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Robert Pertschy

Wien, Juni 2017

Abstract

The past decades have presented a versatile body of research with frequently inconsistent findings. My master thesis is taking a new assessment on the enduring mystery about whether there is a relative difference in the impact of individual characteristics and behavioral traits compared to national culture on the outcome of international business negotiations. To be able to assess the differences in relative impacts each side is looked at separately before compared with each other. Due to the multitude of available moderators a selection had to be made in order to stay in scope of a master thesis. The comparison was made on an argumentative base. Nevertheless different factors drawn from empirical data like significance, effect size and sample size combined with the amount of citations and the rating of the journal in which the arguments were published were taken in consideration for each argument. Overall this thesis comes to the conclusion that the relative impact of national culture is greater than the relative impact of individual characteristics and behavioral traits on the outcomes of international business negotiations. Therefore I recommend, that even though individual characteristics and behavioral traits are gaining more importance in recent academic research and for managers involved in international business negotiations, that they should not forget about the cultural awareness and training of negotiators in order to be successful.

Kurzfassung

In der akademischen Literatur finden sich eine Vielzahl an Indikatoren, die für den Ausgang von Geschäftsverhandlungen eine Rolle spielen können. Insbesondere lassen sich zwei Stränge erkennen. Zum einen werden Aspekte hinsichtlich kultureller Unterschiede der Verhandlungspartner diskutiert. Zum anderen finden sich Ergebnisse, die die Individualität und Verhaltensweisen von Individuen als wichtige Moderatoren für den Ausgang von Geschäftsverhandlungen begründen. Diese Masterarbeit hat zum Ziel diese beiden Literaturstränge zusammenzubringen und anhand von verschiedenen Merkmalen zu vergleichen, um eine Aussage über die Überlegenheit einer dieser beiden Theorien zu treffen. Dafür wurden eine Handvoll einflussreicher Papiere selektiert und aufgrund ihrer empirischen Ergebnisse (Signifikanz, Effektgröße, Stichprobenumfang), sowie qualitativer Kriterien, wie Zitierhäufigkeit und das Journalrating der jeweiligen Publikation verglichen. Die Analysen zeigen, dass der relative Einfluss von Kultur auf den Ausgang von Geschäftsverhandlungen größer ist als der von individuellen Charakteristika und Verhaltensweisen.

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List of Abbreviations

ANOVA	Analysis of Variance
BATNA	Best alternative to a negotiated agreement
CJAS	Canadian Journal of Administrative Science
CQ	Cultural intelligence
CQS	Cultural Intelligence Scale
EI	Emotional intelligence
SV	Subjective value
PD	Prisoner's dilemma
PEI	Perceived emotional intelligence
RP	Reservation point
WVS	World Value Survey
ZOPA	Zone of possible agreement

1 Introduction

This introduction will serve to outline the main topics discussed in this thesis and to provide some introductory background information. It will also discuss the purpose of the research and furthermore the relevance of writing about this subject in today's ever changing society.

1.1 Introduction and Relevance of the Research on Negotiations

Adam Smith already reflected that since nobody has ever seen two animals making a fair and fine-tuned exchange of goods by simply gesturing or making noises to each other, or by signaling that this is mine and that is yours, or give me yours in exchange for mine, humans could be perceived as a unique negotiation species. I strongly doubt that Adam Smith could imagine what mankind was able to achieve through technology developments and what this would do to negotiations, but nevertheless it is an interesting observation of a unique characteristic of human beings, which was apparently already evident in his time.

Over the past couple years I have been focusing my personnel research and attention on the topic of business negotiations and especially on their outcome and what factors can drive the outcome of these business negotiations. What I have learned so far from my own personal experiences as well as the recent research in the academic field about negotiation is, that every negotiation is different from the other. This is due to different subjects the negotiation is about and due to the change of people that are involved in negotiations. The question I arrived at in the end was what is the actual driver for the outcome of such negotiations and how can these outcomes be measured? This question led me to my actual research question:

Are the outcomes of international business negotiations in some way relatively stronger influenced by the individual characteristic and behavioral traits of the negotiator or does the cultural background of the negotiator influence them relatively stronger?

The interest in that topic increased even more after reading the paper by Sharma et al. (2013), because they provided new evidence, which in fact has shown that individual differences play a role in the prediction of negotiation outcomes. This was no surprise to me, even though according to a longstanding consensus that goes all the way back to the paper written by (Rubin and Brown 1975) Rubin and Brown (1975), individual differences were concluded to play a very limited role in predicting negotiation outcomes.

Since the publication of the book by Walton and McKersie's (1965), *A behavioral theory of labor relations*, negotiation has been an important field of study within for example the fields of management, mathematics, social psychology, economics, decision-making, communication

studies, political science, sociology, organizational behavior and human behavior (Brett and Thompson 2016). It was largely due to Pruitt (1981) and his students in the 1970s that social psychology perspectives and rigorous experimental methods were included in negotiation research (Brett and Thompson 2016). The products of this multidisciplinary approach to the topic of negotiations have been intense theoretical development and resulted in an impressive body of empirical findings (Thompson et al. 2010). Since negotiations have been investigated from different perspectives like descriptive, normative or prescriptive and under different assumptions they lead to a diversity of theories, models and negotiation procedures, which are sometimes contradicting each other (Bichler et al. 2003).

Negotiation serves many useful and important roles in our society like coordinating activities, conflict management, exchange of goods and services, improvement of decision making and it takes place in complex and ever changing settings (Arunachalam et al. 1998). As the world continuously grows smaller, one of the most significant aspects of the negotiation setting is the culture surrounding the negotiation (Arunachalam et al. 1998). As a result of an increasing globalized business world, international negotiations occupy a large quantity of companies managements time. Furthermore, academic research suggests that cultural context shapes negotiation activities. National culture, individual characteristics and behavioral traits are complicated matters and increase the complexity of the encounter and possibly jeopardize beneficial outcomes and the possibility of the development of a long-term relationship.

Since it has become obvious that many companies worldwide are shifting their main focus away from the individual transaction and the fast win to a more long-term oriented and mutually supportive relationship the individual negotiator will be even more relied upon (Chairsraeko and Speece 2004). Due to the fact, that competition worldwide is increasing, encouraged by the reduction in trade barriers throughout most of the world, the attention paid to the competitiveness and competencies of organizations domestically as well as internationally has increased dramatically (Chairsraeko and Speece 2004). This leads straight to the point that companies, which are engaged in cross-national business, must lay their focus on cross-cultural issues, especially in negotiations. In line with this argument it becomes obvious that companies need to develop a better understanding of customs and expectations in cross-cultural negotiations (Volkema and Fleury 2002). The variety and diversity of the roles taken in negotiations and the diversity of negotiation situations are a challenge for the characteristics, behaviors and skills of every negotiator (Bichler et al. 2003). In other words this means that managers need to use their personnel skillset to understand and manage differences in business styles, which occur due to

cultural and economic factors (Volkema and Fleury 2002). So for this reason it is important and relevant for academic research to find out whether national cultural or individual characteristics and behavioral traits of the negotiator have a relative greater impact on the outcome of international business negotiations.

The body of research on the relative impact of culture on the outcome of international business negotiations is extensive and diverse. Nevertheless scholars came to the consensus, that national culture has a significant impact either positive or in some cases negative on the outcome of international business negotiations, even though the level of significance of the results might differ. On the other hand individual differences and behavioral traits as explained earlier and according to a longstanding consensus were concluded to play a very limited role in predicting negotiation outcomes. Even though new evidence supporting the opposite was found the results are few and most of the time contradicting each other. Nevertheless it is important to investigate the results and compare them to the ones presented in the past.

This shows to me that the research on culture is presenting stronger, well-proven and more significant arguments, with empirical data to back them up, while research on the relative impact of individual characteristics and behavioral traits on the outcome of international business negotiations is contradicting, compared to the research on culture at the beginning of its journey and therefore not as reliable. Therefore my hypothesis is the following:

The relative impact of the national culture is greater then the relative impact of individual characteristics and behavioral traits on the outcome of international business negotiations.

1.2 Methodical Approach and Purpose of the Research

After briefly introducing the topic and my personnel motivation to write about this topic I will continue explaining the methodical approach of my work and the goal I want to achieve performing this research.

I strongly believe, that an accurate evaluation of the competing views has a far-reaching importance to the academics as well as to the practical implication for managers, especially when it comes to business negotiations and the influence factors on the outcome of international business negotiation. In the area of individual characteristics and behavioral traits of negotiators I want to find out how strong and in what direction they can influence the outcome of international business negotiations by putting a special emphasis on the variables of intelligence, the big five-factor model and gender. Further I want to see what research has found out about the possibilities to overcome some behavioral traits or characteristics for the better of the

negotiation. In many studies presented so far different approaches were chosen in the way of gathering data for the analysis. The three most dominant ways in research are simple choice games, laboratory studies of negotiations and field studies of negotiation. Analyzing the strength and weaknesses of each one of them will help understand more about the effect of individual characteristics and behavioral traits on negotiation outcomes. The most commonly used and studied performance measure, which is mostly used in laboratory studies is the economic outcome measure (Sharma et al. 2013). Another possible option for the measurement of performance could be psychological performance measures. This measurement focuses on the perception of fairness and justice, respect, liking of the counterpart, interpersonal trust, maintaining face and self-confidence (Sharma et al. 2013). The last option I came across in my research were self-reports or reports by knowledgeable other such as supervisors (Sharma et al. 2013). The actual problem with this measurement is the subjectivity of the involved individuals.

The structure of this thesis is divided into four thematic areas. The first topic is giving an introduction and a literature review on negotiations itself and is to be understood as the basis on which all the other chapter rely upon. The second chapter will give an introduction to culture and its relationship with negotiation. This chapter will look at culture as standing alone and is trying not to involve personal characteristics of the individual living in that culture. Due to the fact that the research on culture and its impact on the outcome of negotiations are wide and diverse a selection was made to focus on two main research areas of culture namely the cultural dimensions and the differences in communications. The results of selected papers will be presented to support the relative impact of cultural background on the outcome of business negotiations. The third chapter will follow the same structure, but will focus on the individual and their behavior when participating in a negotiation and their relative impact on the outcomes of international business negotiations. As mentioned above a selection was made to include the big five-factor model, intelligence and gender as the main characteristics of interest for this thesis. There will also be a presentation of empirical results, which will be used in order to supporting the claim that there is indeed a relative impact of personal characteristics and behavioral traits on the outcome of negotiations. The fourth and last main chapter of this thesis will progress my analyses to the point where I compare each selected personality trait or characteristic with the national culture side. By doing so I hope to find evidence to support my hypothesis that the national culture of a negotiator has a greater relative impact on the outcome of international business negotiation then the personality traits and characteristics of the individual negotiator. To be able to compare these two fields some ground rules need to be established in order to make no false statement. It would be a mistake to simple take some

selected papers and compare their findings like for example correlation and effect size and draw my conclusion from them. This is not possible due to the fact, that the papers take different approaches to the topics, which involve different models, different sample sizes, different negotiation approaches (laboratory study vs. simple choice game) and different measures of outcome. If the comparison would exclude those thoughts it would be false and therefore my conclusions and statements would be false. I will approach this comparison by first of all looking at the journal in which the research was published and the authors who wrote the research paper in order to evaluate the impact level of the research as well as the trustworthiness of their findings. The second step will be to evaluate the arguments made in the different research papers using their presented empirical data especially correlations, significance levels and effect sizes in order to rank the power of those arguments. The last step will be to compare the arguments made on both sides (culture vs. personality) to come to a conclusion based on the findings of my method.

Since there has been no such comparison in academics until now the research purpose is to give an impulse for scholars to look more closely at the development of the individual and their skills in negotiation, because they are growing more important every day. This thesis can be seen as the first step in that direction. Nevertheless it can just be seen as an impulse since I did not conducted an empirical study. This would be the next step.

2 International Negotiations

The field of negotiation is a very wide and diverse one. Several different fields of study as well as scholars have focused on negotiation in different settings with different research goals and different findings. Nevertheless there are some basics all researchers can agree on. One of the mentioned basics is that negotiation always happens, when people cannot achieve their own goals without the help or cooperation of others (Thompson et al. 2010).

The thesis focuses in this chapter especially on those negotiations that are performed across borders and with a business background. If the goal is to analyze and measure the output of such negotiations it is first of all necessary to understand the basic process of negotiations as well as the definition of what negotiations really are. This basic understanding of the field of negotiation is inevitable, in order to be able to understand the difference between the impacts of individual characteristics and behavioral traits compared to national culture on international business negotiation and their measurement.

There are always two major functions for a negotiation independent of the individual background of the negotiator. These functions are value creation also referred to as integrative

negotiation and value claiming what is also referred to as distributive negotiation (Thompson et al. 2010). The research on negotiation per se has mainly focused on four fields. Namely those fields are:

- The negotiation parties
- The negotiation context
- The negotiation process
- The negotiation outcome

The particular focus of each research field is shown in detail in Figure 1. For the purposes of this thesis the focus will be on three of the four fields mentioned above and shown in Figure 1. These selected fields will be the negotiation parties, the negotiation context as well as the negotiation outcome.

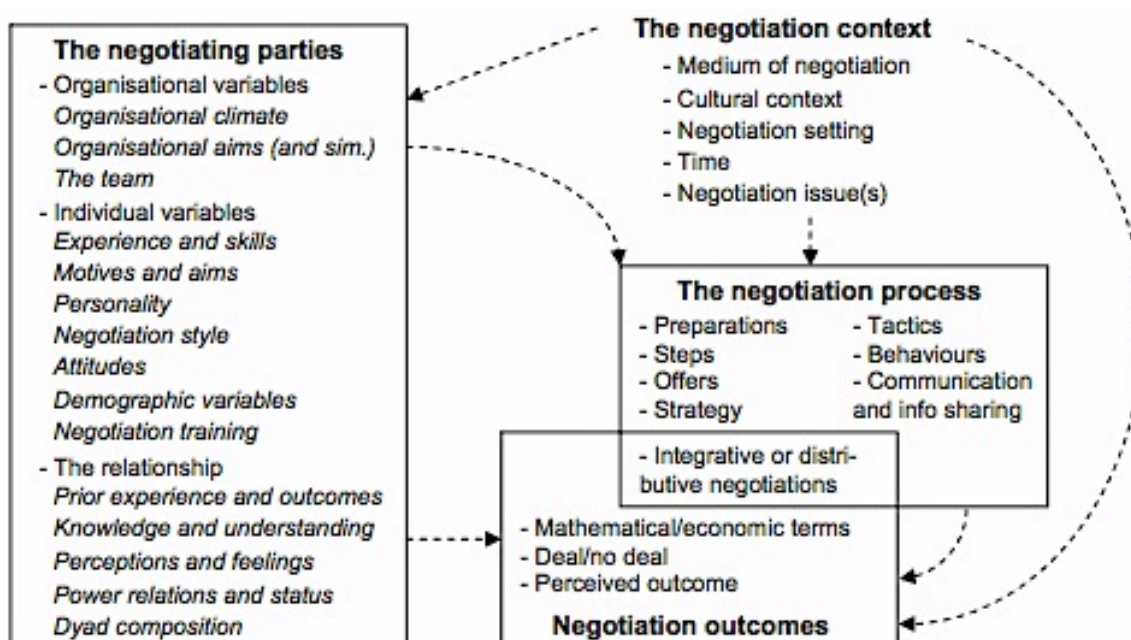


Figure 1: A Model of Negotiation Research (Agndal 2007)

Over the years and the different phases in negotiation research it can be concluded, that each generation has provided scholars with new standpoints, from which to look at the complexity of the topic of negotiation (Thompson et al. 2010). So it is no wonder that each generation of researchers came up with different approaches as well as solutions to the arising problems in negotiations. Some could confirm the research of past generations, where others objected to those and presented their own solutions. This chapter will mainly be used as an introduction to international business negotiation.

2.1 Definition of Negotiation

“Negotiation” steams from the Roman word negotiari meaning “to carry on business”. It was true for the ancient Romans as it is for most businesspersons of today that negotiations and business involves hard work. (Hendon et al. 1996)

Due to the lack of common agreement between researchers on a universal definition of negotiation, the term has been used and interpreted in various different ways. The context of the use of the term negotiation stems from a wide variety of research from different fields of study like management, mathematics, social psychology, organizational behavior, economics, sociology, communication studies, political science and cognitive psychology (Thompson et al. 2010).

Indifferent of the field of study of the various researchers, the most important theoretical distinction in the negotiation scholarship as well as in many other fields not related to negotiation is the one defining normative and descriptive research (Thompson et al. 2010). The normative research largely develops from game theory, mathematics and economics. This research proposes optimal models of the negotiation problem and actually prescribes what people would do if they were actually all-knowing as well as wise (Nash 1951; Simon et al. 1958; Thompson et al. 2010). The second theoretical distinction namely the descriptive research, recognizes that negotiators do not always behave in an optimal fashion or in a game-theoretical way (Thompson et al. 2010). There is a rather good example of how to explain the difference between the distinctions in negotiation research. In the field of normative research, models predict most of the time that people will or should defect in a prisoner’s dilemma or social dilemma, but the actual defection rates are significantly lower than 100% (Camerer 2003; Komorita and Parks 1995). In addition normative models command that negotiation parties should always reach Pareto-optimal agreements, but as it is known from papers and everyday life experiences very few negotiations reach actual Pareto-optimal outcomes on a consistent basis (Dimotakis et al. 2012; Thompson et al. 2010).

In the field of social psychology, negotiation is considered by scholars like Sawyer and Guetzkow (1965) a preparation process, through which two or even more parties, which further consist of groups, other social entities or individuals, together formulate potential deals, which could turn out to be a success or a failure.

