CHAPTER 10

NEGOTIATIONS IN INTERNATIONAL MARKETING

Allan Bird and Lynn E. Metcalf

Ernie Brown checks his watch with annoyance. As the youngest and brightest sales representative in his company, he's been sent to Telco Mfg. in Mexico City, to pitch his company's newest line of equipment. He's been waiting more than forty minutes to meet with Javier Arroyo—one of Telco's most influential managers and also the person responsible for authorizing capital purchases at the Mexico City facility—to free himself up from other appointments. Finally, Ernie is led back to Señor Arroyo's office. The conversation begins with "small talk"—mostly questions about Ernie's activities since arriving in Mexico City. Upon learning that Ernie had not seen any of the local sights, Señor Arroyo offers to take him sightseeing later that afternoon. Ernie responds with a polite, yet firm rejection, adding that this is a business trip and that his boss expects him back in Los Angeles the following day. Señor Arroyo continues to talk about famous buildings in Mexico City and the history of the architecture. Exasperated at the slow pace, Ernie interrupts him, asking for a tour of the plant so that he can get a better sense of how the new equipment might fit in and indicating his strong desire to discuss the new line he's touting. Señor Arroyo sidesteps the request by asking about Ernie's family. But Ernie will not be put off and insists on moving on to the reason for his visit. At this point, Señor Arroyo gives in and begins to answer Ernie's questions. Later, while touring the plant facilities, Ernie's cell phone rings. He answers it, and as he talks he notices Señor Arroyo's irritation. Ernie terminates the call, saying, "I'll get back to you on that tomorrow; my host is giving me the evil eye." Back in Señor Arroyo's office, Ernie pulls out his laptop and presentation materials. "Now, I'd like to show you something. This is our new line of equipment. I've got some data on its performance characteristics in a plant setting like yours. Let's take a look."
Negotiating a deal can be rough sailing in one's own country. Negotiators, such as Ernie in the opening vignette, often sail uncharted waters when negotiating cross-culturally. Cultural factors can complicate, prolong, and frustrate negotiations; and finding accurate, useful information can be a challenge. Much of the information that is available to an expanding corps of international managers about negotiating behaviors in countries around the world is descriptive. Negotiators may find themselves relying on very basic lists of do's and don'ts, which may not always contain tips relevant to negotiating. Moreover, items included in such lists are generally not comparable across countries. Empirical work that systematically compares variations across a range of countries is scarce. An example of the types of common information available to a negotiator for Mexico is presented in Table 10.1. What the table makes clear is the lack of information on many dimensions, the stereotypical nature of what is available, and the contradictions that exist—without explanation—between widely available sources. In this era of increased global cooperation, it is imperative that negotiators be equipped with a better understanding of the orientations they might expect at the negotiation table.

A comprehensive framework having potential to yield comparable information across countries on 12 negotiating tendencies was proposed 20 years ago by Stephen E. Weiss and William Stripp. The framework was conceptual, with loosely defined dimensions. The intent was simply to sensitize researchers and practitioners to possible culturally based differences in negotiation attitudes, behaviors, and contexts. To use the framework in empirical work it was necessary to define each dimension more precisely, which led us to review the extensive bodies of negotiation and cross-cultural research that have built up over the last two decades. Based on our review, we redefined 9 of the original 12 dimensions. Figure 10.1 comprises our reinterpretation of the framework.

THE NEGOTIATION ORIENATIONS FRAMEWORK: DEFINING THE DIMENSIONS

Refinements in the definition of the 12 dimensions in the framework are presented below. Precise definitions provide the basis of good measurement and the means by which subsequent research findings can be compared and synthesized.

Basic Concept of Negotiation: Distributive versus Integrative

Basic Concept of Negotiation refers to how each party views the negotiating process. A bipolar continuum, with distributive bargaining and integrative
Table 10.1
Conventional Wisdom about Negotiation in Mexico and the United States

