Cultural Impact on International Business Negotiation

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### Abstract

An increasing global business competitiveness thoroughly intensifies the demand for improvements of communication and negotiation skills in order to adjust competence to successfully conduct the work of getting treaties of co-operation and business development to work everywhere. It is simply a matter of survival for an increasing amount of multinational companies operating in all kinds of different locations and businesses around the world. This state of nature also holds for Swedish and Spanish companies, that both heavily depend on foreign trade, and which negotiating behavior is going to be the focus of this study. For every international company facing the challenges of developing new business in foreign cultures it should be of interest to find out what would improve their business interactions. The study is therefore investigating possible ways of how to deal with cultural implications that might appear in international business negotiations. Hence the purpose was formulated as to study and analyze the presence of cultural impact on international business negotiation, with a special emphasis on Swedish-Spanish business negotiators. Considering negotiations as a process-oriented phenomenon observed from empirical studies of individual cases and drawing conclusions thereof, the study takes a hermeneutic qualitative-inductive interaction approach. The frame of references is constituted by a thorough spectrum of well-established theories developed within the fields of communication, negotiation and intercultural studies. The study proves and concludes that the behavior of negotiators are influencing the outcome of the negotiation, particularly in international contexts where the parties have different experiences, historical and cultural backgrounds as well as different perspectives on life.

### Keyword

International, business, negotiations, culture, communication
Dedicated to:

My dear Family who has supported me throughout life.

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My beloved Åsa whom I have shared hopes, dreams and fantastic experiences with around the world.
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1. Introduction

Adam Smith once reflected upon that since nobody has ever seen two animals making a fair and adjusted exchange of one thing against another by doing gestures and noises signaling to one another that this is mine, this is yours, I am willing to give you this in exchange of that one, thus humans could be perceived as the unique negotiating species.

Among all the wonders of human kind, is it not quite peculiar that we actually have developed the phenomena of bargaining into a normal behavior, although there was and still is enough with resources on this planet for us all to be well off by sharing? Or was it just once upon a time a necessary consequence of an adapted behavior of intellectual beings starting adapting to a civilized interdependent society? Whatever the reason, I doubt Adam Smith living in the 18th century, could imagine how mankind through technological developments would create today’s global commercial community, nevertheless he made an interesting observation of a truly unique characteristic of human beings, obviously apparent already in his days.

For a single country to survive in the existing global economic system, the conditions of well being and prosperity are quite clear; make trade or remain poor. It is not really another way of getting hold of demanded goods and services than by trade and negotiation. If one is willing to trade one must negotiate or accept what the other party is offering. Through negotiation one has the chance of getting more than what was initially offered. This very simple logic of trade and bargaining is the topic of this thesis although my intentions are rather to highlight some distinctive problems and perspectives of the bargaining phenomena. Hence, the issues of my thesis are within the context of negotiation as an international and intercultural activity.

According to Rojot (1991), as soon as there are two individuals in contact, particularly, but not only, when there is also collective action, or when the impact on a collective situation or an individual’s action can be foreseen. There is almost always a divergence of opinion, a variety of vested interests and of differing beliefs involved.

More than materialistic prosperity and national economic existence, there is perhaps another more fundamental aspect of the existence of negotiations, namely as a consequence of dealing with conflicts. Conflict arises when
somebody perceives that his interests are opposed to that of another party though they might not actually be opposed, according to Pruitt (1981). Thus, the potential for conflict is present everywhere, and therefore there will always also be a need for negotiation between human beings. More specifically conflict solving could be perceived as both a problem solving and a communicative process, which are highly independent. The last implementation requires verbal interaction hence there is also a matter of making correct communicative choices and to develop an effective communicative strategy and style.

Culture is that complex whole which includes knowledge, belief, art, morals, law, customs, and other capabilities or habits acquired by members of a society, according to E. T. Tylor in Jančt (2000). Our way of thinking can perhaps be culturally conditioned. Because a concept is a general notion or idea that combines the characteristics known about a subject, it then also provides a framework for thinking or analyzing a particular topic or experience. Culture can be perceived as the unique lifestyle of a particular group of people and is also communicable knowledge, learned behavioral traits that are shared by participants in a social group and also manifested in their institutions and artifacts. Because culture gives people identity, it should be possible to identify those aspects of it that make a specific people being so distinct when communicating and behaving compared to others.

1.1 Background

An everlasting increasing global business competitiveness thoroughly intensifies the demand for improvements of communication and negotiation skills in order to adjust competence to successfully conduct the work of getting treaties of cooperation and business development to work everywhere. It is simply a matter of survival for an increasing amount of multinational companies operating in almost all kinds of different locations and businesses in the world.

This state of nature also holds for Swedish and Spanish companies, that both heavily depend on foreign trade, and which negotiating behavior is going to be the focus of this study. Many of the internationally operating companies that are constantly looking for ways of finding new markets and to develop existing ones can be assumed to develop certain strategies. However, for these companies to face the challenges of developing new business in foreign cultures, the interesting question arises whether it would
improve their business interactions by increasing particular knowledge and develop special skills about the business processes and how people behave in negotiations in different cultural settings? Is it perhaps so, that negotiators working with international businesses are often confronted with quite different challenges to handle, compared to when they are dealing with similar business matters in their own countries? If this is the case, what are then these culturally implicating challenges and why do they exist?

When negotiating in an international context, previous research and authors within the field of international business negotiations (Sawyer and Guetzkow, 1965; Kapoor, 1975; Harris and Moran, 1981; McCall and Warrington, 1989; Nierenberg, 1992) conclude that there exist a certain impact on the outcome of interaction between negotiators with differing cultural backgrounds. Moreover, it is assumed that international business negotiations tend to be more complex and time consuming compared to when the involved parties come from the same country or the same type of culture. If so, when about to engage in international business it should perhaps be wise to have a good clue not only about the structure and conditions of different foreign markets, but also about particular cultural characteristics and the specific business traditions among the negotiating parties involved?

Different aspects of negotiation or bargaining as a daily part of human behavior have been studied and dealt with by a number of scholars belonging to various disciplines of science. The phenomena of negotiations itself can thus not easily be labeled or integrated within a traditional field of study, but instead it is nurtured and receives contributions from a multitude of disciplines. Hence, dealing with the topic of negotiation, it does not really exist a certain state of the art way that one must adapt to when approaching a certain problem of this kind.

Dealing with questions concerning cultural impact on business negotiation there is perhaps a need to broaden the perspectives of traditional economics. However, when it comes to specific bilateral cultural studies there is still room for contributions of economists, perhaps focusing more on business-oriented matters when comparing negotiating behavior in different cultures. Before getting involved with negotiations that is to take place in a specific bilateral business context, studies and findings focusing on the actual face-to-face situations regarding the cultures concerned
should be of interest and importance. Perhaps are these confrontational situations also the ones where cultural aspects of negotiations become most obvious and on the same time most complicated to deal with? However, my ambition with this thesis is to put a special emphasis on analyzing the presence of cultural impact of empirically found differences in presumed typical Swedish and Spanish negotiating characteristics, both from a cross-cultural perspective and from an individual business administrative interaction approach.

1.2 Discussion and Formulation of the Problem

Dealing with conflicts and hence also negotiations are present in all societies and at all levels between different parties, e.g. social, political and economic. Individuals, interest groups, companies, nations and their governments have always been negotiating in order to satisfy their basic needs. Perhaps negotiations as such, should be considered being both a universal and a rather common phenomenon? Accordingly it should be of interest for us all to have some basic knowledge about what is meant by negotiation and the roles of negotiating parties.

In domestic business negotiations it is assumed by previous research that negotiating parties involved usually share the same nationality and culture, which have provided them with more or less similar values and attitudes. Hence, they are also more likely able to communicate in their mother tongue language, which give them access to understand each other both visually and literally. When considering these circumstances, naturally the coexistence of these parties become easier in communicating and understanding when compared to the multicultural case.

Negotiators that are facing for them unknown cultural environments underscore the difference between typical domestic and international negotiations. Perhaps what is making international business negotiations unique mainly concerns the confrontation between cultural divergences of the opposing parties’ ways of communicating and negotiating with each other? This would then be a reason why culture really can determine, or at least have a great impact on general individual behavior of a people sharing a similar cultural and historical background. Could cultural differences then in fact influence on the choice of negotiating strategies and styles? If this is the case, it should be interesting to find out whether a certain cultural adaptation among the culturally divergent negotiating parties involved is
preferred? Moreover, this discussion lead to the insight that it perhaps should be of importance for every international negotiator to have a certain basic knowledge about what historical and cultural heritage or conditions that influence on not only themselves, but as well on their opponent’s negotiating behavior?

Before moving on by defining a core research problem for this thesis to focus upon, the two following assumptions based on the results inspired from previous research within this field, (Kapoor, 1975; McCall and Warrington, 1989; Chen, 1989, 1990; Nierenberg, 1992; Weiss, 1994) will summarize the previous discussion. Implications of cultural divergences between negotiating parties interacting in an international business negotiation have an impact on the negotiation outcome. Preferences and attitudes are somehow being determined by historical and cultural heritage, thus it should be possible to make some predictions about negotiating behavior among negotiators that share a specific cultural background.

As a consequence of these assumptions, I have formulated the core problem of the thesis as: How can possible cultural impact on international business negotiation be identified, understood and successfully dealt with?

Further, in order to facilitate my research approach and to clarify and solve the main problem, I have formulated some related questions that will help me to structure the focus of the study: How can culture-specific ways of thinking and feeling in general be observed and what is then the impact on negotiation? How are culturally determined differences influencing personal relationship characteristics, and what impact do they have on choosing negotiating style? How are the culturally distinct conversational organization and face-to-face behavior influencing the choice of negotiating strategies and tactics?

1.3 Purpose

The purpose is to study and analyze the presence of cultural impact on international business negotiation, with a special emphasis on Swedish-Spanish business negotiators.
1.4 Delimitation

Of main concern when it comes to defining characteristics and comparing cultural differences, I will particularly focus the analytical part of the study on Swedish-Spanish interaction. This focus is partly due to the special Spanish approach of my overall academic program regarding business administration studies, but also because of a great personal interest and curiosity for comparing my own experiences from living in these two countries. Thus, my ambition is to thoroughly consider these two specific cultures, in order to ascertain the best understanding possible of what is the true impact of their individual differences on negotiations.

When dealing with the issue of cultural impact on international business negotiation between two specific cultures, I have focused on the face-to-face stages of the negotiation process as being the crucial part that perhaps deserves most attention, although my intention is also to describe and include the full process of negotiation. However, from an interaction approach perspective, the confrontational part of negotiating is perhaps the crucial situation and hence the very interesting and relevant stage to analyze since it is including some of the most important aspects of understanding problems related to both communicative and cultural inter-and intra-organizational implications.

Since this thesis should be considered as a qualitative study of cultural impact on the process of international negotiation, specific numbers or company related examples are not of main concern. Instead the intention is to give a general insight into what characterizes the behavior of culturally influenced negotiators and to analyze the impact on negotiation. However, the thesis is delimited to focus only on Swedish and Spanish negotiators who are representing negotiating companies being either present or operating in Sweden and/or Spain.

1.5 Source Criticism

Various types of literature and sources from different fields of science have been included in order to broaden the view regarding the topic of international negotiations, although actual discoveries or research literature specifically comparing the bilateral Swedish-Spanish negotiating relationship and related aspects was harder to find. To fulfill the purpose of this thesis, specific research literature was indeed needed. To compare and
to study the behavior of culturally influenced behavior in a negotiating setting quite extensive research is necessary. To further match individuals representing particular groups of people, such as a nationality or type of company, also demands very special research conditions, such as live performance of negotiators and a rather sophisticated documentation work to be further analyzed and so forth. Hence, this thesis does not contain a self-made empirical study due to the given time limits. However, as will be described further on, I have been able to access a unique published material from a corpus research team treating the cultural aspects of international business negotiating behavior of negotiators stemming from Swedish and Spanish companies. These studies are primarily made from a communicative perspective since the researchers involved were all scholars in that field of research. Nevertheless, this empirical material has proved to also be very useful and relevant for the purpose of my study, due to that the communicative aspects of negotiation to a great extent coincide with the dominant aspects of determining a certain negotiating behavior.
2. Scientific Methodology

This chapter deals with some brief explanations of the common methodological approaches that are useful when conducting a research. These methods are presented together with how to deal with a topic from different theoretical perspectives. Further on, this chapter also provides with a clarification of relevance for my choice of approaching and laying out the work of this thesis related to the concepts that are introduced and explained previously about the alternatives of methodological approaches.

2.1 Methodological Approaches

In the conducting of a scientific study, several important choices and decisions have to be considered and decided upon by the researcher. The characteristics of the research problem usually will determine the approach. Secondly, the approach is to be decided upon, depending on how the research questions or any given presumptions are being formulated and what is the actual need for information.

2.1.1 Positivism and Hermeneutic

There are according to Thurén (1995) two possible main approaches to choose between when it comes to our perception, conception, and valuation of reality. These two particular scientific approaches are positivistic or hermeneutic and are given the following descriptions.

The positivism, according to the same author, has its origin in natural sciences and strives for asserted knowledge. According to the positivists, people only have two sources of assured knowledge, namely what we can observe with our senses and what we can figure out using our logic. They mean that one should critically perceive all statements and observations and only be sure when there are facts that one can guarantee without any question of a doubt. These facts shall be logically analyzed in order to result in conclusions. Moreover, as much as it is possible, the positivists strive to quantify their facts.

As Wiedersheim-Paul and Eriksson (1991) explain, hermeneutic is typical in its direction and strives to describe and create understanding. Unlike positivism the supporter of hermeneutic uphold that it is often wrong or even impossible to look for knowledge through statistical investigation or research. Within the hermeneutic it is instead seen as important to observe
people’s individual circumstances and perception of reality in order to try
to interpret and create an understanding of the investigated problem.
Further, pre-understanding is a central concept within hermeneutic. By pre-
understanding it is meant that the investigator or the researcher is aware
and have a general idea in advance about the area of the problem, before it
is to be investigated closer. With a pre-understanding the researcher
formulates a problem, the ideas and the questions. Out of this, a dialogue
with the material of the investigation can start.

2.1.2 Induction and Deduction

Arbnor and Bjerke (1994) specifies two ways of drawing conclusions, these
are called induction and deduction. The previous one is built upon
empirical evidence. When making an inductive approach one observes
primarily reality by empirical investigations of individual cases. From these
investigations the researcher draws general conclusions in order to develop
a theory. Deduction on the other hand is built on logic. When making a
deductive approach the researcher has to assume a theoretical discussion,
which is tested by hypotheses.

2.1.3 Qualitative and Quantitative Methodology

A separation between two main methodological approaches can be made,
according to Holme and Solvang (1991) namely, qualitative and
quantitative methodology. What methodology is to be used depends on
what is to be investigated. Qualitative methods are not very formalized
instead the main purpose of these methods is more about how to interpret
the information than really testing the validity of it. Thus the object is to
collect information in varying ways in order to get a deeper understanding
of what is investigated. This method is therefore to be distinguished by its
very close links to the source from where the information is gathered.

Quantitative methods are more formalized and structured than qualitative
ones, the former being characterized by the control from the researcher and
also by its distance from the source that is investigated. Statistical methods
of measurement play a central role in the quantitative approach.

2.1.4 Explorative and Conclusive Methodology

Methodological approaches can be divided into what is the purpose of the
research according to Green and Tull (1978) as in explorative and
conclusive. The latter one is further divided into descriptive or causal
approaches. An explorative research approach is applied when knowledge within the research area is considered to be scarce and the collection of data can only be done under difficult or rather complicated conditions. A descriptive approach is considered to be suitable when the purpose of the study is to describe market phenomena or when analyzing and evaluating available possibilities of action. This approach presupposes that there exists a certain insight to the problem and that the research topic can be structured. However the causal approach should be selected when there already exist good knowledge about the problem area and, when causal relations are to be searched for. Thus the intention in this case, is to demonstrate and explain the relations between different individual variables.

### 2.1.5 Obtaining and Collecting Information

Moreover, according to Wiedersheim-Paul and Eriksson (1991) there are two types of data one is using when carrying out a research, these are primary and secondary data. Data of a secondary art is such that already exist and have been sufficiently documented, while primary data needs to be searched for and collected.

### 2.1.6 Validity and Reliability

The information that the scientific work builds upon is, according to Wiedersheim-Paul and Eriksson, (1991) primarily estimated by using two concepts, namely validity and reliability. Research reliability is defined as the extent to which a later investigator who follows the same procedures by an earlier investigator can arrive at the same research findings and conclusions.

The concept of validity states that the use of instrument or method of measurement needs to be suitable to measure what is really to be measured or observed. Reliability means that the instrument of measurement that is being used shall bring forth reliable and stabile results. When conducting studies of a qualitative kind, reliability is perhaps not as important as it is for quantitative studies. Nevertheless, Holme and Solvang (1991) remark that the demand for validity is of a great importance when qualitative studies are being made.
2.2 Choice and Relevance of Methodological Approach

When I had defined the problem and purpose of the thesis, I decided to approach the research by following the guidelines described above. As the figure shows, the work started out with a thorough study of existing acknowledged literature in the fields of negotiation and communication, having a special emphasis on international and cultural related issues. The intention was to build up some basic knowledge about these topics in order to develop a suitable frame of references. All of the theoretical literature and documented empirical research dealing with negotiations and the negotiating parties have been conducted within different academic disciplines, which provides for distinct perspectives. Certainly these multidisciplinary studies of negotiation and business communication have a certain impact on my results, compared to what it would have been to just analyze results from one particular field of research. The reasons why I chose to establish a wide frame of references naturally coincides with the purpose of the study. To have a good idea about what are the fundamentals one must understand in order to approximate the matters of cultural impact on international business negotiation, there are at least three different fields of research that I found to be of contributing importance. These fields are within, communication theories, cultural studies and of course finally the broad spectra of theories and research about the very essence and function of the phenomenon of negotiation itself.