When we are changing to the field of political science researchers such as Iklé (1964) and Young (1975) conclude that in order for a negotiation to actually take place at least two parties must be included, which are sharing simultaneously mutual interest and are facing some

disagreement. The outcome of these negotiations is highly influenced by the behavior of both sides and therefore positive outcomes can only be achieved through the communication between or among the different negotiators. The reason behind this is rather simple, without conflict of issue there is nothing to negotiate about and without common interest there is actually nothing to negotiate for. Rather more important to this thesis than the previous point of views on negotiations is the definition of negotiation from the economist's point of view. They have developed definitions, which on the one hand differ and on the other coincide with the ones that have been formulated by scholars from the field of political science and social psychology. Even in the field of economics there are different ways of defining what negotiations are all about. Hence it is appropriate to divide them into the game theory perspective and the social interaction perspective.

When mentioning the game theory it is important to also mention the limitation it holds. The most important limitations to be found lies in the overemphasis on rationality of negotiators as well as the monotonous emphasis on the negotiation outcome, instead of focusing more on the actual process of negotiation. The social interaction perspective theory, as already mentioned above, views negotiation as a process of exchange, which has been greatly influencing the areas of industrial business as well as marketing. In this field scholars like Angelmar (1978) and Evans (1963) should be mentioned. Their work concluded that the greater the similarity between the negotiation participants (cultural background) the better the outcome is going to be (Evans 1963) and that culture and cultural differences are important for the outcome of negotiations (Angelmar 1978).

2.1.1 International Business Negotiations

To actually be able to identify different examples of international business negotiations a definition that is more specific is necessary. Weiss (1993) defines the term international business negotiation as the deliberate interaction of two or more parties, in which at least one of them is a business entity, originating from different cultures or nations, who are attempting to define or redefine the terms of their independence in a business matter. Multinational companies are increasingly relying on the effectiveness of business negotiations for their growth and sometimes even for their survival. The topic of international business negotiation has been attractive for scholars for a long time. With the growing expectations in negotiators and the ever-growing globalization trend it has become an important business function for creating and maintaining successful relationships and therefore international business negotiations have been increasingly attracting the attention of scholars especially in the last decades (Reynolds et al.

2003). The research on the field of international business negotiations has developed within two major paradigms: the micro-behavioral, which focuses on individuals, and the macro-strategic, which focuses on the organization as a whole (Weiss 2006). Both fields further divide themselves into various branches. The micro-behavioral paradigm divides into the branches of comparative and intercultural studies, while the macro-strategic branches out into business-government relations and interfirm relationships (Weiss 2006). This thesis will mainly concentrate on the first paradigm of micro-behavior. When looking at international business negotiations we need to start all the way back with the work of Kapoor (1975). He has been observing the important role that environment plays in the determination of business negotiation outcomes. Those observations have led him to the development of his negotiation model, which defines an international negotiation structure that can be applied to various negotiation cases. Figure 2 is showing this model in detail.

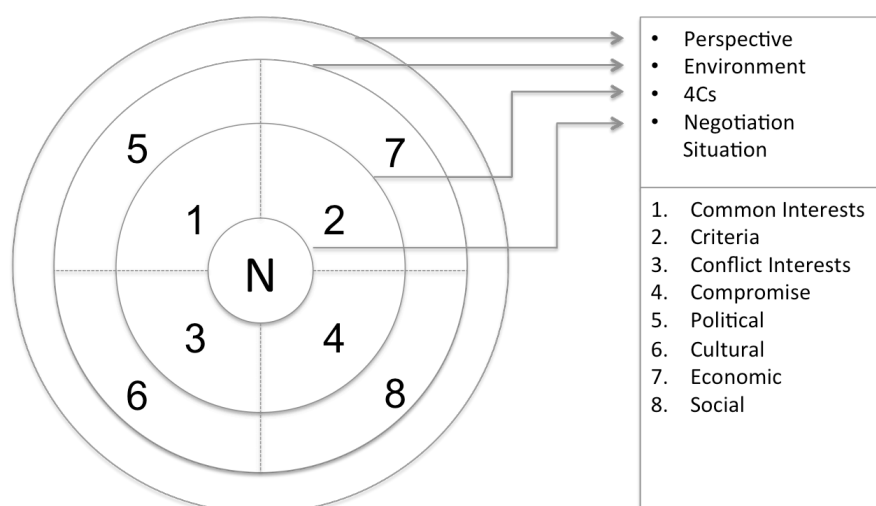


Figure 2 Negotiating Structure Model (Kapoor 1975)

In the middle of the model by Kapoor is the negotiation situation (N), which is surrounded by common interest, criteria, conflicting interest and compromise. The circle that represents the environment surrounds the four C's and consist of the social, cultural, economic and political system (Kapoor 1975). As a conclusion of his model it can be said, that international business negotiations are differing from domestic negotiations due to the foreign cultural environment, which demands a different perspective, which will further have to lead to different negotiation approaches. Further it is known that these specific negotiations, where the negotiation parties stem from different cultures, are specifically demanding (Ghauri 1986).

The stakes involved in business negotiations are generally really high and despite, the most of the time, good intentions of managers to reach a successful agreement the failure rates stand at an alarming high level (for more detail see Tinsley et al. (2012)). It is well known throughout

that international negotiations are one if not the most challenging tasks in the business world and that managers may spend well above 50% of their time negotiating or preparing for negotiations (Reynolds et al. 2003). The extent to which international business negotiations have been researched is steadily growing as explained above.

The five main categories on which researchers laid their focus so far as well as some examples of issues that are normally found in each of those areas are presented in the list below (Reynolds et al. 2003). This list includes the ideas shown in Figure 1 in a different layout.

1. *The outcome of negotiation*: Objective measures such as joint gains and individual profits; Subjective measures such as outcome satisfaction and negotiation process
2. *Cultural influences*: Preferred context of communication; Hofstede's dimensions of power distance, uncertainty avoidance, long/ short term orientation, individualism and masculinity
3. *Characteristics of the individual negotiator*: Communication effectiveness, with the emphasis on understanding of communication style and language; Individual demographic characteristics and personality factors
4. *Environmental and organizational conditions*: Influence of stakeholders; Organizational culture; Impact of political/ legal factors on the negotiation parties
5. *The negotiation situation itself*: Negotiation norms such as negotiation objective or purpose of negotiating; Non-task related and task related factors of negotiation

Along with these five broad areas other dimensions, such as the nature of the analysis for example empirical or non-empirical, provide mainly the basis for the analysis of the international business negotiations literature (Reynolds et al. 2003). This thesis is putting its focus on three of those five shown areas. The areas of interest are the outcome of negotiations, cultural influences and characteristics of the individual negotiator.

2.2 Negotiation Styles

When focusing on negotiations especially on business negotiations it is important to also mention, that there are different styles of negotiation that are being used. The awareness of the own personal negotiation style is the most rudimental step in allowing negotiators to learn, conduct and develop successful negotiation processes (Miller 2014). Furthermore is the outcome of each and every single negotiation highly influenced by the different negotiation

style used by the negotiator. They can be defined as the way executives from different cultures behave in diverse situations of international business negotiations (Salacuse 2015). This is nevertheless just one way to look at negotiation styles. They can also be defined independently of culture. There could be many other reasons why they negotiate differently for example their personality. The work by Salacuse (2015) is just focusing on the cultural effect and therefore further implies, that these executives negotiate differently from one to another, because they are not sharing the same cultural background. An example would be if an executive from a company based in Vienna sits down to negotiate a business deal with a manager of a company based in Graz, the negotiators would heavily rely on their common culture in order to interpret each others statements and actions. If on the other hand taking the same executive from the company based in Vienna and let him negotiate a deal with a manager from a company based in China it becomes obvious, that they would usually not share the same pool of information and assumptions and would therefore struggle to interpret each others statements, actions and intentions (Salacuse 1998). As illustrated in Figure 3 below there are 10 negotiation factors identified, which imply the basic differences of negotiation styles between managers from various cultural backgrounds and their possible range of cultural responses. The cultural responses to each of these shown negotiation factors below vary between two polar extremes (Salacuse 1998).

The knowledge of these factors could improve the negotiators understanding of his counterpart, which in this case stems from a different culture with a different negotiation style and could therefore help to anticipate possible sources of friction and misunderstanding (Salacuse 1998). What is equally important about the table is that it could help the negotiators to understand on which side of the selected negotiation factor they would be. So that they will not be surprised by the actions taken by their counterparts as a reaction to their own behavior. From this it can be concluded, that a good negotiation process always starts with a simple look in the mirror. This shown information in combination with the table will help the executive to find out his natural place in the negotiation, where he is most comfortable and will show them how to use their instincts as a base for becoming a better overall negotiator (Miller 2014).

Negotiation Factors	Range of Cultural Responses		
Goal	Contract	↔	Relationship
Attitudes	Win/Lose	↔	Win/Win
Personal Styles	Informal	↔	Formal
Communication	Direct	↔	Indirect
Time Sensitivity	High	↔	Low
Emotionalism	High	↔	Low
Agreement Form	Specific	↔	General
Agreement Building	Bottom up	↔	Top Down
Team Organization	One Leader	↔	Consensus
Risk Taking	High	↔	Low

Figure 3 The Impact of Culture on Negotiation (Salacuse 1998)

To be able to succeed in the world of business negotiations it is crucial to honestly assess the own strength and weaknesses. At the center of every negotiation there is a conflict. In this specific context conflict does not always have to mean an actual dispute or a disagreement. It can suffice that there is an insufficient amount of information about the other negotiators wishes or perceptions, which could directly lead to the creation of a conflict (Miller 2014). With the help of the research performed by Kenneth W. Thomas and Ralph H. Kilmann five specific styles of dealing with conflicts especially in negotiations could be identified (Kilmann and Thomas 1977; Thomas 1992), which are graphically illustrated in Figure 4. They can be viewed as the individual negotiation style expansion to the negotiation factor model explained earlier on. In Figure 4 these five conflict-handling modes are classified by making use of the two underlying dimensions of cooperativeness and assertiveness (Thomas 1992).

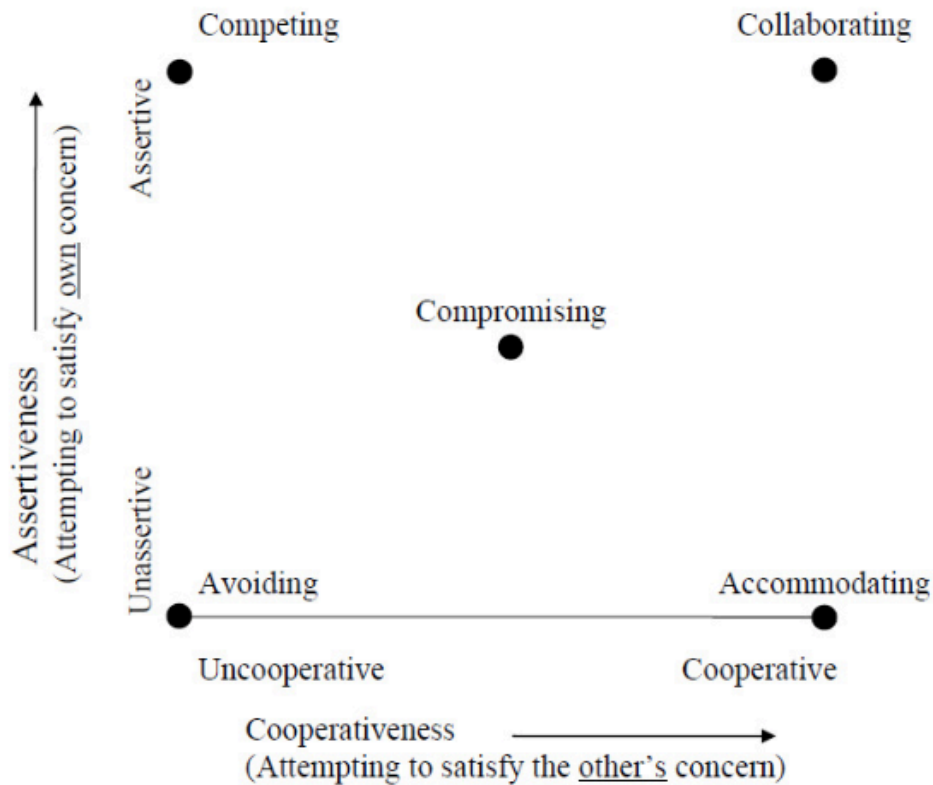


Figure 4 The Five Conflict Styles (Miller 2014; Thomas 1992)

1. *The avoiding style* can be defined as unassertive and cooperative. It can be said that the negotiator is not primarily or immediately pursuing the other negotiators concerns or his own. This style could also take the form of postponing an issue until a later or better time or the form of discreetly dodging an issue. It can be said that the negotiator with this style of negotiation is trying not to address the conflict in the negotiation (Miller 2014).
2. *The competing style* on the other hand is characterized as uncooperative and assertive. As the name already indicates is the negotiator pursuing his own concerns and goals at the expense of any other participant in the negotiation. This style is all about the aspect of winning the negotiation and turning the outcome in a favorable way for the negotiator that is using this style. Furthermore this is a power-oriented mode, in which the individual negotiator uses whatever power seems suitable to win one's own position (Miller 2014). So it can further be noted that competitive style negotiators behavior is based on the assumption of a zero-sum or win-lose philosophy (Peterson and Lucas 2001). The scholars Thompson and Hastie (1990) provided the field of negotiation with solid evidence, that most negotiators, in this case especially inexperienced negotiators, approach bargaining situations with a fixed-sum assumption (Thompson and Hastie 1990).

3. *The collaborating style* is the style, which is both cooperative and assertive and is therefore the opposite of the avoiding style. Collaborating in this context means, that it highly involves the attempt to work with the other negotiators to find suitable solutions, which have the aim to fully satisfy the concerns of both negotiation parties. This includes the effort of digging into the issue at hand to identify the underlying concerns or reasons for the conflict and to find alternatives that will meet both negotiation parties concerns (Miller 2014). The cornerstone for the collaborative negotiation style is open communication (Peterson and Lucas 2001).
4. *The accommodating style* is the opposite of the competing style explained above and is identified through a cooperativeness and unassertiveness style of negotiating. When a negotiator is accommodating it means, that this negotiator is neglecting his or her own concerns to satisfy the concerns of the other negotiators involved. Furthermore it can be concluded about this style, that there is an element of self-sacrifice in obeying another person's order or wishes when they would rather prefer not to (Miller 2014).
5. *The comprising style* is the style that lies in the golden middle between assertiveness and cooperativeness. The goal of the negotiator using this style of negotiation is to find some advantageous and mutually tolerable solution, which will in a certain way satisfy all involved parties. It can be said, that this style falls in the middle between competing and accommodating. This means in detail that the negotiator is willing to give up less than he would using the accommodating style but more than using the competing style. Equally this also means that it addresses an issue more direct than it would according to the avoiding style, but doesn't explore it in such a detailed way as in the collaborating style (Miller 2014). It is nevertheless important to keep in mind, that the collaborating style gives better results.

Negotiators in international business negotiations are also without a doubt ubiquitous making use of those styles sometimes even without realizing it. The problem that was identified in the work of (Miller 2014) as well as in the works of other scholars with the focus on negotiation were that even though characterizing one's own natural style constitutes the first step in building successful strategies for negotiations, many respondents did not recognize their own negotiation style. For this reason it is important for managers around the globe to focus on recognizing their own inherent personal negotiation style and then use this knowledge to be able to successfully influence the outcomes of international business negotiations on the individual level. The second step would be the consideration of the negotiation factors mentioned in the beginning of the paragraph, which are focusing on the cultural background of the negotiator.

2.3 Negotiation Strategy

After explaining the different styles of negotiation the next step is to focus on the negotiation strategy. Formulating a negotiation strategy is in practice an very important task every manager needs to focus on and it is necessary that a negotiation party is aware of its process and role prior to enter into the stage of face-to-face negotiations. The term strategy could be defined as a set of behaviors that are observable at least in principle and the term is associated with a plan to achieve some objective through negotiation (Odell 2002). An older, but still fitting definition was presented by Rojot (1991), who defines strategy as the organizing scheme behind the attitudes, actions as well as behaviors within the actual process of negotiation. Negotiation strategies can remain constant throughout an entire negotiation or can be altered along the way. Nevertheless before every new negotiation the strategy will necessarily be adapted to the special features of the situation at hand (Odell 2002). In addition to the definition on strategy it is important to note that tactics are specific actions that make up such a strategy.

Theoretically the behavioral negotiation strategies can be ranging between two polar ideal types namely: the integrative or also known as value-creating behavior and on the other side the distributive or value-claiming behavior (Odell 2002; Thompson et al. 2010). Under the term integrative strategy the extent to which the negotiated outcome satisfies the interests of both participating negotiation parties, in a way that implies the outcome cannot be further improved without hurting the other involved negotiation side, thereby achieve Pareto optimality, is meant (Thompson et al. 2010). It can also be said that this strategy involves actions that were designed to expand the negotiation pie (Odell 2002). The behavior of each individual negotiator in an negotiation reveals their chosen strategy. Negotiators, which emphasize information, attempt to understand the other party's interests and priorities and reciprocate the other negotiators cooperative behavior are pursuing joint gains and goals and can therefore be identified as a user of the integrative negotiation strategy (Kern et al. 2005). The negotiators using this type of strategy are also considered to be cooperative negotiators. Kern et al. (2005) found out in their experiment, that the more the cooperative negotiators persisted, on their integrative strategy, for example in information sharing, the better were their outcomes. Scholars around the world believe that negotiators, in the majority of cases, are facing integrative negotiations (Odell 2002; Raiffa 1982; Rubin et al. 1994; Thompson 1990; Walton, Robert E. Mckerzie 1965).

