Mexicans follow the stream by focusing on relationship-based and also on personal-internal issues. Indeed, concerning the latter, personal honour and dignity are the most important issues. Even in the Nigerian culture, relationship-oriented issues overcast substantive ones for many reasons: the important role of the middleman², the importance given to short term gains rather than long term ones, and the presence of the aforementioned dash. According to Saudis' culture, it is very important to socialise before starting the negotiation process. Indeed, the fidelity to family is the motivation for the importance of relationships. Also personal issues are relevant, such as manliness, pride, reputation. Substantive issues became important after Saudis felt deceived by others in previous negotiations.

Selection of Negotiators. Concerning the pick of negotiators, Americans rely on substantive knowledge and negotiating skills. However, negotiating experience is right behind them. In Chinese culture, there is the tendency to send a large number of negotiators; indeed, *guanxi* explains the group based tradition. Chinese negotiators come from a large spectrum of classes. However, whatever their position is they tend to be extremely meticulous. In French culture, status is the most important criterion in order to choose negotiators. What affect a person status are social class, family ties, age. Indeed, work accomplishments and performance are not enough to have respect from other social classes' members. Also in Japanese culture, negotiators are picked on a status bases. This is because status is a pivotal of interaction within Japanese culture. Also Mexican negotiators our chosen by their status. Indeed, family political and personal ties have influence on an individual's position. Moreover, loyalty plays an important role within a person's personal sphere and it is valued more than expertise. In Nigerian culture, tribes have a great influence on people's lives. Negotiators are chosen for their status and for their

²The *middleman* is a sort of third party through which inexperienced negotiators deal with customers: this figure provides contact and bargains with officials and businessmen.

personal attributes. The personal image is also highly considered; thus, the importance given to educational records. Following the stream, also in Saudi's culture negotiators are chosen for their status and for their loyalty. Family honour is highly regarded: hence, the critical weight of loyalty.

Individuals' Aspirations. In American culture there is the tendency to encourage individual aspirations, therefore Americans stand out as rather individualistic. Traditional Chinese culture leads to put an emphasis on the group, hence individuals' aspiration play a minor role. French negotiators are individualistic then American ones indeed the individual opinion is greatly respected. On the other hand, Japanese culture is well known for collectivism. The roots this phenomenon can be traced the traditional rice cultivation procedures where people had intensive group training, group advancement, lifetime employment. In Mexican culture there seem to be a biased approach: on one hand, in business negotiation, people tend to be competitive and individual goal oriented; whereas, on the other hand, when it comes to family and social relationships there seems to be a collective oriented approach. In Nigerian culture the effort to an individualistic approach is contained by the ethnic collectivism. Indeed, ties within tribes remain strong. In southeast culture, there is the acceptance of individual aspiration, however negotiators are embedded within a strong family oriented context.

Decision-making in Groups. In the American culture, what prevail are voting by majority and authoritative decision making. In China, status and hierarchy are at the base of social and political relationship, and decisions are mostly taken authoritatively. Also in French culture, decisions are taken authoritatively. However, in some organisations decisions are taken by consensus. In Japan, decisions are initiated by those who will be directly affected by them, that is the middle management. This is known as the ringi system: it means that are subordinate wheel carefully about a superior's intention. Mexican leaders have the tendency to make decisions without consulting nor concerning for consensus: decision-making power comes not only from position but also from personality. Also in Nigeria powerful people make the decisions, as decision making is

centralised. Since Saudis tend not to delegate responsibilities, also they have centralised decision making.

Orientation Towards Time. Americans have a monochronic, sectioned conception of time: thus, time is a sequence of actions. The Chinese view of time is as a circle in which events happen repetitively. Decision are taken slowly but there is a tendency to foresight: indeed, organisations keep their goals on a long term horizon. Although punctuality is respected, in Japan there is a long term preference. Moreover, quality is preferred to a deadline when it come to producing. Mexicans prioritise family time to schedules: indeed, even in a business context, negotiators take time to socialise. In Nigerian culture, time is considered flexible and being late to a meeting (being hours late) is considered normal. In the Saudis context, there is the conception of "tomorrow", therefore keeping a schedule and having meeting is not relevant, because time is casual.

Risk-taking Propensity. Americans are usually risk takers. Whereas, in Chinese culture, individuals tend to avoid risk. Also French are known for their tendency to a conservative approach, thus avoiding risk. Japan follows suit for the concern about face. Mexicans as well tend to avoid risk. In some of the Nigerian tribes (Ibo and Yoruba, for example), there is the propensity for risk taking concerning short-term gains. In Saudis culture, there is no room for risk taking, but there is acceptance of a degree of uncertainty.

Bases of Trust. When it comes to trust someone, Americans tend to rely on past experiences. Also in Chinese culture trust is based on direct experience: indeed, trust is a very important concept and it must be earned. French people are cautious when it comes to trust: indeed, at the beginning of the negotiation they have limited trust that comes from an evaluation of the other party status. Then it grows when French negotiators have proof that it is worthy to trust. Trust is a fundamental concept also in Japanese culture, and it goes together with the concept of respect. Trust grows slowly but once it is given, Japanese people will also be loyal. For Mexican people what matter is intuition, indeed usually Mexicans are suspicious of people not belonging to their extended families, thus trust is built through interpersonal transactions. Nigerian negotiators already trust

their counterpart because before entering any negotiation process they aim at knowing the opposite party. It is difficult to gain trust but once a Nigerian negotiator will trust a foreigner, that said foreigner will become like a family member. In Saudi culture, there is the tendency to trust individuals and not organisations: indeed, trust relies on personal ties among people.