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Mexico</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Concept of Negotiation:</td>
<td>Mexicans have a win-win attitude. Hard bargainers. Long, vigorous</td>
<td>Problem solving. Look for mutual gains, whenever possible.</td>
</tr>
<tr>
<td>Distributive or Integrative</td>
<td>discussions.</td>
<td></td>
</tr>
<tr>
<td>Most Significant Type of Issue:</td>
<td>Mexicans are relationship oriented.</td>
<td>Establish rapport quickly before “getting down to business.” Personal</td>
</tr>
<tr>
<td>Task or Relationship</td>
<td></td>
<td>relationships are ignored when discussing issues.</td>
</tr>
<tr>
<td>Selection of Negotiators: Abilities</td>
<td>Expertise is less important than fitting in with the group.</td>
<td>Negotiators have relevant skills and expertise.</td>
</tr>
<tr>
<td>or Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individualist or Collectivist</td>
<td>the group are a dominant factor.</td>
<td></td>
</tr>
<tr>
<td>Internal Decision-Making Process:</td>
<td>Decision-making authority is vested in a few at the top. Mexicans</td>
<td>Independent problem solvers.</td>
</tr>
<tr>
<td>Independent or Majority Rule</td>
<td>prefer consensus.</td>
<td></td>
</tr>
<tr>
<td>Monochronic or Polychronic</td>
<td>decisions perceived as concessions. Mexicans take time to reach</td>
<td>are reached by the end of the meeting.</td>
</tr>
<tr>
<td>Risk-Taking Propensity: Risk Averse</td>
<td>Mexican negotiators avoid risk.</td>
<td>Short-term oriented; focus on immediate gains.</td>
</tr>
<tr>
<td>or Risk Tolerant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basis of Trust: External or Internal</td>
<td>Trust based on personal relationships.</td>
<td>Heavy reliance on the legal system. Lawyers involved from start to finish.</td>
</tr>
<tr>
<td>Concern with Protocol: Formal or</td>
<td>Mexicans value formality; follow established etiquette.</td>
<td>Do not like formality in business interaction.</td>
</tr>
<tr>
<td>Informal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Style of Communication: Low Context</td>
<td>Mexicans avoid direct answers.</td>
<td>Direct and to the point.</td>
</tr>
<tr>
<td>or High Context</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(continued)
Table 10.1 (continued)

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Mexico</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nature of Persuasion:</strong></td>
<td>Truth is based on feelings. Emotional arguments are more effective than logic.</td>
<td>Deals are evaluated on their technical merits.</td>
</tr>
<tr>
<td><strong>Factual-Inductive or</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Affective</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Form of Agreement:</strong></td>
<td>Words are not a binding commitment to action. Relationships ensure follow-through.</td>
<td>Contracts are emphasized, along with the fine points of an agreement.</td>
</tr>
<tr>
<td><strong>Explicit Contract or</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Implicit Agreement</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


problem solving as endpoints, is consistent with R.E. Walton and Robert B. McKersie. 8

**Distributive Perspective**

The assumption underlying distributive bargaining strategies is that one party gains at the expense of the other. Negotiators fitting this profile believe that there will be one winner and one loser, 9 assume that their interests directly conflict with those of the other party, 10 seek to meet only their own goals or interests in order to maximize the benefit for their side, 11 and focus on the need for the other party to concede. 12 The prevailing belief is “what is good for the other party must be bad for us.” 13

**Integrative Perspective**

The assumption underlying integrative bargaining strategies is that there is opportunity for both parties to gain from a negotiated agreement because they place different values on the issues being negotiated and can find effective trade-offs by conceding less important issues to gain on more important ones. Integrative negotiation involves both cooperation to expand the pie and competition to divide the pie between the two parties. 14 Negotiators fitting this profile believe that win-win solutions can be generated, 15 employ a problem-solving approach to develop solutions that expand the size of the rewards available to everyone, 16 and attempt to understand the underlying issues and their relative importance to both parties in order to capitalize on the different interests of both parties and to find effective trade-offs. 17
Most Significant Type of Issue: Task versus Relationship

Most Significant Type of Issue refers to the types of issues negotiators spend more time discussing. Although negotiators may be concerned with both task and relationship in a negotiation, they are likely to emphasize one over the other.  

**Task**

Negotiators with a task frame focus on specific issues having to do with the project at hand and view these issues as being external to the relationship. Negotiators who believe that task issues are more important tend to focus the entire negotiation on the deal being discussed and not so much on the people involved in the discussions.

**Relationship**

Negotiators with a relationship frame view task-related issues as being inseparable from the relationship. They devote time to activities that build trust and friendship between the members, believing that this provides a foundation for