The theoretical framework in this thesis is therefore divided into three parts, mainly in order to appear as independent phenomena, although within each of them there are correlation made between the essence of them all. Finally, within the analysis, after having presented the theoretical and empirical contributions, I have chosen to make a brief summary of the theoretical contributions that I found being most relevant and suitable to use as analytical tools when dealing with the empirical findings. In order to
justify the relevance of the usage of the theoretical contributions that will appear in the frame of references, there are a couple of issues I want to comment. In short, the theoretical contributions serve to emphasize the notion that, in order for us to understand the way we communicate and negotiate, we need to understand how, why and in what way culture is influencing on our behavior. But before presenting some leading theories from established cultural research, I start out initially by focusing on theories explaining why we negotiate at all and what are really the negotiation all about. When the phenomenon of negotiation and more specifically international business negotiation is dealt with the thesis continues by focusing on communication and what it is all about. In what order these two initiating parts of theoretical contributions should be put is perhaps a less important issue, I simply found it being most suitable to start out with the presentation of the notions of conflicts and negotiation because they are both underlining the actual issue of the thesis. Moreover these contributions are meant to present a business administrative perspective of the two topics. However the following part dealing with theories of communication should be interpreted equally important, as with the third part presenting the theoretical contribution about the phenomenon of culture in it’s various forms. These three theoretical parts are finally to be complemented by highly specific empirical research focusing on and covering the aspects of divergences in Swedish and Spanish general behavior and perceptions.

Regarding the specific documented research and empirical findings about Spanish and Swedish negotiators, I am grateful for the contributions of Professor Fant, who is working at the Spanish-Portuguese Institution at the Stockholm University. He has conducted and monitored years of academic acknowledged contrastive studies, on Swedish and Spanish negotiation interaction behavior, as well as research on general culture-specific behavior of negotiators from these two countries. With his permission and great support have I been able to use published research findings from years of investigation in order to constitute the empirical part of this thesis.

The “Negotiating in Spain and Scandinavia” corpus, documented by Fant (1989, 1992, 1993, 1995i) and Fant et al. (1995ii, 1995iii), is a unique research project that has been simultaneously carried out at three major Scandinavian universities. The corpus consists of several hours of video-recordings of simulated business negotiations performed by Swedish and Spanish business sales-executive participants in similar negotiation skill seminars. The theoretical framework of the corpus has been inspired and
influenced by various sources on intercultural communication and on national mentalities, were among the latter in particular those covering the behavior and perceptions of Spanish and Swedish historical and cultural backgrounds. The researchers have also reinforced the research with reports from Hispanic residents in Scandinavia, as well as from Scandinavian residents in Spain.

The choice of methodological approach is hence both of an explorative and a descriptive kind. The study as a whole is descriptive, with the intention to study and analyze possible choices of actions taken by individual negotiators under culturally divergent conditions. Whereas the referred to empirical part of the frame of references, has an explorative character, mainly because the data collected that is to be referred to has been documented under very complicated conditions in order to study the cultural impact on business negotiation. Considering negotiations as a process-oriented phenomenon observed from empirical studies of individual cases and drawing conclusions thereof, the thesis should be considered to have been motivated by the choice of a hermeneutic qualitative-inductive interaction approach of study. The intention and purpose of the thesis can therefore be achieved by adapting and developing useful and appropriate parts of these empirical findings and integrating them with relevantly correlated theoretical interaction models from the research field of negotiation, culture and communication.
3. The Phenomenon of Negotiation

As a result of the lack of common agreement on a universal definition of negotiation, the term has been interpreted in different ways by researchers steaming from various disciplines that consequently observes the phenomenon of negotiation from different perspectives. However, despite different existing definitions of negotiation, there is somewhat a general agreement of what the phenomenon implies.

3.1 The Notion of Conflict

The potential for conflict is present everywhere and it is particularly visible in organized situations, although it is also very often present in informal, chance happenings. In addition to daily life circumstances, the examples of potential conflicts are innumerable in organizational business relationships such as: between labor and management, marketing and production departments, seller and buyer interests, and between organizations.

It can be concluded that most decisions in an organization, or a business, are the objects of conflict, both for the organization as a whole and for the individuals concerned, in terms of their personal interests and careers. Three categories can be used in order to illustrate the three basic attitudes that have been prevalent among contributions of theorists and social scientists about the ubiquity of conflict according to Rojot (1991).

The mechanical theories of conflict are part of what has often been called the classic theory of organizations that can be traced to the research on bureaucracy understood in the sense of the rational and efficient mode of organization of collective actions. The main assumption behind the mechanical theories is that conflict can be suppressed, given a correctly designed type of organization, once the right man is in the right place everything should work smoothly. The basic hypothesis on which this assumption rests is that, once the right organizational scheme is correctly implemented, after systematic study according to some scientifically established principles, things will always work as they should, as they were meant to work initially, and as it was planned that they would. The main problem with these assumptions is the existence of the infinite variety of situations that one meets in the world, and particularly in complex organizations, which build up a need for initiative and for finding and carrying out innovative solutions at all levels of the business of an organization. This is not to say that the rules and procedures are not useful
or necessary in organizations, but it shows only that the principle of the one best way obviously suffers numerous exceptions.

The human relations’ theories consider conflict as an organizational disease to be cured and rest mainly on the analysis of individual characteristics and traits. The basic hypothesis is that conflict exists because people misunderstand each other. In contrast with mechanical theories, the relevant picture of the organization is not an organizational chart, but a sociogram. People are not interchangeable because the informal organization made of reciprocal links between individuals is the truly important organization as opposed to the formal picture made of ordered job descriptions. However, the same problematic basic principle remains underlying: one satisfies the psychological and social needs in the right way, just as one designed job comprises the best way, and one obtains a smoothly working organization. Nevertheless, reality is far more complicated, and the same individual with the same psychological make-up will adopt different behaviors in different situations. Psychology alone does not determine all aspects of the behavior within groups or human interactions.

Managerial theories of conflict view organizations as a network of negotiations and rest upon two main assumptions. The first assumption holds that conflict is not pathological, contrary to what is held by the human relations’ theories, and that it is not an accident or a result of a faulty organization, contrary to what is held by the mechanical theories. Instead conflict is perceived as being naturally present and unavoidable in most, if not all, social situations and interactions. Due to bounded rationality in human behavior, conflict is unavoidable in the sense that it cannot be suppressed or totally eliminated; nevertheless, it can and should be managed, channeled and contained. Rather than open conflict, or fight, into which it can easily turn, it is more accurate to think of a state of potential conflict of interests, activated or not. Further on according to Rojot (1991) there exist some fundamental reasons why conflicts should be perceived in this way.

Primarily, it is due to the fact that individuals or groups, in or out of organizations, are faced with a limited amount of resources, in terms of goods, services or power whilst their demands, expectations or aspirations are, if not limitless in the same terms, at least far exceeding the size of available goods, services or power. Secondly, because social situations are situations of exchange were individuals involved bring a contribution and expect retribution, in some material terms, status or other which they
usually tend to maximize. Thirdly, because in any social system of organization, formal or informal, there is a permanent opposition which exists between those who manage and take decisions or allocate input, throughout and output of the organization and those who produce, handle or use them, carrying out the plans decided above. Finally, to a certain extent, some degree of discipline is necessary for the smooth running of an organization, however it is a source of conflict. If taking the Darwinian theory into consideration, one could assume it seems to be a never-ending trend in social dominance, for it brings rewards, status and power, thus a condition of tension by which man is naturally pushed to create hierarchies and to look for a dominant role in them.

3.2 Definition of Negotiation

Strauss (1978) defines negotiation as a possible means of getting things accomplished when parties need to deal with each other to get those things done. According to Zartman (1978) there were initially researchers within the fields of social psychology and political science that showed interest for the study of negotiations.

The social psychologists Sawyer and Guetzkow (1965) consider negotiation as a preparation process, through which two or more parties, consisting of individuals, groups or other social entities, together prepares potential future agreements. Nierenberg (1968), who has studied psychological strategies in negotiating situations stresses that every ambition made by an individual is done in order to satisfy a need for something. Thus, a negotiation is accordingly considered as a process of satisfying certain needs.

Druckman (1977), Strauss (1978) and Pruitt (1981) have developed similar definitions of negotiations. The former considers a negotiation to be a question of social decision making between two parties, either through persuasion or bargaining. The latter, defines negotiation as a process in which two or more parties make a joint decision after having presented their contradictory demands and then moved towards an agreement.

According to Iklé (1964), two elements must normally be present for negotiations to take place. There must be both common interests and issues of conflict. Without common interest there is nothing to negotiate for, without conflicting issues there is nothing to negotiate about.
When it comes to defining negotiation taking a political science approach, field researchers such as Iklé (1964) and Young (1975) conclude that in order for negotiation to take place, the situation have to include at least two parties simultaneously sharing mutual interests as well as facing some disagreements. The choices of the actors will determine the allocation of some values whereof the outcome for each participant is a function of the behavior of the other, and the outcome is thus achieved through negotiations between or among the players.

Economists have developed definitions of negotiation that both coincide and differ from the ones that have been formulated by the social psychologists and by the researchers within the field of political science. However comparing the perspectives that have been developed by economists, they differ greatly, hence it should be appropriate to distinguish and divide them into two main groups.

The game theory perspective proposes the use of various mathematical models in order to predict negotiation outcomes. By analyzing utilities in the context of a set of assumptions for rational behavior, the exact outcomes can be determined through these mathematical models. Among the contributors of this perspective within the filed of economic research, results from Nash (1975), Rubin and Brown (1975) can be mentioned. As with the mechanical perspective on conflict, the game theory perspective can also be heavily criticized for shortcomings when applied to the phenomenon of negotiation. The most important limitations of the theory are to be found in the overemphasis on rationality of bargainers, and the monotonous emphasis on outcome instead of paying more attention to the actual processes of negotiation. Even though behavioral aspects of the negotiators are sometimes mentioned, there are almost no reflections made on the impact of surrounding factors or environmental and time aspects that can influence negotiations in different ways.

According to McCall and Warrington (1989), negotiation can be defined as follows. Any sequence of written and/or verbal communication process whereby parties to both common and conflicting commercial interests and of differing cultural backgrounds, consider the form of any joint action they might take in pursuit of their individual objectives which will define or redefine the terms of their interdependence.

The social interaction perspective views negotiation as a process of exchange, and has particularly been influencing the areas of marketing and
industrial business administration. The greater the similarity between the negotiating parties, the better for the outcome of the negotiation according to Evans (1963). However, according to Bonoma (1976) conflict and interdependency between the negotiating parties characterize the social process of exchange.

Angelmar and Stern (1978) are also accentuating the importance of culture and cultural differences for the outcome of negotiations. The agreements made between organizations, the people who are responsible for their negotiation, interpretation, execution and revision, and the skills needed to do this, represent a structure of activities. These activities are to be viewed as an essential complement to the strategic and marketing mix elements that are traditionally concentrated on in the marketing literature according to McCall and Warrington (1989).

3.3 International Negotiations

Research conducted within the field of international negotiations was originally mainly concerned with relations between independent states as in diplomatic negotiations. As conflicts arise too between sovereign states, it was a need and interest for how to better handle these situations without getting into costly warfare.

However, according to McCall and Warrington (1989), the problem of conflict resolution and changing of behavior in favor of another has become even more complex when the individual parties are having different cultural backgrounds. Because, in addition to the complexity of conflicting interests, negotiators are faced with the complexity of their different personalities, values, attitudes, way of interpreting messages, way of handling the negotiations and so forth. Such circumstances are also likely to appear as well in the international business negotiations where the parties have different cultural traits, norms and values. In this case, one party might misunderstand and misinterpret the other’s impressions and signals. In other words a business negotiator that is successful in one country may not succeed at all in another country with a different cultural profile, if the negotiator does not possess the negotiation skills needed in that particular country.

Perhaps the real fundamental difference between domestic negotiations and international negotiations is that the latter take place on foreign ground and therefore has a great influence on the behavior of the negotiators and on the
various conditions that determine the negotiating interaction taking place in a different cultural environment. The unique with international negotiations seems to be defined by several researchers as being observable in the influence that cultural differences have on both the negotiators and on the actual negotiations. Cultural impact often demands changed perspectives from the parties involved, which have an influence on the choice of both negotiation strategy and tactic (Kapoor 1975, McCall & Warrington 1989).

### 3.4 International Business Negotiations

By studying negotiations within an international business context, Kapoor (1975) has been observing the important role that environment play of determining the outcome. The studies are based on interviews and observations of both sides of the negotiating parties. From this a negotiating model has been developed that describes an international negotiating structure, which can be applied to different negotiating cases.

![Negotiating Structure Model, Kapoor (1975)](image)

The inner circle of this negotiating structure model represents the negotiation situation (N), which is surrounded by the four Cs: Common interests, Conflicting interests, Compromise, and Criteria. Common interests consider the shared interests of the negotiating parties, that is, something to negotiate for and Conflicting interests are thus the opposing interests of the negotiating parties. The term Compromise concerns the compromises that the negotiating parties will have to deal with while negotiating. Finally Criteria considers which criteria that the parties decide upon in order to fulfill the objectives of the negotiation. The circle that represents the environment, which consists of social, cultural, political and economic systems, surrounds the four Cs. Kapoor (1975) concludes that the chosen negotiating approach that is applied in a certain country or culture, is heavily dependent on the knowledge and understanding for the different
environmental factors in the actual society. The farthest circle represents the chosen perspective or the chosen negotiating strategy, which has to be adapted to every particular negotiating situation and those factors that might have an influence on the negotiation. Hence, international business negotiations are differing from domestic ones due to that foreign cultural environment demand a different perspective, which also will decide what negotiating approach to take. Thus the environment will have a direct influence on every individual party’s negotiating behavior.

Moreover, according to the model in order for a negotiation to be efficiently conducted, the negotiators need to be analytical and competent enough to take care of varying problems of a technical, social and/or economic kind. Finally according to Kapoor (1975), a successful negotiation is considered to be related to whether the negotiators have the ability to use a common sense in stressful moments when on the same time striving for the achievement of reaching the preplanned objectives.

In negotiations where the negotiating parties come from different cultural backgrounds are particularly demanding according to Ghauri (1983). The main reason is that many important issues have to be handled by negotiators, that primarily do not know each other very well and secondly, who have different cultural backgrounds. Following model develops the impact of cultural differences in the process of international negotiation.

Figure 3. Negotiating Process Model, Ghauri (1983)

This negotiating process model comprises factors concerned with the background and the atmosphere of the negotiating process. The bolded arrows indicate the relation between the four different parts of the model while the dotted ones are indicating the existence of a certain possible
feedback connection or influence, which is initiated within the negotiating process. The atmosphere concerns the relationships that develop during a negotiation, and that are considered to be fundamental prerequisites for the getting on with the negotiating. It is also a matter of how the atmosphere influences the parties’ perceptions of the interaction, individual behaviors and the character of the actual negotiation. Environment is also mentioned in this model as being an important factor to consider for reasons that the negotiators come from different political, social and/or cultural backgrounds, which will influence the negotiations and which might reduce and severely hinder the efficiency of the negotiating process.

International or intercultural business negotiations from an interaction perspective have been studied and described by McCall and Warrington (1989). They put forward the idea that the whole conceptual basis of problem solving, conflict resolution, change agent and decision making skills within the intercultural business interaction should be considered through the negotiation function. Using the idea of negotiation and interpersonal interaction it is possible to conceptualize the output of marketing planning in international markets in terms of mutual agreements that have to be negotiated. In the descriptive negotiating model that they have developed, a theoretical contribution from different disciplines such as: social psychology, social anthropology, sociology, political science and business administration can be traced.

**Figure 4. Model of Factors Affecting Negotiation Outcomes, McCall and Warrington (1989)**

This descriptive negotiating model demonstrates how four different factors are integrated and interacts with each other during negotiations and what are their individual outcomes. The four independently integrated factors: environmental influences, influence strategies and skills, behavioral
predisposition, and situational influences all interact with each other to give an emphasis to the complexity in the determination of negotiation outcome. These main factors interact with each other to make the negotiators act in a particular way. The interaction of the negotiators themselves will also affect outcomes. The bolded lines with arrows indicate the interacting relation between the four factors, and the dotted lines illustrate the current interaction between the two negotiating parties.

The environment has an influence on negotiations and therefore also has an impact of the results according to McCall and Warrington (1989). In the domestic context it is the business culture as well as the executives’ objectives and guidelines that affect the behavior of the negotiators. If the negotiating maneuvering freedom is limited, this might have an impact on the final outcome of the negotiation. However in an international negotiating context, when negotiations are made between parties from different countries, there are additional factors that influence on the negotiating parties possibilities to act and hence on the final outcome. It can be a matter of specific business trade barriers or special market entry barriers, and/or cultural factors of different kind that the negotiators are expected to consider and adapt to. The following figure offers a more in-depth perspective on each of the four main factors that are influencing the international business negotiations and their outcomes.

Figure 5. Model of Underlying Factors Influencing Negotiations, McCall and Warrington (1989)

Strategies and skill influence a negotiation either direct or indirect. Through the extensive exchange of information between the negotiating
parties, concerning proposals and counter proposals, admittance and opinions, they are influencing each other. In order for the parties to be able to confirm each other’s negotiating positions, a continuous mutual exchange of information regarding their demands, intentions and perceptions has to take place. When the negotiating parties inform themselves about the opponent, it is of importance that they also make sure that their own intentions are getting through and correctly understood. Out of this information the parties are then able to make up their choice of strategy for further negotiating activities. According to McCall & Warrington (1989) the basic question in business negotiation concerns how the parties strategically use the information in order to influence each other.

Moreover, the behaviors of the negotiators are according to the same model influencing the outcome of the negotiation, particularly in international contexts where the parties have different experiences, knowledge and backgrounds as well as different perspectives on life. These factors govern the negotiators’ behavior and thus also influence on their reactions in the different steps and situations of a negotiation. Every business culture is characterized by specific values and attitudes, which are influencing the behavior of the negotiating parties.