Concern with Protocol. American negotiation environments are mostly informal. The Chinese one, on the other hand, is extremely formal: social rules are embedded in the *keqi* context. *Keqi* establishes a courteous and humble behaviour. In Chinese tradition, people belonging to any status have been taught how to behave relationship-wise. Moreover, there is the belief that obedience to a behavioural pattern makes a person worth of good reputation. Also French people are embedded in a formal context: for example, in a working context, superiors do not mix with subordinates informally. In Japanese culture, formal politeness is preferred. Indeed, when negotiating, they promote formal greeting and divisions, use of formal dressing, use of titles to address someone. Because of their Spanish roots, Mexicans respect protocol, and they give significance to form and ceremony. In Nigerian negotiations, it is important for the middleman to make initial introductions. The tone is formal and title are used widely. According to Saudi culture, formality prescribes the use of titles and honour and dignity are important to interact. Also the Koran plays an important role, because it establishes also public spaces divisions (indeed, sexes are parted in families' and single women's areas and men's areas).

Communication Complexity. American communication style seem to be more low-complexity, however some debates are still continuing³. In Chinese culture, negotiators prefer to address their counterparts indirectly. Indeed, symbolism matters. For example, there is the expression "We'll study it" and it can mean at least four things: there is no solution, negotiators' team has to reach consensus still, there is no availability of enough information, or the negotiators agree but they are not in a position in which they can openly say it. Non verbal communication is highly regarded in French culture,

³For further details, see Hegstrom, T. G. "Message Impact: What Percentage is Non-Verbal?", *The Western Journal of Speech Communication*, 43, Spring 1979, 134-142.

as much as the verbal one. Indeed, words are weighted and chosen with precision. The Japanese context is highly complex, with strongly controlled communication and reading between the lines. Non verbal communication includes limited touching, space between interlocutors, and restricted eye contact. Regarding verbal communication, Mexicans are mostly not open and frank, indeed they sometimes tell lies when circumstances require so. In Nigeria, spoken words have little meaning and there is tolerance for ambiguity. In the Saudi context, there is a difference between speech and actions: there is more emphasis on how someone wishes things would be rather than on how they really are. Also non verbal communication is meaningful: for example, using the left hand is considered as an insult. However, Saudis tend to stand closer to each other during negotiations to the extent that sometimes they talk breath to breath.

Nature of Persuasion. American negotiators tend to use rational reasoning and by providing detailed information they aim at persuading their counterparts. Chinese negotiators appeal to the nation's interest and honour to persuade the other party. In order to be persuasive, French people appeal to universal principle that eventually apply on the specific situation. They use rhetoric to reach this goal. More than persuade, Japanese provide extensive detailed information in the negotiation: it is all about exposition of information, rather than argument. Mexican negotiators use emotions as a lever for persuasion, indeed, they emphasise general aspects and put little effort into critical analysis. For Nigerian negotiators, what works as a basis for persuasion is emotion, intuition, and experience. Indeed, due to the shortage of detailed information across the country (with a margin of error that sometimes reaches 50%) it is not possible to provide a rational reasoning. Also in Saudi culture, practical reasoning is left aside; what really drives persuasion is religion and its behavioural guidelines.

Form of Agreement. Generally, American people tend to prefer written documents that are legally binding. Chinese negotiators agree on the general principle while details will be established as the agreement is implemented. They do prefer written agreement but they do not trust a law system (China did not traditionally have a legal system, and

the current one is influenced by the political environment). French negotiators widely prefer a written and legally binding contract: even in smaller negotiations, a written document is endorsed. Also Japanese people tend to rely on short written contracts establishing general principles. Mexican people have little faith in legal system because of the corruption. Therefore, they prefer oral agreements. However, with foreigners they opt for written contracts. In Nigerian culture, oral and informal agreements are preferred. Honour is the centre of attention when it comes to agreements in Saudi culture. Indeed, it is an insurance to keep the agreement and it is also a barrier for writing one.

	American	Chinese	French	Japanese	Mexican	Nigerian	Saudis
Basic Concept	competitive offers/counteroffers	distributive bargaining	competitive confrontational	contingency bargaining indirect	distributive bargaining	distributive bargaining	Problem-solving distributive bargaining
Type of Issue	substantive	relationship-based	mostly substantive	relationship-based	relationship-based personal-internal	relationship-based personal-internal	relationship-based
Negotiators Selection	ability criterion	large teams meticulous	status criterion	status and knowledge criteria	status and personal attributes criteria	status and personal attributes criteria	status and loyalty criteria
Individuals' Aspiration	individualistic	collectivist	individualistic	collectivist	individualistic (business) collectivist (relationship)	individualistic ethnic collectivism	individualistic (but with family ties)
Decision Making	consensus/ majority voting	centralized	centralized	consensus	centralized	centralized	centralized but consultative
Time Orientation	monochronic compartmentalized	long view delays	punctuality long view	punctuality long view	polychronic relaxed	flexible	casual
Risk Taking Propensity	risk taking	risk aversion	risk aversion	risk aversion	risk aversion	risk takers	risk aversion
Bases of Trust	experience available legal enforcement	experience	actions of counterpart	past records	intuition first then past records	friendship past records	personal friendship
Concern with Protocol	mostly informal	extremely formal	formal	formal	formal	formal	formal
Communication Complexity	low complexity	high complexity	mild complexity	high complexity	mild complexity	complexity	high complexity
Persuasion Nature	rational detail oriented	experience dogma	skillful rhetoric	detailed information	emotional bases	emotion, experience, intuition	emotion, intuitive, experiential, ideological
Form of Agreement	written	written	written	written	implicit	written	oral

Figure 5.1: This table shows the results of the survey: for each variable it is possible to consider the answers of each country.

Faure also cite one of his articles concerning the cognitive-strategic approach. Particularly, he cites "Negotiation: the Chinese Concept"(1998) to provide an example of a single negotiator profile. Indeed, in this article, he analyses how Chinese people conceive negotiation and how this affects the way in which they negotiate. Faure's approach is empirical and in order to assess his questions, he collected data from interviews with Chinese and Western negotiators and from live negotiations in which he was involved mainly as an observer. As already said in the previous pages, Chinese negotiation approach is mostly distributive bargaining with integrative aspects (Weiss and Stripp 12). Faure arrived to the conclusion that Chinese negotiation conception combines two different types of activities: mobile warfare and joint quest (Faure, 'Negotiation: The Chinese Concept' 140).