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**Figure 10.1**

The Negotiation Orientations Framework

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Negotiator’s Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Basic Concept of Negotiation</td>
<td>Distributive Integrative</td>
</tr>
<tr>
<td>2. Most Significant Type of Issue</td>
<td>Task Relationship</td>
</tr>
<tr>
<td>3. Selection of Negotiators</td>
<td>Abilities Status</td>
</tr>
<tr>
<td>4. Influence of Individual Aspirations</td>
<td>Individualist Collectivist</td>
</tr>
<tr>
<td>5. Internal Decision-Making Process</td>
<td>Independent Majority Rule</td>
</tr>
<tr>
<td>6. Orientation toward Time</td>
<td>Monochronic Polychronic</td>
</tr>
<tr>
<td>7. Risk-Taking Propensity</td>
<td>Risk-averse Risk-tolerant</td>
</tr>
<tr>
<td>8. Basis of Trust</td>
<td>External to the Parties Internal to the Parties</td>
</tr>
<tr>
<td>9. Concern with Protocol</td>
<td>Formal Informal</td>
</tr>
<tr>
<td>10. Style of Communication</td>
<td>Low-context High-context</td>
</tr>
<tr>
<td>11. Nature of Persuasion</td>
<td>Factual-inductive Affective</td>
</tr>
<tr>
<td>12. Form of Agreement</td>
<td>Explicit Implicit</td>
</tr>
</tbody>
</table>
addressing task issues. Negotiators who believe that the relationship is primary tend to focus the entire negotiation on the people involved in the discussions and not so much on the deal being discussed.

Selection of Negotiators: Abilities versus Status

Selection of Negotiators refers to the criteria used to select members of the negotiating team. Achievement-based people evaluate and relate to others based on what they have accomplished; status-based people evaluate and relate to others based on who they are.

Abilities

People with an achievement-based view believe members of a negotiating team should be selected because they possess certain job-related skills or because they have expertise that will be useful during the course of the negotiations. Examples of relevant skills or expertise include education, technical or scientific knowledge, legal training, vocational achievement, negotiating experience, or language fluency.

Status

People with a status-based view believe members of a negotiating team should be selected because of who they are and whom they know. Examples of relevant characteristics include family background, influential connections, seniority, age, or gender. Negotiators from status-based cultures may be senior, high-ranking officials, who wield considerable influence in their organizations and who may also command great respect in the community at large.

Influence of Individual Aspirations: Individualist versus Collectivist

Influence of Individual Aspirations refers to the emphasis negotiators place on the achievement of individual goals and the need for individual recognition.

Individualist

Harry C. Triandis defines individualists as people who see themselves as loosely linked to and independent of others. They are motivated primarily by their own preferences, needs, and rights, and they give priority to their personal goals. From this, we can describe individualist negotiators as being emotionally independent from the organization to which they belong and as striving to achieve outcomes that are in their own best interests. They may also keep the organization’s interests and goals in mind, but will do so because they expect personal reward and recognition for their decisions.
Collectivist

Triandis defines collectivists as people who see themselves as closely linked to and parts of groups of co-workers or a company, for example. They give priority to the goals of the collective. From this, we can describe collectivist negotiators as strongly identifying with and being loyal to their organizations; consequently, they may strive to achieve outcomes that are in the organization’s best interest and may do so with no expectation of personal recognition or gain. The negotiating team may assume joint responsibility and/or receive joint recognition for actions taken or decisions made.

Internal Decision-Making Process: Independent versus Majority Rule

Internal Decision-Making Process refers to the manner in which a negotiating team reaches decisions. Jeanne M. Brett identifies a range of decision-making behaviors, where either one person on the team has the authority to make the decision or a large proportion of the team’s members must agree to a particular decision.

Independent

Leaders or other influential individuals on the negotiating team may make decisions independently without input from others on the team.

Majority Rule

Decision-making power is delegated to the entire team. The team leader seeks input and support from team members and listens to their advice.

Orientation toward Time: Monochronic versus Polychronic

Orientation toward Time refers to the value that negotiators place on time. Edward T. Hall and Mildred Reed Hall defined two culturally derived concepts of time that are important to international business.

Monochronic

People whose orientation toward time is monochronic pay attention to and handle tasks one at a time, plan and schedule their activities, and set agendas and adhere to them. Monochronic negotiators believe that issues in a negotiation should be resolved effectively within the allotted time frame. They believe that time is money.

Polychronic

People whose orientation toward time is polychronic handle several tasks simultaneously rather than in scheduled succession. Polychronic people do not
expect human activities to proceed like clockwork. Consequently, scheduling is approximate rather than specific, and delays do not have the negative associations found in monochronic cultures. Negotiators from polychronic cultures believe that taking the time to get to know their counterparts and building a relationship is more important than adhering to a schedule. The actual clock time spent discussing and resolving issues is of minor importance.\textsuperscript{36}

**Risk-Taking Propensity: Risk Averse versus Risk Tolerant**

This dimension refers to negotiators’ willingness to take risks.