### 3.5 Negotiating Strategy

The formulation of a negotiating strategy is in practice an important task and it is necessary that a party be aware of its role and process and undertakes it prior to entering the stage of face-to-face interacting. Rojot (1991) defines strategy as the organizing scheme behind the actions, attitudes and behaviors within the process of negotiating. Thus, strategy is the unifying concept, which guides the selection of the relevant solutions to the various decisions we have to make during negotiations. The strategy describes orientations towards the other party or parties. Tactics, styles and behaviors are then specific moves selected in order to implement a strategy.

#### 3.5.1 Environmental Influences on Strategy

Obviously the environment in which the negotiation takes place will influence the selection of a negotiation strategy. It is clear also that strategy will be influenced by and will influence the objectives. Nevertheless, according to Rojot (1991), the environment and the structure do not imply by themselves that any given outcome to a negotiation is to happen
automatically. They set the stakes, resources and constraints, influence the objectives of the parties and are the foundation of bargaining power, but are only a starting point. The environment itself changes as the negotiation takes place hence it is a dynamic process.

In international business negotiations characterized by massive investment and considerable power in the system, environmental influences should be seen as critical according to McCall and Warrington (1989). Also at the level of organization, specific organizational cultures will influence negotiation outcomes in so far as they place constraints on people representing the negotiating organizations. Organization structures, policies and objectives may also be seen by the parties as constraints on their activities, and therefore as variables affecting outcomes.

3.5.2 Situational Influences on Strategy

Apart from content issues in negotiation according to Rubin and Brown (1975), the principal situational influences on negotiation behavior are the degree of dependence the parties have on one another and the power relationships between them.

Since the notion of conflict is a built-in element in any negotiation, because the negotiating parties seek to satisfy the own concerns, their stakes in the results are very important. Nevertheless, negotiating has certain built-in co-operative elements too. Negotiation takes place because one party wants something from another party that also has some degree of control over it. Therefore the needing party wants to satisfy the other party to the extent necessary to obtain what was initially wanted. There is interdependency between the parties.

Because negotiating is a voluntary relationship it is also one of mutual dependence according to McCall and Warrington (1989). Where a negotiating party presses for as advantageous an agreement as possible it runs the risk of driving the opposing party away from the relationship which seeks to resolve the conflict of interest between the parties. This would put an end to the process in which both choose to participate in the first instance, and perhaps eliminate the possibility of mutual gain.

Further on according to McCall and Warrington (1989), by motivational orientation (MO) is meant one negotiator’s cluster of attitudes towards
another. It has been usefully categorized in terms of cooperative, competitive and individualist orientations. For example a negotiator with a cooperative MO has an interest in his opponent’s welfare as well as his own. Instead a competitive MO is indicative of an interest in doing better than the other, while at the same time doing as well for himself as possible. A negotiator with an individualistic MO is only interested in maximizing his own outcomes, irrespective of his opponents. Regardless of variations in reward structures, attitudinal predisposition and payoffs, a cooperative MO tends to lend itself to more effective negotiation than does an individualistic or a competitive MO. The orientation towards a strategy directed mainly towards conflict or co-operation is according to Rojot (1991) determined by the balance resulting from the relative sum of the effects of the above-mentioned influencing factors. But also the choice of strategy is to be guided by the result of an estimation of bargaining power among the negotiating parties.

### 3.5.3 The Balance of Bargaining Power

In general terms, a classic definition of power is the capacity to exert influence. From this, Rojot (1991) infer that power is characterized as the ability of a person or a group to cause a degree of controlled change, in the direction wanted, in another person or group. Thus, with an identical effect, but in different terms, the definition of power almost always includes the capacity to overcome resistance in achieving a desired objective or result. Implemented in a negotiating relationship, power becomes bargaining power and can be expressed in more specific terms as the capacity of a party to influence the outcomes of the negotiation towards its own goals.

Moreover, bargaining power is a function of the environment where it finds it sources. It is the environment that predetermines the resources and the constraints of the parties. Secondly, bargaining power is relative to the parties involved, which in practical terms implies, that among similar relationships it varies according to whoever is involved. Thirdly, bargaining power is relative to the stakes of the parties and it is independently set. A high bargaining power for one party does not imply that the other one has either a low or high bargaining power. In other words, knowing one party’s bargaining power, within the relationship with the other party, tells us nothing about the other part’s power.
The fact that the bargaining power of the parties are independently set implies that even in the framework of a negotiation analyzed in terms of power relative to the other party and to the situation, estimating one’s own bargaining power is not enough. It should also be compared to one’s estimate of the other party’s bargaining power. It is the balance of the bargaining power of the parties that should additionally be considered according to Rojot (1991). Finally, this balance will be an estimate, and only an estimate, never a certainty, hence, bargaining power is subjective due to that the perceptions of the environment differ between the parties.

When shaping a negotiating strategy each party has to obtain information about the other’s true preferences, intentions and social perceptions. Even when acquiring this information, the negotiators must adopt a particular posture and disclose information about their own party’s intentions, preferences and perceptions that may be used by the other party. According to Rubin and Brown (1975) it is this exchange of information and what can be imputed from the information and the ways it can be used for mutual influence, that represents the fundamental strategic issue in negotiation.

3.5.4 Influencing Behavior in Negotiation

To make it more likely that an offer will be acceptable to an opposing party, a negotiating party may support their proposals with a number of more explicitly conveyed attempts of persuasion. By skilfully using the means of power to achieve social influence, the different categories of power as defined by French and Raven (1959) such as the possession of reward, coercive, legitimate, referent and expert power, can gain acceptance of the parties’ proposals. By choosing a certain motivational orientation as discussed earlier, and combine it with the use of power when shaping the negotiating strategy, the parties face the following process.

*Figure 6. Model of Negotiating Behavior Options, McCall and Warrington (1989)*

<table>
<thead>
<tr>
<th>Assertive</th>
<th><em>Competing</em></th>
<th><em>Collaborating</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unassertive</td>
<td><em>Avoiding</em></td>
<td><em>Accommodating</em></td>
</tr>
<tr>
<td></td>
<td><em>Uncooperative</em></td>
<td><em>Cooperative</em></td>
</tr>
</tbody>
</table>

*Compromising (sharing)*
Thomas (1976) has developed a useful representation of the negotiating behavior options into two dimensions of behavior, assertive/unassertive and uncooperative/cooperative. The former measures the extent to which the negotiating party seeks to satisfy it’s own objectives and the latter the extent to which it attempts to satisfy the other party’s objectives.

Avoiding and accommodating behaviors are not normally expected in negotiating. However if they do occur, behavior of the avoiding kind will result in breakdown meanwhile a behavior of the accommodating kind will result in agreement being made immediately by acceptance of the accommodating behavior. According to McCall and Warrington (1989), competing is a behavioral state whose outcome is based on power. A competing approach has to be matched by complete accommodation by the other side otherwise agreement is unlikely. Collaborating behavior rests on the premise that a joint problem-solving operation provides for the most advantageous outcome. Such an approach is seen to have the ability to create alternatives that most likely increase the total benefits from which both parties share more than they would from a compromise outcome. A compromising strategy is also a problem-solving approach, intended to for both parties to get involved with each other’s direction to achieve agreement, while meeting the broad objectives of the individual interest of the parties.

### 3.6 The Process of Negotiation

The process of negotiation can be divided into three sub-processes or stages according to McCall and Warrington (1989). At the first stage, the *distributive bargaining stage*, the parties are concerned with establishing the negotiating range by taking up their extreme positions in relation to the issues about which they are in conflict. Some of these objectives will not be known prior to the negotiation and will have to be established during the negotiation process. Most negotiators will seek to convince their opponents that their opening position is their limit, although in reality negotiators’ behavior is rarely accommodating to the extent that they will move all the way towards their opponents’ position.

The effects of early cooperative or competitive attitudes in the process of negotiation leads to the conclusion, according to McCall and Warrington (1989) that an initiating behavior of the former kind, tends to promote the development of mutual trust and a mutually beneficial cooperative
relationship. Meanwhile an early competitive behavior tends to induce mutual suspicion and competition. The reason for the importance of the early stage in the negotiation relationship, despite the extreme positions usually taken up, is that the negotiating positions of the parties are relatively fluid.

Moreover, negotiators often consider it appropriate for this initial stage of negotiation to be used in order to test limits and a variety of behaviors with their opponents before committing themselves to a particular stance. Nevertheless once established, mutual trust may help negotiators to a cooperative pattern of behavior that may prevail throughout the interaction. However experimental research studies conclude according to McCall and Warrington (1989) that negotiators attain high and more satisfactory outcomes when they begin their interaction with extreme rather than moderate demands. This puts into perspective the previous explained approach of problem-solving behavior open to negotiators.

A movement towards agreement, which constitutes a period of problem solving, characterizes the second stage of the process of negotiation, the so-called, integrative bargaining stage. To arrive at this stage, if it is the wish of the negotiators to do so, it is necessary to overcome a concession dilemma. In this, the inhibiting factors of position and image loss, together with the danger of antagonizing the opponent through becoming more and more committed to an original position, make retraction increasingly difficult. To avoid this situation it is necessary for the parties to adopt a strategy approach that is conveying without committing, according to Morley and Stephenson (1977). Another way to manage this difficult stage of negotiation is by means of signaling behavior. By verbal and/or non-verbal cues, the parties indicate their willingness to negotiate, this behavioral option will also be further commented upon later on.

According to McCall and Warrington (1989) the course of a negotiation is shaped not only by early gestures but also by moves and countermoves. When indicating behavior is reciprocated it usually takes the form of a claim or offer, which results in a move from the original position taken up in the distributive bargaining stage. Opening proposals are therefore tentative. To put all the cards on the table is not considered to be a best choice of strategy, which might be seen somewhat strange to negotiators from cultures in which pride is taken in such forthrightness. Nevertheless, the surer an opponent party is of a negotiator’s commitment, the more it
can react rationally to the latter’s moves. A position is always clouded by changing pressures of competition, resulting in shifts in the relative power positions of the parties and by any recent experience of negotiations, although not necessarily between the same parties.

Where there has been no previous pattern of interaction, or where interactions are at long intervals of time between which fundamental changes can have taken place in the negotiating environment, agreement can be assisted by pre-negotiation contact. Negotiators that have been deprived of an opportunity for pre-bargaining bilateral discussion, make the following negotiation slow and inefficient according to Druckman (1977).

At this stage of negotiation, according to McCall and Warrington (1989), pressures towards differentiation are also reflected in the emergence of package deals and tie-ins. Package deals involves proposals to settle generally related issues simultaneously. Tie-ins are introductions of issues that are extraneous to a given set, stipulated that settlement of the given set is dependent on the satisfactory agreement of the extraneous issues as well.

The principled approach or the principled negotiation strategy has been elaborated by Fisher and Ury (1987), that establish four key actions for conducting principled negotiations which they claim provide a greater likelihood of successful outcomes for both negotiating parties. The first key action concentrates on the separating the people from the problem. Secondly, negotiators should focus on interests not positions. Thirdly, invent options for mutual gain, which is the creative aspect of negotiation and seeks to broaden the options of the parties. Finally, negotiators should insist on objective criteria, which help the negotiating to focus on common principles and not on pressure which dangers, the relationship between the parties. Hence, issue control or the formulation of issues, as distinct from the substance of the issues, is the basis of being able to lead a negotiation.

The less that has been given away in the early stages of the negotiation process, the more is available for trade-off and achieving a satisfactory settlement. The exploration of possible settlement points with a view to agreement is a function of the third stage, the decision-making and action stage, according to McCall and Warrington (1989). In this stage promises and threats are also means by which one party seeks to influence another probably because they have the power to impose beneficial and harmful outcomes on each other. They also convey information about a negotiator’s
preferences and intentions. By observing the frequency, strengths and timing with which threats and promises are made, the recipient can attempt to determine what these are. Threats and promises convey information, too, about the sender’s perceptions of the other. To reduce misunderstanding and clear the way for final agreements, two behaviors with a similar function are, according to Rackham and Carlisle (1978) used significantly more often by skilled negotiators than by average ones. Testing understanding is a check to establish whether a previous contribution or statement in the negotiation has been understood, and summarizing is a short restatement of previous points raised in the discussion.

It is now possible to take the described three-stage framework and enlarge it to take account of the effects on outcomes of pre-negotiation contact. However there is still the need for an agreement which is efficient, one which provides a sound foundation for a working lasting relationship based on complete understanding of the parties entering it, thus McCall and Warrington (1989) also suggests a post-negotiation stage to complete the cycle of negotiation.

Figure 7. The Five-Stage Negotiation Framework, McCall and Warrington (1989)

The framework refers to the stages that the negotiating parties have to be prepared for and which they need to develop a suitable strategy for in order to achieve their individual objectives. The same individuals would not necessarily be involved at the pre- and/or post-negotiation stages, but would be party to the continuity. The stages are a conceptualization of the real situation. In practice, negotiations do not always fall into such neat categories. For example, when the number of issues is small and the negotiators know each other well, the participants may move almost directly to the integrative bargaining stage. When a negotiator attempts to tie-in extraneous issues, the process may be gone through again.
4. The Phenomenon of Communication

Albert Einstein once said: “The uniqueness of men – the superiority of men in the world of animals – lies not in his ability to perceive ideas, but to perceive that he perceives, and to transfer his perceptions to other’s minds through words.”

With a power for abstraction, a human possesses both quantity and quality in its use of symbolic communication. A highly developed brain permits to put value or meaning to diverse symbols, which may differ by human culture. Furthermore human interaction is also characterized by a continuous updating of the meaning assigned to such symbols.

4.1 Communication and Negotiation

In the international business negotiation with foreign businessmen at the interpersonal level, language or verbal communication is a powerful but insufficient tool according to McCall and Warrington (1989). Successful negotiation rests on an awareness of the process of negotiation as a starting point, followed by an ability to understand and use the influencing behaviors and empathy for the culture being interacted with. Communication is the servant of all three, and each spoken language has to meet language objectives stemming from them, supported by its own nonverbal gestures and expressions. The nonverbal sign systems are seen to assist the interpretation of verbal messages. In relation to expressions of emotion and communication of attitudes, nonverbal aspects assume greater significance than the verbal. Misperception is a danger in intercultural negotiations as emotions are expressed by differing degrees of intensity in different cultures. When cultures meet there is an increased possibility of misunderstanding since the opponent can view the cultural norm of a negotiator as over- or under-reacting, unless there is awareness on his part of the cultural differences. Additionally, nonverbal clues are often manipulated deliberately.

4.2 The Verbal Communication Process

Western transmission models emphasized the instrumental function of communication, that is, effectiveness was evaluated in terms of success in the manipulation of others to achieve one’s personal goal. According to the
classical model of Berlo (1960), that is describing the ten components forming the process of communication, it is emphasized that communication is a dynamic process, as the variables in the process are interrelated and influence each other.

**Figure 8. Ten Components of Communication, Berlo (1960)**

The *source* is the person with a desire to communicate an idea. Communication is in the form of a symbol representing the idea, thus *encoding* is the process of putting an idea into symbol.

The symbols into which thoughts are encoded vary. Thoughts can be encoded into words, but also into no spoken symbols. The term *message* identifies the encoded thought. Encoding is the process and the message is then the resulting object.

Moreover according to the model of Berlo (1960) the term *channel* is used technically to refer to the means by which the encoded message is transmitted, hence the term *noise* technically refers to anything that distorts the message the source encodes. The *receiver* is the person who intentionally or unintentionally attends the message. *Decoding* is the opposite process of encoding and just as much an active process. Thus the receiver is actively involved in the communication process by assigning meaning to the symbols received. *Receiver response* refers to anything the receiver does after having attended to and decoded the message. That response can range from doing nothing to taking some action or actions that may or may not be the action desired by the source. *Feedback* refers to that portion of the receiver response of which the source has knowledge and to which the source attends and assigns meaning. This is what makes communication a two-way or interactive process.
The final component of communication is *context* and is referred to as the environment in which the communication takes place and which helps define the communication. The choice of the environment, the context, helps assign the desired meaning to the communicated words. In social relationships as well, the relationship between the source and receiver may help to define much of the meaning of the communication according to Berlo (1960).

A transactional model of communication shows that, in addition to sending and receiving messages simultaneously, communicators take their relationships into account. Recognizing that communication is transactional allows communicators to understand that the source can know the intended receiver well enough to incorporate that personal knowledge into the encoding of the message.

Samovar and Porter (1994) also define communication as a dynamic process, whereby human behavior, both verbal and nonverbal, is perceived and responded to. And according to Rojot (1991), communicating involves at least three coding operations: putting our ideas into words; having the other party hear the words; and having the other party understand the meaning we put into our words. Besides, if our communication has the goal of persuading the other party, we should phrase the meaning we put into our words in such way that the opinion of the other party is altered.

### 4.3 Nonverbal Communication

The messages that we send without using words are called nonverbal communication however not all nonverbal behavior is nonverbal communication. Communication occurs according to Jandt (2000), when we intentionally use symbols – words or no spoken symbols – to create meaning for others. Since many nonverbal expressions vary from culture to culture, it is just those variations that can make nonverbal misinterpretation an intercultural communicating barrier. To avoid the risk of signaling a cultural misbehavior, one should study nonverbal communicative behavior by defining and categorizing the kinds of nonverbal communication. The formal term given to the study of our use of personal space is *proxemics*. Cross-cultural research and personal experiences has demonstrated that cultures differ substantially in their use of personal space according to Jandt (2000).
Our many gestures, body movements, facial expressions, and eye contact are behaviors termed kinesics. Morris (1979, 1995) finds that communication depends heavily on the actions, postures, movements, and expressions of our bodies and that our gestures can be intentional or unconscious. The study of chronemics is also referred to as the study of our use of time according to Jandt (2000). The perception of time varies greatly among different cultures, were the notion of time can be perceived for example as cyclical or linear, which can be a barrier to intercultural communication. The nonverbal elements of the voice are referred to as paralanguage and include vocal characterizers such as laughter and sobs; vocal qualifiers, such as intensity, pitch, and extent; and vocal segregates such as “uh”, “um”, and “mm”. Accent may also be considered an aspect of paralanguage. The use of these nonverbal elements are differently interpreted and accepted within different cultures and societies.