Mobile Warfare. Since a negotiation is conceived in a context of conflicting interests, the counterpart is seen as an adversary. Therefore, the goal is to annihilate the other party. In order to do so, many strategies can be implemented. One is to ensure to have charge of the ground. Indeed, by hosting the negotiation within their territory, Chinese negotiators can put the foreign negotiator in a position of discomfort. For example, it is common for a foreign negotiator to work during their stay in China for the negotiation: the foreign negotiator can be put in difficult work conditions, such as having to work with no heating during winter or being misplaced in a rural isolated area where is difficult to reach the outer world, let alone their superiors. What enhances the picture of the foreign negotiator as someone to be fought is the frequent comparison to a tiger. This is to undermine their spirit in order to raise doubts in their minds, thus decreasing their strength. Another peculiar technique to undermine the foreigner's ground is to remind them about "historical mistakes attributable to their country". Also, Chinese negotiators tend to be unclear in their intentions in order to confuse the other party. Moreover, the foreigner can be put "in the corner" also by reducing their space of manoeuvre through restrictions given by customs and rituals (Faure, 'Negotiation: The Chinese Concept' 41).

In addition, mobile warfare provides tactics such as "harassment, destabilisation, exhaustion, and squashing" (Faure, 'Negotiation: The Chinese Concept' 42). Harassment is used to overwhelm the other party by firing question after question but avoiding the

central points of the negotiation. Destabilisation can be reached, for example, when during an effortless and smooth negotiation, someone suddenly goes on a rant. Exhaustion profits the fatigue of the foreign negotiator, both physical and psychological, for example by insisting on the same point for a very long time. Lastly, squashing refers to the tactic by which a Chinese negotiator will counteroffer at a very lower level than the foreign negotiator did in order to pretend that they have no particular interest in making an agreement.

Joint Quest. Chinese negotiators see a negotiation with a non-Chinese negotiator as a negotiation between a civilised person and a "barbarian". Indeed, "only the foreigner who gains familiarity with Chinese culture [...] will be considered a "civilised person" by the Chinese" (Faure, 'Negotiation: The Chinese Concept' 43). The point is that, according to this conception (joint quest), rather than negotiating the solution, it is necessary to negotiate the construction of the problem. This peculiar state of mind comes from Taoism. Hence, "the joint quest in negotiation requires four types of actions: observing, listening, asking, and feeling" (Faure, 'Negotiation: The Chinese Concept' 144). The joint quest takes time and this can make Western negotiators impatient and doubtful. Indeed, as said before, Chinese negotiators value cognition more than time itself. Also, Confucian harmony takes time because it is reached through adjustments. Moreover, only an indirect approach can sustain the search for harmony. This produces two effects: negotiations become longer and observed signals are obscured (Faure, 'Negotiation: The Chinese Concept' 145). The joint quest is a perpetual game in which parties try to define together the negotiations' rules (1998, 146). What makes a negotiation difficult is the divergent approach adopted by Western and Chinese negotiators: the former start from the specifics to ascend to general principles, whereas the latter do the exact opposite.

To summarise, mobile warfare is the visible part of a negotiation approach, and the joint quest is the part that can be seen by reading between the lines. Changes in the mobile warfare heavily influence the frame of the joint quest. The coexistence of these two elements is possible thanks to Taoism, which promotes the duality. Mobile warfare focuses on the tactics, the joint quest on finding a common goal. It is clear how these cultural credentials have an impact on the approach of Chinese negotiators towards the

process.

Once more, it is necessary to bring up the article written by Salacuse, "Ten Ways that Culture Affects Negotiating Style: Some Survey Results" (1998). It is relevant (other than providing us with some insights in defining culture, particularly in distinguishing different types of cultures) because it analyses the aspects of the negotiation process that can be influenced by culture⁴. Particularly, the author identifies ten factors: negotiating goals, attitudes to the negotiation process, personal styles, styles of communication, time sensitivity, emotionalism, agreement form, agreement building process, negotiating team organisation, risk taking (Salacuse, 'Ten Ways that Culture Affects Negotiating Style: Some Survey Results' 223-224). Each of these factors are influenced by culture to the extent that negotiators' responses can be positioned on a range. In order to get results, he made a survey of "business executives, lawyers, and graduate students (many of whom had substantial work experience) from all continents at various sites in North America, Latin America, and Europe over a period of four years" (Salacuse, 'Ten Ways that Culture Affects Negotiating Style: Some Survey Results' 224). The nationalities involved were twelve: United States, United Kingdom, France, Germany, Spain, Mexico, Argentina, Brazil, Nigeria, India, China, and Japan. Also, even professions were considered, and results came from many professional areas: engineering, law, marketing, military, finance, diplomacy, teaching, and students.

Salacuse also informs about five caveats of his survey. First, it goes without saying that the answers given by the subject of the survey were influenced by how they saw themselves. Second, it is not culture by itself that influences negotiators' behaviours: it is necessary to take into account other factors, such as personality and expertise. Third, since the survey was held in English, each respondent answered in English, hence some of the answers could not reflect truthfully their culture. Fourth, since the topics of the survey were not defined, each point was assessed by the contestants under a subjective view. Fifth, though respondents were numerous, the sample size is still exiguous. Finally,

⁴I decided to insert this article in this chapter because of its relevance regarding the negotiators' actions and cognition.

as said in chapter two, culture and nationality do not mirror each other, however Salacuse does not make this distinction. The following results for each category are presented by nation and by occupational affiliation⁵.

Negotiating Goals. Cultures, as already mentioned, see the purpose of a negotiation differently. Negotiating goals means that the negotiator aims at either achieving a contract or at building a relationship with the other party (or something in between these extremes). American negotiators stand out for being contract oriented, while Asian cultures focus on relationship. The results are shown below.