**Risk Averse**

Risk-averse negotiators are hesitant to proceed with proposals that may have unknowns and/or contingencies associated with them.\textsuperscript{37} Risk-averse negotiators will take steps to avoid the risk of failing to come to an agreement.\textsuperscript{38} Consequently, they may be more likely to make concessions in order to avoid the risk of failing to come to an agreement.\textsuperscript{39}

**Risk Tolerant**

Risk-tolerant negotiators adopt a perspective that there is a level of acceptable risk that should be taken in a negotiation. They are interested in reducing risk, rather than avoiding it altogether. Risk-tolerant negotiators are willing to proceed with proposals that may have unknowns and/or contingencies associated with them.\textsuperscript{40} Risk-tolerant negotiators show greater willingness to run the risk of failing to come to an agreement.\textsuperscript{41} They accept the possibility that they may need to walk away from the table without a deal; hence, they are less likely to make concessions.\textsuperscript{42}

**Basis of Trust: External to the Parties versus Internal to the Relationship**

Trust is one party’s belief that the other party will take action to honor agreements that have been reached.\textsuperscript{43} In all countries, trust provides the foundation upon which both parties to a negotiation can work together; however, negotiators from some countries trust that the other party will fulfill its obligations because there is a signed contract and the sanction of law to back it up, while negotiators from other countries trust that the other party will fulfill its obligations because of the relationship that exists between them.

**External to the Parties**

Negotiators with this viewpoint trust the other party because a contract has been negotiated and agreed to, which can be litigated and enforced.\textsuperscript{44} The legal system and governmental agencies are viewed as providing an adequate, reliable, and effective underpinning for commercial transactions. A partner will honor
the terms of the contract because the legal system will impose sanctions otherwise. The written word is binding; a deal is a deal. In this context, a trustworthy partner is one who complies with the law.

**Internal to the Relationship**

Negotiators with this frame trust the other party because they have invested in a relationship that has been built up over time, and they believe that the other party is committed to it. The relationship between the parties is what matters; the contract is simply a symbol of the bond between the parties who drafted it. A trustworthy partner is one who strives to maintain the relationship, possibly by modifying an existing contract to reflect new developments.

**Concern with Protocol: Formal versus Informal**

Concern with Protocol has to do with the importance placed on rules for acceptable self-presentation and social behavior. It corresponds to Pertti J. Pelto's characterization of tight and loose cultures, which we use to define the dimension more fully.

**Formal**

Negotiators with a high concern for protocol will adhere to strict and detailed rules that govern personal and professional conduct, negotiating procedures, as well as the hospitality extended to negotiators from the other side. Rules governing acceptable behavior might include dress codes, use of titles, and seating arrangements. Negotiators believe that there is a limited range of appropriate behaviors, and there is strong agreement on the team about what constitutes correct action.

**Informal**

Negotiators with a relatively low concern for protocol adhere to a much smaller, more loosely defined set of rules. Team members may believe there are multiple ways to behave appropriately in a particular situation and may even have conflicting ideas about what is appropriate.

**Style of Communication: High Context versus Low Context**

This dimension refers to the degree to which people rely on verbal statements to communicate their primary message. Two culturally derived styles of communication are important to international business.

**Low Context**

Low-context communicators believe that clarity is critical for effective communication, and they perceive direct requests to be the most effective strategy for
accomplishing their goals. The onus is on the communicator to make sure that the other party understands what is being said. Low-context communicators are less likely to pick up on hints, particularly if the parties do not know each other well. Frank, open communication is perceived as the best way to resolve differences. It is possible to offer criticism without having the other person take offense.

**High Context**

High-context communicators perceive direct requests to be the least effective strategy for accomplishing their goals. Directness is often considered rude and offensive; hence high-context communicators tend to be tactful, use qualifying words, and listen carefully. High-context communicators often hide their true feelings in order to maintain harmony in a relationship. It is very difficult to offer criticism without having the other person take offense. Importantly, people cannot be separated from the message, which means that reaching agreement with someone is completely dependent on liking that person.

**Nature of Persuasion: Factual-Inductive versus Affective**

This dimension refers to the type of evidence negotiators use to develop persuasive arguments. After an extensive review of the literature on philosophy, culture, and argumentation, we synthesized the variety of persuasive arguments in a bipolar dimension, with factual-inductive and affective as endpoints.

**Factual-Inductive**

Factual-inductive negotiators base their arguments on empirical facts and use linear logic (if-then statements) to persuade the other party. Proof used to support persuasive arguments includes such things as scientific evidence, professional standards, expert opinion, costs, market value, and other hard data. Moreover, factual-inductive negotiators believe the strongest case is made by presenting their best arguments first.