Moreover, it is important to be aware of that the use of silence in communication, rather than a void of communication, can communicate a wide spectra of meanings, ranging from agreement, apathy, awe, confusion, contemplation, embarrassment, obligation, regret, repressed hostility, respect, sadness, thoughtfulness, to even include a sense of disagreement.

Perhaps more obvious is the use of clothing and physical appearance. What we wear varies so much across the world, as does the meaning conveyed by the clothes. Likewise, what is considered beautiful in one culture may be offensive in another. Clothing can also be closely related to other aspects of the culture, for example as with the various meanings of colors as symbols. We simply communicate by just integrate clothing and symbols into our clothing. Territory is the space that an individual claims whether permanently and temporarily, hence, territoriality refers to how space can be used to communicate messages. Thus, location, room shape, color and furniture can be arranged for positive energy and balance.

However, the deliberate use of nonverbal behavior communications towards an opponent in a negotiation setting may be totally misleading within our rationality framework according to Rojot (1991). We may re-interpret such messages, to mean what we want them to mean. In other words, we see what we want to see. On the other hand, if we try to read the nonverbal behavior of an opponent and expect him to be unaware, he may well make us see what he wants us to see. Therefore a degree of caution should probably be exerted here, even though awareness of the existence of
nonverbal communication can be of help. According to Harris and Moran (1981), communication is at the heart of all types of organizational operations and international relations. It is simply the most important tool we have for getting things done.

### 4.4 Communication and Culture

According to Jandt (2000), culture is also a context. Every culture has its own worldview; its own way of thinking of activity, time, and human nature; its own way of perceiving self; and its own system of social organization. Knowing each of these helps to assign meaning to the symbols of communication. The context can help recognize to what extent the source and receiver share a similar meaning for the communicated symbols, and an understanding of the culture in which the communication take place, which is being critical for the success of the communication itself.

When communicating with people from different cultures, it is important to remember that culture and communication are strongly connected. The way that people view communication – what it is, how to do it and reasons for doing it – is part of their culture. The chance of misunderstanding between members of different cultures increases when this important connection is forgotten.

#### 4.4.1 Intercultural Communication

*Intercultural communication* generally refers to face-to-face interactions among people of diverse cultures, according to Jandt (2000). When trying to find definitions of intercultural competence grounded in communication, Chen (1989, 1990) has identified four skill areas that transform one from a monocultural person into a multicultural person, that is, one who respects cultures and has tolerance for differences.

The first skill has to do with *personality strength* that can be divided into four main personal traits, self-concept, self-disclosure, self-monitoring, and social relaxation, were each one is affecting intercultural communication. *Self-concept* refers to the way in which a person views the self. *Self-disclosure* refers to willingness of individuals to openly and appropriately, reveal information about themselves to their counterparts. *Self-monitoring* refers to using social comparison information to control and modify one’s self-presentation and one’s expressive behavior. *Social relaxation* is the
ability to reveal little anxiety, when managing intercultural communication. Effective communicators must know themselves well and, through their self-awareness, initiate positive attitudes. Individuals must express a friendly personality to be competent in intercultural communication.

Individuals must be competent in verbal and nonverbal behaviors. Thus, the second skill necessary for successful intercultural communication requires message skills, behavioral flexibility, interaction management, and social skills. Message skills refer to the ability to understand and use the language and feedback. Hence, behavioral flexibility is the ability to select an appropriate behavior in diverse contexts. Interaction management means handling the procedural aspects of conversation, such as the ability to initiate a conversation and to emphasize a person’s other-oriented ability to interaction, such as showing attentiveness and responsiveness. Social skills are empathy and identity maintenance. Empathy is the ability to think the same thoughts and feel the same emotions as the other person. Identity maintenance is the ability to maintain a counterpart’s identity by communicating back an accurate and comprehensive understanding of the person’s identity. Hence, the competent communicator must be able to deal with culturally diverse people in different situations.

Moreover according to Chen (1989, 1990), the two remaining skills refer to psychological adjustment and cultural awareness. Effective communicators must be able to acclimate to new environments and must be able to handle the feelings of a so-called, culture shock, such as frustration, stress, and alienation in ambiguous situations caused by new environments. To be competent in intercultural communication, individuals must understand the social customs and social system of the host culture. Understanding how a people think and behave is essential for effective communication with them.

Samovar and Porter (1994) identify eight variables in the communication process whose values are determined to some extent by culture and which can serve as practical guidelines for developing skills to become a more effective intercultural communicator. Each variable influences our perceptions, which in turn influence the meanings we attribute to behavior.

**Attitudes** are psychological states that predispose us to behave in certain ways. An undesirable attitude is ethnocentrism or self reference criterion. This is the tendency to judge others by using one’s own personal or cultural
standards. Rather, we should seek to understand other people in the context of their own unique personal, historical, political, economic, social, and cultural backgrounds. Social organization of cultures, divided into the geographic society and the role society, is also a variable that influences one’s perceptions. At one level communication between a certain type of professionals from two different cultures should be relatively smooth. On another level, significant differences in values, approach, pace, priorities, and other factors may cause some difficulties.

Thought patterns or forms of reasoning may differ from culture to culture. What might be reasonable, logical and self-evident in one culture may be unreasonable, illogical, and not self-evident at all to people from another culture. Roles in a society and expectations of a culture concerning role behavior affect communication. When behavior is incomprehensive, it is very often because the rules concerning how a person in that position should act are totally unknown to us. Language skill in a host country is often being acknowledged as important by international managers, although many believe that a competent interpreter is actually all that is necessary. Space is also a factor in the communication process. The physical proximity can vary a lot between cultures during a conversation, and the communicative behavior in contact societies is very different from the behavior in those societies that are not. Time sense also impacts upon human interaction because different cultures perceive time in distinct ways. The last variable considered is nonverbal communication, which has been proved to also differ significantly across cultures and thus can determine different meanings.

4.4.2 Cross-Cultural Communication

Cross-cultural communication studies generally refer to comparing phenomena across cultures according to Jandt (2000). Such studies draw upon data from a variety of behavioral sciences, such as cultural anthropology, psychology, cross-cultural communication and linguistic according to Harris and Moran (1981). Moreover, it can also be considered as a people process that explains human behavior by indicating five main concepts concluded as follows. Every person is a versatile communicator, operating within it’s own private world or perceptual field, projecting oneself into human communication, being a medium or instrument of communication. Finally, every generation perceives life differently, which implies that the people of each generation project a unique image of their world at a certain point in time.
5. The Phenomenon of Culture

“When in Rome, do as the Romans do” Old Roman Saying

Culture refers to the identification with and perceived acceptance into a group that has a shared system of symbols and meanings as well as norms for conduct, according to Collier and Thomas (1988). Assuming an individual to be like everyone else in a particular culture, one have been stereotyped all the many, various people in that culture into one mold. However the diversity within cultures probably exceeds the differences between cultures. Nevertheless, by knowing an individual’s cultural identity, do help to understand the opportunities and challenges that each individual in that culture had to deal with. But then how any one person deals with those opportunities and challenges may be quite similar to or different from how others do.

5.1 Culture and Negotiation

In boundary-spanning activities, of which negotiation is arguably the most important in any international business, the crucial problem is not coordination of variables under control but adjustment to constraints and contingencies not controlled by the parties, according to McCall and Warrington (1989). This arises from the interdependence of organizations and businesses.

The negotiator spanning organizational and international boundaries has a very considerable task in adapting his behavior, not only to constraints and contingencies in a relative familiar environment comprising different kinds of organizational cultures, but also to a different dimension of constraints that stem from operating across different national cultures. The less familiar a culture, the greater is the problem of adjusting to it and communicating within it in such a way that the understanding of an opponent reflects the negotiator’s intention. Thus, the negotiator’s difficulty is compounded by the fact that the intentions must also be culturally appropriate and acceptable.

Weiss (1994) argues that for the international negotiator it is of crucial importance to have certain knowledge about the cultural background of the opponents, because the cultural environment influences not only on negotiating behavior, but also on the negotiation itself and it’s process. Hence, it is also necessary to have sufficient knowledge about the personal
characteristics and behaviors of the opponents, that is, those characteristics that are typically concerned as being specific for a certain culture and proven to be affecting the behavior.

5.1.1 Cultural Influence on Negotiating Strategy

When two negotiating parties with different behavioral patterns meet and none of them want to adapt to the other one, the risk for a breakdown in the negotiation increases. However, if both parties make an effort to adapt their behavioral patterns to fit each other better, the risk for complications is reduced. Moreover, according to Weiss (1994), there are eight possible culturally responsive strategies to apply to an international negotiation context. These eight strategies are based on the knowledge of the negotiators involved, about each other’s cultures and ability to use that knowledge competently in social interactions.

Each strategy is characterized by different possibilities hence the individual choice of strategy is determinant of how much the parties know about each other. This model also fits well with the model of negotiating behavior options (Fig. 6.) by McCall and Warrington (1989).

Figure 9. Model of Culturally Responsive Strategies, Weiss (1994)

<table>
<thead>
<tr>
<th>Counterpart's Familiarity with Negotiator's Culture</th>
<th>Negotiator's Familiarity with Counterpart's Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>1. Employ agent or advisor.</td>
<td>1.</td>
</tr>
<tr>
<td>2. Involve mediator.</td>
<td>2.</td>
</tr>
<tr>
<td>3. Induce counterpart to follow.</td>
<td>3.</td>
</tr>
<tr>
<td>4. Adapt to counterpart.</td>
<td>4.</td>
</tr>
<tr>
<td>5. Coordinate adjustment of both parties.</td>
<td>5.</td>
</tr>
<tr>
<td>6. Embrace the other counterpart.</td>
<td>6.</td>
</tr>
<tr>
<td>7. Improvise an approach.</td>
<td>7.</td>
</tr>
<tr>
<td>8. Effect symphony.</td>
<td>8.</td>
</tr>
</tbody>
</table>

At each level of familiarity, the negotiator can consider feasible the strategies designated at the level and any lower level. Negotiators with a poor knowledge about the counterpart’s culture should be using one of the starting three strategies (1-3). Negotiators having a medium level knowledge about the counterpart’s culture could concentrate on the next two (4-5). On the other hand, negotiators having a very good knowledge about the real impact of the counterpart’s culture should better focus on one of the three last strategies (6-8). However, the negotiators belonging to the latter strategies, are usually those who possess a very good or almost excellent knowledge about their counterparts, and they could therefore
through their flexibility be able to manage the negotiation by using any of the eight strategies indicated.

However these eight strategies could be divided into five potential choices. One would be the involvement of a third part. Two opposite choices of strategies would be to either induce the counterpart to adapt to one’s own way of negotiating, or to do the opposite and adapt oneself to the negotiating manners of the counterpart. The fourth kind of strategy would be that both parties would try to adapt to each other’s way of negotiating, meanwhile the final possible strategy would be for both parties to improvise their negotiating behavior but having their original behavior as their individual point of reference.

In order to be able to develop a suitable international negotiating strategy, the following steps should be considered according to Weiss (1994). Reflect over the behavioral pattern of one’s own culture, and learn the behavioral pattern of the counterpart’s culture. Consider the mutual relationship and the circumstances and try to predict or influence the counterpart’s approach, before finally choosing a suitable strategy and starting the implementation of it.

### 5.2 Dimensions of Culture

To locate value dimensions across which cultures vary, has been done in a variety of research and by several authors as an attempt to find and study divergences in mentality and behavior among people influenced by a certain culture. Although it is important to acknowledge when dealing with these kind of comparative studies of an empirical kind, that they actually reflect an overall average, that is, no one person should be expected to fit that average exactly. Even so, results stemming from these kinds of multidimensional models can serve as a complement to single dimensional methods when comparing the characteristics of different cultures.

#### 5.2.1 Individualism vs. Collectivism

According to Hofstede (1997) the dimension of individualism versus collectivism refers to how people define themselves and their relationships with others. In an individualist culture, the interest of the individual prevails over the interests of the group. Ties between individuals are loose. People look after themselves and their immediate families. However, in a typical collectivist culture, the interest of the group prevails over the
interest of the individual. People are integrated into strong, cohesive in-
groups, which continue throughout a lifetime to protect in exchange for
unquestioning loyalty. One difference is reflected in whom is taken into
account when you set goals. In individualist cultures, goals are set with
minimal consideration given to groups other than perhaps your immediate
family. In collectivist cultures, other groups are instead taken into account
in a major way when goals are set. Individualist cultures are loosely
integrated and collectivist cultures are tightly integrated.

Moreover according to Hofstede (1997), in individualist cultures people
tend to define others by what they have done, their accomplishments, what
kind of car they drive, or where they live, etc. Individualist cultures are
more remote and distant. Cultures that are characterized by collectivism
emphasize relationships among people to a greater degree. Collectivist
cultures stress interdependent activities and suppress individual aims for
the group’s welfare. Hence, often it is difficult for individuals from highly
individualist cultures to understand collectivist values. For example there is
a strong relationship between a nation’s wealth and the degree of
individualism. Moreover, countries with moderate and cold climates tend to
show more individualism meanwhile countries with higher birth rates tend
to be collectivist.

Individualism and collectivism have been associated with direct and
indirect styles of communication, that is, the extent to which speakers
reveal intentions through explicit verbal communication. In the direct style,
associated with individualism, the wants, needs, and desires of the speaker
are embodied in the spoken message. In the indirect style, associated with
collectivism, the wants, needs, and goals of the speaker are not obvious in
the spoken message according to Jandt (2000).

5.2.2 High vs. Low Context

Hall (1976) popularized the concepts of high context and low context,
referring to the environment in which the communication process takes
place, which helps define the communication. Cultures in which little of the
meaning is determined by the context because the message is encoded in
the explicit code are labeled low context. Cultures in which less has to be
said or written because more of the meaning is in the physical environment
or already shared by people are labeled high context.

In low-context cultures, verbal messages are elaborate and highly specific
and tend to also be highly detailed and redundant according to Jandt
Verbal abilities are highly valued and logic and reasoning are expressed in verbal messages. In typical high-context cultures, most of the information is either in the physical context or internalized in the person. Very little is in the coded, explicit, transmitted part of the message. High context-cultures decrease the perception of the Self as separate from the group and are more sensitive to nonverbal messages, hence they are more likely to provide a context and setting and let the point evolve. Thus, in high-context cultures, people are brought closer by the importance of their shared context, whereas those meanings are often most likely lost in low-context cultures.

According to Hall (1976) high-context cultures make greater distinction between the insiders and outsiders than low-context cultures do. People raised in high-context systems expect more of others than do the participants in low-context systems. When talking about something they have on their minds, a high-context individual will expect his interlocutor to know what’s bothering him, so that he does not have to be specific. The result is that he will talk around and around the point, in effect putting all the pieces in place except the crucial ones. Placing it properly, this keystone is the role of his interlocutor.

5.2.3 Immediacy and Expressiveness

According to Andersen (1994) the dimension of immediacy and expressiveness can be useful to show how nonverbal communication reflects culture. Immediacy is the degree of perceived physical or psychological closeness between people. Immediacy behavior communicates warmth, closeness, and availability for communication. Examples of such behavior are smiling, touching, eye contact, close personal distance, and vocal animation. Cultures that reflect immediacy behavior or expressiveness are often called contact cultures. High-contact cultures are generally located in warm climates and the low-contact cultures in cool climates.

5.2.4 Masculinity vs. Femininity

Hofstede (1980) found that the social role of women varied less from culture to culture than the social role of men. Hence he labeled as masculine cultures those that strive for maximal distinction between what men and women are expected to do. Cultures that place high values on masculine traits stress assertiveness, competition, and material success. Those labeled feminine cultures are those that permit more overlapping
social roles for the sexes. Cultures that place high value on feminine traits stress quality of life, interpersonal relationships, and concern for the weak. It is important to understand that these traits apply to both women and men, thus, both women and men learn to be ambitious and competitive in masculine cultures and both women and men learn to be modest in feminine cultures.

In the workplace, in masculine cultures, managers are expected to be decisive and assertive and in feminine cultures, managers use intuition and strive for consensus, hence solidarity and quality of life are stressed. Feminine cultures are somewhat more likely in colder climates and in these cultures the woman has a stronger say in the number of children, whereas in most masculine cultures, the man determines family size.

It is finally mentioned in Jandt (2000), that the concept of masculinity as being characterized by assertiveness, aggressiveness, and goal orientation, could perhaps be better off if labeled and interpreted as affection, and accordingly be described and characterized as performing an attentive, supportive and yielding behavior in so-called masculine cultures.

**5.2.5 Power Distance**

Hofstede (1997) defines the dimension of power distance, or the way the culture deals with inequalities, as the extent to which less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally. Presumably, this behavior is learned early on within families. In high power distance cultures, children are expected to be obedient toward parents versus being treated more or less as equals. In high power distance cultures, people are expected to display respect for those of higher status.

Power distance also refers to the extent to which power, prestige, and wealth are distributed within a culture. Cultures with a high degree of power distance have the power and influence concentrated in the hands of a few rather than distributed throughout the population. These countries tend to be more authoritarian and may communicate in a way to limit interaction and reinforce the differences between people. In the high power distance workplace, superiors and subordinates consider each other existentially unequal. Power is centralized, and there is a wide salary gap between the top and bottom of the organization. In the low power distance workplace,
usually subordinates expect to be consulted, and ideal bosses are democratic. In more democratic organizations, leaders are more accessible.