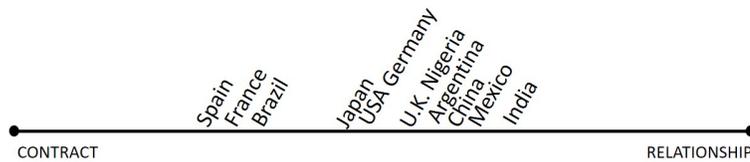


Figure 5.2: Negotiating Goal per country.

On the occupational side, it results that lawyers and military prefer contract, whereas the marketing is more inclined towards relationship.

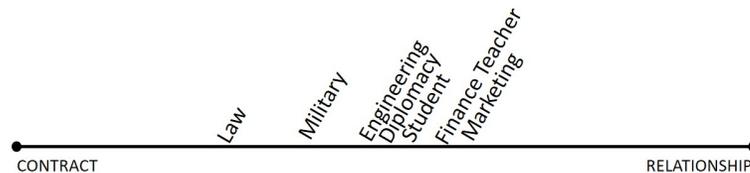


Figure 5.3: Negotiating Goal per profession.

Negotiation Attitude. Attitudes to the negotiation process refers to the strategy adopted that can reflect a zero sum game (therefore, a win-lose situation) or a non zero sum game (meaning a win-win situation). Scholars have concluded that the former situation mirrors distributive bargaining, while the latter integrative bargaining or problem solving (1998). This question highlighted a cultural difference: for example, while the entirety of Japanese respondents opted for a win-win process, the Spanish ones were inclined for the other option.

⁵For a summary overview, see Figure 19 and Figure 20.



Figure 5.4: Negotiating Attitude per country.

Concerning the professions, as expected, diplomats opt for a problem solving approach whereas the military tends to a win-lose situation.

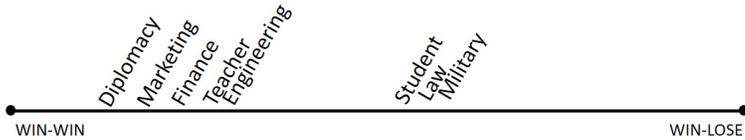


Figure 5.5: Negotiating Attitude per profession.

Personal Style. Personal styles acknowledges whether the negotiator has a formal or informal approach: if the negotiator keeps addressing the respective counterpart with their titles and stays on a professional level, the negotiator is adopting a formal style; on the other hand, if the negotiator addresses the other party by their first names and tries to develop a personal connection, the negotiators is following an informal path. The majority of the interviewed declared to have an informal style, except for Nigerian people.

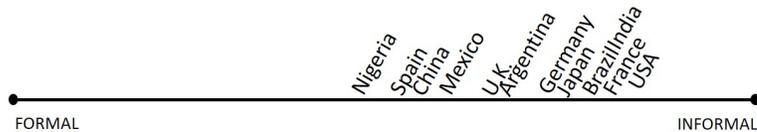


Figure 5.6: Personal Style per country.

Also under the professional partition it is possible to note some variation (Salacuse, ‘Ten Ways that Culture Affects Negotiating Style: Some Survey Results’ 229).

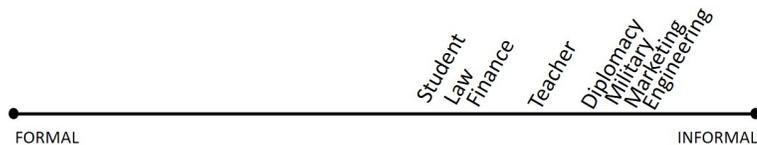


Figure 5.7: Personal Style per profession.

Communication. A negotiator can communicate with vague allusions or figurative forms of speech (indirect style), or can deliver clear and straightforward answers (direct style). The results indicate that every participant opts for a direct form of communication. It is possible to notice that Mexico scores zero on indirect attitude, however, in the previous article, Mexican negotiators were described as people who tend to be not direct and not frank and open.

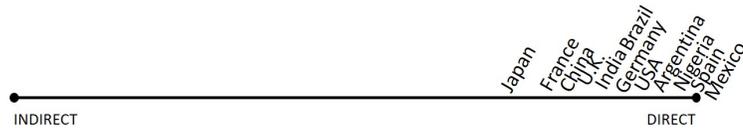


Figure 5.8: Communication Style per country.

Professional wise, the group that scored a higher indirect style was the diplomatic one.

Sensitivity to time. It refers to the punctuality in meeting a deadline or the amount of time given over to a negotiation. Almost every cultural group declared to have a high sensitivity to time, however French, Indian and German people scored a little higher than the others.

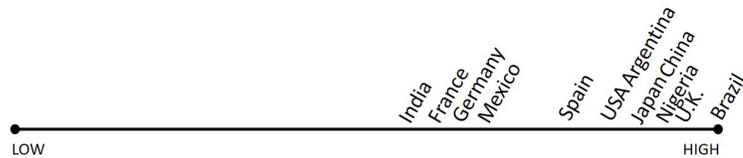


Figure 5.9: Sensitivity to Time per country.

Emotionalism. It addresses the way a culture may display emotions, the extent to which a negotiator will demonstrate emotions is heavily influenced by culture. The responses were very various. It can be said that Latin culture scored higher in emotionalism than others.



Figure 5.10: Emotionalism per country.

Form of Agreement. At the end of a negotiation, parties can decide whether to have a detailed or a general agreement: culture can influence this decision. In general, results show that people tend to prefer a specific agreement instead of a general one (Salacuse, ‘Ten Ways that Culture Affects Negotiating Style: Some Survey Results’ 132).

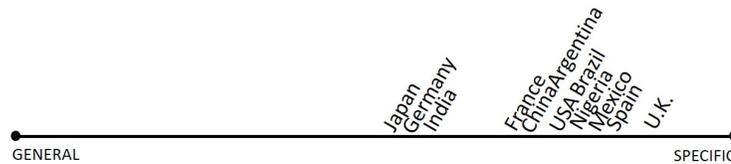


Figure 5.11: Form of Agreement per country.