**Affective**

Affective negotiators may base their arguments on abstract theory, ideals, references to status and relationships, and/or appeals to sympathy. Evidence used to support persuasive arguments includes such things as moral standards, equal treatment, tradition, and reciprocity. Affective negotiators develop their arguments indirectly. They may start with peripheral arguments and present their best arguments last, after the other party has reacted.
Form of Agreement: Explicit Contract versus Implicit Agreement

This dimension refers to the preferred form of agreement between the parties: either formal written contracts or informal oral agreements. Formal written contracts clearly specify desired partner actions, the degree to which both parties of the agreement will cooperate and conform to each other’s expectations, as well as the penalties that one party can extract should the other party fail to perform. Informal agreements often consider the historical and social context of a relationship and acknowledge that the performance and enforcement of obligations are an outcome of mutual interest between parties.62

Explicit Contract

Negotiators with this frame favor and expect written, legally binding contracts.63 A written contract records the agreement and definitively specifies what each party has agreed to do.64 Consequently, negotiators believe that written agreements provide the stability that allows their organization to make investments and minimize the risk of business loss.65

Implicit Agreement

Negotiators with this viewpoint favor broad or vague language in a contract because they feel that definitive contract terms are too rigid to allow a good working relationship to evolve. Particularly with new relationships, negotiators may feel that it is impossible to anticipate and document every conceivable contingency. They may also believe that contracts inhibit the parties from exploring unexpected or unusual opportunities for improvement and success. Negotiators view the contract as a rough guideline, not because they want to evade responsibility, but because the relationship, not the contract, is primary.66

USING THE FRAMEWORK IN RESEARCH AND PRACTICE

Now we return to our opening vignette and consider how the Negotiation Orientations Framework can help us understand the difficulties that Mr. Brown and Señor Arroyo are having. Even before the parties enter into discussions, the Selection of Negotiators emerges as an important factor in understanding possible tensions in their discussion. Señor Arroyo has been selected because of his influence in the company (status), while Mr. Brown has been chosen because of his proven performance (ability). Mr. Brown arrives punctually for the meeting and becomes impatient at having to wait (monochronic Orientation toward Time); meanwhile Señor Arroyo seems unconcerned with the delay (polychronic). Once Mr. Brown finally gets a chance to speak with Señor Arroyo, he finds that the conversation focuses on nonbusiness matters. For Señor Arroyo the Most Significant Type of Issue to be addressed is whether or not the two parties can develop a good relationship—something he signals by seeking to get to know Mr. Brown on a more
personal level. In contrast, Mr. Brown focuses on the task, that is, the details of the negotiation. The two also have different orientations regarding Style of Communication, with Mr. Brown talking directly and somewhat informally (low context) while Señor Arroyo adopts a more circumspect and subtle approach (high context).

Within the space of just a few hours, tension points along 4 of the 12 dimensions have already been identified. It is likely that more will surface as the two proceed more deeply into the negotiation process. Whether these tension points become minor irritants or major stumbling blocks will depend on several factors, including the desire of both negotiators to achieve an agreement, the skill of both negotiators at reducing, rather than amplifying tensions, and the ability of both negotiators to discriminate between differences in negotiating positions and differences in negotiation orientations. The Negotiation Orientations Framework is a useful tool in helping negotiators identify tension points that may arise as a consequence of cultural differences in orientations.

**Linking Hofstede's Dimensions of National Culture to Negotiation Orientations**

What accounts for these differences in negotiation tendencies? One of the most widely explored explanations is culture; differences in cultural values lead to different negotiating orientations. Geert Hofstede identified four work-related dimensions of national culture that have been used extensively in cross-cultural research, training, and management: Power Distance, Uncertainty Avoidance, Individualism-Collectivism, and Masculinity-Femininity. While research supporting the validity of Hofstede's dimensions is extensive, surprisingly few of these studies link them to negotiating orientations. The notion that cultural values may explain differences in negotiating tendencies led us to explore linkages between Hofstede's dimensions and the negotiation orientations in the Weiss and Stripp framework. First, we reviewed the research relating Hofstede's dimensions to negotiating behaviors and developed hypotheses (Table 10.2) based on this review. Next, we conducted a systematic review of prior work on the negotiating tendencies found in Brazil, China, Germany, Japan, Mexico, and the United States and identified the "typical" orientation of negotiators from each country on each of the 12 dimensions in the Negotiation Orientations Framework. As an example, prior work indicates that U.S. and German negotiators would be selected on the basis of their abilities and that status considerations would figure in more heavily in Brazil, Mexico, China, and Japan. Then, we developed an ordered ranking of the countries on each negotiating dimension and correlated those rankings with country rankings on Hofstede's dimensions.