On the other side of the pole the distributive strategy means that a negotiator is mainly concerned about his or her own economic outcome and not at all concerned with the joint outcome of all negotiation parties (Thompson et al. 2010). Most of the time the actual resource

negotiated about is considered scarce. There were two tactics identified by scholars, which can be used by negotiators that follow the distributive strategy. On the one hand there is the offensive claiming tactic, which attempts to take value from the other negotiation party, whereas on the other hand the defensive claiming tactics aim to prevent the others from taking value from the negotiator (Odell 2002). Also important to mention is that nothing requires a negotiator to actually choose one or the other of these pure strategies. Indeed, Odell (2002) mentions in his paper, that the ideal of pure integrative behavior has not been documented frequently in international business negotiations. It was rather used only occasionally as a phase in a longer process, for which reason it is rather considered a tactic than a strategy. In business negotiations it is rather usual for negotiators to mix distributive and integrative tactics. For this reason the observed strategies in business negotiations vary by degrees between the two extremes (Odell 2002). Taking this into account strategies could theoretically range from pure value-creative strategies over to integrative strategies diluted by mild claiming moves to balanced mixed strategies all the way till pure claiming strategies, which sometimes could also be diluted by minor integrative moves. This mixing of different tactics and therefore strategies can be achieved either simultaneously or sequentially (Craver 2003; Odell 2002). One example, to prove that the mixing of strategies can be done very easily, could be that one negotiator begins the negotiation with an integrative strategic approach and when joint gains are in sight and he has all the information needed he shifts to a quite more forceful claiming strategy and therefore trying to maximize his outcomes.

In his work Craver (2003) argues that the majority of effective negotiators are those, which employ a hybrid competitive problem-solving approach, incorporating traits from both classifications (Agndal 2007). Theoretically one example of a hybrid strategy could be tit-for-tat, wherein the negotiator rewards the other for his favorable moves and on the other hand also punishes him for harmful ones (Agndal 2007; Leng 1993). There are additional factors that could influence a negotiation strategy for example the environmental influences. Without a doubt the environment in which each and every negotiation takes place will have a significant influence on the selection of the negotiation strategy. In his research Rojot (1991) concludes that the environment as well as the structure do not imply that any given outcome to a negotiation process is to happen inevitably. As explained above a strategy is not constrained and can be flexible. The same is true for the environment. In many cases the environment changes as the negotiation progresses and therefore it can be described as a dynamic process. One specific example of such environment is the organizational structure, policy and objective, which in cases can be seen as constraints to the negotiators activities and are therefore

considered variables with a direct affect on the outcome.

When laying the focus on the negotiation strategy of the parties another aspect needs to be included in the decision process on which strategy to choose. Every negotiator needs to estimate the value of his best alternative to a negotiated agreement (BATNA). The BATNA refers to the point at which a negotiator is willing or prepared to walk away from the negotiation. It is also refers to the best course of action if the negotiation fails (Thompson et al. 2010). In actual practice this would mean that a negotiator should be willing to take every set of terms that are superior to his previously estimated BATNA and to also reject every outcome that is worse (Thompson et al. 2010). The BATNA influences the chosen tactic and therefore the strategy of each negotiator, because an improved or good alternative outside of the negotiation leads to a shift in the tactic towards a harder distributive one.

The actual concept of BATNA can be traced back a long way in the history of this research field. Fisher and Ury formally introduced the concept of BATNA in 1981. They just recently published their new edition and revised edition of their book. Other researchers like Thompson et al. (2010) believe that indeed the concept can be traced back to the social exchange theory of Thibaut and Kelley (1959).

Another aspect of the research on BATNA is the strongly related reservation point (RP). The definition of the RP was given by Raiffa (1982). Raiffa (1982) defines RP as the quantification of a negotiator's BATNA. He points out that a negotiator's RP is the point at which the negotiator or the negotiation party is indifferent between walking away from the table and exercising the calculated BATNA or reaching a deal with the other negotiation party (Raiffa 1982; Thompson et al. 2010). In detail in a scenario with a seller and a buyer this would mean that when the price for the buyer is less then his RP it is acceptable and if the price exceeds the RP of the seller it is acceptable as well. Last but not least there is the resistance point, which is a negotiators subjectively determined bottom line (Thompson et al. 2010).

If we take these concepts all together it is possible to calculate a zone of possible agreement (ZOPA). For this calculation the concept of the bargaining zone needs to be introduced as well. The bargaining zone is defined as the overlap between two negotiators RPs (Thompson et al. 2010). It is calculated as the buyers RP minus the sellers RP and if this number is positive a ZOPA is said to exist (Thompson et al. 2010). On the other hand if the calculated number is negative no ZOPA exists. With the help of the bargaining zone it is possible to determine the power a negotiator has in a negotiation. The greater the bargaining zone is the more power the negotiator has. Nevertheless Kim and Fragale (2005) found out that a strong BATNA improved

negotiators outcomes more when the bargaining zone was small rather than large. This means that a strong BATNA has a significant higher positive impact on the outcome of negotiations compared to negotiation power.

It becomes obvious that the concept of BATNA has been around negotiation theory for many years and should be part of every negotiation preparation. Therefore negotiators should use the concept as an indicator for the negotiation strategy to choose. Additionally it has not lost any of its importance for researchers around the globe and is still part of every lecture on negotiation independent of the field of study.

2.4 Measurement and Outcome of Negotiations

This chapter of the thesis is giving an overview of the diversity of what might be considered an outcome of the complex negotiation process and how it is measured, before discussing later on the linkage between individual characteristics and behavioral traits as well as the culture background of an individual on international business negotiation outcome.

2.4.1 Types of Negotiation Studies

This section is describing the three major types of negotiation studies, their characteristics and the activity each negotiator is required to perform in order to be successful and how this success is measured.

2.4.1.1 Simple Choice Games

In all of the simple choice games the participants have to make separately discrete choices knowing all along that their payoff is directly linked to the comparable choices of another participant (Sharma et al. 2013). As the name suggest the available choices are limited, which makes these games very simple and easy to measure. One very famous example of such a simple choice game, which is present and used in every lecture focusing on the topic of negotiation, is the prisoner's dilemma (PD) game. In such games the idea is that each participant receives a higher payoff or outcome for choosing the tactic to compete with the other negotiators, regardless of what the other party decides to do (Sharma et al. 2013). Nevertheless the clue about this simple choice game is that the highest overall payoff is only then achieved, when the pair of negotiators decides on the tactic of mutual cooperation. Other games like the coordination games lack the part about the conflict of interest of the PD, but they are similar in their process, because again each party makes a discrete choice among a limited and well defined set of alternatives knowing already the payoff structure (Sharma et al. 2013). The key in these games to be successful is the coordination of actions with the counterpart. So to achieve a

higher outcome it is necessary to communicate. This communication can be verbal as well as non-verbal. These games are usually included in reviews as well as former research due to their simplicity and due to ensure comprehensiveness (Sharma et al. 2013). Furthermore they were used in order to measure the extend of cooperative choices made by the negotiators and by doing so assessing how people choose to behave in certain situations (Sharma et al. 2013). Even though these games might be simple, they reflect the tension between individual and joint gains (Lax and Sebenius 1986).

2.4.1.2 Laboratory Studies of Negotiation

Over the past decades as well as the present research in negotiation developed much more sophisticated and complex tasks, in order to study negotiation behavior and outcome in the laboratory environment. Nevertheless these tasks are still not representing properly the kind of task international business managers are facing on a day to day basis, but they are attempting to model more of the real world features than do the simple matrix games explained above (Sharma et al. 2013).

In these newly developed simplified real world studies the negotiators and their partners are facing asymmetric information about the alternatives and the possible outcomes of the negotiation. They are given the flexibility to communicate, which means they are given the opportunity of sharing information and knowledge about their asymmetric payoffs, and they are given the ability to set terms if they are reaching an agreement by the end of the negotiation. In these kinds of studies the emphasis lies on distributive and integrative negotiation, which were explained earlier above. The performances of the participating negotiators in these laboratory studies will be measured with the later explained economic outcomes (Sharma et al. 2013; Thompson 1990).

2.4.1.3 Field Studies of Negotiation

These types of negotiation studies are not as common as the prior introduced studies. The predominant mode used by scholars remain to be the laboratory studies (Sharma et al. 2013). Until now there have been a few field studies published, which performance measures include self-reports or reports by knowledgeable others, such as supervisors or experienced colleagues, who have meaningful stake in the quality of the work (Sharma et al. 2013). Due to the inability to resolve the asymmetry of information and to access the other negotiators parties information, fully objective measures of the quality of deals are not available to scholars (Sharma et al. 2013). There are several factors that can be found that contribute to the outcome measures. The named

self-reported measures could reflect on the subjective value of the negotiator. Furthermore on-the-job performance can be used to reflect the consequences for the negotiator for their reputation and relationship quality in the long-run (Sharma et al. 2013). Even though these types of studies are limitedly used they have a great potential to give real life business insights in how the factor national culture and individual character influence negotiation outcomes.

2.4.2 Performance Measures

Researchers have long been looking for possibilities to measure the outcome of negotiations in order to make them comparable, measure their success and identify important influence factors. This search for possibilities came up with different types of negotiation outcome measurements, which will be explained in detail in this subchapter.

2.4.2.1 Economic Measurements

Economic measures are typically used when scholars attempt to find a connection between negotiators characteristics or behaviors and the captured share of the bargaining zone (Agndal 2007). In one of his earlier research papers Thompson (1990) focuses on negotiation behavior and outcomes. He believes, that measures of performance and behavior in negotiations can be divided into two general categories, which are economic and social-psychological measures (Thompson 1990). In his definition economic measures focus on the outcome of the negotiation and are most certainly derived from axioms of individual rationality and normative analyses of the negotiation behavior (Nash 1953; Thompson 1990).

The study by Ma et al. (2002) presented the economic gains concept, which represents another concept that falls into the field of economic measurement. This concept, which can also be referred to as the economic rational concept, is included in the research, because the main purpose of business negotiation research is to find opportunities and ways to maximize the economic gains of negotiations (Ma et al. 2002). In order to improve negotiation outcomes permanently it is first of all necessary to have a unanimous measure for the outcome. In the next step these outcomes can be compared over a wide variety of different negotiations to find out the factors, which impact the negotiation. This type of measure is focusing on all the factors no matter how small of an impact they could have that could possible influence the economic gains of a negotiation.

The economic gains can be calculated in different ways. In a laboratory setting this is easier done then in field studies, due to the reasons explained in the chapter above. They could for example be measure by taking the distance between the RP – which will be the bottom line set before the negotiation – and the actual agreement reached at the end of the negotiation. Using

this approach of calculating the economic gains will secure the measurement of the utility of all the efforts, such as information-collecting and tactics, the negotiator uses during the whole negotiation process as well as the final outcome (Ma et al. 2002).

The research experiments, which most of the time use laboratory studies, give the participants in their typical design a payoff chart that maps the individual terms for every possible deal onto an objective scoring matrix (Sharma et al. 2013). This objective scoring matrix will be deemed as economic whether it is consistent of course credits, currencies or merely abstract points (Sharma et al. 2013). In this setting the economic gains can be divided into individual gains and joint economic gains. When taking for example an integrative task, the joint economic value reflects the extend to which the agreement, reached by the negotiators, grew the pie (Lax and Sebenius 1986; Sharma et al. 2013). Furthermore in the area of joint gains the difference in the satisfaction level of negotiators from different cultural backgrounds was researched. In their results they reported that some cultures were more satisfied in achieving outcome parity, whereas negotiators from other cultures were found to be more satisfied when the joint gains achieved were maximized (Reynolds et al. 2003; Tinsley, Catherine H.; Pillutla 1998).

2.4.2.2 Social-Psychological Measurements

When taking a closer look at the research performed on negotiation, growing interest over time has focused on psychological performance measures. It becomes rather obvious when researching in the field of negotiations that negotiators have noneconomic, rational concerns as well as economic ones (Thompson et al. 2010). A large corpus of scholars have focused their research on interpersonal trust, respect, liking for the counterpart (Lewicki et al. 1998; Naquin and Paulson 2003; Rubin et al. 1994), the building of relational capital between counterparts as a tangible future resource (Gelfand et al. 2006), fairness and justice (Brockner and Wiesenfeld 1996; Colquitt et al. 2001), maintaining face and self-confidence (Sullivan et al. 2006; White et al. 2004) and the subjective beliefs about one's performance regardless of how well one actually performed (Loewenstein et al. 1989; Sharma et al. 2013). The paper by Curhan et al. (2006) introduces and defines in addition to these areas above the performance measure of subjective value (SV), which integrates the above mentioned psychological measures into a unified framework. SV is defined as the social, emotional and perceptual consequence of a negotiation and can be looked at as an umbrella term that includes justice, voice, feelings about the self, satisfaction with the outcome, the relationship with one's counterpart as well as fairness (Curhan et al. 2006). Furthermore, the SV accumulated from these components of negotiations is said to have a long-lasting impact (Curhan et al. 2008; Thompson et al. 2010). As it is

common in the area of research on negotiation not all scholars feel the same way about SV. Some scholars have the strong opinion that SV might even be dismissed as a fleeting bias, but on the other hand it often proves just as important to the individual negotiator as the actual economic value at the moment of the agreement (Blount and Larrick 2000; Gelfand et al. 2006; Sharma et al. 2013).

Social-psychological measures, are further said to focus on both the outcome as well as the process of negotiation and that they are based on the developments and elements of social perception (Thompson and Hastie 1990).

Ma et al. (2002) also focused their research on the satisfaction level of negotiators after the negotiation. Satisfaction as a measure has been considered by scholars as a serious outcome measure of exchange relationship and has been linked to functional behavior in different settings (Ma et al. 2002; Ruekert and Churchill Jr. 1984). This statement is especially true due to the increasing globalized and networked economy, in which integrative negotiations are seen as long-term relationship forming and therefore gaining more and more importance compared to the former distributive one-time negotiation success stories, in which the progression of future business relationships were made rather impossible (Ma et al. 2002). In this sense scholars researched the impact of organizational emphasis on the difference between long- versus short-term business relationship and the relation between the outcome desired and achieved by the negotiation party (Phatak and Habib 1996; Reynolds et al. 2003). Without any doubt social-psychological measures are influencing economic measures and vice versa (Thompson 1990).

2.4.2.3 Other performance measures

After introducing the two most commonly used performance measures in negotiation it is important to at least mention some additional possibilities. There is for example the rather objective outcome measure of whether a negotiation ends in an impasse or agreement (Agndal 2007). This measure is not at all concerned about what that agreement may look like. Another possibility to measure the performance of negotiation outcomes is the negotiation efficiency. Hereby the type of process is considered an outcome variable (Agndal 2007). In this type of measure the number of iterations and the length of the negotiation are focused on.

2.5 Possible Cause of Negotiation Failure

The majority studies in the field of negotiation take completed and most of the time for at least one side successful negotiations as their subject and explain how the outcome was obtained. This thesis will as well focus on these type of negotiations. Nevertheless not all international business negotiations end in a signed agreement, but rather break up as they started in a

disagreement (Faure 2012). It can be seen that the number of failed negotiations are increasing and it is not for certain that researchers even know about all them, because who is likely to talk or report on failed negotiations. This is easy to understand, because failure is both a judgment and a fact. Before going into more detail about international business negotiation failures it is important to define what is meant by failure to avoid any ambiguity. The term failure will in this thesis refer to a discrete negotiation round with the goal of achieving an agreement, but instead breaking up in continued disagreement (Faure 2012).

The aim of this chapter is to identify possible causes of such failure. Over the years there have been many factors identified by scholars around the world that can be the reason for negotiations to fail. As early as 1988 Tung provided a framework to examine how the environmental factors around the negotiation influence the negotiation context, negotiation strategy, negotiation outcome and negotiators characteristics (Fang et al. 2008). In this it is argued that the changing environmental framework (e.g., economic, cultural environments, political, institutional-legal) has an direct impact on the failure and success of international business negotiations (Fang et al. 2008). Besides the environmental factors, culture has been labeled as being a major reason for international negotiations to fail. It is rather obvious, because negotiators bring naturally with them conflicting goals and behaviors, which are based on divergent cultural values and norms (Tinsley et al. 2012). A Google search with the key words: “why international business negotiations fail” and “culture” produced over 2 million hits and on scholar.google over 300 thousand papers covering this combination of key words. These sheer numbers of hits are already a testimony to the fact that the public wisdom assigns culture a significant role in accounting for failures and difficulties arising in international business negotiation (Tinsley et al. 2012). Against the common belief, the negotiators do not have a problem adjusting their goals and behaviors according to their inter-cultural partner, rather they are facing the problem of developing a common understanding of negotiation goals and processes because they fail to actually recognize that the other involved negotiation party also has their own intercultural negotiation schema that is different from their intracultural one (Tinsley et al. 2012). Further it was found, that a negotiator’s schema for these types of negotiations will be primarily based on prior knowledge of the counterpart’s culturally derived strategies and goals and on stereotypic information’s (Tinsley et al. 2012). This rather simple try of matching the opposite negotiators cultural schema could lead to an overadjustment to the other negotiation culture of negotiation goals and behaviors. Examples of these differences in behaviors are easy to identify.