Concerning occupations, there is a great variation among professions. On one extreme of the spectrum, there is the military, with its total propensity for a specific agreement, whereas the profession that scored the furthest from a specificity is marketing.

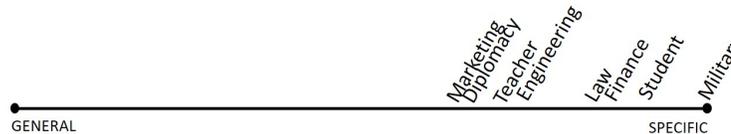


Figure 5.12: Form of Agreement per profession.

Building an agreement. Building the agreement can be done through an inductive or deductive process: the former type indicates the situation in which negotiators agree on a general principle that will give a basis on which the party can rely for the successive more specific principles; the latter implies that the negotiators will make agreements on specific details on which it will possible to extract a general principle. A deductive process is preferred by Indians, French, and Argentinians. Meanwhile, "Japanese, Mexicans and Brazilians tended to see it as a bottom-up (inductive) process" (Salacuse, ‘Ten Ways that

Culture Affects Negotiating Style: Some Survey Results' 234).



Figure 5.13: Building an Agreement per country.

There was also variation under the professional point of view.

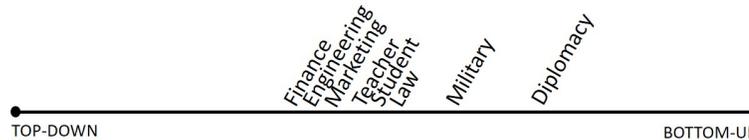


Figure 5.14: Building an Agreement per profession.

Team organisation. It addresses the way organisations function: in some cultures, the focus is on the group (consensus driven approach), while in others the focus is on the individual. French scored the highest for consensus, while Brazilians, Chinese, and Mexicans opt for a one person leadership (Salacuse, ‘Ten Ways that Culture Affects Negotiating Style: Some Survey Results’ 135).

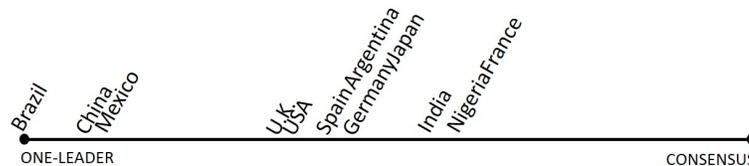


Figure 5.15: Team Organisation per country.

Intuitively, military professionals strive for a one person leadership, while the profession which scored the most propensity for a consensus is finance.

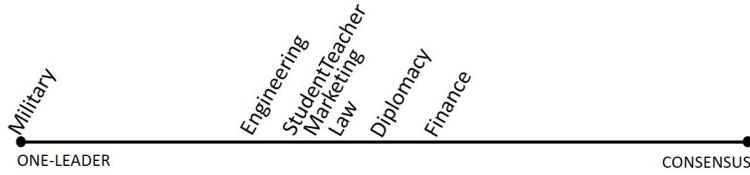


Figure 5.16: Team Organisation per profession.

Risk Taking. Culture can also influence the degree of risk that a negotiator is willing to take. The answers to the survey were various. The culture which showed the most aversion to risk in the Japanese one, while France scored very high in risk taking.



Figure 5.17: Risk Taking per country.

It goes without saying that the profession who scored the highest in risk taking is the military one. The one that scored the lowest, on the other hand, is diplomacy.



Figure 5.18: Risk Taking per profession.

This article show how professional culture influences negotiators' behaviour as much as the national one.

It is possible to notice that the results of these two last articles are very similar, showing that there is a solid trend within each country. However, it is also possible to spot some inconsistencies, such as the fact that Mexicans scored zero on indirectness of communication, whereas the previous article indicated Mexican negotiators as people who are not frank in their speeches and not open. This discrepancy can be justified in the fact that, as the author already specified, the answers were given directly by the participants, hence the degree of a certain variable was not uniform. Therefore, what is

"direct communication" for a Mexican negotiator, might not be the same for a German or a French negotiator.

	USA	China	France	Japan	Mexico	Nigeria	Spain	Brazil	Germany	U.K.	India
Negotiating Goal (% of contract)	54	45	70	55	42	47	74	67	54	47	33
Attitudes (% of win-win)	71	82	80	100	50	47	37	44	55	59	78
Personal Style (% of formal)	17	46	20	27	42	53	47	22	27	35	22
Styles of Communication (% of indirect)	5	18	20	27	0	0	0	11	9	1	11
Time Sensitivity (% of low)	15	9	40	9	33	7	21	0	36	6	44
Emotionalism (% of high)	74	73	60	55	85	60	79	89	36	47	56
Agreement Form (% of general)	22	27	30	46	17	20	16	22	45	11	44
Agreement Building (% of top-down)	47	54	67	45	33	47	46	42	54	54	74
Team Organization (% of one-leader)	63	91	40	55	91	40	58	100	55	65	44
Risk Taking (% of high)	78	82	90	18	50	73	47	56	72	88	89

Figure 5.19: This table shows the results of each country considering every variable: the figures are expressed in percentage.

	Law	Marketing	Engineering	Military	Finance	Diplomacy	Teaching	Students
Negotiating Goal (% of contract)	71	39	52	60	43	50	43	49
Attitudes (% of win-win)	42	81	71	40	76	86	71	43
Personal Style (% of formal)	40	19	16	20	38	21	29	42
Agreement Form (% of general)	16	36	26	0	14	36	29	8
Agreement Building (% of top-down)	48	59	61	40	62	29	52	49
Team Organization (% of one-leader)	56	61	68	100	43	50	62	62
Risk Taking (% of high)	66	75	77	100	81	36	67	72

Figure 5.20: This table shows the results of each occupational field considering every variable: the figures are expressed in percentage.