Our analysis showed strong correlations for countries with high UAI scores and a majority-rule orientation on the Internal Decision Making Process, as well as
Table 10.2
Hypotheses Linking Hofstede’s Dimensions of National Culture to Negotiation Orientations

<table>
<thead>
<tr>
<th>Negotiation Orientation</th>
<th>Hofstede Dimension</th>
<th>Support for Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Basic Concept of Negotiation</td>
<td>MAS*</td>
<td>None</td>
</tr>
<tr>
<td>2. Most Significant Type of Issue</td>
<td>IDV</td>
<td>Moderate</td>
</tr>
<tr>
<td>3. Selection of Negotiators</td>
<td>PDI</td>
<td>None</td>
</tr>
<tr>
<td>4. Influence of Individual Aspirations</td>
<td>IDV</td>
<td>Moderate</td>
</tr>
<tr>
<td>5. Internal Decision-Making Process</td>
<td>UAI</td>
<td>Strong</td>
</tr>
<tr>
<td>6. Orientation toward Time</td>
<td>UAI</td>
<td>Strong</td>
</tr>
<tr>
<td>7. Risk-Taking Propensity</td>
<td>UAI</td>
<td>Moderate</td>
</tr>
<tr>
<td>8. Basis of Trust</td>
<td>UAI</td>
<td>Moderate</td>
</tr>
<tr>
<td>9. Concern with Protocol</td>
<td>UAI</td>
<td>Moderate</td>
</tr>
<tr>
<td>10. Style of Communication</td>
<td>IDV</td>
<td>Strong</td>
</tr>
<tr>
<td>11. Nature of Persuasion</td>
<td>UAI</td>
<td>Strong</td>
</tr>
<tr>
<td>12. Form of Agreement</td>
<td>UAI</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

*MAS = Masculinity; IDV = Individualism; PDI = Power Distance Index; UAI = Uncertainty Avoidance.

monochronic tendencies on Orientation toward Time. Low UAI scores were strongly correlated with a factual-inductive orientation on Nature of Persuasion. High scores on IDV were strongly correlated with a low-context Style of Communication. Results for the linkages between the other eight negotiation orientations in the framework and Hofstede’s cultural values were less clear (Table 10.2).

While theoretical links between cultural values and negotiation orientations can be found, our findings suggest that researchers ought to be wary of making inferences about negotiating tendencies on the basis of work-related cultural values. Even though managers from countries with high masculinity scores may be more competitive, this does not necessarily translate to a distributive orientation on the Basic Concept of Negotiation.

Although it may be reasonable to expect a connection between negotiation and culture, it is clear from the extensive body of empirical research that national culture does not account in whole, or even in large part, for differences in negotiation orientations. A number of models have been proposed that (1) attempt to capture the myriad influences on international negotiating behavior and (2) permit comparisons between countries on a set of dimensions. These models focus on what individuals do and how culture influences negotiating behavior. When supported by empirical findings, the use of a dimensional framework or model
enables meaningful cross-national comparison. Such comparisons are useful to negotiators; possible areas of tension can be systematically identified and adjustments in expectations and negotiation behaviors can be made, which increases the likelihood of positive outcomes.\textsuperscript{72} The Salacuse framework, which includes ten negotiating tendencies, is the only one of these models that has been empirically investigated in full.

**The Salacuse Framework: An Alternative Approach that Supports the Negotiation Orientations Framework**

To measure the ten negotiating tendencies in his framework, Jeswald W. Salacuse developed a survey instrument, which included his ten bipolar dimensions, measured on five-point scales. Respondents were instructed to indicate where their own negotiating style and approach in business negotiations fell along each of the ten continua. In his 1998 study, Salacuse reported results from a survey of 191 respondents from 12 countries, finding that nationality did account for differences in negotiating tendencies.\textsuperscript{73}

In a five-country study, which included nearly 1,200 business people and university students with business experience from Finland, India, Mexico, Turkey, and the United States, we confirmed the utility of the Salacuse framework (Figure 10.2) in identifying country differences in negotiating tendencies.\textsuperscript{74} Specific country differences in mean scores were identified using pair-wise tests. For