In prior research papers on that particular topic scholars found out that for example Germans

prefer to negotiate based on the interpretation of regulations, Americans prefer to discuss interests and the Japanese on the other hand prefer to negotiate based on appeals to social status (Tinsley 2001; Tinsley et al. 2012). In addition to this point other scholar who researched this field as well found out that Chinese prefer to look at the larger picture first before going into details and work out the smaller things, while the Americans focus first on the details and then move to the general principles or conclusion of a negotiation (Tinsley et al. 2012). Another good examples of such differences would be the Italians, which express themselves with considerable gesticulation and emotional expression and who enjoy bargaining over prices, whereas Swedes dislike bargaining and tend more towards formal negotiation relationships (Tinsley et al. 2012). Adair and Brett (2005) have a nice saying in their paper, which rounds up the previous statements on this topic. They state that if a negotiation would be a verbal dance, imagine the frustration when one partner is dancing a waltz and the other partner is dancing a tango (Adair and Brett 2005). For the outcome of the negotiation this would mean that the negotiation parties will encounter increasing frustration over the quality of the relationship and the quality of the communication, which will decrease the parties motivation to coordinate and negotiate with each other, which could further lead to negotiation failures (Tinsley et al. 2012).

Negotiation processes can come to an impasse, because parties have incompatible goals, which would indicate that no ZOPA would be left so whatever they do in the negotiation they could not reach any mutually acceptable outcome (Faure 2012). Even though there might be a ZOPA the adoption of contradictory negotiation strategies could turn what could have been a win-win negotiation into a total failure (lose-lose negotiation).

Other reasons for the failure of international business negotiations can be found in the areas of trust, loss aversion, language barriers or overconfidence. This list can further be extended by cognitive biases, dissonance about the past, comparative gains, high transaction costs and public opinion (Faure 2012). One of the more important reasons for failure from my point of view and out of the listed above is trust. So what is actually meant by trust? Usually trust can be defined as making oneself vulnerable to the other's actions. It can nevertheless also be defined as the beliefs of one party that the other party will take action to honor the agreements that have been reached (Metcalf et al. 2007). In the majority of countries around the world trust provides the foundation on which negotiations are built. Nevertheless there are different ways to look at trust and even more important how people from different backgrounds interpret trust. Negotiators from some countries trust that the other party will fulfill its obligations because of the good relationship that exist between them, whereas other negotiation parties trust that the other party will fulfill its obligation because there exists a signed contract and the sanctions of law to back

them up (Metcalf et al. 2007). For the later the legal system and governmental agencies are viewed as the provider of an reliable, effective and adequate underpinning for the agreement (Metcalf et al. 2007). In this particular context a trustworthy negotiator is simply one who complies with the law. The other way as explained would be that negotiators trust the other party, because they have invested in a relationship that has been built in the long run and because they believe that they are both committed to it (Metcalf et al. 2007). In their eyes the contract is basically a symbol of the bond between both negotiation parties (Victor 1992). In this case a trustworthy negotiator is expected to attempt to maintain the relationship, possibly by modifying the existing contract, in order to reflect new developments (Metcalf et al. 2007; Trompenaars and Hampden-Turner 1993).

Last but not least another important reason for failure and my thesis is the factor language. Language is perhaps viewed as the most obvious difference between cultures and therefore between international business negotiators. It has been described as a cultural mirror, which indeed reflects the content and nature of the culture it represents (Bradley 2005). So it can be concluded that the misuse of language in combination with poor translation can be among the most commonly made mistakes in international business negotiations, which can directly lead to their failure. This is easily understandable considering, the fact that negotiators could miss subtle meanings due to only elementary knowledge of a foreign language (Bradley 2005).

I already mentioned some examples of actual situations where negotiations failed and for what reason. In addition to that list here are some good examples to keep in mind of why negotiations fail. Imagine an American business negotiator who arrives in China hoping to establish a long-term relationship by presenting his host with a gift, which in this case is a fine clock. With this rather small token the American negotiator already creates a huge problem before the negotiation even started, because clocks are seen as a inappropriate gift in China (Martin et al. 1998). The reason for this inappropriateness is that they are associated with death in the Chinese culture. So it become immediately obvious, why this business negotiation fails before it has even started. Another fine example would be the Arab business manager who is insisting on giving his Japanese counterpart gifts of greater value than those he actually received by his counterpart. In doing so he is harming the possible alliance or long-term relationship before it even begins to form (Martin et al. 1998).

3 The Impact of Culture and Cultural Values on International Business Negotiations

What is culture and why does it play such an important role for international business negotiations? To what extend can culture influence the outcome of international business

negotiations? How can managers be trained to overcome the obstacles presented by culture? These are some of the questions that come to mind immediately when thinking about culture in the context of negotiations. The first chapter gave already a hint to why and how culture is impacting international business negotiations and how it can sometimes leads to negotiation failures.

This chapter is trying to answer in detail the questions raised above as well as other questions that may occur during the process of researching this topic. This leaves me first of all with the question of what is culture?

There are numerous different definitions that can be found that define the term culture and they are often as vague as definitions of the term negotiation itself (Salacuse 1998). Brett (2000) defines culture in his paper as the unique character of a social group, which encompasses the values and norms shared by members of that group. In addition it is the political, economic, religious and social institution that directs and controls current group members and socializes new ones (Brett 2000; Lytle et al. 1995). Culture grows out of the patterned way that individuals of a group respond to the basic problems of social interaction (Trompenaars 1996). Negotiation in this context can be characterized as a form of decision making process in which people are independent (Brett and Gelfand 2006).

Licensing, distribution agreements, joint ventures, sales of products and services as well as mergers and acquisitions are crucial aspects of interorganizational relationships, which also are in their majority face-to-face negotiations (Adler and Graham 1989). As the proportion of foreign to domestic business relationships and deals increase so does the frequency of business negotiation between members of different countries and therefore different cultures (Adler and Graham 1989). One of the most important challenges managers and organizations are facing, by entering the new global marketplace, is the understanding and managing of cross-national differences in negotiation behavior (Volkema 2004). Instead of operating exclusively within their home cultural setting, managers must now be capable of functioning appropriately in a much more challenging and wider variety of foreign cultural situations, many of which are drastically different from their own, which could further easily conflict with their core values and beliefs (Molinsky 2007). It is widely acknowledged in the academic world, that cross cultural differences have a significant effect on international negotiations (Metcalf et al. 2007). In addition scholars state that cultural factors can easily prolong, frustrate and complicate negotiations (Metcalf et al. 2007). As a solution to this arising problem, researchers have emphasized the importance of the impact of previously gained overseas experience (Black 1988)

and pre-departure training (Black et al. 1990) on the outcome of international business negotiations. Managers need to be able to identify skills and personality characteristics of their own negotiators, such as cultural or emotional intelligence, that are critical for securing a long-term success in international business negotiations with parties from foreign cultures (Earley and Ang 2003; Molinsky 2007). Therefore it can be concluded that there are various cultural values, institutions and norms, which are related to negotiations, because they provide a basis for interpreting situations and behaviors of others in international business negotiation settings (Brett 2000; Fiske and Taylor 1991). Additionally it can be concluded that managers need the know how to affect and efficiently communicate with members of other cultures in order to be successful.

A problem that becomes obvious rather quickly is that most of the studies in the field of cultural impact on international negotiations are limiting their samples to North American, Europe, in some cases Japan and in the newer research papers China (Volkema 2004). Though it maybe an historically based accident that negotiation theory originated and flourished in the West, a non-West origin would surely have generated a social science that would look very different on that topic, because social science theory reflects pre dominantly patterns of the culture in which it originates (Brett and Gelfand 2006). One of the underlying features of Western cultures is the avoidance of contraction as well as the use of formal logic (Nisbett et al. 2001; Thompson et al. 2010). In contrast to the Western cultures it can be said that non-Western cultures cognition is characterized by a holistic system of thought and further do individuals view themselves as embedded and interdependent with a larger social context (Thompson et al. 2010). Nevertheless scholars have begun to articulate the importance of including samples beyond the European, the North American and Western cultural borders and put their focus more on the construct of economics and culture, which indeed underpin national differences rather than focusing on the nations themselves as the unit of analysis (Graham et al. 1994; Husted et al. 1996; Volkema 1999, 2004).

Scholars discovered that in some cultures the needs of the individual should be subordinate to the needs of the collective and that the legal and social institution of the culture reflect this prioritization (Brett and Gelfand 2006). Another difference that can occur when looking at various cultures is that some cultures assume that the way to uphold order in a society is to have an egalitarian social structure. In this egalitarian structure people participate in decision making for example by voting (Brett and Gelfand 2006), while other cultures may assume a social hierarchy is the way to maintain order (Brett and Gelfand 2006). These examples of cultural assumptions made by individuals are the building blocks of social interaction as well as

misunderstandings and they further provide a wide basis for interpreting of social situations and structuring and organizing social interactions (Brett and Gelfand 2006). Keeping this in mind it is important to further mention that in non-Western cultures negotiators may care more about relational capital like knowledge, mutual trust and commitment (Gelfand et al. 2006), whereas in Western cultures negotiators tend to judge negotiation outcomes by the joint profit (Neale and Bazerman 1992; Thompson et al. 2010).

3.1 Cultural Dimensions

As already explained in the beginning of my thesis it is always necessary when focusing on negotiations, especially in combination with culture, to consult other areas of research and not only the ones focusing primarily on business. So for this chapter it becomes necessary to involve the research by scholars from the field of social psychology. Research in this field placed specific emphasis on the individual as well as on the triggers for their behavior. This particular area of research has further focused on culture and its implication on the behavior of the individual, which can further be of help to identify the impact of culture on international business negotiations.

The embedded cultural system of nations as well as their subdivisions are very complex and cannot be explained or described using simple terms (Hofstede 1984). If an individual, manager or negotiator is not born into a specific culture it will take years of studying, excessive traveling and special training to fully understand this culture (Hofstede 1984). In his book from 2001 Hofstede defines nations as multi-dimensionally. Following his work, nations consist of three dimensions. The first dimension is the political dimension, which states that every independent country in the world constitutes a unique political unit. The sociological dimension, which is rather more complex than the political dimension, includes emotional components. The last dimension Hofstede introduces is the psychological dimension, which is by far the most complex one of them all, due to the fact that in this dimension sociological component, national cultures as well as nationality, are involved.

The manifestation of every culture is characterized by their values, rituals, symbols and heroes, which can further significantly differ across cultures (Hofstede 2003; McSweeney 2002). This interplay of culture's attributes is shown in Figure 5. The outmost layer is seen to be the most unstable one of them all. The attributes gain more stability and long-term orientation the closer they are to the core.

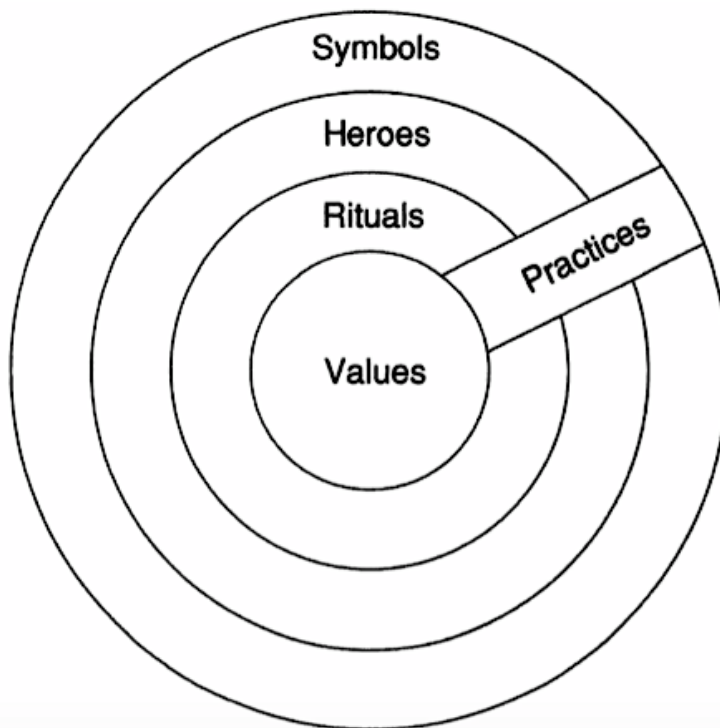


Figure 5 The Onion Diagram: Manifestation of Culture at Different Levels of Depth (Hofstede 2003 p.11)

Values are implicitly and not purposely learned. Psychologists believe that children by the age of 10 know their basic values like what is wrong and what is right and the rudimentary difference between good and bad. Hofstede (2001) himself characterizes values as the behavioral actions, which become visible to everyone. From this characterization it can be concluded that culture has visible elements, even though the actual construct of culture is knowingly not tangible.

Rituals are technically superfluous in reaching desired ends and collective activities, which are considered in a culture as essential (Hofstede 1997). Nonetheless, even though some might see them as superfluous these rituals are important for business practices as well as politics, e.g. how to greet and treat others with respect so they don't feel offended as well as social and religious ceremonies. They are furthermore characterized as re-occurring activities and are therefore very socially important factors in cultures (Hofstede 2001). Attending such rituals as an outsider can be the best opportunity to get involved and understand prior unknown cultures.

Heroes can be found in a wide variety in every culture. According to Hofstede (2001) individuals or a group of individuals, whether dead or alive, fictional/imaginary (like a cartoon figure) or real, who carry and display highly appreciated values in a culture and by that functioning as role models in that specific culture are considered heroes.

Symbols in this context stand for words, pictures, objects and gestures, which transport a specific meaning to only those fully understanding and sharing the same culture. These symbols can easily change, appear, disappear over the years or move from one culture to another. As it is

seen in Figure 5 symbols are the most external layer of a culture and therefore not close to be as stable and long-term oriented as the values of the culture (Hofstede 2001).

Each human society historically and present has found different patterns of responses to problems occurring in their social life on a day to day basis (Hofstede et al. 2012). There are some societies, in which groups are permanent and close-knit, while in others membership is comparably voluntary and volatile (Hofstede et al. 2012). These societies can as well be focusing on leadership styles that are usually autocratic or the opposite participative (Hofstede et al. 2012).

When it comes to culture, Geert Hofstede's groundbreaking seminal work represents one of the very few empirical studies of national culture that has implications for negotiation and ethics behavior (Volkema and Fleury 2002). Due to this his work is greatly used by scholars in the area of cultural studies as well as negotiation studies. There have been many attempts to replicate and improve his work. Some have shown interesting outcomes and resulted in an enhancement of his theory.

In his original work Geert Hofstede administered the large multinational company IBM to launch an employee survey, constituent of two survey rounds, in 1967 and 1973, in which up to 116,000 questionnaires were answered by employees working in subsidiaries from 72 countries and in 20 different languages (Hofstede 1984, 1994; Minkov and Hofstede 2014). He choose IBM employees, because they were similar in many aspects such as occupation, sex and age, but dissimilar in nationality, which indeed made the effects of nationality and cultural differences stand out unusually clear (Hofstede et al. 2010). Using this survey, of nearly sixty thousand IBM employees in over fifty countries, Hofstede identified originally four dimensions of culture, which were individualism/collectivism, power distance, uncertainty avoidance and masculinity/femininity (Volkema and Fleury 2002). The dimension approach chosen in the work of Hofstede (1980) represented a totally new and not seen before paradigm in social science research, which analyzed survey-based values data, not as before on the individual level, but at the national level and quantifying differences between national cultures by positioning these nations on the different dimensions (Hofstede 2016). As it is with everything that is brand new to the world of academics, Hofstede's research of the new paradigm was initially met with criticism, ridicule and rejection along with great enthusiasm (Hofstede 2016). Starting as early as the 1980s until today the dimensions developed and introduced by Hofstede became the dominant approach to cross-cultural analysis and have been taken over by many other scholars in different fields of study (Brett 2000; Cai Wilson et al. 2000; Hofstede 2016, 1980; Minkov

and Hofstede 2014; Volkema and Fleury 2002). As mentioned earlier, over time other scholars further extended the dimensions, which were first introduced by Hofstede.

At the moment the research for this thesis was conducted, scholars have introduced two additional dimensions, which extended the original existent four dimensions of national culture (Hofstede 2016). These two dimensions were long-term orientation vs. short-term orientation and indulgence vs. restraint (Hofstede 2016). Nevertheless there are, as mentioned above, controversies surrounding Hofstede's work, which need to be addressed as well when relying on his work as part of my thesis. One of the major controversies that occurred is about the understanding of what exactly his dimensions describe (Minkov and Hofstede 2014). Additional to this concern comes that since the dimension indices were calculated decades have passed, so they may no longer be valid (Kirkman et al. 2006; Minkov and Hofstede 2014). Last but not least critics target the reliability of the data collected by Hofstede. In the years between 1990 and 2002 various scholars reported attempted replications of each of the four initial dimensions across other narrow matched samples, but some critics still insist that replications should be rather based on nationally representative samples (McSweeney 2002; Minkov and Hofstede 2014).

The following part of this chapter focuses in detail on each dimension individually and on their theoretical implications for this master thesis.