6 | Stages approach

The stages approach focuses on explaining the cultural dimension in the negotiation process by dividing the negotiation in stages. In this chapter, two main articles will be analysed: one cited by Faure, which is "The Global Negotiator Making, Managing, and Mending Deals Around the World in the Twenty-First Century" written by Salacuse, and the other one is "The Negotiation Dance: Time, Culture, and Behavioral Sequences in Negotiation" written by Adair and Brett¹.

The first author identifies three phases of a negotiation (prenegotiation, conceptualisation, and detail arrangement) and provides us with a simplification of the process.

The second article is divided in four parts, however, only the first two will be analysed². The authors identify four stages of a negotiation (relational positioning, identifying the problem, generating solutions, and reaching agreement) and provide with an explanation on how culture can influence the stages.

The author that Faure cites is Salacuse. Indeed, Salacuse in his book "The Global Negotiator Making, Managing, and Mending Deals Around the World in the Twenty-First Century" (2003) provides us with a distinction of the negotiation process in three phases: prenegotiation, conceptualization, and detail arrangement (Salacuse, *The global negotiator: making, managing, and mending deals around the world in the twenty-first*

¹I chose to insert this article under the "Stages approach" section because it explains the influence of culture on a negotiation by dividing the process in stages.

²For the purpose of this thesis, only the first two parts will be taken into consideration as they are relevant from the cultural point of view: the first point introduces the stages approach, the second point highlights the cultural influence on the stages.

century 17). It is possible to notice a resemblance with the phases identified by Zartnam and Berman, which are diagnostic phase, formula phase, and detailed phase (for further references, see chapter ??) Each of these mentioned phases characterise themselves for special approaches, resources, skills (Salacuse, *The global negotiator: making, managing, and mending deals around the world in the twenty-first century* 17).

1. **Prenegotiation.** In this phase, parties assess whether they want to negotiate in the first place. In order to do so, it is not necessary for them to meet: indeed, the communicate through telephone and emails. It is the phase in which each party gets to know the other and collects useful information to help decide whether to negotiate. The prenegotiation phase ends when the two parties decide to negotiate (or not to negotiate). If parties decide to negotiate, they will transition in the next phase with the drafting of an agenda or the "signing of a confidentiality agreement" (Salacuse, *The global negotiator: making, managing, and mending deals around the world in the twenty-first century* 17). Of course, negotiators from different cultures will give a different degree of importance to this phase because of the different concept of time and negotiation type of issues (mentioned in the previous chapter). Indeed, Western negotiators will tend to make this phase very brief as they strive to get to the point of the negotiation rather than focusing on the prenegotiation. On the other hand, Asian cultures tend to rely on this phase as it is important for them to know their opponents and to assess whether they can build a relationship with them. Sometimes Western negotiators, when negotiating with Asian negotiators, think that the process is already in the second phase whereas, from their counterparts point of view, it is not the case (Salacuse, *The global negotiator: making, managing, and mending deals around the world in the twenty-first century* 17).

2. **Conceptualization.** In this second phase, parties attempt at assessing a basic concept whereupon building their deal (Salacuse, *The global negotiator: making, managing, and mending deals around the world in the twenty-first century* 18). Once the parties find a base upon which starting a negotiation, they have to agree also on the formula in order to build a structure. This phase ends when negotiators

have assessed their interests, when offers and counteroffers have started, and when parties examine their options.

3. **Detail Arrangement.** This phase is "devoted to working out the details and implications of the agreed-upon concept" (Salacuse, *The global negotiator: making, managing, and mending deals around the world in the twenty-first century* 18)). Indeed, in this phase implementation is the key word: parties face the issue of implementing the agreement.

The author points out that the division in phases is a simplification of the actual process, however, this division can help to understand better a negotiation. He also provides us with a visual representation (Figure 1).

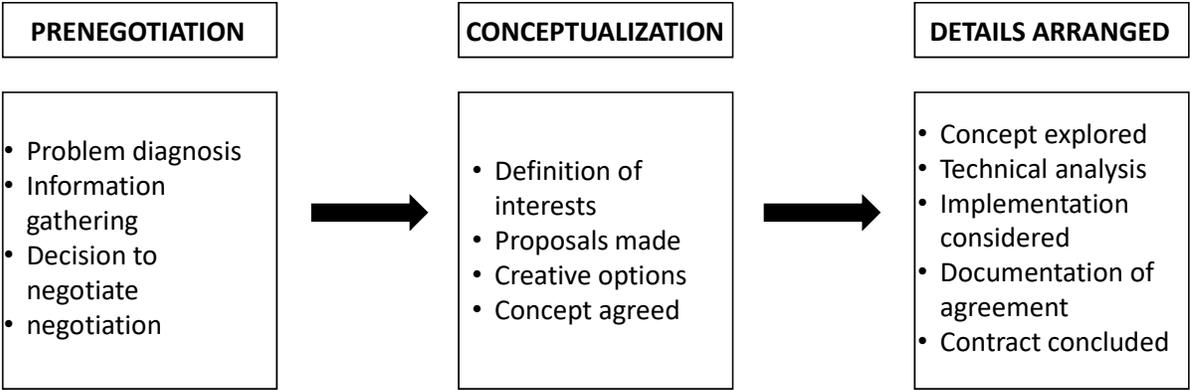


Figure 6.1: Salacuse's Deal Making Process (Salacuse, *The global negotiator: making, managing, and mending deals around the world in the twenty-first century* 19).

It is possible to notice how the concept of time influences the length of the first phase. Indeed, Asian cultures have a cyclical and long vision of time, where things take time to get done. Contrarily, Western cultures have a very fast paced concept of time, where what drives the negotiation is the agenda. Therefore, when negotiating together, Asian and Western culture may disagree on what takes more time. For Asian negotiators, it is very important to know their counterpart as they are relationship-oriented. Whereas Western negotiators are more interested in the substantive issue of the negotiation (for

further references, see chapter 7). This will lead the two sides to spend more time on different stages, that is to influence their behaviours.