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**Figure 10.2**

Salacuse Dimensions of Cultural Variation in Negotiation

<table>
<thead>
<tr>
<th>Negotiation Factors</th>
<th>Range of Cultural Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Goal</td>
<td>Contract</td>
</tr>
<tr>
<td>2. Attitudes</td>
<td>Win/Lose</td>
</tr>
<tr>
<td>3. Personal Styles</td>
<td>Informal</td>
</tr>
<tr>
<td>4. Communications</td>
<td>Direct</td>
</tr>
<tr>
<td>5. Time Sensitivity</td>
<td>High</td>
</tr>
<tr>
<td>6. Emotionalism</td>
<td>High</td>
</tr>
<tr>
<td>7. Agreement Form</td>
<td>Specific</td>
</tr>
<tr>
<td>8. Agreement Building</td>
<td>Bottom Up</td>
</tr>
<tr>
<td>9. Team Organization</td>
<td>One Leader</td>
</tr>
<tr>
<td>10. Risk Taking</td>
<td>High</td>
</tr>
</tbody>
</table>
five of the dimensions—Goal, Attitudes, Personal Styles, Time Sensitivity, and Agreement Building—we found significant differences in mean scores on seven of the ten paired comparisons. In only one case—Agreement Form—did we find no significant differences in mean scores among the five countries. In addition to reporting mean scores, we looked at the dispersion of responses (intracultural variation) within each country. Intracultural variation (ICV), measured by the standard deviation, can help capture critical cross-cultural differences. Our results showed that ICV for India was consistently larger than the other four countries across all ten negotiating tendencies, indicating that widely varying tendencies on a given dimension can be found among individual negotiators within India. In contrast, ICV for the United States was the smallest among the five countries for seven of the ten negotiating tendencies, indicating relatively consistent tendencies among individual U.S. negotiators on the majority of dimensions. Although each country presented a unique pattern of negotiation orientations, not surprisingly, countries were found to be similar on some dimensions. For example, no significant differences were found between pairs of countries on agreement form, despite the fact that ICV varied widely. In sum, the findings from this study confirmed that cross-national variation in negotiation tendencies could be identified using the Salacuse framework. Equally important, if not more so, the findings revealed that individuals and groups within cultures may be united on some dimensions, deeply divided or split on others, and uncommitted on others.

While the Salacuse framework was effective in revealing the varied and complex nature of negotiation tendencies between and within cultures for several dimensions, it was also useful in revealing tendencies that are contrary to conventional wisdom with respect to typical negotiating behaviors in the countries studied. For example, most sources indicate that Mexican and Indian negotiators do not expect punctuality and tend to follow a slower pace; Turkish negotiators are punctual, yet also follow a slower pace; and “time is money” for U.S. negotiators. Yet respondents from Finland, India, Mexico, and Turkey reported a higher sensitivity toward time than U.S. respondents. Similarly, based on conventional wisdom, one would expect Turkish, Indian, and Mexican negotiators to show a tendency to communicate indirectly and to prefer relationships over contract. This was not the case. Conventional wisdom also did not hold for emotionalism, with Finnish and U.S. respondents preferring neither to act emotionally nor to keep their emotions under wraps. These findings suggest that negotiators should be wary of conventional thinking and prepare differently than “conventional wisdom” might suggest.

Despite the utility of the Salacuse framework, several of the dimensions in the framework are not clearly defined. For example, in his discussion of time sensitivity, Salacuse refers to two different concepts: whether negotiators from a given country are punctual or late and whether negotiators are quick to make a deal or
proceed slowly. To the extent that these are conceptually separable, they should be treated as such. The 12 dimensions in the Negotiation Orientations Framework are consistent with the Salacuse dimensions and offer improvements in conceptualization.

The Negotiation Orientations Framework: Not 12 but 24 Dimensions

With the dimensions of the Negotiation Orientations Framework defined in terms of extant bodies of research, we sought to develop measurement scales that could be used to assess tendencies in negotiating behaviors across countries and to gather data that would allow comparisons between countries. Descriptions of the behaviors exemplifying each pole of each dimension in the Negotiation Orientations Framework were converted to statements, yielding 71 items, which were scored on a five-point Likert scale, with endpoints “strongly agree” and “strongly disagree.” The resulting Negotiation Orientations Inventory was administered to a sample of 1,000 business persons and university students with business experience from Finland, Mexico, Turkey, and the United States. The majority of our measures simply did not work as intended. In developing items, we followed the literature and carefully included items that reflected both poles of each dimension. The assumption was that we could reverse code items representing the opposing end of a given pole and include them in a scale. Doing so resulted in reliabilities well below the criterion we had set. This led us to examine the possibility that, while the Negotiation Orientations Framework suggested that the ends of a dimension (for example, explicit contract versus implicit agreement) could be viewed as polar opposites, in practice, people may not think of them as such (for example, explicitness and implicitness are independent constructs). Similar to the results of individual-level research about individualism and collectivism,77 most constructs that the negotiation literature treats as bipolar appear to be better understood as distinct dimensions. Consequently, we began to think in terms of 24 negotiating tendencies, rather than 12 dimensions each with two poles, and we redefined our indicators and scales accordingly.