3.1.1 Individualism vs. Collectivism

The framework of the dimension individualism vs. collectivism is a frequently adopted continuum, which reflects a culture's value preference and emphasis on explicit goals over others (Cai Wilson et al. 2000; Schwartz 1990). It refers to the extent to which a society treats individuals as embedded in their social groups or as autonomous (Brett 2000). From the introduction to this chapter it is further known that culture is a shared pattern of attitudes, definitions, beliefs, categorizations, values and other elements of subjective culture (Triandis et al. 2001). The way people self-construe and the way they act toward and interact with each other is affected by how a society treats its people (Brett 2000). In all cultures individuals distinguish between out-groups, of which they are not a member and in-groups, of which they are members (Turner et al. 1987). In the collectivistic cultures these elements are centered on the in-group, whereas in individualistic cultures these elements are centered on the individual of that culture (Triandis et al. 2001). Furthermore in individualistic cultures institutions and norms promote the autonomy of the individual, where individual accomplishments are rewarded (Brett 2000). Social as well as economic institutions and the legal institutions of that culture protect

the individual (Brett 2000). It can therefore be said that in individualistic cultures the interest of the individual prevails over the interest of the group and that the ties between those individuals are rather loose. The people belonging to those cultures are looking after themselves and possibly their immediate families. Examples of regions with an individualistic cultural mindset are North-America and North-West Europe (Adler et al. 1992; Hofstede et al. 2012). Moreover in individualistic cultures individuals tend to define others by their accomplishments, what they have done in the past, where they live, etc. (Hofstede 1994). On the other hand in collectivistic cultures institutions and norms promote the interdependence of the individuals through emphasis on social obligation, where the sacrifice of the personal needs for the greater good of the group is rewarded and the legal institution of those cultures place the greater good of the collective above the rights of the individual (Brett 2000). In typical collectivist cultures the individual is integrated into cohesive and strong in-groups, which continue to exist throughout a lifetime in order to protect the individual in exchange for unquestioning loyalty. Examples of regions where collectivist cultures are pre dominant are East Asia and most of the non-Western countries (Hofstede et al. 2012). From these preliminary findings as well as other consulted research it can be said that those countries with the highest GNP will also reach the highest score on Hofstede's scale for individualism. So wealthy countries like Germany, USA, Canada and Sweden tend to be more individualistic and poorer countries like Brazil, Taiwan, Indonesia and Venezuela tend to be more collectivistic (Adler et al. 1992). Nevertheless it is important to know that even though Taiwan and Indonesia are collectivistic cultures they are not identical in their collectivistic behavior. The same is also true for the individualistic cultures like the USA and Sweden (Triandis et al. 2001). So how is it possible to determine those differences among collectivist and individualistic cultures? One possible answer to this question is presented in form of the important distinctions between vertical and horizontal cultures. The horizontal cultures stress equality whereas the vertical cultures emphasize hierarchy (Triandis et al. 2001). To clarify the differences between the distinctions, vertical collectivist cultures see some of their in-group members as more important than the other members of their in-group, whereas horizontal collectivist cultures see the members of the in-group as equal (Triandis et al. 2001). Examples for vertical collectivistic cultures can be found in form of some of the countries of South Asia, whereas an example for horizontal collectivism can be found in the Israeli kibbutz (Triandis et al. 2001). Vertical individualism emphasizes the differences in individuals from each other like superiority or the best, while horizontal individualist cultures see the individual as unique but not superior (Triandis et al. 2001). Table 1 is summarizing the most important differentiations between individualism and collectivism that were in part explained above.

Individualism	Collectivism
Everyone is supposed to take care of him- or herself and his or her immediate family only	People are born into extended families or clans which protect them in exchange for loyalty
"I" – consciousness	"We" –consciousness
Right of privacy	Stress on belonging
Speaking one's mind is healthy	Harmony should always be maintained
Others classified as individuals	Others classified as in-group or out-group
Personal opinion expected: one person one vote	Opinions and votes predetermined by in-group
Transgression of norms leads to guilt feelings	Transgression of norms leads to shame feelings
Languages in which the word "I" is indispensable	Languages in which the word "I" is avoided
Purpose of education is learning how to learn	Purpose of education is learning how to do
Task prevails over relationship	Relationship prevails over task

Table 1 Individualism versus Collectivism (Hofstede 2011)

Perhaps it can be said that collectivist identity is more strongly connected with their in-groups, because they are said to be more attuned to the needs of others than individualists and because they make stronger in-group /out group distinctions than individualist (Brett 2000; Gudykunst et al. 1992). Collectivism vs. individualism reflects so to say cultures basic preferences and priorities for some goals rather than others (Brett 2000). Goals are said to be motivating and that they direct behavior and sustain effort (Locke and Latham 2013). Brett and Okumura (1998) could find prove that individualists set high personal goals in negotiation, because of their strong self-interest. This goal setting is found to be the reason for rejecting acceptable but suboptimal agreements in negotiations, because the prior set goals to the negotiation are motivating individualistic individuals to continue to search among alternative possible agreements for the one that maximizes the individualists outcome (Brett 2000). If the other negotiator is perhaps an in-group member the two negotiation parties would search together for a mutually satisfying agreement due to the fact that the goal alignment generates cooperative behavior in negotiations (Brett 2000). On the opposite side when the other negotiation party or negotiator is an out-group member, as it is most likely in international business negotiations, it is highly unlikely that the goals are going to be aligned and competitive behavior is promoted (Brett 2000). It is therefore very important for international business negotiators to distinct between collectivistic and individualistic behavior. The individualist is always going to go his own way regardless of the behavior of the other negotiator, but in some cases he or she may be affected by the structure of the situation. The collectivistic negotiator, likely the competitor, is more sensitive to the needs of others, as explained above, and is therefore trying to maximize the difference between his own and the other negotiators outcome (Brett 2000; Messick and

McClintock 1968). It is more likely, that collectivistic negotiators are concerned with the outcome of the opponent, because their culture measures success in terms of maximizing group interests (Cai Wilson et al. 2000). In addition collectivistic negotiators may consider issues rather simultaneously than sequentially, due to the fact that collectivistic cultures emphasize holistic over field independent thinking (Cai Wilson et al. 2000).

The individualistic negotiator in comparison is taking a very different approach to a negotiation, because his essentially concern is his own well being, which means he is unconcerned with how poorly or well the other negotiator is doing. Research studies of perceived negotiation styles in the context of individualism and collectivism have shown, that participants view of their own behavior often are not at all shared by the other negotiation party (Cai Wilson et al. 2000). One example from research shows that both negotiation participants tend to perceive their own behavior as collaborative, whereas the other parties behavior as competitive (Thomas and Pondy 1977).

To support the statement that individualism-collectivism indeed impacts the outcome of international business negotiations the empirical study by (Cai Wilson et al. 2000) is used as an example. This paper was chosen due to different reason. First of all this paper provides significant support for my claim, that collectivism and individualism indeed impact the outcome of business negotiations. Further was this paper published in the “Human Communication Research” journal. The Human Communication Research is one of the official journals of the respected International Communication Association and is a top-ranked communication studies journal. Since its publication the paper was furthermore cited 14 times by scholars from the fields of management, marketing, psychology and negotiation. After going through the paper a few times and comparing it to other from the field I find their approach as well as the chosen model as reasonable and their drawn conclusions make sense. For this reason I chose this paper to make my point. A second paper will be covered in detail in chapter five, which will be focusing on the comparison of the impacts of culture versus personality and behavioral traits on the outcome of international business negotiations.

To measure the effects of individualism-collectivism on the outcome of negotiations Cai Wilson et al. (2000) are taking the culture in context view, which suggests that a negotiator’s collectivism could directly influence the joint profits by not only influencing the behavior of the other party, but also by affecting the negotiators own behavior and go beyond the culture as shared values view. One possible moderator variable that was identified was the collectivism of the bargaining partner. (Cai Wilson et al. 2000).

Their method of testing was based on eighty U.S. and international students at a large Midwestern university. These students originated aside from the obvious U.S. from countries like India, China, Singapore, Vietnam, Ukraine and Japan. Overall the study includes participants from more than 3 continents, which makes this study especially interesting for this thesis. Negotiation dyads were chosen so that the negotiators were from different countries. After receiving the instructions the participants were moved to a negotiation room and were given 30 minutes to complete the negotiation. All negotiations were conducted in English. The negotiation task itself was a variable-sum simulation involving a wholesaler (seller) and a retailer (buyer), which negotiated the price for three appliances (Cai Wilson et al. 2000). In their simulation each negotiator could earn a maximum of \$4,000 or a bare minimum of \$0. They chose the simulation introduced by Pruitt in 1981 to facilitate comparison of their own findings with the large body of prior research on integrative bargaining conducted with both international as well as U.S. participants (Cai Wilson et al. 2000). The most important independent variable in this paper for my thesis was individualism-collectivism. For that Cai Wilson et al. (2000) used a modified version of Hui and Triandis's individualism-collectivism (INDCOL) scale. These modifications are shown in Figure 6:

-
1. It is enjoyable to meet and talk with my neighbors regularly.
 2. I would not let my neighbors borrow things from me or my family (R)^b.
 3. Neighbors should greet each other when they come across each other.
 4. I am not interested in knowing what my neighbors are really like (R).
 5. Married people should have time alone every day undisturbed by their spouses (R).
 6. If a person is interested in a job about which the spouse is not very enthusiastic, the person should apply for it anyway (R).
 7. It is better for a husband and wife to have their own bank accounts than to have a joint account (R).
 8. It is desirable that a husband and wife have their own set of friends instead of having only a common set of friends (R).
 9. When I am among colleagues/classmates, I think I should do my own thinking without minding about them (R).
 10. A person ought to help a colleague at work who has financial problems.
 11. In most cases to cooperate with a coworker whose ability is lower than one's own is not desirable as doing the thing alone (R).
-

^aFor all items, 1 = *strongly disagree*, 7 = *strongly agree*. Higher score = greater collectivism.

^b(R) represents reverse scored items.

Figure 6 Modified Individualism-Collectivism (INDCOL) Scale (Cai Wilson et al. 2000)

Originally the INDCOL is a multidimensional Likert scale of 66-items, which was designed to assess an individual's level of collectivism by measuring behaviors and attitudes towards six relational domains (Cai Wilson et al. 2000). After the modifications three relational domains remained and were tested for second-order unidimensionality. The modified INDCOL

demonstrated a reliability of $\alpha = .75$ (Cai Wilson et al. 2000). Higher scores on the resulting index are indicating greater collectivism. Hypothesis one, which is based on a culture as shared values perspective, stating that a negotiation dyad's profit will increase as the collectivism of the same increases (Cai Wilson et al. 2000). The score on the INDCOL scale of each member of the negotiation was summed to create a dyad joint index ($M = 96.73$, $SD = 11.60$), which was then correlated with joint profits (Cai Wilson et al. 2000). At this point it is very important to remind the reader that correlation does not mean causality. If these two would be treated as equal the whole conclusion drawn from that fact would be false. For this reason it is also important to include a second important quantitative measure in form of the effect size. The definition given by the Cambridge Dictionary states that the effect size is a way to measure the relationship between two variables, as a way to state how large the effect of one on the other variable is. For the purposes of this example the effect size is measuring the relationship between collectivism and negotiation outcomes in form of joint profits. The paper by Cai Wilson et al. (2000) makes use of the Pearson's correlation, which is usually denoted by r , which can also be identified as correlation coefficient. This r can vary in its magnitude from -1 to 1, with 1 indicating a perfect positive linear relationship between the variables, 0 representing no linear relation between them, while -1 implies a perfect negative linear relation. The Dyad's summed collectivism was associated significantly with joint profit ($r = .38$, $p < .01$, one-tailed, $n = 37$), one-tailed test are used for correlations whenever researchers want to test directional relationships (Cai Wilson et al. 2000). From what was explained above it can be interpreted that with an $r = .38$ the effect size of the research on the impact of collectivism on joint profits is medium. From this it is possible to come to the conclusion that collectivism has a significant positive effect on the outcome of negotiations (Cai Wilson et al. 2000). Later on in their paper Cai Wilson et al. (2000) reveal that their findings also support that only seller collectivism is significantly and positively associated with the negotiations total profit ($r = .38$, $p < .01$, one-tailed, $n = 38$), while buyer collectivism is not significantly related to total profits ($r = .12$, ns, $n = 39$). In their last step concerning the impact of collectivism on the outcome of international business negotiations they regressed total profits simultaneously onto a mean-corrected interaction term of seller and buyer collectivism, seller collectivism and buyer collectivism (Cai Wilson et al. 2000). The results show that the regression was significant, $R^2 = .23$, $F(3, 33) = 3.23$, $p < .04$ (Cai Wilson et al. 2000). R^2 is also referred to as the coefficient of determination and is a measure of how well a model explains and predicts future outcomes. The coefficient of determination is further used as a guideline to measure the accuracy of the model and it is represented by a value between zero and one. For the results of

the paper by Cai Wilson et al. (2000) R^2 has the meaning that 23% of the dependent variable is predicted by the independent variable. This regression showed that once again only the seller collectivism can be associated with joint profits regardless of the level of buyers collectivism (Cai Wilson et al. 2000).

These findings clearly show that the dimension of individualism-collectivism has an impact on the outcome of international business negotiations. This impact can be positive as well as negative depending on the bargaining role. The role moderates the effect of cultural values in so many ways, due to the fact that sellers tend to be more dependent on buyers than buyers are on sellers (Cai Wilson et al. 2000).

3.1.2 Power Distance

Power distance can be defined as the extend to which the members of a certain society or culture accepts that power in institutions and organizations is distributed unequally (Hofstede 1984). The power distance dimension deals mainly with the need for dependence versus interdependence in a society. It is often reflected by limited interactions between social classes and restricted movements from one social class to another (Volkema and Fleury 2002). Power distance and related concepts are easily found in almost all present cultural values frameworks (Kirkman et al. 2009). Furthermore some scholars refer to high power distance as “hierarchy” and to low power distance as “egalitarianism” (Brett 2000). For the purpose of this thesis these terms will be treated as equal. At the individual level, power distance is manifested in an individuals power distance orientation, which has been suggested by scholars to have a significant influence on how individuals perceive and react to authority (Lian et al. 2012). In low power distance cultures inequality is seen as a necessary evil that should be minimized, while in high power distance cultures inequality is majorly seen as the basis of societal order (Hofstede 2011). Therefore the higher the score on the scale in this dimension, the more is a society willing to accept social inequality in the distribution of power. A overview of some distinctions between the norms in low power distance and high power distance is presented in Table 2.

Large power distance (hierarchical)	Small power distance (egalitarian)
Might is right	No privileges and status symbols
Formal speech; acknowledgement	Talk freely in any context
Dictate, obey	Negotiate
Show favor to mighty business partners	Treat all business partners equally

Table 2 Large versus Small Power Distance (Hofstede et al. 2009)

The behavior of the individual is presumably learned early on in their lives within the family and based on the cultural background. Examples of societies that have low power distance are Anglo and Germanic countries (Hofstede et al. 2012). In these low power distance countries the individual usually expects, if he or she is a subordinate, to be consulted. On the other hand in cultures with a high power distance people are expected to display their respect for those of higher hierarchical status. Superiors are therefore seen as superior people. Consequently high power distant individuals are more likely to trust, respect and defer supervisors (Kirkman et al. 2009; Lian et al. 2012). From research and as seen in Figure 7 (<https://geert-hofstede.com/countries.html>) societies with high power distance are for example China, India and Russia. Figure 7 gives a good example of how high China and India score on the power distance scale compared to Austria.

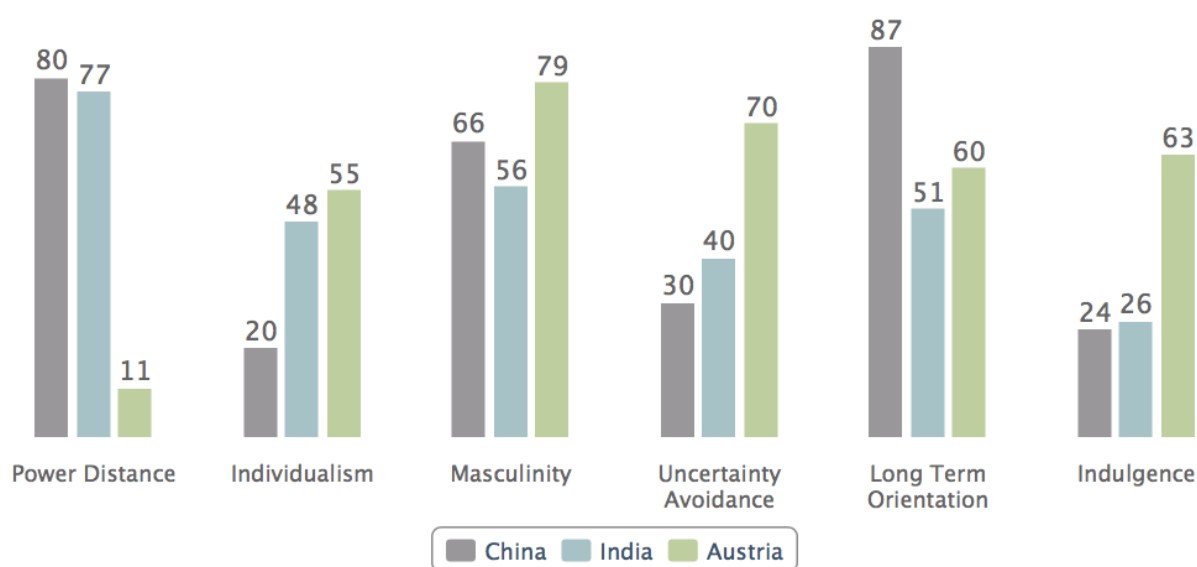


Figure 7 Visualization of Cultural Dimension Scores for Selected Countries (<https://geert-hofstede.com/countries.html>)

Countries like the one shown above, who score high in power distance, are more stratified socially, politically and economically, where those individuals in positions of authority expect and receive obedience (Javidan et al. 2006). Individuals hold the belief that one should not go against one's superior and they also tend to be submissive and receptive to their leaders decisions (Lian et al. 2012). Organizations based in these countries with the cultural background of high power distance have rather hierarchical decision making processes with a limited one-way communication and participation (Javidan et al. 2006). This organizational behavior and culture also influences the behavior of each negotiator that is part of this firm. Cultures, individuals or organizations with a high degree of power distance tend to be more authoritarian and can communicate in a way to limit interaction and reinforce the differences between people. This could have without a doubt a negative influence on negotiation outcome, if negotiators

with opposite power distance backgrounds negotiate. As already explained in the chapter focusing on negotiation itself, this negative effect could go as far as to lead to a negotiation failure. Table 3 below summarizes the most important differences of the power distance dimension by Hofstede.