Another work that focuses on cultural influence in negotiations is "The Negotiation Dance: Time, Culture, and Behavioral Sequences in Negotiation" written by W. L. Adair and J. M. Brett. Their research starts with an example of dancing style to refer to the fact that, in negotiations, parties from different cultures will act differently, thus leading to inefficient negotiation outcomes. Indeed, they state that, when dancing, people from different countries will have different approaches to the same style (they report the example of ballroom dances: in Latin cultures, dancers will move more rapidly than their American counterparts, where ballroom dances are performed through smoother and lighter steps). Their work is divided in four main parts:

1. Four stage negotiation model;
2. Assertion of cultural influence on negotiators;
3. Prediction of particular stages that should originate efficient deals;
4. Testing the universal applicability of their hypothesis.

Before continuing with their work, the authors provide us with a definition of behavioural sequences that negotiators use during a negotiation process: those are reciprocal sequences, complementary sequences, and structural sequences. Reciprocal sequences occur when negotiators respond to a cooperative (or competitive) behaviour with a similar behaviour. Complementary sequences exist when negotiators respond to "a cooperative or competitive behavior with a different but functionally similar behavior". Structural sequences "occur when negotiators use behaviours from different strategic groups" (Adair and Brett 35).

Stage model.

The authors identify four main stages in a negotiation: relational positioning, identifying the problem, generating solutions, and reaching agreement (Adair and Brett 34).

- *Relational Positioning.* Adair and Brett assert that, at the beginning of the negotiation, parties can either be competitive or relationship-oriented. It is for this reason that negotiators "test" their opponents at first in order to assess whether they will be competitive (by trying to influence the opponents and by establishing a position) or cooperative (by disclosing little information about preferences and interests). Usually, most negotiations start with parties focusing on "influence with respect to status and power" (Adair and Brett 36). Indeed, at the beginning of a negotiation, parties do not have knowledge of each others' interests, needs, and positions, therefore it would be difficult to rely on persuasive arguments. Negotiators use influence when they are trying to establish their power. However, as the negotiation continues, if negotiators keep relying on reciprocal persuasion, there will be the risk of a stalemate. The situation can be avoided when one of the parties take the leap of faith and discloses little information, as to signal the willingness to cooperate. That is when the process can continue.
- *Identifying the Problem.* In the second stage, negotiators discuss about the details of the issues. During this phase, negotiators will exchange information in order to unveil interests, build trust, and seek an agreement.
- *Generating Solutions.* During this stage, negotiators will try to create value and to claim value, therefore they will turn to a competitive approach again. Indeed, parties will make offers and counteroffers based on their own interests and priorities. The difference with the behaviour in Stage 1 is that this time negotiators know each others interests and therefore the persuasion will be based on rational reasoning rather than status.
- *Reaching Agreement.* In this stage, negotiators will try to reduce the alternatives in order to identify an agreement. Thus, negotiators will make more and more offers and more and more concessions (Adair and Brett 37). The negotiators will respond to offers with counteroffers rather than persuasive arguments. Because parties know each others' interests, the exchange of offers and counter offers foster the reaching of an agreement and the maximisation of the value each party gets from the agreement.

Cultural influence on Negotiations.

In order to assess the cultural influence on the negotiation stages, the authors appeal to Hall's theory of low/high context communication³. In Western cultures, communication is direct, thus they are low-context cultures. On the other hand, Eastern cultures tend to have an indirect approach, thus being high-context cultures. In low-context communication, the meaning is clearly contained in the words; on the contrary, in high-context communication, the meaning is latent and has to be searched within the lines. As a consequence, in order to extract the meaning it is necessary to have deductive skills. Meanwhile, in low-context cultures, it is not necessary to have such skills.

Negotiators from high context cultures are expected to manage both high-context and low-context communications, while negotiators from low-context cultures will not be at ease with high-context communication. The authors assert that this fact will be noticeable in complementary sequences with behaviours with different level of directness. For example, affective persuasion suits a high context negotiator because it is indirect and refers to contextual factors, whereas rational influence (a complementary behaviour of affective persuasion) fits a low context negotiator, as it refers to facts and it is more direct (Adair and Brett 38).

According to the authors, "complementary sequences define a culture-specific rhythm of the four-stage negotiation dance" (Adair and Brett 38). But how?

Starting with the first stage, in which negotiators establish their positions, it is possible to assess that high-context negotiators will be more likely to "combine both direct, rational influence and indirect, affective influence in their positional sequences" (Adair and Brett 38) than low-context negotiators.

The second stage, in which the negotiators discuss about the issue by getting information, high-context negotiators are more likely to mix the communication approaches: they will use both direct statements (about priorities, for example) and indirect statements (about information, for example). Indeed, complementary sequences are "a signature rhythm of the high-context negotiation dance"(Adair and Brett 38).

The low-context negotiator is not accustomed to high-context communication. There-

³Hall's work has already been cited in this thesis: for further references, see chapter 6.

fore, when negotiating with a high-context negotiator (so a mixed-context negotiation), it is difficult for them to be comfortable. Indeed, in mixed-context negotiations, high-context negotiators should avoid using high-context communication and switch to direct, low-context communication, which is the common denominator, the context everyone is comfortable using.

The stages that are more influenced by a cultural context are the first two. Indeed, communication-wise, high-context and low-context cultures have an opposite approach to express themselves. And where communication is key, it goes without saying that culture have an influence on how the negotiation will be conducted.

Culture can influence the negotiations under the stages approach. This chapter provided an insight of which ways culture influences the process of negotiation. The first article presented us the issue under the concept of time and relationship. The second article focused on communication by citing Hall's theory of low-context and high-context cultures.

7 | Conclusions

The central question of this thesis is "How culture influences the negotiation process?". It is a tough question because the definition of culture is difficult to outline. Culture is a fascinating yet mysterious concept that still today is object of debate.