We used the resulting scales and also several single-item indicators to look at differences in negotiation orientations across the four countries on the dimensions in the Negotiation Orientations Framework.78 We did, indeed, find significant differences in negotiating orientations for Finland, Mexico, Turkey, and the United States. Moreover, the results revealed that constructs frequently presented as bipolar may not be. Rather than demonstrating an orientation toward one pole of a continuum to the exclusion of the other, respondents from all four countries were often oriented toward both. Similar to our work with the Salacuse dimensions, we found significantly different patterns of response for all four countries on most negotiating tendencies. And, once again, we found surprising results on a number of dimensions, given the orientations commonly cited in negotiation
guides, providing additional evidence that conventional wisdom on negotiating tendencies may be misleading.

CONCLUSION

Cultural differences can complicate, prolong, and even frustrate international negotiations. In an ideal world, skilled negotiators would come to the table with deep knowledge and familiarity with the culture and negotiation orientations of their counterparts; however, the pace and pressures of global business make this highly unlikely. Consequently, a framework that focuses on key dimensions of the international negotiation context and process can serve as a valuable tool in assisting negotiators and researchers alike in identifying potential points of conflict. The Negotiation Orientations Framework provides perhaps the most comprehensive approach to date for systematic comparison of national cultural differences in negotiations.

Our empirical analyses point to several important conclusions and implications. First, the results of our work confirm that a dimensional framework is useful for identifying meaningful cross-national comparison. Negotiators can use the dimensions in a framework to systematically identify possible areas of tension, thereby making it possible to appropriately adjust their expectations and negotiation practices accordingly.

Second, our work demonstrates that, while cultural values may account for some differences in negotiation orientations, it does not wholly account for the observed differences between negotiators from different countries. As Weiss notes, just as multiple values are most likely to determine behavior, multiple behaviors are likely to result from one value. Our findings suggest that negotiators ought to be wary of making inferences about negotiating tendencies on the basis of cultural values alone, because measurements of cultural values are often too general and not sufficiently context specific.

Third, our experience with designing measures for the Negotiation Orientations Framework reveals that constructs frequently presented as polar opposites should be treated as separate dimensions. Researchers need to think in terms of 24 separate constructs rather than 12 bipolar dimensions. This suggests a very different approach to measure design than we had anticipated. It also suggests that understanding intercultural negotiation is considerably more complex than is appreciated in the current intercultural negotiation literature. Thinking in terms of 24 separate constructs rather than 12 bipolar dimensions also has equally interesting implications for negotiators. Taking Basis of Trust as an example, negotiators should realize that the goals of a signed contract and of building a relationship are not necessarily mutually exclusive and that the achievement of one can lead to the other. Moreover, a negotiator who becomes aware of being personally oriented toward both contracts and relationships develops a more fine-grained
appreciation of self-awareness, as well as an appreciation that the party across the table may hold a similarly complex perspective.

Finally, and perhaps most importantly, although information on country-specific negotiating styles may be available, international negotiators ought to question conventional wisdom about negotiation stereotypes. Simply stated, conventional wisdom may not be accurate. Again, using Basis of Trust as an example, it is no longer accurate or useful—if it ever was—for a U.S. negotiator to expect a Mexican counterpart to be solely relationship oriented or a U.S. compatriot to be solely contract oriented.

NOTES


22. Trompenaars, Riding the Waves of Culture, 78.
23. Ibid., 11.
24. Ibid., 115.
25. Ibid., 11.
26. Ibid., 115.
29. Trompenaars, Riding the Waves of Culture, 67.
30. Triandis, Individualism and Collectivism, 2.
31. Trompenaars, Riding the Waves of Culture, 67.
37. Weiss and Stripp, “Negotiating with Foreign Businesspersons: An Introduction for Americans with Propositions on Six Cultures” (#85-6, New York University Graduate School of Business Administration, 1985), 9.
47. Trompenaars, *Riding the Waves of Culture*, 49.
49. Weiss and Stripp, “Negotiating with Foreign Businesspersons: An Introduction for Americans with Propositions on Six Cultures” (#85-6, New York University Graduate School of Business Administration, 1985), 7.
55. Triandis, *Culture and Social Behavior*, 185, 196.


63. Weiss and Stripp, “Negotiating with Foreign Businesspersons: An Introduction for Americans with Propositions on Six Cultures,” (#85-6, New York University Graduate School of Business Administration, 1985), 9.

64. Trompenaars, *Riding the Waves of Culture*, 43.


68. Metcalf and Bird, “Integrating the Hofstede Dimensions.”


72. Metcalf et al., “Cultural Tendencies in Negotiation.”
74. Metcalf et al., “Cultural Tendencies in Negotiation.”
75. Foster, Bargaining Across Borders; Kras, Management in Two Cultures; Morrison, Conaway, and Borden, Kiss, Bow, or Shake Hands; Salacuse, The Global Negotiator; and Victor, International Business Communication.
79. See, for example, Morrison, Conaway, and Borden, Kiss, Bow, or Shake Hands.