Small Power Distance	Large Power Distance
Use of power should be legitimate and is subject to criteria of good and evil	Power is a basic fact of society antedating good or evil: its legitimacy is irrelevant
Parents treat children as equals	Parents teach children obedience
Older people are neither respected nor feared	Older people are both respected and feared
Student-centered education	Teacher-centered education
Hierarchy means inequality of roles, established for convenience	Hierarchy means existential inequality
Subordinates expect to be consulted	Subordinates expect to be told what to do
Pluralist governments based on majority vote and changed peacefully	Autocratic governments based on co-optation and changed by revolution
Corruption rare; scandals end political careers	Corruption frequent; scandals are covered up
Income distribution in society rather even	Income distribution in society very uneven
Religions stressing equality of believers	Religions with a hierarchy of priests

Table 3 Small Power Distance versus Large Power Distance (Hofstede 2011)

Power in business negotiations is said to be the basis of one party's ability to gain advantage over the other party through the use of distributive, influence or positional tactics (Adair et al. 2004). The cultural values of hierarchy vs. egalitarianism are giving implications for the use of power strategies in international business negotiations (Adair et al. 2004). Egalitarian cultures support direct face-to-face negotiations, group decision-making and mediation or facilitation in order to resolve conflicts (Brett 2000). When it comes to the bases of power in negotiations egalitarian and hierarchical societies have a relatively different view (Brett and Okumura 1998). In egalitarian cultures, power in negotiations, usually tend to be evaluated with respect to the actual situation that is negotiated as well as the alternatives if no agreement can be reached (Brett 2000). As in detail explained in the last chapter, the best alternative for a negotiator in a negotiation is the so-called BATNA. The BATNA is not fixed it is dynamic. How dynamic always depends on the situation and the negotiator itself. In for example transactional business negotiations the negotiation parties BATNA is frequently unrelated, due to the fact that the seller has an alternative buyer to whom he can possibly sell and the buyer has an alternative seller with whom to negotiate (Brett 2000). So long as negotiations are moving in the direction of achieving a possible agreement negotiators in egalitarian cultures relatively infrequently refer

to their BATNA or any other source of power in business negotiations (Adair et al. 2004). The preference of these negotiators is focused on the issue under negotiation, priorities and interest, noting similarities and differences and sharing information (Adair et al. 2004). Interpersonal relationships are on the other hand vertical in hierarchical societies (Brett 2000). Scholars are arguing that in almost every social relationship a difference in status is obviously existing, which is based on education, sex, position in the organization, age and from the organization itself (Kamins et al. 1998). Research in the field of negotiation and power distance show that negotiators from hierarchical cultures are more likely than negotiators from egalitarian cultures to make use of all types of power in business negotiations like BATNA, persuasion and status (Adair et al. 2004; Brett 2000). For example in hierarchical Russia, negotiators positioning for power may seem competitive or even aggressive for members of the other negotiation party (Roemer et al. 1999). Japan is also a country that is considered hierarchical and therefore parties are likely to use power strategies to establish their position of power and thereby claim their portion of the pie (Adair et al. 2004). In hierarchical cultures with norms for distributive tactics, joint gains are expected to be high, whereas in egalitarian cultures power strategies are likely to jeopardize joint gains, due to the fact that they are not using normative distributive tactics (Adair et al. 2004). Furthermore in the egalitarian cultures negotiation outcome is said to be solely a function of what BATNA each negotiation party brings to the table.

As empirical support, for the claim that power distance does in fact directly impacts the output of international business negotiations, the research paper by Hofstede et al. (2009) is used. To be in line with former argumentation, Hofstede et al. (2009) presented their work at the ninth “International Workshop on Multi-Agent Systems and Agent-Based Simulations”. Their work was later on published in form of the “Lecture Notes in Computer Science” book series. Their paper was cited three times so far and downloaded 563 times. Even though these numbers do not sound impressive, the authors itself with Gert Jan Hofstede and Catholijn M. Jonker are well renowned worldwide in their field of study. My research resulted in the fact that at the moment of this thesis Prof. Hofstede work was cited more than 7.000 times and Prof. Jonker more then 6.000 times. For this reason and due to the fact that their line of argumentation is reasonable I use their empirical results as support for my work.

The paper bases its research on agent-based computational economics. The agents are modeled to mimic negotiators as closely as possible (Hofstede et al. 2009). For this reason the findings of the paper can be used to support the impact of power distance on international business negotiation outcomes. Their research models the effects of power distance on the trade process

and their outcome (Hofstede et al. 2009). They formulate rules for the behavior of the artificial trading agents and present primarily verification in a multi-agent simulation, which can further be interpreted for the purposes of this thesis. They chose the agent based negotiations, because its similarity to human negotiations had been validated (Bosse et al. 2004). For the purpose of implementing a multi-agent environment for their research Hofstede et al. (2009) chose CORMAS. CORMAS is a Smalltalk-based tool, which facilitate simulation with larger population of agents (Hofstede et al. 2009). The agents in this model are given three different types of roles, which are supplier, tracer or customer. The model consist of different time steps in which the agents can perform different actions. In the first time step the customer has the opportunity to sends a proposal to a supplier of their choice. In each of the following time steps the trading agents have different opportunities of actions to take. They may either reply with an acceptance message or a counter proposal if they received a proposal, ignore received proposals and take the initiative to send a new proposal to a preferred potential partner or they may wait for a reply when they have send out a proposal in the previous time step (Hofstede et al. 2009). The results of their work are shown in Table 4, which include a number of successful transactions in runs of 100 time steps for single-culture as well as multicultural settings.

	run#	S1	S2	run#	S1	S2	run#	S1	S2	run#	S1	S2
run#	1	HS	HS	2	HI	HI	3	HS	HI	4	ES	EI
C1	HS	11	12	HI	8	10	HS	36	1	ES	17	13
C2	HS	19	13	HI	12	10	HI	0	23	EI	10	13
run#	5	ES	EI	6	HS	HI	7	EI	EI	8	ES	ES
C1	HS	33	0	ES	20	11	HS	10	14	HS	14	16
C2	HI	0	30	EI	5	13	HI	9	14	HI	16	17
run#	9	ES	EI	10	HS	HS	11	ES	EI	12	HI	HI
C1	HS	23	0	ES	20	13	HI	1	21	ES	10	11
C2	HS	26	0	EI	10	10	HI	1	24	EI	14	11

Table 4 Research Results Hofstede et al. (2009)

The agents were divided into two groups of four customers (C1 and C2) and two groups of four suppliers (S1 and S2) (Hofstede et al. 2009). All the agents no matter if supplier or customer have equal parameter settings except for power distance and status, which may differ across the groups. In Table 4 above E stands for egalitarian cultural background; H stands for hierarchical cultural background; I stands for inferior; S stands for superior status (Hofstede et al. 2009). The results presented in Table 4 illustrate that ease of a negotiation depends on the negotiators status in hierarchic societies (runs 1 and 2) (Hofstede et al. 2009). So the claim, that power distance directly impacts the outcome of international business negotiations can be supported.

3.1.3 Uncertainty Avoidance

When writing about the cultural dimensions it can never be wrong to start the chapter by citing the person who actually came up with the first dataset. Hofstede (1984) himself defines uncertainty avoidance as the degree to which members of a certain society feel uncomfortable with uncertainty and ambiguity. Other definitions could for example be the one introduced by Stohl (1993). In his paper he defines uncertainty avoidance as the extent to which people are made nervous by situations they consider to be unclear, unpredictable, unstructured, and the extent to which they try to avoid such situations by eventually adopting rather strict codes of behavior and beliefs in absolute truths (Merkin 2006; Stohl 1993). In a later work Hofstede et al. (2012) are characterizing that the dimension of uncertainty avoidance is about how to cope with the unknowable. Consequently it can be said that uncertainty avoidance represents the collective willingness of a society to tolerate ambiguous outcomes (Rapp et al. 2011). Some cultures are rather uncertainty avoiding like Latin, Slavic or Arab countries, whereas others are termed uncertainty tolerant like China, Vietnam, Anglo countries and Scandinavia (Hofstede et al. 2012). In addition it can be concluded that the stronger a cultures tendency to avoid uncertainty is, the greater is its need for specific rules (Merkin 2006). Low risk-avoiders are found out to require much less information, act quicker and have fewer people involved in decision-making processes (Martin et al. 1998). In contrast negotiators, from high risk avoidance cultures tend to rely on rituals, standards and formulas, trust, family and friends and have further a lot of bureaucratic rules (Martin et al. 1998). But how did Hofstede evaluate the index of uncertainty avoidance of each country? The uncertainty avoidance index was calculated as a composite score of three separate factors, which were rules orientation, employment stability and nervousness or stress at work (Rapp et al. 2011).

1. *The rules orientation factor* reflects the responses of each individual on a five-point Likert scale with one standing for “strongly agree” and five reflects “strongly disagree” (Rapp et al. 2011). For this factor lower (higher) viewpoints about the need to follow rules have higher (lower) values on the Likert scale (Rapp et al. 2011).
2. The score of the *employment stability factor* was the percent of those individuals who intended to remain with their current company no more than five years. The respondents of the questionnaire were asked to chose one of the following responses: 1) Two years at the most; 2) From two to five years; 3) More than five years; 4) Until I retire (Rapp et al. 2011). For this factor shorter (longer) intents to stay with the company have lower (higher) values.

3. *The nervousness or stress at work factor* was indicated to reflect the individual responses on a five-point Likert scales as well with five being “I never feel that way” and one “I always feel that way” (Rapp et al. 2011). For this particular factor lower (higher) feelings of being nervous have higher (lower) values.

Those cultures termed uncertainty avoidant, tend to have strict rules and rituals about things that are different or strange, such as food, taboos or religious rules (Hofstede et al. 2012). Rituals that embody the rules are filling out and writing of memos and accounting (Merkin 2006). Individuals as well as negotiators from uncertainty avoidant cultures like to show their particularly anxiety as well as their emotions verbally and non-verbally (Hofstede et al. 2012). The greater the extend of desire to avoid uncertainty, the more individuals of that culture seek orderliness, structure, laws, consistency and formal procedures to cover situations in their daily lives (Javidan et al. 2006). Organizations as well as their negotiators from high uncertainty avoidance cultures tend to establish elaborate procedures and processes and prefer formal detailed strategies (Javidan et al. 2006).

Negotiators from societies termed as uncertainty tolerant are curious and relaxed about strange things and people and they do not worry about establishing strict classification structures for everything (Hofstede et al. 2012). They are known to value exploratory behaviors, novel experiences and a relaxed communication style. Furthermore they tend to prefer simple processes and broadly stated strategies and they are further opportunistic and enjoy risk taking (Javidan et al. 2006). In Table 5 the most important details about the uncertainty avoidance dimension are summarized.

Weak Uncertainty Avoidance	Strong Uncertainty Avoidance
The uncertainty inherent in life is accepted and each day is taken as it comes	The uncertainty inherent in life is felt as a continuous threat that must be fought
Ease, lower stress, self-control, low anxiety	Higher stress, emotionality, anxiety, neuroticism
Higher scores on subjective health and well-being	Lower scores on subjective health and well-being
Tolerance of deviant persons and ideas: what is different is curious	Intolerance of deviant persons and ideas: what is different is dangerous
Comfortable with ambiguity and chaos	Need for clarity and structure
Teachers may say ‘I don’t know’	Teachers supposed to have all the answers
Changing jobs no problem	Staying in jobs even if disliked
Dislike of rules - written or unwritten	Emotional need for rules – even if not obeyed
In politics, citizens feel and are seen as competent towards authorities	In politics, citizens feel and are seen as incompetent towards authorities
In religion, philosophy and science: relativism and empiricism	In religion, philosophy and science: belief in ultimate truths and grand theories

Table 5 Weak Uncertainty Avoidance versus Strong Uncertainty Avoidance (Hofstede 2011)

From what research has found out so far complex negotiations, especially as complex as international business negotiations, are generally conducted under conditions of uncertainty (Bottom 1998). Since every agreement is based on a forecast of potential benefits, which can always prove wrong, negotiation parties can be exposed to substantial risks (Bottom 1998). The more uncertainty negotiators have about material factors, the more likely it gets that they are going to lie in negotiations (Thompson et al. 2010). This leads definitely to a situation where negotiators gain a reputation of being a liar, which makes it indeed more difficult for them to win their counterparts trust in the future and to ensure long-term relationships (Thompson et al. 2010). Uncertainty avoidance in negotiations can lead to a focus on the positional and the obvious competitive aspect of negotiations and therefore may hinder the exchange of information on interests and development of creative proposals (Martin et al. 1998). A negotiator that is conditioned or programmed in an national character of strong uncertainty avoidance should prefer usually uncertainty-reducing attributes in a negotiation offering (Kale and Barnes 1992). Attributes like trustworthiness, expertise and brand should be very important in the choice processes of strong uncertainty avoiding societies. A negotiator who senses that the opposite site is risk-averse needs to focus his intentions on proposing rules and mechanisms that will reduce the apparent risks in the deal for them (Salacuse 1999). If they fail to do so, they risk the success of the whole negotiation. The Japanese for example with their heavy weight on requiring certain amounts of information and their intricate group decision-making process in business negotiations, tend to be risk averse, whereas the Americans on the other hand consider themselves to be risk takers (Salacuse 1999). A problem solving orientation in negotiators is likely to be found amongst cultures characterized by low uncertainty avoidance and low power distance (Martin et al. 1998).

3.1.4 Masculinity vs. Femininity

Since the first time Hofstede introduced the world to the dimension of masculinity-femininity a lot of time has passed and many papers were written. So it is no surprise that different approaches and definition to this dimensions were found. Hofstede (1984) himself states in one of his earlier works that masculinity stands for a preference in a society for assertiveness, achievement, material success and heroism, whereas femininity stands for a preference for modesty, quality of life, relationship and caring for the weak. Masculinity versus femininity further refers to the distribution of emotional roles between the two sexes, which is another fundamental problem for any society to which a range of solutions were presented (Hofstede and McCrae 2004). This dimension of culture does not primarily concern visible roles in society,

like men going out to work and women stay at home, these roles are to a large extent determined by economic factors itself (Hofstede 2016). Some societies can be found that strive for maximum social differentiation between the sexes, which means that the norm in those countries is that men are given the more assertive and outgoing roles and women the more caring and less assertive ones (Hofstede 1984). The IBM study, which is the basis of Hofstede's entire work on the cultural dimensions, revealed that a) men's values vary along a dimension from very assertive and competitive and maximally different from women's values on one side to modest and caring and similar to women's values on the other; and b) women's values differ less among societies than men's values (Hofstede and McCrae 2004). The women in feminine countries are said to have the same caring and modest values as men, while in masculine countries, they are somewhat more competitive and assertive, but not as much as men, so that these countries show a significant gap between women's and men's values (Hofstede and McCrae 2004). It can further be stated that generally in masculine cultures there is a taboo around this dimension (Hofstede 2011). These so called taboos are based on deeply rooted values and thereby show that the masculinity vs. femininity dimension touches in some societies basic and often unconscious values, which are too painful to be discussed explicitly (Hofstede 2011). From research it is known that masculinity is high in countries like Japan, German speaking countries, in some Latin countries like Mexico and Italy, while it is somewhat moderately high in English speaking Western countries and low in the Nordic countries (Hofstede 2011). A selection of countries including their score on the dimension of masculinity-femininity scale are listed in Figure 8, where on the left-hand side societies with predominantly masculine values and on the right hand side countries with predominantly female values are listed.

It becomes clear when comparing both sides of Figure 8 that the wealth of a country is unrelated to the masculinity or femininity score of that country, for example Japan as the second highest and Sweden as the lowest. In newer work Hofstede (2016) found out that scores were also affected by the age of the respondents. Research on this affect could further support the statement that with ageing, humans tend to become more social and less ego oriented (Hofstede 2016).

Masculine		Feminine	
Country	Score	Country	Score
Slovakia	96	Brazil	49
Japan	95	Israel	47
Austria	79	Indonesia	46
Venezuela	73	West Africa	46
Italy	70	Turkey	45
Mexico	69	France	43
Ireland	68	Iran	43
Jamaica	68	Peru	42
China	66	Spain	42
Germany	66	East Africa	41
Great Britain	66	Salvador	40
Colombia	64	Vietnam	40
Philippines	64	South Korea	39
Poland	64	Uruguay	38
South Africa	63	Russia	36
Ecuador	63	Thailand	34
United States	62	Portugal	31
Australia	61	Chile	28
New Zealand	58	Finland	26
Argentina	56	Costa Rica	21
India	56	Slovenia	19
Arab countries	53	Denmark	16
Morocco	53	Netherlands	14
Canada	52	Norway	8
Pakistan	50	Sweden	5

Figure 8 Ranking of Selected Countries on the Masculinity- Femininity Scale (Hofstede 2016)

Table 6 below is recapitulating the main differences between masculinity and femininity in Hofstede's cultural dimension.