Higher latitudes and national wealth are associated with lower power distance whereas large population is associated with high power distance. Countries with a Romance language score medium to high as do Confucian cultural inheritance countries, whereas countries with a Germanic language score low. Both the Romance language countries and the Confucian cultural inheritance countries were both ruled from a single power center, whereas the Germanic language countries remained as so-called barbaric during Roman days.

5.2.6 Uncertainty Avoidance

The dimension of uncertainty avoidance refers to the extent to which people in a culture feel threatened by uncertain or unknown situations. According to Hofstede (1980) this feeling is expressed through nervous stress and in a need for predictability or a need for written and unwritten rules. In these cultures, such situations are avoided by maintaining strict codes of behavior and a belief in absolute truths. Cultures strong in uncertainty avoidance are active, aggressive, emotional compulsive, security seeking, and intolerant whereas cultures weak in uncertainty avoidance are contemplative, less aggressive, unemotional, relaxed, accepting personal risks, and relatively tolerant.

Students from high uncertainty avoidance cultures expect their teachers to be experts who have all the answers. And in the workplace, there is an inner need to work hard, and there is a need for rules, precision, and punctuality. Students from low uncertainty avoidance cultures accept teachers who admit to not knowing all the answers, and in the workplace, employees work hard only when needed, there are no more rules than are necessary, and precision and punctuality have to be learned.

Orthodox and Roman Catholic Christian cultures score high on the uncertainty avoidance dimension. Judaic and Muslim cultures tend to score in the middle and Protestant Christian cultures score low. Eastern religions score medium to very low. Accordingly, cultures with a Romance language and history of Roman codified laws score high uncertainty avoidance, and consequently cultures with Protestant Christian populations and traditions tend to score lower.
6. Swedish and Spanish Cultural Characteristics

As was explained earlier, culture refers to the identification with and perceived acceptance into a group that has a shared system of symbols and meanings as well as norms for conduct. The reviewed theory so far (Kapoor, 1975; Ghauri, 1983; McCall and Warrington, 1989; Weiss, 1994; Chen, 1989, 1990) clearly indicate that familiarity with the cultural identity of a negotiating opponent, can help negotiators to understand the opportunities and challenges that each individual from a certain culture has been influenced with. Nevertheless, how any one person deals with those opportunities and challenges may be quite similar to or different from how others do. However, in order to increase further the awareness of typical characteristics of cultural identities, it is of interest to study and analyze results made from cross-cultural behavioral studies that compare general phenomena commonly found across cultures, with results from intercultural behavioral studies referring to face-to-face interactions among people of diverse cultures. By doing such a comparison, it will be possible to discover differences and typical characteristics that are not only indicated in dimensions of culture but also in real interaction.

The main purpose of this thesis is to study what is the cultural impact on international business negotiation, putting a special emphasis on the divergences of Spanish and Swedish mentalities and negotiating behavior, styles and preferences. In order to study any cultural differences and their impact on negotiation results, extensive empirical research of negotiating behavior of representatives from the comparing cultures has to be included in the framework before making an analysis. As a result of their geographical position in Europe and their enormously different backgrounds with regard to history and traditions, Spain and Sweden may be conceived of as being representing two opposite poles in the Western cultural sphere. Important divergences should then perhaps also be found in the behavior of their businessmen when it comes to their general preferences of social behavior and communicating, as well as in their negotiating interactions?

In the discussion of my methodological approach, I introduced the contribution of empirical data that has been accessed from the unique, “Negotiating in Spain and Scandinavia” corpus. This empirical research project has for several years been simultaneously carried out at three major Scandinavian universities and resulted in various articles and
documentation regarding the many different results (Fant, 1989, 1992, 1993, 1995i and Fant et al., 1995ii, 1995iii). The current chapter is therefore intended to stress some of the most important and relevant results of the corpus research that I found relevantly related to the forthcoming analysis of this thesis.

In order to make assumptions about the presence of specific cultural impact on international business negotiation, relevant examples of cultural characteristic behavior demonstrated by the actual interactors are needed. I have therefore tried to look for practical contributions of findings from the corpus research that both concerns valid possible explanations and observations of Swedish and Spanish cultural characteristic behavior. In the forthcoming analysis I will then try to interpret and compare these different behavior and together with the previous theoretical findings that have been presented, analyze and investigate on how to handle these differences.

But before focusing on observed differences of Swedish and Spanish cultural mentalities, it would perhaps as well be of relevance to present a short historical background review of these two nations. As many authors have indicated, (Hall, 1976; Chen, 1989, 1990; Samovar and Porter, 1994) it is easier to understand cultural differences and behavior when we have a good idea not only about social preferences, values and traditions of a people, but also about the history and happenings that have occurred and shaped the conditions of their nation.

6.1 Historical Impact

The experiences from history and the results of generations of inhabitants, path the way to understand the conditions and circumstances that have influenced the culture of people living today. Accordingly (Fant, 1989, 1992, 1993, 1995i and Fant et al., 1995ii, 1995iii) and several authors from various fields of research have found that the common history of a people or a nation plays an important role in forming perspectives and attitudes towards norms and values and thus creates a certain base for the development of each society and how their citizens develop common behavioral rules and attitudes.
6.2 Culture-Specific Ways of Thinking and Behaving

There are according to the “Negotiating in Spain and Scandinavia” corpus (Fant, 1989, 1992, 1993, 1995i and Fant et al., 1995ii, 1995iii) certain cultural factors in the societies that can influence on the way inhabitants are emotionally and mentally raised and developed. This can further explain certain common characteristics in perceiving life and in communication. If a common core of objectives concerning action, interaction and communication is assigned different priorities in different cultures, then explanations are needed for why and how the different priorities arise. One great source of divergence is the need for affirming group identity, which is an essential component in the preservation of a culture. In that perspective, the order of priorities may well be a matter of arbitrary convention. Another more important source resides in the way the specific culture has developed in its environment and through history. Obviously, present day Spanish and Swedish culture has developed under very different circumstances. That there are substantial cultural divergences to be found when comparing cultural issues between Spain and Sweden is most likely a surprise to nobody. On the other hand, both countries now belong to what are usually called the modern occidental civilization. They are both European countries and their cultures are rooted in Christian religion, their inhabitants are very much aware and proud of their respective histories and they are both fully integrated members of what may be referred to as the developed industrialized part of the world. Moreover, both countries are included in a zone of strong individualism on this particular cultural dimension index. But individualism should perhaps be referred to as a dynamic dimension rather than as a static characterization, which makes the Spanish and Swedish varieties of individualism far from being identical. The remaining of this chapter regards Swedish and Spanish cultural characteristics and negotiating behavior and is based on relevant parts from the observed results of the “Negotiating in Spain and Scandinavia” corpus.

When comparing the cultures of two countries from a historical perspective, it would make sense to talk of different pathways towards increased individualism. In Spain, the family is to a great extent the overwhelmingly influential social framework for the individual to identify with. As for the Swedish society, the family never made a monopoly of the socialization of the individual. The village collectivity was the framework for powerful bonds of solidarity, and so was the nation, to an extent that has no counterpart in the development of the Spanish society, in spite of the fact that Spain became a national state as early as Sweden.
Thus, the basis for traditional Swedish collectivism was not only the family but also other societal units. This explains why solidarity, in a Swedish cultural setting, is not so much established on the basis of affective personal relationships, as it is focused upon the idea of conjoint action. In a Spanish cultural setting, on the other hand, solidarity bonds are established with people whom are well known and whom one are affectively tied to, as family members or close familiars.

6.2.1 Child Education

To exemplify reasons for different kinds of individualism, Spanish child education, focus primarily on the ability of self-assertiveness, however, typical Swedish child education rather focuses on the ability of adaptability to the surroundings. In Spain it is considered important that an individual can stand up for his individual rights, be self-assertive and make a good impression on the surroundings, whereas in Sweden it is considered important to individually be able to smoothly synchronize with other people to create consensus and cooperation. From a psychological development perspective, it is perhaps no wonder why these cultures are so different. When in the first case, in Spain, raising children is about to become competitive and dominant, whereas in the latter case, in Sweden, children are raised to show patience and to be nice and quite, in order to fit well into a society of equal minded collective group norms.

6.2.2 Cooperative Behavior

Before engaging in any type of long lasting and mutual cooperation in Spain, one has to be accepted by the counterpart, and most certainly it needs to exist an emotional bond between the parties. Consensus about values and objectives is something that rather can be reached afterwards. However in Sweden, before engaging in any cooperation it is primarily considered to be a matter of trying to reach a consensus regarding objectives and values. Thus, the mutual interpersonal acceptance of each other is something that may result afterwards, as a resulting consequence of previously having reached a consensus.

6.2.3 Showing Emotions in Public

In Spain it is usually seen as a very positive and healthy reaction to express one’s feelings as obvious as possible for other people, which further is considered to be creating a much better understanding, reliability and
affection between two parties. But in Sweden the normal case is to not show one’s emotions in order to avoid disturbing anyone else and the activities that are being carried out. To behave in this sense is believed to create a mutual respect and integrity. Doing otherwise would instead be interpreted as an egocentric and self-affirmative behavior and sometimes even as a sign of bad social competence.

### 6.2.4 Assertiveness

As was previously mentioned, in Spain the assertive mentality is considered a quite normal behavior and perhaps even a necessary characteristic in order to be approved and get along with other people on equal terms. Swedes would generally consider assertive behavior to be rather pushy, aggressive and show-offish. Likewise Spanish people would consider the moderate and more discrete way of Swedes as being inhibited, lacking elegance, but also as humble and uncomplicated perhaps as a result of being unconcerned with prestige and social dominance.

The self-assertiveness is for the Spanish an individual active manifestation of responsibility, which on the same time favors contrastiveness and aesthetics in social life. Obviously the Swedes feel this as pushy and sometimes blunt. Rather, Swedes show expectancy on other’s respect of Self’s rights, privileges and right of comfortable territory for the individual. This behavior is often felt by the Spaniards as too inhibited, insecure and quite double-bounded.

Hence, it seems to be the case that affirmation of Self has radically different manifestation channels in each culture. In the Spanish culture the normal channel is active manifestation. But to the Swedish mentality, affirmation of Self is negatively manifested as expectancy of other’s respect of Self’s rights, privileges, and territory.

### 6.2.5 Social Behavior

When it comes to hierarchy and signaling power, Spaniards often find it hard to relate a Swedish person to his right position due to the uncomplicated and democratic way of acting in a group. However Swedes usually do not have any problems with locating who is the formal leader in a group of Spanish business delegates. Because according to the Swedes this is a person who is considered to be a prestigious leader, with strong
show-off tendencies and one who keeps his subordinate at an apparent distance, perhaps being even too deferential with his group.

The affiliative behavior of Swedes is by the Spaniards perceived as closed, distant, difficult to grip, ambiguous, introvert and very impersonal. However the Swedes find Spaniards to be very extroverted, and to really seem to enjoy living in public and to not be drawing any clear boundary between their private and public life. Although this behavior usually also is being perceived as a characteristic proving Spaniards to be considered as friendly and hospitable and very found of the social life of their families. For the Swedes, a group membership is the result of social solidarity that stem from consensus whereas the Spaniards consider group membership to be an issue of social solidarity in individual networks of personal relations.

6.2.6 Directedness

Many – though far from all – types of communication interactions are being associated with some other kind of human social or other activity, that is, one has to communicate in order to perform, alone or in collaboration with others, a given task.

Among Swedes, it is a widespread attitude that talking is the less legitimate, the less it is understood as a means of achieving a concrete, external goal. The concepts that would come closest to small talk have clear negative connotations. Although it is clear that in all cultures, the external directedness condition is differently valued according to the interactional setting in which it is applied, this principle has a weight in the Swedish mentality which leaves its importance among Spaniards far behind. However, one general condition on conversational interaction is that it should have a positive hedonic tone, that is, talking should be a pleasant activity to participate in. This principle has a higher priority in Spanish culture than in Swedish, where in most settings it appears to be subordinate to the external directedness principle. It is noteworthy that in Spanish mentality, internal directedness by no means comes into conflict with expectations on competitive and self-assertive behavior, since conversations are seen as natural settings for self-actualization and, moreover, as frames for the establishing of personal bonds. This will contribute to make conversation stand out as a goal in itself, which is far from typically being Swedish.
6.2.7 Economy of Speech

To not make a speech contribution shorter than required appears to be crucial to Spanish speakers, whereas the corresponding upper limit of the same criterion stating to not make a speech contribution longer than required, typically stands out as an important issue for the Swedish interactors. This is partly due to the way of viewing self-assertive behavior in Swedish cultures, where occupying much space for oneself is contrary to deep expectations on social adaptedness, whereas the same kind of behavior does not counteract Spanish expectations on individual competitiveness and self-affirmation.

6.2.8 Conception of Time

Spanish people perceive Swedes as being, if not obsessed, so at least very keen on punctuality and extremely dependent upon time-schedules, which sometimes might infringe on social interactivities such as resulting in certain inflexibility in negotiations. However, Swedes find Spaniards not bothering much about punctuality and thus consider them to be particular last minute doers or perhaps more positively addressed, as being keen on situation adaptability.

6.2.9 Straightforwardness

Swedes are considered to be straightforward in their approach towards topics and tasks, but Spaniards are instead perceived as straightforward in their personal approach and emotional matters. This characterizes Swedes as rather task-oriented people whereas Spaniards are more person-oriented like. This difference can further be explained by comparing the two people on the cultural dimension of low-context dependency versus high-context dependency. Here, Spaniards, would adhere to more high-context dependent patterns, than would Swedes due to that the Swedish society is very technically formalized and based on that everyone should be treated equal, hence there is really no need or place for interpretations and vague descriptions.
6.3 Cultural Dimension Comparison

The following table serves to present a contrastive cultural dimension comparison of how divergences between Spanish and Swedish cultural mentalities might score on a variety of cultural dimension categories. Apparently the scoring also coincides well with the findings of Hofstede (1980, 1997). Some of these dimensions have already been discussed previously and some other important differences will be further elaborated and commented upon later on.

<table>
<thead>
<tr>
<th>Cultural Dimensions (H=High and L=Low)</th>
<th>Swedish</th>
<th>Spanish</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contrastiveness</td>
<td>L</td>
<td>H</td>
</tr>
<tr>
<td>Aesthetics (rhythm, symmetry, and use of rhetorical devices)</td>
<td>L</td>
<td>H</td>
</tr>
<tr>
<td>Economy of Speech</td>
<td>L</td>
<td>H</td>
</tr>
<tr>
<td>External vs. Internal Directedness</td>
<td>H/L</td>
<td>L/H</td>
</tr>
<tr>
<td>Integrativeness</td>
<td>L</td>
<td>H</td>
</tr>
<tr>
<td>Cooperativeness</td>
<td>H</td>
<td>L</td>
</tr>
<tr>
<td>Distributiveness</td>
<td>H</td>
<td>L</td>
</tr>
<tr>
<td>Competitiveness</td>
<td>L</td>
<td>H</td>
</tr>
<tr>
<td>Personal (I, you, we)</td>
<td>L</td>
<td>H</td>
</tr>
<tr>
<td>Impersonal (one) Speaker and Hearer References</td>
<td>H</td>
<td>L</td>
</tr>
<tr>
<td>Mitigating Expressions</td>
<td>H</td>
<td>L</td>
</tr>
<tr>
<td>Non-verbal Communication</td>
<td>L</td>
<td>H</td>
</tr>
<tr>
<td>Distance/Immediacy (isolating vs. integrating)</td>
<td>H/L</td>
<td>L/H</td>
</tr>
<tr>
<td>Individualism/Collectivism</td>
<td>H/L</td>
<td>L/H</td>
</tr>
<tr>
<td>Power Distance (hierarchy perception)</td>
<td>L</td>
<td>H</td>
</tr>
<tr>
<td>Uncertainty Avoidance</td>
<td>L</td>
<td>H</td>
</tr>
<tr>
<td>Masculinity/Femininity</td>
<td>L/H</td>
<td>H/L</td>
</tr>
<tr>
<td>Credibility vs. Authority Precondition</td>
<td>H/L</td>
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<td>Involvement-First Principle</td>
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<td>Consensus-First Principle</td>
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<td>Preferences for Emotional Display</td>
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<td>Preference for Self-Affirmative Behavior</td>
<td>L</td>
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<td>High vs. Low Context</td>
<td>L/H</td>
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<td>People-oriented/Task-oriented</td>
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<tr>
<td>Affective/Neutral (High vs. Low Emotive)</td>
<td>L/H</td>
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6.4 Conversational Organization

According to the “Negotiating in Spain and Scandinavia” corpus (Fant, 1989, 1992, 1993, 1995i and Fant et al., 1995ii, 1995iii) a basic idea in the research approach was that culture-based differences in communicative patterns could perhaps advantageously be accounted for in terms of priorities, or socially based preferences, among conditions set on communicative interaction. Thus, by increasing a general awareness of underlying culturally differing styles of communicating, international business negotiators will most likely have a great advantage when strategically managing their interactions with one another.

6.4.1 Back-Channeling and Turn-Taking

A most typical Swedish way of giving feedback is by means of combined verbal and non-verbal signals such as, the “umm-sound” and nods combined with a mirroring gaze pattern at transition-sensitive points, and by doing the opposite, signal disagreement and willingness to speak. However, Spanish speakers rarely give any verbal signaling, instead they are using a mutually accepted speech overlap which serves the purpose of either taking the floor, or as a sign of consent or agreement to what the speaker says. This typical Spanish back-channeling behavior is combined with an abundant use of gaze to confirm attention to the speaker. These cultural differences in signaling feedback to others can result in communicative difficulties.