In order to answer the question, I borrowed the structure of Faure's article "The Cultural Dimension of Negotiation: The Chinese Case" (1999). He identifies four streams within which research has focused on the cultural aspect of the negotiation process.

The first one takes into consideration the context in which a negotiation takes place. Tung and Weiss prove us that culture can be found in the context of a negotiation, even before it starts. Tung suggests that culture can have an influence in the decision making style of negotiators: the different concept of time and the high-context Chinese culture lead to a difference in how negotiators make their decision and how they communicate them. Through her survey, Tung was able to assess that cultural differences are a factor responsible for the failure of a negotiation, since communication and business practices are conceived differently. Since the answer were given by negotiators, we can say that negotiators are self aware of the fact that cultural differences have a weight in the negotiation process. Weiss delivers a study on the RBC perspective, that is relationship, behaviours, and conditions. It is indeed in *conditions* that we find the cultural feature of the work: according to Weiss culture refers both to what people acknowledge in interpreting the world to behave accordingly and to all the learned behaviours. Weiss tells us that cultural influence can be perceived from the moment parties "warm up the engines" before starting to negotiate (for example by looking at the way the top management is involved in the negotiation) to the aftermath of the negotiation (for example by check-

ing the compensation of the negotiators). Every aspect embedded in the context can be accountable for the cultural influence.

The second stream takes into consideration solely the behaviour of the negotiators. Faure identifies two main branches: the first one aims at testing the impact of culture on a series of behavioural variables in order to assess the actual cultural influence; the second one is based on surveys describing the impact of culture on negotiators' behaviours and subsequently analysing its consequences. What emerges under the first branch is that culture can be conceived as a mediator between the negotiators and their behaviours (Carnevale 321), because it stands between them and contributes actively to a negotiation. Trompenaars identifies three categories in order to assess the cultural influence: relationship with people, attitudes to time, and attitudes to the environment. Each of these categories are faced by the negotiators in a different way depending on their cultures, and some of them may have a bigger impact than others. Hall, on the other hand, provides us with an analysis of the behaviours of the negotiators through the context they belong to: he differentiates between low-context and high-context cultures. The result is that even the actual hard copy of the agreement will have a different length depending on the context of the cultures. The results coming from the second branch are provided by a survey made on British and New Zealander negotiators from which the authors identify nine characteristics of negotiating style that might be influenced by culture. Even though United Kingdom and New Zealand are both considered Western, low-context cultures, they still had different answers on some categories. What emerges is that culture can have an influence on negotiation even on aspects that do not pop up to mind first when thinking about negotiations (such as, for example, the orientation towards a short-term goal or a long-term goal).

The third approach aims at connecting negotiators' cognition and actions in order to find a logic behind. In order to deliver their contribution, Weiss and Stripp, through a survey made on different nationalities, identify five categories under which culture can influence a negotiation: general model, role of the individual, interaction in disposition, interaction in the process, and outcome. They extract factors which mirror cultural differences and provide us with a logic behind the answers given by the respondents. To

do so, they break down each factor by explaining the reason behind a negotiator's action. What emerges is that, for example, even the predominance of a type of issue over another comes from the cultural framework. Faure also contributes by focusing on the Chinese culture. He reckons that Chinese negotiation conception combines two different types of activities: mobile warfare and joint quest (Faure, 'Negotiation: The Chinese Concept' 140). The first activity is the visible part of a negotiation approach, where in Chinese culture it means to annihilate the other party by putting their counterpart in a position of discomfort. Whereas the joint quest is the underlying part that can be observed from reading between the lines: it refers to the attitude of Chinese negotiators to focus on the structure of the problem rather than on the solution itself. Those conceptions come from Taoism, a mindset that prevails in the Chinese culture. Behind the cultural framework lies the logic of negotiators' actions. Salacuse identifies ten ways through which culture can affect the negotiating style: negotiating goals, attitudes to the negotiation process, personal styles, styles of communication, time sensitivity, emotionalism, agreement form, agreement building process, negotiating team organisation, risk taking (Salacuse, 'Ten Ways that Culture Affects Negotiating Style: Some Survey Results' 223-224). Each of these ways represents a cultural feature that explains the reason why negotiators deliver specific behaviours during the negotiation process. For example, communication style is influenced by culture (low-context/high-context, indirect/direct style) and negotiators reckon the way they communicate is the best within their cultural context. Therefore, they will act through this logic. And this logic came from culture in the first place.

The fourth and final approach takes the analysis by stages. Once more, Salacuse contributes to the research by dividing the negotiation process into three stages: prenegotiation, conceptualisation, and detail arrangement. It is possible to see how different cultural factors influence each stage and, as a result, each stage will have different length depending on the culture. Adair and Brett build a four stage negotiation model in their article: relational positioning, identifying the problem, generating solutions, and reaching agreements. They appeal to Hall's theory of high-context/low-context cultures. Therefore, under this condition, the stages more culturally influenced are the first two, as communication is key. And where communication is key, it goes without saying that cul-

ture have an influence on how the negotiation will be conducted.

This thesis tried to answer the question of "How culture influences the negotiation process"? Of course it does not have the presumption to be an exhaustive work. What it is possible to assess is that culture can be learned, thus negotiators can learn how to interact with the culture of their counterpart. However, it is still not possible to overcome it in its entirety. Maybe because, as Schein suggested, at some point what we consider a value (therefore we are aware of considering it a value typical of our culture) transcends into a basic assumption (Schein 4). That is when it is when a cultural element is taken for granted. As a result, a negotiator will not be aware of the fact that their are carrying a culturally influenced conception and when they face their counterpart, the cultural influence will be perceived.

Therefore, there will always be cultural influence: we are aware of it and we can use it on our advantage but it is also subtle and it is not always possible to overcome it.

Of course, since culture is a challenging and always evolving subject, it is still under discussion. Thus, the study of the influence of culture on negotiation will improve as the research on culture continues.

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