Femininity	Masculinity
Minimum emotional and social role differentiation between the genders	Maximum emotional and social role differentiation between the genders
Men and women should be modest and caring	Men should be and women may be assertive and ambitious
Balance between family and work	Work prevails over family
Sympathy for the weak	Admiration for the strong
Both fathers and mothers deal with facts and feelings	Fathers deal with facts, mothers with feelings
Both boys and girls may cry but neither should fight	Girls cry, boys don't; boys should fight back, girls shouldn't fight
Mothers decide on number of children	Fathers decide on family size
Many women in elected political positions	Few women in elected political positions
Religion focuses on fellow human beings	Religion focuses on God or gods
Matter-of-fact attitudes about sexuality; sex is a way of relating	Moralistic attitudes about sexuality; sex is a way of performing

Table 6 Femininity versus Masculinity (Hofstede 2011)

This dimension has also important implications for managers involved in international business negotiations. Since masculinity is associated with a performance driven society and femininity with a welfare society, negotiators need to be able to adjust to either one (Hofstede 1984). In cultures with a high degree of masculinity competitiveness between the individuals is seen as a good thing, whereas in feminine cultures solidarity between people is seen as a major value (Hofstede 1984). This leads to the conclusion that managers need to adjust their negotiation strategy according to the type of culture the opposite side belongs to in order to secure the possibility of a successful negotiation. Further research in this area by Gulbro and Herbig (1999) has shown that high masculinity cultures tend to spend less time persuading, which could have on the one hand a positive affect on the efficiency of negotiation as well as a negative affect, due to the increase in the possibility of negotiation failure. Since the dimension of masculinity-femininity is highly related to the topic of gender, which will be discussed later on in this thesis, it is important to make the difference between those two clear. The dimension of Hofstede related not to the individual in form of their gender, but rather in form of their culture belonging. This means that women can be part of a masculine culture and man can be part of a feminine culture and they behave in the way their culture background tells them to independent of their gender.

3.1.5 Long-term Orientation vs. Short-term Orientation

This dimension is the first additional dimension to the original ones identified by Hofstede in his original survey of IBM. Long-term vs. short-term orientation as a dimension was first recognized in a survey conducted among students from 23 countries around the world using a questionnaire designed by Chinese scholars (Hofstede 2011). It turns out that this dimension is strongly correlated with the recent economic growth of the country. Since this was the first dimension, which could be linked directly to economic growth Hofstede asked Michael Harris Bond for permission to add this dimension to his existing four (Hofstede 2011; Hofstede and Bond 1988). With the beginning of the 1990s, several external measures validated the long-term orientation dimension, which included for example saving rates (Minkov and Hofstede 2012). Recent analysis by scholars like Minkov of the World Value Survey (WVS) data allows the calculation of a new version of this dimension including 93 countries instead of the initial 23 (Hofstede and Minkov 2010). It was shown that national scores correlate with school results, with environmental values, with certain family values, with business values and, under favorable conditions, with economic growth (Hofstede and Minkov 2010). The values found at the pole of long-term orientation were thrift, perseverance, having a sense of shame and ordering relationships by status, while values at the opposite short-term pole were respect for

tradition, personal steadiness and stability, reciprocating social obligations and protecting one's face (Hofstede 2011). Some societies live for the today and these will be termed short-term oriented from here on. In these societies behaving in an appropriate manner and respecting conventions is very important (Hofstede et al. 2012). In short-term oriented cultures the opinions about what is good and what is bad are really strong and therefore are believed to be immutable (Hofstede et al. 2012). The main work values in these cultures were identified as thinking for oneself, being right, achievement and freedom (Hofstede and Minkov 2010). The loyalty of the individual varies with his business needs. Countries with a short-term orientation, which have a low score in the newly developed index, include countries like United States, Australia and Canada as well as all countries from the Middle East, Africa and Middle and South America (Hofstede and Minkov 2010).

The cultures that are rather future oriented are termed long-term oriented (Hofstede et al. 2012). In long-term oriented societies principles are adapted to context and reasoning is pragmatic, while the opinion about good and bad is seen as complementary and changeable (Hofstede et al. 2012). Furthermore from a business perspective researchers state that in long-term oriented cultures, the main work values are honesty, accountability, learning, adaptiveness and self-discipline (Hofstede and Minkov 2010). Examples of countries with a long-term orientation and therefore with a high score in the index are Japan, China, Germany and South Korea (Hofstede and Minkov 2010). Table 7 lists a selection of those differences between societies that research has shown to be associated with the old as well as the new version of the long-term vs. short-term orientation dimension of Hofstede, Minkov and Bond.

Short-Term Orientation	Long-Term Orientation
Most important events in life occurred in the past or take place now	Most important events in life will occur in the future
Personal steadiness and stability: a good person is always the same	A good person adapts to the circumstances
There are universal guidelines about what is good and evil	What is good and evil depends upon the circumstances
Traditions are sacrosanct	Traditions are adaptable to changed circumstances
Family life guided by imperatives	Family life guided by shared tasks
Supposed to be proud of one's country	Trying to learn from other countries
Service to others is an important goal	Thrift and perseverance are important goals
Social spending and consumption	Large savings quote, funds available for investment
Students attribute success and failure to luck	Students attribute success to effort and failure to lack of effort
Slow or no economic growth of poor countries	Fast economic growth of countries up till a level of prosperity

Table 7 Short-Term Orientation versus Long-Term Orientation (Hofstede 2011)

Negotiators belonging to a culture with a long-term orientation may have certain qualities such as honesty, loyalty and reciprocal obligations in dealing with others (Chang 2003). Keeping this in mind it is very important for negotiators when negotiating with them to respect their values, being honest and being polite in order to ensure the building of an successful long-term business relationship (Chang 2003). Furthermore long-term oriented negotiators are pragmatic and take the bigger picture into account (Hofstede et al. 2012). Their dimension of negotiation will be led by their assessment of the future profits or other chances of success of the longer process and they tend to see one bargaining instance as just a small step in a long process (Hofstede et al. 2012). In addition long-term oriented negotiators do not tend to break off negotiations quickly and show patience, which leads to a higher success rate of negotiations (Hofstede et al. 2012). On the other hand short-term oriented negotiators think more in terms of moral principles and apply them to situations that are in the here and now (Hofstede et al. 2012). On average they follow an opportunistic quality negotiation strategy. The question of honesty comes into play when talking about long- vs. short-term orientation of negotiators. Both types of behavior have their pros and cons, depending on the intention of the negotiation parties. In some cases when looking for a short-term benefit it can be beneficial to behave dishonest, whereas dishonesty does not pay off in the long run (Chang 2003).

3.1.6 Indulgence vs. Restraint

The last cultural dimension of Hofstede and covered by my thesis is the one of indulgence vs. restraint. This dimension is the most recently added. It was developed with the help of the research performed by Minkov in 2010. The data for the dimension of indulgence vs. restraint was also based on the most recent WVS items and is said to be complementary, but in fact weakly negatively correlated, to long- vs. short-term orientation (Hofstede 2011). The dimension lays its focus on the area that was not covered by the previous dimensions, but already known from literature as “happiness research” (Hofstede 2011). Restraint stands in fact for a culture or society that controls gratification of needs and regulates it by means of strict social norms (Hofstede 2011). On the contrary indulgence defines a society that allows for relatively free gratification of natural and basic human desires related to having fun and enjoying life (Hofstede 2011). For this dimension as well as for the dimension of long- vs. short-term orientation a set of scores for 93 countries and regions is available. Indulgence is dominantly found in areas like North and South America, parts of Sub-Sahara Africa and in Western Europe, while restraint prevails rather in Asia, the Muslim world and Eastern Europe (Hofstede 2011). Table 8 below shows a list of the ten major differences between cultures from either side, which could be validated with the help of research.

Indulgence	Restrained
Higher percentage of people declaring themselves very happy	Fewer very happy people
A perception of personal life control	A perception of helplessness: what happens to me is not my own doing
Freedom of speech seen as important	Freedom of speech is not a primary concern
Higher importance of leisure	Lower importance of leisure
More likely to remember positive emotions	Less likely to remember positive emotions
In countries with educated populations, higher birthrates	In countries with educated populations, lower birthrates
More people actively involved in sports	Fewer people actively involved in sports
In countries with enough food, higher percentages of obese people	In countries with enough food, fewer obese people
In wealthy countries, lenient sexual norms	In wealthy countries, stricter sexual norms
Maintaining order in the nation is not given a high priority	Higher number of police officers per 100,000 population

Table 8 Indulgence versus Restraint (Hofstede 2011)

However there is still very little peer-review feedback on how this dimension could affect the outcome of negotiations. Reasons for this shortcoming in feedback could simply be, because it is still relatively new. Further the lack of research could be due to the ambiguities of focusing on happiness research.

Overall it is still necessary to state that modeling just one dimension of culture is artificial, because in reality all aspects of cultural background have their effects simultaneously. They are further correlated with each other and it is therefore difficult to proof which dimension has the highest impact on the outcome of international business negotiations. It is nevertheless without a doubt that the original cultural dimensions, introduced by Hofstede, as well as the newly added ones have a direct impact on the outcome of such negotiations. This impact is not always a positive one, which means managers need to be aware of how to behave when confronted with negotiators from other cultures in order to secure the success of their negotiation.

3.2 Differences in Communication in High- versus Low-Context Cultures

At no time in our history as humans, has the contact between individuals from different countries and cultures been greater (Liu et al. 2010). In an increasingly globalized business world the ability to effectively communicate across different cultures is critical (Liu et al. 2010). In today's world professionals and managers at all levels of an organization interact and work together with people from different cultural backgrounds. Every culture has its own way of thinking about activities, human nature and time, way of perceiving the self, own worldview and its own system of social organizations. Beliefs, laws, values, traditions, customs and

attitudes are imbedded in the culture of each negotiator and thereby effect the negotiation and its communication style (Mintu-Wimsatt and Gassenheimer 2000). Knowing and understanding every single one of these characteristics, will help the negotiator to assign meaning to the symbols of communication. It is a prerequisite for international negotiations as well as for managing people from other cultures, to successfully communicate. So it can be said, that negotiation is to communicate and that effective negotiation is directly positively correlated with good communication, while bad communication kills deals. To achieve a successful outcome of a negotiation, communication and cooperation are said to be two very important conditions (Mintu-Wimsatt and Gassenheimer 2000). It is always important to remember that culture and communication are strongly connected. This further means that individuals view communication as part of their culture. Misperception is a real danger to intercultural negotiations, as emotions will be expressed by differing degrees of intensity in various cultures. There is an increasing possibility of misunderstanding when negotiators from different cultures with different communication patterns meet, since the opponent can view the cultural norms of the other negotiation party as over- or under-reacting. Scholars like Katriel and Philipsen (1990) and Wiseman et al. (1989) highlighted the importance of the meaning of transmission through language and symbols as well as the meaning of knowledge about the communication patterns of other cultures (Liu et al. 2010). There are, as mentioned before, certain patterns of communication that can be identified, which differ from culture to culture. Communication patterns could for example be direct vs. indirect and explicit vs. implicit communication. The communication pattern of direct and indirect communication is further connected with whether the negotiator is a member of a low- or high- context culture (Salacuse 1998). The high- to low-context continuum is measured according to the role of context in communication (Simintiras and Thomas 1998). This aspect of culture refers to the amount of information contained in an explicit message versus implicit contextual cues (Adair et al. 2004).

Scholars have observed that for examples countries like America or Germany are rather direct, whereas the French and the Japanese are indirect communicators (Salacuse 1998). From individuals with an direct style of communication one can expect to receive definite and clear responses to any proposals or questions (Salacuse 1998). In cultures that prefer the indirect style of communication individuals often make assumptions about the level of knowledge possessed by their counterpart negotiators, which further means that they communicate with oblique references, vague allusions, circumlocutions, gestures, figurative forms of speech, facial expressions as well as other kinds of body language, which leads to the problem that outsiders of this culture are facing difficulties in communicating with people of such language

backgrounds (Salacuse 1998). There are indicators of international communication and conversation ambiguities like “perhaps”, “I’ll consider it”, “inconvenient” and “maybe”. Good examples of such ambiguities are some Arabic and Asian languages, which traditionally contain repetitions, exaggerations and fantastic metaphors, which can be easily misleading for outsiders to that culture (Liu et al. 2010).

So it can be said that negotiators need to be aware of these aspects and read between the lines to secure a successful outcome of a negotiation. This gets even more important when facing non-verbal communications.

Communication behaviors in negotiation can also be characterized as tactics, because they are employed in service of a goal. From the first chapter it is already known that tactics are never used in isolation, but rather in combination to form a negotiation strategy (Weingart and Olekalns 2004). The way these various strategies are employed in order to reach a certain goal in negotiations is reflected in the form of the communication (Weingart and Olekalns 2004).

This part of the thesis will be broken down further into the area of communication skills needed by an international business negotiator in order to be successful in his area as well as the differentiation between low- and high-context cultures and their affect on communication styles.

3.2.1 Intercultural Communication Skills Needed by Business Negotiators

For the purpose of this thesis intercultural communications are face-to-face interactions among individuals or negotiators of diverse cultural backgrounds. Chen (1990) identified four skill areas, in his research, that should transform an individual from a monocultural person into a multicultural one. The first area he identified is personality strength, which can further be divided into the personal traits of self-concept, self-monitoring, self-disclosure and social relaxation (Chen 1990). Each one of these four personality traits was found to have an affect on intercultural communication. The trait of self-concept refers to the awareness of each individual of the self. On the other hand self-monitoring refers to the usage of social comparison information in order to modify or control one’s expressive behavior and self-presentation (Chen 1990). Self-disclosure relates to the willingness of each individual or negotiation party to appropriately and openly reveal information to the counter party about themselves. Last but not least social relaxation is considered to be the ability to reveal anxiety in order to manage intercultural communication (Chen 1990).

The second identified skill area of Chen (1990) is the communication skill. This area leads to the assumption that negotiators must be competent in both nonverbal and verbal behaviors. For that reason the second skill requires behavior flexibility, social skills, message skills and

interaction management (Chen 1990). Behavior flexibility is rather obvious and stands for the ability of the negotiator to select the appropriate behavior in diverse negotiation contexts. The area of social skills can further be divided into identity maintenance and empathy (Chen 1990). Identity maintenance is the actual ability to maintain a counterpart's identity by communicating back a comprehensive and accurate understanding of the person's identity (Chen 1990). The ability to feel the same emotions and thoughts as the other person is empathy. A negotiator needs message skills, which refer to the ability of understanding and using language and feedback. The last requirement for a negotiator to master the second skill is interaction management. Interaction management concerns the ability of the negotiator to take turns in a conversation and in some cases appropriately terminate or initiate a conversation (Chen 1990). To round this skill up competent negotiators must be able to communicate with culturally diverse people in different negotiation situations.

The two remaining skills are cultural awareness and psychological adjustment. A so-called effective communicator needs to be able to handle the feeling of culture shock, such as stress, frustration and alienation in ambiguous situations caused by new environment as well as being able quickly acclimate to these new environments (Chen 1990).

If negotiators fail to acquire these four skills it will negatively impact the outcome of business negotiations. So on the contrary, if a negotiator masters all four skills the impact on the outcome of business negotiations will be significantly positive.

3.2.2 Relative Impact of High- vs. Low-Context Cultures on Business Negotiations

The field of cultural variation across nations is large and there are many scholars that contributed to this research area. Some of them were already mentioned and looked at in detail like Hofstede. Most of them acknowledged the importance of communication across cultural borders. Nevertheless one scholar in particular namely Hall needs to be highlighted when looking at communication across nations, since he is the initiator of this field of study and because the context of communication is significantly relevant for negotiation situations and therefore for my thesis (Simintiras and Thomas 1998). Hall was the first one that focused on communication-oriented perspectives in culture and he was the first one to justify this focus (Kittler et al. 2011). His conceptualization of high- and low-context cultures is a driving force in the literature for the determination of buyers and sellers negotiation styles (Mintu-Wimsatt and Gassenheimer 2000). Starting in the mid-20th century Hall published a series of monographs, which over the years of research evolved into an extended framework of culture (Kittler et al. 2011). His famous concept of high- and low-context cultures in combination with

communication was originally introduced in 1959 but elaborated in his work “Beyond Culture” 1976 (Kittler et al. 2011).

In the original work published by Hall in 1979 he suggests that cultures can be characterized according to their style of communication, which referred to the degree of non-verbal context used in communication, which was further illustrated by cross-national examples (Kittler et al. 2011). This difference between cultures has direct implications for perception of how much explicit information can be enough to successfully negotiate and of how much the other party should rely on contextual cues to achieve the same (Adair et al. 2004). As mentioned in the beginning of this sub chapter, high- and low-context cultures have different preferences for direct and indirect communication and they differ in the ease with which they can switch between the forms of communication (Adair and Brett 2005). Furthermore high- and low-context cultures are to be understood as two poles in a continuous scale of meaning that can nearly take on all possible combinations of context and information, but without considering or reaching both extremes (high = only context; low = only information) (Kittler et al. 2011). This context-model can help to give negotiators a better understanding of how negotiators with other cultural background might perceive the exact same message in a totally different way. In order to secure the possibility of a successful negotiation, negotiators can use this model to overcome or predict misunderstandings. Low-context countries include Canada, Germany, Switzerland and the USA. From this information scholars could conclude that communication norms in Western cultures, emphasize direct communication and are therefore considered low context (Adair and Brett 2005). Communication that is considered low-context is considerable more explicit, with meaning clearly contained in the words or the surface of a specific message (Adair and Brett 2005). In low-context cultures it takes no special inferential skill of the negotiator to understand meaning. These specific cultures carry only a small amount of implicit and shared information in the context of a negotiation (Koeszegi et al. 2004). The significant need for contexting during communication is created by this phenomenon (Koeszegi et al. 2004). High-context cultures on the other hand are rather seen as heavily reliant on indirect and complex methods (Salacuse 2004). Negotiators from these cultures, for example from Japan, China and countries of Latin America, use figurative forms of speech, gestures, circumlocutions, facial expressions and other kinds of body language (Salacuse 2004). This further means that negotiators from a low-context society need to interpret seemingly vague comments, gestures and other signs as an reaction to a proposal made to an opposite negotiator or negotiation party, which are members of a high-context culture, which therefore rely on a rather indirect communication style (Salacuse 2004). This interpretation is very important, because it is

directly correlated with the success and outcome of the negotiation. For example in a country like Japan it is unusual and very rare to use “no” in the context of a negotiation. The terms used instead are rather circumscribing the fact that they mean to say no. Nevertheless for them the negotiation is over at that moment. If the other negotiation side is not familiar with this communication behavior it will jeopardize the whole future relationship between both sides. So if for example a negotiation party from Germany, a considerable low-context culture, negotiates with Japan, with their implicit communication style including the above mentioned communication specialty, the negotiators from Germany could interpret the sentence “we have to consult our supervisor” as a sign the negotiation is still ongoing, whereas the Japanese negotiators indirectly indicated, that the negotiation for them is over and that they do not want to continue. If this is misinterpreted and the Germans continue to ask for meetings and a decision the long-term relationship will be in danger. Figure 9 is an illustration of exemplary countries and their position on the high- vs. low-context scale.