As a consequence, Spanish speakers seem to misinterpret a typical Swedish speaker’s verbal feedback, especially the supportive variants, not as a means of confirming attention, but rather as a true response of agreement or consent. The non-supportive variants of Swedish feedback is considered, as abortive initiatives that have not been put forward with sufficient amount of energy as to be taken seriously and the absence of expected interruptions is then interpreted as a sign of lacking interest. However the Swedish speaker is instead interpreting interruptions made by Spanish speakers as signs of aggression or as simple lack of conversational know-how. Further the prolonged turns and self-linking of the Spanish speaker, along with the absence of supportive verbal back channeling, is being interpreted as lack of cooperation or as a sign of egocentricity.
The different usage of gaze, make Swedish speakers interpret the full gaze directed to them by the Spanish interlocutor, not as the sign of attention or interest it is likely to be intended to be, but as a signal of claiming the floor or as a sign of an exaggerated interpersonal involvement. Whereas the Spanish speakers gets annoyed by not having the full gaze from the Swedish interlocutor directed at them while speaking, which is instead being interpreted as a lack of attention or interest of what they are saying. When the Swede is finally directing a full gaze indicating his will of taking the floor, it is instead interpreted by Spaniards as a sign of paying attention and to signal mutual interest.

Spanish speakers can be considered to belong to a floor-taker culture, which is demonstrated by interruptions as a result of active self-affirmation, and the Swedes as a floor-giver culture characterized by gazing and turn-shifts at transition-relevant places due to the satisfaction of autonomy-self needs, economy of speech and external directedness. Moreover there are scarce occurrences of overlapping speech and relatively frequent periods of silence in Swedish conversational organization. Among the Swedish speakers it is the current speaker by means of a combination of gaze and intonation who typically yields turns, whereas in the Spanish speaking culture, there is a great abundance of interruptions with long periods of overlap and turns seized by the following speaker.

6.4.2 Face

*Face* according to Jandt (2000) can be understood as the value or standing one has in the eyes of others. Preserving face is thus preserving respect from one’s reference group. Preserving face and avoiding shame is the collectivist alternative to preserving self-respect and avoiding guilt, which is characteristic of individualist cultures. However, the concept of face is always related to the point of view of the social environment.

6.4.3 Face-work

Face-work describes the kind of cooperation that takes place among interactors in order to respect and maintain self-images. Face-needs concerns the, *intrapersonal face*, as the inner representation of Self as an independent, autonomous person with an inviolable territory, and the, *interpersonal face*, as the inner representation of Self as an accepted member of a group to which one has the idea of belonging. *Autonomy-face*
corresponds to the intrapersonal or negative face. The preservation of autonomy face is generally felt as more important by Swedes than it is by Spanish interactants. As a consequence autonomy face-work will demand much more energy expenditure in Swedish than in Spanish conversations. Hence, the use of verbal and non-verbal means of expressing respect for other’s territory such as in turn-takings, physical distance and a less degree of self-affirmation are more abundant in typical Swedish conversations. This is due to the respect for the collective demands on group membership defined by cooperativeness together with consensus and by the economy of speech principle.

Affiliation-face corresponds to the interpersonal or positive face. The individual speaker’s need to see oneself as accepted by others is more pervasive in the Spanish culture and the corresponding face-work is thus more energy craving in Spanish conversation patterns. Hence, a typical Spanish conversation is likely to contain an abundant use of overt mark of friendliness and supportiveness and physical closeness. This is done in order to compensate for a constant deficit in the self-image of social belonging due to the fairly narrow cultural distinction of automatic community belonging to the Spanish society. This behavior can be further related to the internal directedness principle and the type of behavior that is shaping the communicative style of a combination of integrativeness and competitiveness, which is neutralized by external directedness in Swedish conversations. Spaniards are simply not equally convinced of their automatic belonging to a community, other than the family, than are the Swedes, thus Spaniards have a constant deficit in the self-image of social belonging to be compensated for by affiliative face-work.

Esteem-face is referred to as the inner representation of Self as a person with a position on a social scale and thereby entitled to get other’s esteem, it is closely related to pride and a mix of the other two faces. This face-need is particularly characteristic of the Spanish mentality. In Spanish conversation there is an abundant use of verbal and non-verbal means to manifest ones personality to be acknowledged by others as opposed to Swedish conversation and social conduct, were strong egalitarian traditions exclude the need or allowance for the esteem or recognition of social status.
6.5 Culturally Determined Negotiating Styles and Behavior

The “Negotiating in Spain and Scandinavia” corpus (Fant, 1989, 1992, 1993, 1995i and Fant et al., 1995ii, 1995iii) found Spanish negotiators to score high on the dimensions of both integrativeness and competitiveness. To score high on the former dimension, is interpreted to indicate a behavior towards establishing internal unity and solidarity within the negotiating setting. However, the naturally high score on competitiveness, make the Spanish negotiators to strive for the satisfaction of their individual needs without so much further concern, that is, tough style bargaining. The fact that Swedish negotiators score high on the cooperativeness and distributiveness indexes, indicate in the former case that they are concerned with the actualization of collective or individual goals to be fulfilled before starting to individually bargain. Whereas high scores of distributiveness refers to an interest for the fair and mutual distribution of assets in order to satisfy as many negotiating interests as possible.

Moreover, non-assertiveness striving to find consensus of common objectives accompanied by a cooperative bargaining, serves to enable the simultaneous focusing on various aspects of the issue at stake in order to avoid possible conflicts. The Spaniards are instead observed to show a great bargaining span at the outset of a negotiation. Additionally, they present great competitiveness and assertiveness in order to win the important rounds of bargaining and sacrificing the less important, as their way of perceiving a typical negotiation. Nevertheless, this style also confirms a desire to confirm one’s social bonds with the other party.

For Swedish negotiators, the rapidly made switches from assertive to affiliative modes made by the Spanish negotiators are often interpreted as a change in competitive behavior, rather than an intention of a bridging move trying to confirm the social bonds between the parties. Hence, Swedish negotiators are interpreting the Spanish win-win negotiating style rather as very assertive competing win-lose tactic. However the Spanish negotiators seem to interpret the typical Swedish mitigation of bids, consensus establishing and simultaneous weighing of several aspects, as rather evasive moves. And the Swedish low-context dependency together with a strong task-orientedness, incur the risk of being interpreted by Spanish negotiators as tokens of showing indifference or even implicitly aggressive behavior.
6.5.1 Push and Pull Moves

Push moves refers to those made to affirm one’s own party’s position or image through basic initiatives, argumentative moves and assertive moves. Pull moves are actions taken to attract the other party by means of strengthening that party’s position and image or by underscoring the bonds between each party through yielding, acknowledging and we-strengthening moves. In addition there exist a somewhat mixed tactical option referred to as linked moves, which are made through first-pull-then-push actions according to Nierenberg (1968).

According to the “Negotiating in Spain and Scandinavia” corpus (Fant, 1989, 1992, 1993, 1995i and Fant et al., 1995ii, 1995iii) push moves made by Swedish negotiators are produced in a generally weaker, that is, in a less threatening mode, or the threatening moves are more energetically hedged. Basic initiatives do not appear as bids, offers or claims, but rather as ideas or suggestions and they are often packaged as argumentative moves in a chain of proposals. Hence, argumentative moves are presented by explanations and through the avoidance of using personal speaker and hearer references, which gives the message a task-oriented touch to the negotiation as if there was no argumentation but rather problem-solving at stake. Assertiveness from Swedish negotiators is represented such as warnings or mild reprehensions about possible future responsibilities.

Spanish negotiators make recurrent use of the same arguments, and they are also involved in argumentative chains. They are quite capable of enhancing their arguments and building them up before explicitly stating the opinion or claim that is actually being supported. Arguments directly addressed against the other party’s position are avoided instead arguments-for, of a linked first-pull-then-push type is the preferred counter move among the Spaniards. Different types of assertive moves are very frequent such as rejecting, reprehending or advising.

When it comes to pull moves among Swedish negotiators, they occur twice as frequently as with Spanish negotiators. Yielding and acknowledging moves are the ones that are mostly used together with empathizing moves, which appear to be exclusively used by the Swedish negotiators. However, Spanish negotiators tend to use pull moves much less frequent than they are using any type of push moves. Strongly represented in the initial phase of negotiation is the we-strengthening type of move by the Spaniards. But
later in the final stage of negotiating, when a principal agreement has been reached, pull moves of an acknowledging kind are often used, probably due to a sense of obligation to reward the opponent after a fierce battle challenging the cohesion of the parties.

The Swedish cultural combination of high individualism, interpreted as a strong tendency to maintain personal autonomy, with a low masculinity index conceived of as low evaluation of pushy behavior, account for the tendency to attenuate push moves and to restrict their number. These characteristics are as well emphasizing Swedish negotiator’s preference for impersonal argumentation and for pull moves of the yielding kind. The preference of establish consensus, and in particular of considering consensus as a necessary condition for carrying on continuous meaningful conversation, also contributes to explain the strong control of push action, and the widespread use of acknowledging, in particular empathizing moves among the Swedes.

The high power distance combined with a high masculinity index in Spanish culture is an important factor in explaining why Spanish negotiators have a more challenging style and prefer the push behavior. A high power distance index, taken together with a moderate value for individualism, also account for the striking familiar atmosphere, with its rapid switches between highly cooperative and blatantly behavior among Spanish negotiators. Moreover, the high uncertainty avoidance index helps to explain the relatively high frequency of using we-strengthening moves, that can be attributed to a tendency of general preferences for person-oriented actions. For Spanish negotiators a meaningful negotiating dialogue presupposes that there exist a mutual personal acceptance and that an atmosphere of confidentiality is being established with an agreement for a joint future personal support. This is an important feature that separates Swedish behavior from Spanish not only in negotiations, but also in general. The more conflictive the issue turns out to be the less is the usage of arguments as a result of the consensus-first principle among the Swedish negotiators. Instead there is more focus upon peripheral claims. As a conjoined effect of an opposing party’s preference for self-affirmative behavior, high proportion of arguments supporting the opposing parties’ claims is produced.

However, Spanish negotiators, as an effect of their preference for self-affirmative behavior, use more arguments on conflictive issues rather than
on more neutral ones. This is combined with a preference for high emotional display, and results in a higher proportion of immediate arguments being used. Having for example price, as the most conflictive or sensitive issue in a negotiation, arguments addressing price will be the most frequently used. And as a result of the involvement-first principle and the preference for emotional display, arguments referring to the relationship or bonds existing between the interactants are frequently being used.

6.6 Culturally Determined Negotiating Strategic Behavior

In accordance with the presented explanatory model of negotiating behavior options (Fig 6.), assertiveness strategies refer in the following to verbal or non-verbal exaggerating behavior typical of one’s in-groups to symbolically compensate for what consciously is perceived as shortcomings in the other party’s behavior, and thereby restoring interactional balance. Thus, accommodation strategies relate to when a party decides to verbally, or non-verbally, adopt one’s own behavior to the opponent party. Finally, avoidance strategies refer to verbally or non-verbally avoiding responses or behavior, that may be misinterpreted or threatening to the other party’s interests. It is finally of empirical interest to find out about the observations made by the “Negotiating in Spain and Scandinavia” corpus (Fant, 1989, 1992, 1993, 1995i and Fant et al., 1995ii, 1995iii) concerning specific behavior characteristics among Swedish and Spanish negotiators when they perform strategies previously mentioned.

6.6.1 Assertive Behavior

When it comes to the behavior in the beginning of the face-to-face interaction in the stages of negotiation, Swedish negotiators are observed to be keen on setting the working agenda and to introduce the issues to be discussed and summed up. They further seem to prefer to be the ones formulating the conclusions and any reached partial agreements, and finally to be the party who introduces new topics into the negotiation. A typical task-oriented style of referring to earlier made reports when presenting arguments in favor of one’s statements and to require reports as soon as there is a need for planning future activities is addressed, which is interpreted to be in line with a typical Swedish negotiating strategy behavior. Moreover, any Swedish negotiating strategy are most likely
influenced by certain time plans, which explains the behavior of hard and frequent mentioning of time limits throughout the negotiation.

Concerning non-verbal behavior, Swedish negotiators are observed to continuously take notes while the other party is talking, as a typical feature of a task-oriented body language. This behavior can be interpreted as a typical act intended to ensure, or rather to prove for the opponent, that the spoken word will not just disappear once it has been uttered. But also by tying words to paper, they can be referred to at later stages of the negotiation. In fact Swedish negotiators are recorded to be holding a pen in their hand, in the capacity of both speaker and listener, which further corroborates the task-oriented style of negotiating. In that posture the negotiator could not be better prepared for taking notes. These gestures are also observed to occur exclusively among Swedish negotiators when compared to the Spanish negotiators.

Another typical characteristic of a task-oriented negotiator is to refer to the written word when producing argumentative statements, just as a frequent accompanying non-verbal move is to look at one’s papers rather than at one’s interlocutor. Therefore the Swedish negotiator will keep pointing at papers, touching them and thumbing through them, and continuously use the papers in the same fashion even when listening to statements produced by the other party.

### 6.6.2 Accommodated Behavior

Spanish negotiators never really accommodate themselves to the previously described pattern, in spite of the fact that they occasionally make use of pen and paper. Although it is a general tendency that native speakers (when Spanish was mutually used as the negotiating language) seems to accommodate their speech rate to the non-native ones, rather than the contrary.

Hence, speech rate may be used both in an assertive and an accommodating way and typical concomitant verbal and non-verbal signals, do not always have to be pointing at the same direction. In particular, a non-verbal accommodation strategy may be used in a way that rather contradicts a concomitant verbal assertiveness move, with the intention of mitigating, which usually also accounts for Swedish negotiators.
6.6.3 Avoidance Behavior

For a Swedish negotiator, criticism during face-to-face negotiations is perceived to be very sensitive and is therefore avoided during interaction, especially with such a people-oriented negotiating party as Spanish negotiators. Instead criticism can be discreetly brought forward afterwards, when agreement has been reached, because the previous fear for bringing it up now has diminished. However, when the agreement has been concluded, Spanish negotiators consider the parties to be friends, and that it is not a good moment to express any criticism.
7. Analysis

In an international business negotiation with foreign businessmen at an interpersonal level, language or communication should be considered a powerful but insufficient tool according to McCall and Warrington (1989). The successful negotiation rests on an awareness of the process of negotiation as a starting point, followed by an ability to understand and use the influencing behaviors and empathy for the culture being interacted with. Starting from this assumption being made, I will now proceed into the analyzing stage of this thesis.

7.1 Analytical Approach

Before starting to analyze the different aspects of the presence of cultural impact on international business negotiation by putting a special emphasis on the behavior of Swedish and Spanish negotiators interacting, it would perhaps be appropriate to make some assumptions based on the theoretical and empirical contributions that have been previously presented.

In the initial theoretical contribution, Rojot (1991) discussed the notion of conflict and from this reasoning, which primarily served as an orientation into the nature of negotiations, I find it interesting to highlight the following assumptions for the purpose of this thesis. Conflicts are perceived as being naturally present and unavoidable in most, if not all, social situations and interactions. Due to bounded rationality in human behavior, conflict is unavoidable in the sense that it cannot be suppressed or totally eliminated; nevertheless, it can and should be managed, channeled and contained. Moreover, the idea that conflicts should be managed fits well into the following theoretical contributions made from various authors regarding the phenomenon of negotiations and especially those being influenced by an international touch.

According to the social interaction perspective, negotiation is viewed as a process of social exchange and the greater the similarity between the negotiating parties, the better for the outcome of the negotiation according to Evans (1963). Particularly interesting for the purpose of this thesis is perhaps another social interaction perspective, namely the view of negotiation that according to Angelmar and Stern (1978) is accentuating on the importance of culture and cultural differences for the outcome. The
The most suitable perspective of negotiation as being an international activity is probably the definition given by McCall and Warrington (1989). They define negotiations as sequences of written and/or verbal communication processes whereby parties to both common and conflicting commercial interests and stemming from differing cultural backgrounds, consider the form of any joint action they might take in pursuit of their individual objectives which will define or redefine the terms of their interdependence. This perspective gives fundamental recognition to the assumptions whether the notion of culture actually has an impact and influence on the outcome of international business negotiations.

In order to visualize and make assumptions about how the presence of cultural impact on international business negotiation can be identified, studied, understood and handled, I have reviewed some presented models that demonstrated the relationships between the influencing factors within international business negotiation. The negotiating structure model of Kapoor (1975), presented the idea that the four Cs that are surrounded by the circles representing the current perspectives and the environment which consists of social, cultural, political and economic systems, are the factors that determine the outcome of the international business negotiation. From this model the assumption can also be drawn that the international business negotiations are differing from domestic ones due to that foreign cultural environment demand a different negotiating perspective, which will have an impact on the final outcome of the negotiation.

The negotiating process model of Ghauri (1983) also strengthens the assumption that it is particularly demanding when in negotiations the negotiating parties come from different cultural backgrounds. The model also stresses influencing factors such as environment and cultural perspectives, but it focus as well on the current atmosphere and the expectations of the negotiators. It can further be assumed from the contribution of Ghauri (1983) that culture should be recognized as an important factor to consider as influencing on negotiations. That the negotiators come from different political, social and cultural backgrounds influences the negotiations and can reduce and severely hinder the efficiency of the negotiating process.

The descriptive negotiation model of McCall and Warrington (1989) also presents a way of visualize and make assumptions about how the presence of cultural impact on international business negotiation can be identified,
studied, understood and handled. This model identifies various underlying factors influencing negotiation outcomes. From this quite extensive perspective on international business negotiations several assumptions can be made. The difficulties for an international business negotiator are compounded by the fact that the intentions must also be culturally appropriate and acceptable. It is therefore of crucial importance to have a sufficient knowledge about the cultural background of the opponents, because the cultural environment influences not only on negotiating behavior, but also on the negotiation itself and its process.

Moreover, as an implication, it is also assumed to be of importance to have good knowledge about the expected personal characteristics and behavior of the culturally influenced mentality represented by the opponent. That is, before making business with a foreign negotiator, one should have an idea of those characteristics that are typically concerned as being specific for the represented culture and proven to be affecting on the behavior or way of communicating.

These assumptions are also supported by Weiss (1994) who also claimed that misperception can be a danger in intercultural negotiations as emotions are expressed by differing degrees of intensity in different cultures. It is assumed when different cultures meet, that there is an increased possibility of misunderstanding since the opponent can view the cultural norm by over- or under-reacting, unless there is awareness on his part of the cultural differences.

To get an understanding for possible implications of cultural divergences based on different international business negotiations, I have reviewed some basic theoretical contributions covering the phenomenon of communication and culture. The classical model of Berlo (1960) forming the ten components of the verbal communication process, together with contributions of Chen (1989, 1990) and Jandt (2000), define communication being a quite dynamic process, whereby human behavior, both verbal and nonverbal, is to be perceived and responded to. The assumption that can be made from these contributions is that every culture has its specific way of assigning meanings to the symbols of communication. Therefore it can also be assumed that an understanding of the culture in which the communication is to take place, is somewhat critical to the success for the outcome of the interaction.
The notions of cross- and intercultural communication have been presented basically in order to emphasize the importance of focus from both perspectives, as the purpose of this thesis is to identify, study, and understand how to handle the impact of cultural interactions such as in an international business negotiation. It is assumed to be important not only to compare observed differences that are individually compared from one culture or country to another as is being done by Hofstede (1980, 1997), but also to focus on the real face-to-face behavior as is being done in a study of intercultural character. This idea of how to focus or study the presence of cultural impact is also supported by Samovar and Porter (1994) who have identified variables that can be observed for developing skills to become a more effective intercultural interactor.

Nevertheless, cross-cultural studies such as the ones trying to locate value dimensions across which cultures vary, in accordance with the research of Hofstede (1980, 1997), are in this study assumed to give some interesting comparable reasons behind Swedish and Spanish mentalities and their resulting behavioral characteristics. In addition to the cross-cultural perspective, the thesis has also been enriched by empirical findings documented by the “Negotiating in Spain and Scandinavia” research corpus supervised by Fant (1989, 1992, 1993, 1995i) and Fant et al. (1995ii, 1995iii) focusing on negotiating behavior from a typical intercultural perspective.

Initially I made the assumption that implications of cultural divergences between negotiating parties interacting in an international business negotiation have an impact on the negotiation outcome. This assumption has proved to be correct when considering the contributions of the above-mentioned authors and resulting research. When it comes to the second assumption concerning whether it is possible to make some predictions about negotiating behavior among negotiators that share a specific cultural background, contributing findings have as well been presented suggesting this claim to be valid. However, the main purpose of the thesis was to study and analyze the effects of the presence of cultural impact on international business negotiation putting a special emphasis on Swedish-Spanish business negotiators and to further make some recommendations about how to successfully conduct these intercultural interactions.
In order to define the core problem of the thesis, the question was initially being formulated asking how the possible cultural impact on international business negotiation perhaps can be identified, understood and successfully dealt with. By integrating this core problem with the purpose of the thesis it is now time for taking on the analysis of possible Swedish and Spanish cultural impact on the outcome of a joint international business negotiation. In order to facilitate the research approach, I initially had formulated three analytical questions, in addition to the core problem, that continuously will help me now to structure the focus of the analysis. The assumptions made from the contribution of all the presented theoretical and empirical findings will serve as the base for the purpose of analyzing the observed problems of cultural impact on Swedish-Spanish business negotiations.

To proceed with the analysis, I have decided to practically use the two suitable and extensive models (Fig. 4. and 5.) of McCall and Warrington (1989). These integrated models cover almost all different aspects that I have found being emphasized on by the theoretical and empirical contributions when considering what are the most important factors determining culturally divergent interactions. This does not mean that I want to reject the content of the other models previously demonstrated, rather they should be considered as supporting the conceptual framework of the analysis as a whole. It might also be important to mention that several parts of the theoretical contributions that have been presented will continuously be referred to as the analysis goes on, although some parts have only been included previously to function more as a comparing reference. The empirical research results from the “Negotiating in Spain and Scandinavia” corpus will play an important role when focusing on the impact and implications of specific Swedish-Spanish behavioral characteristics that are observed to appear in business negotiations. The findings of culture-specific ways of thinking and feeling will be analyzed and organized in accordance with the suggested usage and in correspondence with the emphasized parts of the two integrated models of McCall and Warrington (1989).

The analysis will finally be followed by some specific recommendations in a summarizing conclusion based on the findings on how to successfully deal with the cultural impact on international business negotiation, and in particular when present in a Swedish-Spanish business negotiating context.
7.2 Underlying Factors Affecting Negotiating Behavior

In the descriptive negotiating model (Fig. 4.), a theoretical contribution from different disciplines such as: social psychology, social anthropology, sociology, political science and business administration can be traced. Practically, the model demonstrates how four different main factors are integrated and interact with each other during negotiations and what are their individual outcomes. The four independently integrated factors: environmental influences, influence strategies and skills, behavioral predisposition, and situational influences all interact with each other to give emphasis to the complexity in the determination of the negotiation outcome. These factors also interact with each other to make the negotiators act in a particular way and the interaction of the negotiators themselves will also affect the negotiation outcome.

The model of underlying factors influencing negotiation outcomes (Fig. 5.) is integrated with and follows the main outlines of the descriptive negotiating model (Fig. 4.), although it offers a more in-depth perspective on each of the four main factors that are influencing on the outcome of the international business negotiation. Thus in order to primarily be able to analyze possible underlying reasons that determine a certain Swedish-Spanish negotiating behavior within the business negotiation, the analysis will start by focusing on the various factors being specified within the latter model, which will serve as a suitable analytical tool.

Since specific values and attitudes characterize every culture, I will also intentionally analyze possible divergences between Swedish and Spanish mentalities and behavior when it comes to communication and general behavior that might influence on the negotiating interaction.

By integrating the results of the model of underlying factors affecting negotiating outcomes, (Fig. 5.), into the previous model presenting the relationships of the main factors affecting negotiating outcomes (Fig. 4.), it is possible to demonstrate how certain Swedish-Spanish negotiating behaviors will influence the outcome of a joint international business negotiation.
7.2.1 Environmental Influences on Parties

Following the reasoning of Rojot (1991), it is clear that environment will and can influence the objectives of the negotiation, however the objectives will also influence the environment. Nevertheless, the environment and the negotiating structure do not imply by themselves that any given outcome to a negotiation is to happen automatically. There are a couple of variables that interdependently set the stakes, such as, resources and constraints. These underlying factors influence the objectives of the parties and are the foundation of bargaining power and the environment itself changes as the negotiation takes place, hence it is a dynamic process.

As was mentioned earlier by McCall and Warrington (1989), specific organizational cultures will influence negotiation outcomes in so far as they place constraints on people representing the negotiating organizations. This might not necessarily have to be national organizational structures, policies and objectives, but can also be structures representing a multinational organization being active in various countries and markets. However, there is usually a certain dominating culture affecting the organizational environment, which may also be seen by the parties as constraints on their activities, and therefore as variables affecting any international business negotiating outcome. Clearly the environment represents some features, which are not in the real power of the interacting negotiating parties to modify or to alter. However for the purpose to better perceive and analyze the environment and to allow a party placed in a negotiating situation to understand what is important or not, the underlying influencing factors of the environment should be considered.

There are according to the “Negotiating in Spain and Scandinavia” research results, certain cultural factors in both the Swedish and Spanish societies, that obviously influence the way Swedes and Spaniards are emotionally and mentally functioning, which can explain certain common characteristics in their way of perceiving life and communication.

The typical Swedish macro-culture, influenced by history and geographical position, seems to be dominated by a certain village collective mentality, which has functioned as framework for powerful bonds of solidarity to the society, and later on also to the nation as a whole. With a rather different historical background, Spain and its macro-culture has no counterpart in the development of the Swedish society, in spite of the fact that Spain became
a national state as early as Sweden. In the Spanish macro-culture solidarity bonds are established with people whom are well known and whom one are affectively tied to in a broader sense, whereas the basis for traditional Swedish individuality, results in close bonds primarily with the members of one’s own family.

These conditions will most likely to a great extent influence the initial stage of a negotiation, where social bonds are to be established and a mutual approach of how to advance into the process of negotiation is decided upon. The Spanish party will be quite concerned with getting a personal knowledge of the representatives of the opposing party, whereas the Swedes do not want to spend too much time on socializing activities, but instead to start focusing on the consensus building of what is to be negotiated and not.

Perhaps the Spanish involvement-first principle versus the Swedish consensus-first principle is the primary key for the negotiators to consider, and to actually deal with, when laboring on their respective negotiation strategies. Clearly, the more people-oriented approach within the Spanish micro-culture will influence on the behavior of its negotiators, as will the typically task-oriented Swedish micro-culture dominate the attitude and behavior of their negotiators.

However, these major differences in perceiving personal interactions and working, does not need to be a great problem if for instance the agenda for the negotiation have been technically prepared before the first meeting is to take place. Perhaps even better for both parties, would be what Druckman (1977) suggested about having informal get-togethers prior to negotiation. When it comes to specific legal, political and technological factors influencing the negotiation it is of course depending on where the negotiation is to be located, although these two nations share very similar conditions, as a result of being members of the European Union. Thus, the influence of these underlying factors could have been greater if the negotiating parties were to be more unequal, although social factors are always an important consideration. Nevertheless, presuming there might be a considerable difference in seize between the organizations of the negotiating parties respectively, an economic and technological consideration would indeed seem to be more appropriate to do. However, this can also be regarded as a power comparison and then of course a cultural knowledge of the perception of power of the parties is useful, but
more about perceptions of power later on. As a final remark when considering environmental influences on the parties, underlying factors such as individual organizational strategies and work structures play a certain role, by influencing the organizational policies and objectives.

7.2.2 Situational Influences on Parties

Almost all the literature on negotiation, mentions that negotiation takes place because one party wants something from another party that also has some degree of control over it and therefore the needing party wants to satisfy the other party to the extent necessary to obtain what was initially wanted. In other words, there is a mutual dependence between the parties.

Although where a negotiating party presses for as advantageous an agreement as possible, it runs the risk of driving the opposing party away from the relationship which seeks to resolve the conflict of interest between the parties. This result is unfortunately very possible to occur when Swedish-Spanish interacts if there is no mutually awareness of the negotiating behavior.

The “Negotiating in Spain and Scandinavia” research corpus observed Spanish negotiators showing high competitiveness in the initial stage of the negotiations, making them strive for the satisfaction of their individual objectives not so much concerned with the opponent. Because according to the Spanish mentality, when it has been agreed upon what to negotiate about, it is naturally considered being a matter for each party, to try getting the most attractive outcome possible. This negotiating approach is further strengthened by the typical Spanish assertive behavior, showing a great bargaining span at the outset of a negotiation and an individual perceived ambition to win the important rounds of each stage of the negotiation.

However, these characteristics is also confirming the idea of that there is a mutual acceptance and desire to confirm the social bonds with the other party, although this is not a behavior that is easily accepted from a typical Swedish negotiating perception. Among Swedish negotiators it seem to be particularly important to rather maintain the feeling of consensus of common objectives, accompanied by a cooperative perception of the actual bargaining. Throughout the negotiation process it should accordingly be a simultaneous focusing on various negotiable aspects of the issues at stake, in order to avoid conflicts as long as possible. As a consequence of this
behavior it is really important for Swedish negotiators to specifically indicate for the Spanish counterpart, that they really are concerned with searching for the actualization of both collective and individual objectives to be fulfilled, before starting to individually bargain. Otherwise the somewhat overwhelmingly different cultural perceptions of how to negotiate would pretty soon be putting an unsolvable end to the negotiating process.

Furthermore, Swedish negotiators have an interpretative problem with the rapidly switches from assertive to affiliative behavior made by the Spanish negotiators. To not change the negotiating behavior is perhaps unavoidable during complicated international business negotiations, nevertheless if Swedish negotiators correctly interpret the ambiguous Spanish mood changes, it would be mutually beneficial and perhaps Swedish negotiators would be able to loosen up their ambition of maintaining consensus regarding all the issues. Such an adapting Swedish negotiating behavior would help Spanish negotiators interpret the typical Swedish mitigation of bids, consensus establishing and simultaneous weighing of several aspects. Instead of being interpreted by the Spaniards as evasive moves, these can now be considered as positive moves, made between arguments, signaling that the parties still are going strong and further strengthen their mutual bonds, a behavior that was also suggested by Rackham and Carlisle (1978).

However, Swedish-Spanish negotiations would perhaps get the best out of mutually orienting their negotiating roles towards a strategy of a comprising kind, that is not necessarily totally cooperative but neither competing. In accordance with Morley and Stephenson (1977) a comprising-coordinated motivational orientation with a strategic approach that is conveying without committing, tends to result in a more effective negotiation.

### 7.2.3 Behavioral Predisposition of Parties

As Jandt (2000) has defined intercultural communication, it generally refers to face-to-face interactions among people of diverse cultures, which can work as a useful perspective when searching definitions of intercultural competence grounded in communication. However, considering different behavioral predispositions of culturally divergent parties being involved in an international business negotiation, self-image, together with the interpersonal orientation of the participating interactants are also of major
concern according to the integrating models of McCall and Warrington (1989). According to the findings of the “Negotiating in Spain and Scandinavia” research corpus, the typical Spanish assertive mentality could be considered a quite normal behavior and perhaps even a necessary characteristic in order for approval and to get along with other people on equal terms. Whereas Swedish mentality consider the assertive behavior to be rather pushy, aggressive and show-offish. These fundamental differences in the self-image and perception of interpersonal orientation will accordingly of course influence on the behavioral predispositions in the international business negotiation setting.

While Spanish negotiators will consider the moderate and more discrete way of approaching the negotiating issues by the Swedes as inhibited and vague, Swedish negotiators find the Spanish way of self-assertiveness and contrastiveness, perhaps to be a result of lacking elegance and bargaining tactics. It is therefore important for Spanish negotiators to have an insight into the Swedish negotiators’ expectancy on everybody’s respect of self’s rights, as in privileges and right of comfortable territory for the individual. In particular, it is perhaps of most importance for both parties to consider the key actions of principled negotiation laid out by Fisher and Ury (1987), concentrating on the separation of the people from the problem and to be focusing on mutual interests and not positions.

Perhaps insisting on using objective criteria, as a guiding principle throughout the process of negotiation, better will help the culturally divergent negotiating parties to focus on common principles and to not pressure for a possible single achievement of their individual self-interests.

Since the preservation of autonomy face is perceived as being more important by Swedes than it is for the esteem-faced Spanish negotiators, the usage of verbal and non-verbal means of expressing respect for other’s territory such as in turn-takings, physical distance, and self-affirmation, is important to consider for Spaniards. On the other hand the need for expressing attitudes, values and motives in a typical high-contextual and affective way, has to be adapted to, at a greater extent by the rather neutral and task-oriented Swedish negotiators. However, successful international business negotiators should need to always show a certain social relaxation when interacting, and as Chen (1989, 1990) explains it, to be successful one must know oneself well and through this self-awareness express a friendly personality in order to be considered competent in intercultural
communication. That is, international negotiators should be competent in both verbal and nonverbal behaviors.

When it comes to interpersonal orientation, Samovar and Porter (1994) have identified eight variables for developing skills to become a more effective intercultural communicator. And, accordingly, it should be of an interest for Swedish and Spanish negotiators before engaging in negotiations, to study the typical attitudes, social organization, thought patterns, societal roles, space, time sense, language and non-verbal communication of each others’ cultures. The knowledge that the cognitive structure of one’s own culture influence on one’s behavioral predispositions must be a knowledge to act upon, thus also being perceived as a possible key to getting a better understanding of the opponent’s behavior.

**7.2.4 Influence Strategies and Skills of Parties**

Among the skill areas for a multicultural person identified by Chen (1989, 1990), respecting cultures and have a tolerance for differences, are characteristics primarily outlined. The first skill had to do with personality strength, which have already been addressed through the previous made discussion about the implications of the culturally differing perceptions of Self. It can be said that successful communicators must know themselves well and, through their self-awareness, initiate positive attitudes in their interactions with others.

When following the integrated model of underlying factors influencing negotiations and their outcomes, influence strategies and skills of parties are mentioned. From this, the assumption can be made that a second skill necessary for successful cultural interaction is required, and also according to Chen (1989, 1990), the negotiators must have message skills, behavioral flexibility, and certain knowledge of interaction management. By starting with analyzing message skills and interaction management, which referred to the ability to understand and use the language and handling the procedural aspects of conversation, it have been observed by the research corpus that the way of conversational organization differed greatly among the Swedish and Spanish negotiators. That is, there seems to be a certain intercultural behavioral inflexibility in the ability to select an appropriate behavior in diverse negotiating contexts.
The most typical Swedish way of giving feedback is by means of combined verbal and non-verbal signals such as, the “umm-sound” and nods combined with a mirroring gaze pattern at transition-sensitive points, which unfortunately have been observed to be quite differently interpreted by Spanish negotiators. Because, Spanish speakers will misinterpret a Swedish speaker’s supportive variants of feedback, not as a means of confirming attention, but rather as a true response of agreement or consent.

This misinterpretation is of course not making the interaction management easier by the opposite case. When the Swedish communicator signals disagreement and willingness to speak, it is instead considered as an abortive initiative that have not been put forward with sufficient amount of energy as to be taken seriously at all by the Spanish interlocutor. It can even go that far that the Spanish negotiators interpret the absence of expected interruptions as a sign of lacking interest from a Swedish counterpart.

It is therefore very important for the negotiators to recall that Spanish interaction management is built upon a typical floor-taking culture and that the Swedish conversational organization is more of a floor-giving kind. Since Spanish speakers rarely use any typical verbal signaling, but a mutually accepted speech overlap combined with an abundant use of gaze to confirm attention to the speaker, it is also crucial to understand this behavior for Swedish negotiators willing to either take the floor, or signal consent or agreement. An increased knowledge of the culturally differences in interaction management and message skills, thus is essential for the mutual development of trust and influencing behaviors.

Further skill mentioned by Chen (1989, 1990) and by Samovar and Porter (1994), emphasize social skills, as in showing empathy and identity maintenance. This skill also refers to cultural awareness and psychological adjustment. To become a successful intercultural communicator and/or negotiator one must understand the social system and customs of the other cultures and also understand how the specific people think and behave. However there is another important factor, which is culturally implicating on international negotiations and that is the perception and exercise of power and the management of an appropriate conflict-handling behavior.
According to Rojot (1991), it is due to bounded rationality in human behavior that conflict is unavoidable in the sense that it cannot be suppressed or totally eliminated. But nevertheless it can and should be managed, channeled and contained. Further on, it was suggested that rather than open conflict, or fight, into which it can easily turn, it is more accurate to think of a state of potential conflict of interests, activated or not.

Thus, from a social interaction perspective, an orientation towards an influence strategy directed mainly towards conflict or co-operation will partly be determined by the result of an estimation of the bargaining power among the negotiating parties. Implementing power in a negotiating relationship, it becomes bargaining power, the capacity of a party to influence the outcome of a negotiation towards its own goals.

If the strategic approach would be to initially consider the balance of bargaining power of the parties, this balance could then only be an estimate and never a certainty, since bargaining power is subjective due to that the perceptions of the environment differ between the parties. As we know by now, the perception of the environment and it’s various sources of influence on the Swedish and Spanish negotiators are somewhat different. It is therefore of importance for both parties to strategically approach the estimation of mutual bargaining power from two perspectives. Thus each negotiating party needs to estimate their opponent’s bargaining power from the opposing party’s perception of the environmental influencing factors and situations.

According to Rubin and Brown (1975) it is the exchange of information and what can be imputed from the information and the ways it can be used for mutual influence, that is really representing the fundamental strategic issue in negotiations. When comparing this reasoning to the previous discussion about trying to estimate a bargaining power relationship, it make a lot of sense that each party has to obtain information about the other’s true preferences, intentions and social perceptions when shaping a successful negotiating strategy.

When considering the documented findings from the “Negotiating in Spain and Scandinavia” research corpus concerning power perceptions as having impact on negotiating behavior. Push moves made by Swedish negotiators are produced in a less threatening mode, and basic initiatives do not appear as bids, offers or claims, but as ideas or suggestions often packaged as
argumentative moves in a chain of proposals. This can perhaps also be further explained by the Swedish preference of giving messages or information in a task-oriented way.

However, this typical behavior should be perceived by Spanish negotiators as being a unique source for them to background information concerning the perception of the Swedish bargaining power and/or negotiating status. In this circumstance it should then be valuable to remember what was mentioned by Nierenberg (1992), about push moves that are made to affirm one’s own party’s position or image through basic initiatives, argumentative moves and assertive moves, whereas pull moves are actions taken to attract the opposing negotiating party.

For the Swedish party it should be of interest to rather pay really good attention to the Spanish negotiating way of making recurrent use of the same arguments, and also getting involved with argumentative chains. Because correctly interpreted, this is the best source of getting a good picture of the whereabouts of the Spanish party’s perception of their bargaining power.

Since Spanish negotiators like to enhance their arguments and to build them up before they explicitly state their opinion or claim, it gives Swedish negotiators a perfect moment to influence the final conclusions by addressing the partial arguments instead of waiting until it has all been puzzled out. This is most likely also going to be fairly well accepted by Spanish negotiators, since it is rather a sign of showing interest and passion for the arguments that are put forward, but it also helps neutralize the frequency of Spanish first-pull-then-push actions.

An explanation of why Spanish negotiators have a more challenging style and preference for push behavior when making proposals and countermoves in negotiations is then most likely referred to a dominant culture where a high power distance combined with a high masculinity orientation prevails. Compared to the Swedish consensus culture, for Spanish negotiators a meaningful negotiating dialogue presupposes that there exist a mutual personal acceptance of social values and behavior, which provide for an atmosphere of mutual confidentiality.

It should therefore be of a particular importance for both parties to initially make a specific agreement of how to deal with possible conflicts that
appear to be too difficult to handle in order to reach a successful outcome of the negotiation. The parties should also recall that the more conflictive an issue turns out to be, the less is the usage of counter arguments among Swedish negotiators, as a result of their consensus-first principle, whereas Spanish negotiators use even more arguments on what they perceive as conflictive issues. It is therefore necessary to try combining Spanish high emotional display and immediate arguments, with the Swedish preferences for an external directedness and use of mitigating expressions.

Especially when considering the observation that, typical pull moves occur twice as frequently among Swedish negotiators as Spanish negotiators use them, the means of power described by French and Raven (1959) could be used by the Swedish negotiators to serve as an equalizer. That implies skillful use of means of power to achieve social influence by actively using any possessions of reward, coercive, legitimate, referent and expert power to gain acceptance of their proposals.

The risk is otherwise that the Spanish negotiators, with the frequent use of their assertiveness strategies will dominate the distributive stage of the negotiation and that it will be relatively hard to reach an agreement when Swedish negotiators typically answers with their avoidance behavior. Hence, a mutual skillfully use of the various sources of power is needed to restore the interactional balance in the negotiation.

A good example of Swedish negotiators managing their shortcomings of assertive behavior, is when they instead take the initiative to execute the negotiating working agenda or to introduce new issues to be discussed and/or summed up during the negotiation. Moreover these are also two behaviors that have been observed by Rackham and Carlisle (1978), to be significantly more often used by so-called skilled negotiators, than by average ones.

It is perhaps simply a matter of actively asking and continuously testing by verifying whether previous contributions or statements in the ongoing negotiation have been mutually understood. This behavior is also observed to go along well with typical Swedish task-oriented body language, when taking notes and summarizing short restatements of previous points raised in the discussion in order to reduce misunderstanding and clear the way for final agreements.
According to McCall and Warrington (1989), pressures towards differentiation are reflected in the emergence of package deals and tie-ins, which also seems to be one of the strength among Swedish negotiators to keep on using. Again, it deserves to be mentioned that issue control, or the formulation of issues, as distinct from the substance of the issues, is seen as the basis of being able to lead a negotiation.

Another way of strategically influencing the negotiation is perhaps through time management, and according to what has been documented by the “Negotiating in Spain and Scandinavia” research corpus, Swedes are not only themselves concerned with time management, but are also perceived by the typical Spaniard as being more or less obsessed with time-limits and conducting negotiations accordingly.

A communicative aspect of influence strategy is the choice and usage of verbal language. International business negotiations are flavored by that interactants have different mother tongues. However according to the “Negotiating in Spain and Scandinavia” research corpus, choosing language for the negotiation, is considered to be mutually done by the participants, and if not possible, there is always the option of using well-trusted and authorized translators.

In summary, it seems to be the case that individual strategies and skills of parties influence a negotiation either direct or indirect. And in order for the parties to be able to confirm each other’s negotiating positions, a continuous mutual exchange of information regarding their demands, intentions and perceptions has to take place. Through this extensive exchange of information between the negotiating parties, concerning proposals and counter proposals, admittance and opinions, they have the possibility of influencing each other. Hence, out of the information, the parties are able to make up their strategies for further negotiating activities.
7.3 Factors Affecting Swedish-Spanish Negotiation Outcomes

Finally it is now possible to summarize and organize the total analysis of all underlying cultural factors influencing on the outcome of international business negotiations with a particular Swedish-Spanish emphasis, into the main model (Fig. 4.) that integrates and demonstrates the presence of cultural impact on the international business negotiating process.

Figure 12. Adapted Model of Cultural Factors Affecting Swedish-Spanish Negotiation Outcomes

- **Behavioral predispositions**
  - External Directedness
  - Cooperativeness
  - Impersonal
  - Low Contrastiveness
  - Neutral

- **Behavioral predispositions**
  - Internal Directedness
  - Competitiveness
  - Personal
  - High Contrastiveness
  - Affective

- **Situational influences**
  - Distributiveness
  - Mitigating
  - Credibility Precondition
  - Distance
  - Universalistic

- **Situational influences**
  - Integrativeness
  - Self-Affirmative Role-Play
  - Authority Precondition
  - Immediacy
  - Particularistic

- **Environmental influences**
  - Consensus-First Principle
  - Task-Oriented
  - Low Power Distance
  - Femininity Culture
  - Individualism

- **Environmental influences**
  - Involvement-First Principle
  - People-Oriented
  - High Power Distance
  - Masculinity Culture
  - Collectivism

- **Influence strategies & skills**
  - High-Contextual
  - Floor-Taker Culture
  - Push-Movers
  - Assertiveness
  - Argumentation-Builders

- **Influence strategies & skills**
  - Low-Contextual
  - Floor-Giver Culture
  - Pull-Movers
  - Avoidance
  - Time & Issue Managers
8. Conclusion and Recommendations

Following the methodological approach that was being presented earlier on in chapter two, the previous analysis will now be followed by some advises that mainly concern proposals based on my findings on how to understand and conduct the problem of cultural impact on Swedish-Spanish business negotiation. However, primarily I will summarize what has been discovered in general and try to also conclude whether satisfying answers to address the core research problem and the questions that were raised in the introduction have been found.

8.1 Cultural Implications on Negotiating Behavior

It is proved to be the case that the behavior of negotiators are influencing the outcome of the negotiation, particularly in international contexts where the parties have different experiences, historical and cultural backgrounds, as well as different perspectives on life. These factors govern the negotiators’ behavior and thus also influence on their reactions in the different steps and situations of a negotiation. Every culture is characterized by specific preferences, values and attitudes, which are influencing the behavior of the negotiating parties involved.

Figure 13. Model of Factors Determining Negotiating Behavior
As my model indicates, it has been concluded that in order to identify and understand the presence of cultural impact on international business negotiations, there is a need to have certain knowledge about the factors determining a specific culture. From contributions of the research literature and the empirical findings presented, it has been made clear that cultural differences between foreign negotiating parties can better be dealt with by prenegotiating studies about the history and environmental background, preferences and characteristically behavior of the counterpart.

It has further been made clear that a culture-specific way of thinking and feeling indeed can be observed by studying the behavior and preferences of a people that share the same cultural background. Although these kind of observational results never guarantee that all members of a specific culturally influenced group actually always demonstrate a similar behavior.

8.2 Swedish-Spanish Business Negotiations

However, the general characteristics of thinking and feeling of any cultural group, has a major implication also on their negotiating behavior. It has been demonstrated that typical culturally determined differences can influence on personal relationship characteristics, and the way that social bonds and mutual understanding are achieved. Moreover, cultural differences have an impact on communicative style priorities as well as on negotiating style priorities. This has been observed in that culturally distinct conversational organization and face-to-face behavior seem to influence on the choice of preferred negotiating strategies and tactics differently.

From the analysis it has been demonstrated, with the assistance of the adapted model focusing on the main factors affecting negotiation outcomes (Fig. 4.), that indeed Swedish-Spanish negotiations start from two very different bases when it comes to cultural preconditions and assumptions. Though, the intention have been to mainly emphasize on the divergences, it is important to keep in mind that there of course exist a great deal of mutual characteristics and behavior that unify Swedish and Spanish business negotiators when compared to a third party.
It was explained that bargaining skill and power is relative to the parties involved, which in practical terms implies, that among similar relationships it varies according to whoever is involved. The formulation of a good negotiating strategy is perhaps the most important task for a successful intercultural business negotiation and it is necessary that the negotiating parties are aware of their roles and undertake it prior to entering the stage of face-to-face interacting. Strategy can be seen as the organizing scheme behind the actions, attitudes and behaviors within the process of business negotiating. Thus, strategy is the unifying concept, which guides the selection of the relevant solutions to the various decisions the negotiating parties have to make during the negotiations. Tactics, styles and behaviors are the specific moves selected in order to implement the strategy.

When considering Swedish and Spanish negotiators they typically influence on the bilateral negotiating context by their characteristically behavior, which is a consequence of the normal way of perceiving any interpersonal interactions. Spanish negotiators tend to start out as being in favor of a rather competitive and less cooperative negotiating climate, whereas Swedish negotiators typically start to look for similarities and possible consensus building issues when starting the interaction. However, the Spaniards push for an assertive behavior, somewhat being eager to get personally involved and invite the opponent to familiarize. Instead Swedes will start demonstrating their preference for an unassertive personal distance and integrity by getting right on business and typically be willing to organize the agenda and discuss actual matters of concern for the outcome of the negotiation. Spanish negotiators answer by offering their price limits and question whether it is perhaps possible to treat each issue individually.
Meanwhile, Swedish negotiators rather prefer to focus on the outcome of the negotiation as a whole, demonstrating a will to compromise occasionally, Spanish negotiators care more about fulfilling their initial goals of the possible outcome. As it has been indicated in the adapted model of Swedish and Spanish negotiating behavior (Fig. 14.) the two opposing negotiating parties seem to initiate the negotiation by starting from two preferred opposite corners within the negotiation behavioral arena. Maintaining these positions would make a mutual successful negotiation outcome difficult. Hence there is a need for both parties to primarily acknowledge their individual differences and to aim for a joint compromising strategically approach already in the prenegotiating stage. Such a mutual agreement could decrease the apparent implications of the cultural divergences. To practically deal with this matter, it could initially be decided or agreed that the involved parties should concentrate on mutual interests not positions. By doing this, it will probably become easier to separate the culturally divergent negotiators from the actual problem at stake and instead to focus on inventing negotiating options for mutual gain.

However, it has also been emphasized throughout this thesis that when particularly dealing with international business negotiations, issues that might be easily handled domestically usually become a more difficult task abroad or when negotiating with culturally different opposing parties. A matter can most likely always be interpreted from at least two different perspectives, therefore it should be recommended for all international business interactions, such as in Swedish-Spanish negotiations, that parties always try looking for objective criteria when considering an issue and before starting to deal with it.

The purpose of this thesis has been to study and analyze the presence of cultural impact on international business negotiation, with a special emphasis on Swedish-Spanish business negotiators, and the findings have demonstrated that the cultural impact demands a flexibility in perceiving the negotiating from the parties involved. Moreover, the cultural impact also have an influence on the choice of negotiating strategies and tactics, which has further been specifically demonstrated by focusing on the implications of behavioral divergences of Swedish and Spanish negotiators. From this comparative perspective, the importance of some key implicating factors on international negotiations have been further emphasized such as the impact of history on the political, economic and social environment or atmosphere influencing on the development of a specific cultural
negotiating behavior. It has also been demonstrated that situational influences together with certain cultural influence strategies and skills have a specific impact on behavioral predispositions and on affecting the negotiation outcome.

It can further be concluded that successful international business negotiations also concerns with how the negotiating parties are able to use the information that is communicated from the opposing party. As have been discussed verbal as well as nonverbal communication both play important roles when decoding the intentions and personal will behind a message. Thus, what can be imputed from the information and the ways it can be used for the mutual influence in an international business negotiation is perhaps representing the fundamental strategic issue.

By having identified cultural differences and possible implications of Swedish and Spanish negotiators within the analysis, a better understanding is now provided for and can serve to make future business negotiations less problematic. Additionally, with this knowledge it is possible to consider any future particular Swedish-Spanish business relationship as another circumstance that can help to predict and also influence on the divergent characteristically negotiating behavior of the opponent. Nevertheless it is important to still keep in mind that significant differences in values, perspectives and priorities, might cause some difficulties.

The adapted model of cultural factors affecting Swedish-Spanish negotiation outcome did not only serve as a suitable business administrative theoretical tool (Fig. 12.), it demonstrated the various characteristics of the negotiators respectively, but it also presented an interacting approach to how these factors interrelate with each other and influence on the negotiating.

The specific knowledge and whereabouts concerning Swedish-Spanish negotiating aspects have been thoroughly considered, analyzed and put into the overall perspective of cultural impact on international business negotiations. Recalling the introduction, my ambition has been, along with the purpose of the thesis, to initially review appropriate and relevant theoretical contributions within the field of international business negotiation, culture, and communication. An appropriate theoretical frame of references was later to be combined and linked with specific empirical findings from years of research focusing on various aspects of Swedish-
Spanish negotiating. Relevant parts of these findings were then to be integrated into a business administrative approach, also adding aspects of negotiation, communication and culture in order to finally be simultaneously analyzed from an interaction perspective. All along, the purpose of identifying, understanding and successfully being able to deal with the presence of cultural impact on international business negotiation have been guiding the methodological working approach of this study.

Finally, before reflecting over some last recommendations for possible future studies and research within the field of cultural impact on international business negotiation, and with a special emphasis on Swedish-Spanish negotiators, I would like to stress the following. When assuming an individual to be like everyone else in a particular culture one have most likely been stereotyped all the many various people in that culture into one mold. However the diversity within cultures exceeds the differences between cultures. Nevertheless, it is now proved that by knowing an individual’s cultural identity, it help us to realize the opportunities and challenges that each individual in that culture had to deal with. Correctly interpreted, this specific information can give us the key of knowledge to successfully understand and deal with the cultural impact on the individual behavior and way of communicating.

8.3 Recommendations for Future Studies and Research

Future studies and research can deepen or broaden our knowledge about these matters in a number of directions. This thesis focused primarily on trying to explain typical Swedish and Spanish behavior in business negotiations and what are the different culturally influencing and determining reasons behind. However, as the integration of cultures increases around the world, particularly within European countries, it could be of interest to study the impact on the negotiating behavior within a multicultural environment. That is, in a context were typical Spanish and Swedish mentalities are being represented but that also to a great extent other strong specific cultural characteristics are influencing. Another way to approach these aspects could be to focus primarily on regional business cultures, that is, on subcultures that might very well be present and perhaps dominating certain areas or parts of Sweden or Spain.
In this thesis a qualitative methodology was used, future research can perhaps instead be using quantitative methods to operationalize the frameworks and test them to another extent. For example this kind of research could be focusing on whether Swedish and Spanish negotiating behavior perhaps change when being confronted by other types of cultures or specific national mentalities. It is not necessarily the case that the observed and documented ways of reacting within Swedish-Spanish negotiations have to be identical with how the parties would behave when being interacting face-to-face with representatives from a third culture.

Linköping University, 2002-07-15

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**SOURCES AND LITERATURE**