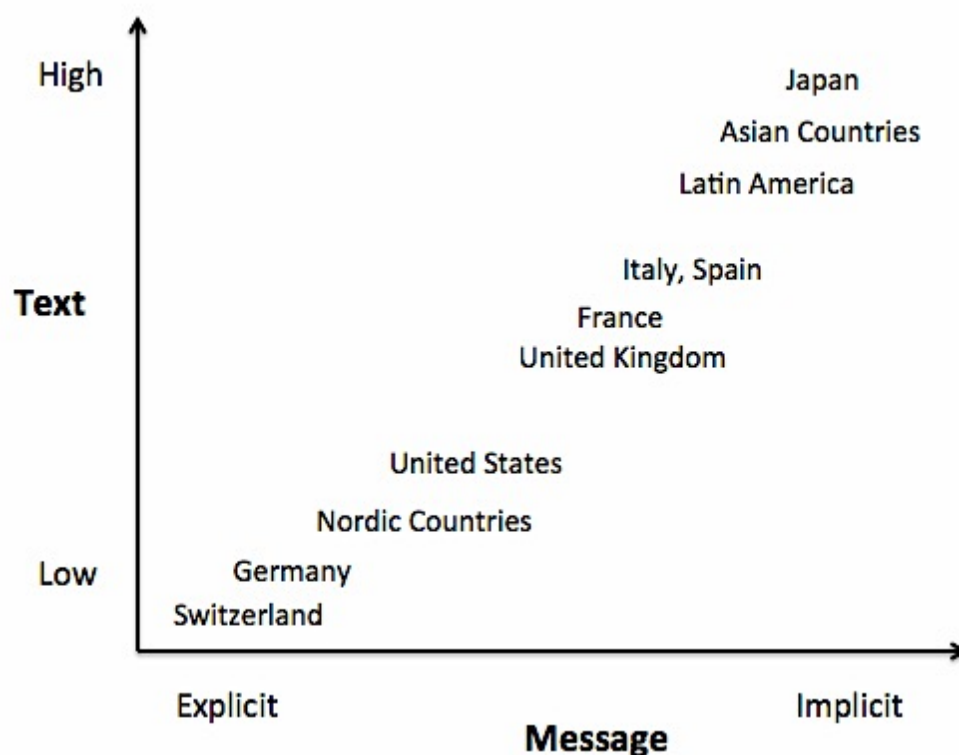


Figure 9 Communication Patterns (Koeszegi et al. 2004)

The work by Adair (2003) shows empirical evidence that when low and high context cultures meet in a negotiation, direct information sharing is the common language, which multiple cultures can embrace and agree upon. The findings further supported the fact that when negotiating with someone from the own culture, negotiators tend to match their behaviors from the shared low or high context communication repertoire (Adair 2003). In addition if a high and

a low context negotiator come together, matching is evident among the shared repertoire of low context, direct integrative behaviors (Adair 2003). These findings did not only supported the claim that negotiators need to focus on their personal connection with the other party established by communication but also they need to focus on a more behavioral skill-based connection (Adair 2003). An indication of the actual impact high- vs. low-context culture have on the outcome of international business negotiation can be shown by comparing the average joint gains negotiated in the simulation by Adair (2003). The average joint gains negotiated by same-culture high context dyads were 3.61 million (Range 2.08-5.08), for mixed-culture mixed context dyads 3.90 (Range 1.99-5.08) and for same-culture low context dyads 4.25 million (Range 2.48-5.08) (Adair 2003). It shows that negotiations, which include at least one negotiator from a low-context culture, achieve on average higher joint gains. These differences in joint gains can also be explained using a later publication by Adair et al. (2004), which indicate the direct relationship between information exchange and joint gains. The data suggested that relying on context alone in order to gather information and thereby increasing the joint gains of a negotiation is not enough (Adair et al. 2004). For high-context cultures this means in order to achieve higher joint gains, like the same-culture low context dyads, they must use some direct information exchange.

4 Individual Characteristics and Behavioral Traits and their Impact on the Outcome of International Business Negotiations

Over the decades of research on negotiation studies, scholars have been assuming that the individuals personality is relevant to the understanding of the outcome as well as the process of negotiation encounters (Ma and Jaeger 2005). Unfortunately enough, empirical evidence for the role of personal characteristics and their impact on the outcome of negotiation is often inconclusive, if not to say even contradicting (Ma and Jaeger 2005). From these experiences there was a longstanding consensus among scholars, that individual differences were only playing a limited role for the prediction of negotiation outcomes (Sharma et al. 2013). These individual differences and characteristics can greatly differ from one individual to another, including everything from gender and age to height, intelligence, personality and even attitudes (Elfenbein 2015).

Way back in the 1960s the earliest social psychology studies of bargaining, examine a wide variety of individual difference variables in an effort to find consistent patterns among them (Sharma et al. 2013). About a decade later the scholars Rubin and Brown (1975) concluded in their extensive review of negotiations research that the search was fruitless after all. In the

following decades other researchers pronounced similar statements including scholars like Thompson (1990), who's assessment was that individual and personality differences appear to play only a minimal role in determining bargaining behavior. The work by Bazerman et al. (2000) went in the same direction and claimed that the simple individual differences of negotiators offer only a limited potential for predicting negotiation outcomes. Even Elfenbein states in her chapter, "Individual differences in negotiation", from the "Handbook of Research on Negotiation" that large-scale reviews have over a long period of time concluded that individual differences are unreliable predictors of negotiation outcome and show a preponderance of null and inconsistent results (Olekalns and Adair 2013, p.25). From these statements and findings it can be concluded, that the overall legacy of research in the field of bargaining in association with personality is one characterized by confusion and inconsistency (Barry and Friedman 1998). Few of the findings presented by scholars in the past have been proven replicable and contradictory results are very common in this field as well. These are only a few examples of statements and conclusions that were made over the last decades concerning the impact of individual differences on the outcome of negotiations. These conclusions are nevertheless contradicting the common wisdom, recent research on managerial performance as well as writing in related areas such as political theory (Sharma et al. 2013). It can be said that many of us share the persistent intuition about the very important role of enduring personal traits in the bargaining process (Olekalns and Adair 2013, p.25). It is therefore possible to say that some negotiators are simply well suited for the task of successfully extracting a good deal for themselves, while others seem rather good suited to manage a very tricky situation with the outcome that everyone feels happy with in the end, and there are the ones that are ill suited for either one (Olekalns and Adair 2013, p.25). Even though research's focus on the topic of individual differences in negotiation had seen a decrease, mostly due to the wake of pessimistic reviews quoted above, it never disappeared completely and lately it is booming again (Olekalns and Adair 2013, p.25). This boom is most likely due to the fact that scholars were finally able to find links that show significant impact of personal characteristics as well as behavioral traits on the outcome of international negotiations. This chapter of my thesis will separate some of the most important aspects of individual characteristics and behavioral traits and show that they impact the outcome of international business negotiations each in their own way.

4.1 Personality Traits the Big Five Model

Accumulating evidence regarding the role of personality especially in the field of negotiations has been slow, what is partly due to a lack of consensus regarding how personality should be defined and measured (Barry and Friedman 1998). The theoretical construct of personality has

been defined as consistency over time in a individual's behaviors when that person is placed in the same situation (Fleeson 2004; Mischel and Shoda 1995; Sharma et al. 2013). Another definition of personality defines it as any characteristic involving consistent patterns in thought, feelings and behavior, whether the cause of these patterns are hidden or visible (Elfenbein 2015). At the center of modern research on the personality also for negotiations is the comprehensive big five- factor personality model, which resulted from an exhaustive analysis and validation based on colloquial personality terms (Costa, & McCrae 1992; Olekalns and Adair 2013, p.26; Sharma et al. 2013). The traits included in the model are agreeableness, extraversion, conscientiousness, openness and neuroticism. Since the big five emerged from an actual factor analysis as well they represent a larger constellation of more specific individual components as well (Sharma et al. 2013). In other words it can be said that the five-factors are not themselves traits but rather dispositional categories under which a variety of different specific traits be considered (Barry and Friedman 1998). In its systematic and comprehensive nature the big five model revolutionized the study of personality (Sharma et al. 2013).

Over time an impressive body of literature has accumulated, which provides compelling evidence for the robustness of the five factor model using different instruments (Conley 1985; Costa, Jr and McCrae 1988; McCrae and Costa 1989), across different research designs (Ma 2005), using ratings from different sources (Inouye and Digman 1986; Watson 1989), in different cultures and with a variety of samples (Ma 2005).

In their paper Ma and Jaeger (2005) state that even though both academic research as well as everyday experience suggest that personality, especially the big five factor model, plays an important role in the negotiation outcomes and processes there was no single personality trait or characteristic, until recently, found that was consistently linked to success in negotiation. Nevertheless due to the fact that the five factor structure of personality has generalized across cultures and sources of ratings, it has proven to be a very useful tool for cumulating results across studies (Sharma et al. 2013). Most personality traits covered by the five-factor model appear to have just a minimal influence on the objective performance, but they surely exert a strong influence on how the single negotiator feels (Elfenbein 2015). For example do agreeableness and extraversion tend to be a liability in cases of strictly competitive situations, where people who typically experience lower amounts of negative emotion and higher amounts of positive emotion tend to do better (Elfenbein 2015). However it is rather surprising, that conscientiousness has had no documented influence, but is it important to state, that most of the research has been in laboratory settings where preparations are constrained (Elfenbein 2015).

4.1.1 Agreeableness

This trait can be seen as a measure of courteousness, sympathy, cooperation, tolerance and flexibility (Sharma et al. 2013). After dismissing personality for some years, scholars in the field of negotiation have renewed their investigations concerning personality, and in particular, agreeableness (Amanatullah et al. 2008). People that are considered agreeable are warm, kind, altruistic, and they tend to be both trustworthy and trusting (Costa, & McCrae 1992; Sharma et al. 2013). Costa, & McCrae (1992) go as far as to describe individuals high in agreeableness as fundamentally sympathetic to others, altruistic, and eager to help and be helped in return, while disagreeable individuals are egocentric, competitive rather than cooperative, skeptical of others' intentions. In prior research on this topic scholars found out, that agreeable individuals have a greater motivation to achieve interpersonal intimacy, which should in the end lead to less assertive tactics in a given negotiation setting (Sharma et al. 2013). The personality trait of agreeableness can promote the positive negotiation process needed to achieve joint economic gains (Sharma et al. 2013). Nevertheless these economic joint gains come at an expense of lower individual economic outcomes in the case that the counterpart is of a competitive nature. Prior research on agreeableness promotes that in case of objective negotiation outcomes, agreeableness predicts lower outcomes in the case of disruptive negotiations, which is likely due to the fact of greater social concerns, but it has apparently no effects on integrative negotiation performance (Amanatullah et al. 2008; Olekalns and Adair 2013, p.26). Even though it wasn't their first intention Amanatullah et al. (2008) could give empirical support to the claim that the personal trait of agreeableness indeed impacts the outcome of negotiations. Table 9 shows part of the empirical results published in 2008. Their results indicate that higher dyadic agreeableness scores result in better negotiation outcomes ($\beta = 0.25$, $t(71) = 2.00$, $p < .10$) (Amanatullah et al. 2008).

Independent variable	Joint relationship satisfaction				Joint economic outcome			
	<i>B</i>	<i>SE</i>	β	<i>t</i>	<i>B</i>	<i>SE</i>	β	<i>t</i>
Dyadic self-esteem	0.20	0.33	0.07	0.61	0.17	0.24	0.08	0.69
Dyadic agreeableness	-0.03	0.35	-0.01	-0.08	0.52	0.26	0.25	2.00 [†]
Dyadic unmitigated communion	0.48	0.20	0.29	2.47*	-0.27	0.15	-0.23	-1.89 [†]

[†] $p < .10$. * $p < .05$.

Table 9 Negotiation Outcomes Regressed on Individual Difference Variables (Amanatullah et al. 2008)

The work by Amanatullah et al. (2008) was published in the Journal "Personality and Social Psychology", which is ranked under the top five journals in the areas of personality and social psychology. Furthermore are the authors all from renowned universities and have been cited many times as well as their paper itself (90 times at the moment this thesis was written). For

those reasons combined with their conclusive argumentation I trust the results presented in the paper and use them to support my thesis.

As mentioned before, results in the area of negotiation, especially in combination with personality, are not always consistent. The earlier published study by Barry and Friedman (1998) found evidence of a small negative effect of agreeableness on the outcome of single-issue conflicts and no significant effect on outcomes in multi-issue conflicts. Due to these findings most of the recent work covering agreeableness and negotiation has recognized the importance of context in determining whether agreeableness will be a liability or an asset in certain negotiation situations (Dimotakis et al. 2012). The study by Sharma et al. (2013) found out, that when examining subjective outcomes agreeableness predicted greater subjective value for the negotiator. Only one other personality trait besides agreeableness (extraversion) was found to be a significant predictor of subjective value for the self or the counterpart (Sharma et al. 2013). Furthermore the study showed that some traits that had little to no predictive power for economic outcomes, such as agreeableness in the case of performed laboratory studies, predicted a more positive negotiation experience (Sharma et al. 2013). Nevertheless this positive negotiation experience matters to the negotiator in a great way. Even though there are poor economic outcomes, subjective perceptions are not merely a consolidation prize in the eyes of the negotiator. Newer empirical research even emphasizes this positive subjective perception as being a key driver in developing long-term relationships and therefore a long-term negotiation value (Curhan et al. 2009; Gelfand et al. 2006; Sharma et al. 2013).

4.1.2 Extraversion

The next personality trait of the big five model this thesis will focus on is extraversion. Extraversion represents an individual's tendency to be dominant, gregarious, positive, sociable and assertive as well as it represents the level of activity, talkativeness and optimism of an individual (Olekalns and Adair 2013, p.26; Sharma et al. 2013). Extraverts are known to have more friends and spend more time in social situations in comparison with their contrary the introverts (Sharma et al. 2013). Due to their nature, negotiators with the tendency to be extroverts may disclose more information about their personal interests, preferences and alternatives to agreement during a negotiation (Sharma et al. 2013). This type of behavior can easily be turned against the negotiator and so be seen as a disadvantage in highly competitive negotiations. In purely distributive or competitive negotiations, strategy is by far more important than cooperation and therefore negotiators interests are better served by acquiring the information of the opponent rather than by sharing those information's about one's own

underlying negotiation interests (Barry and Friedman 1998). On the other hand the same behavior could also be a great asset in integrative negotiations, due to the fact that these type of negotiations require more communication and social interaction to actually reveal hidden compatibilities and trade-offs (Barry and Friedman 1998; Sharma et al. 2013). In contrast, introverts and the anxiety they feel during social encounters could lead them in some cases to make concessions that enable them to exit from these situations (Sharma et al. 2013). Nevertheless the assertiveness subcomponent extroverts possess could help negotiators to stand their ground in tough negotiation situations (Elfenbein et al. 2010; Olekalns and Adair 2013, p.26). Extraversion can be seen as a umbrella, which includes inclinations towards social activities, a mix of emotional intelligence factors of expression, emotion recognition and self-monitoring (Sharma et al. 2013). The trait of self-monitoring, refers to the tendency of the negotiator to observe the opponents expectations and to adjust if necessary one's own instrumental and expressive behaviors for the sake of the self-presentation (Sharma et al. 2013).

In their work Barry and Stewart (1997) found extraversion to predict levels of individual impact in group interactions. In their work from 1998 Barry and Friedman could show that extraversion appears to have adverse effects early on in a negotiation, when there is the potential problem of anchoring, while it may help later on when other tactics of negotiation are more influential. Nevertheless they also found out in their research that sets of characteristics (extraversion and agreeableness) have an impact on distributive bargaining but unexpectedly not on integrative ones. From these findings it can further be suggested that for both extraversion and agreeableness, interactions between aspirations and personality show that distributive negotiators ought to keep their aspirations high in order to avoid any drawbacks that could occur because of their personality (Barry and Friedman 1998).

In some parts contradicting to the findings by Barry and Friedman (1998), Sharma et al. (2013) found out that again extraversion has an negative association with individual outcomes in disruptive setting, while in settings with integrative potential the association was positive. Furthermore when Sharma et al. (2013) were examining subjective outcomes, extraversion was found to be a reason for greater subjective value for the self. Ma (2008) was able to raise a rational model that hypothesized that there is as well a positive influence of extraversion and neuroticism on the level of satisfaction with the negotiating process as well as the objective results. This relationship is nevertheless interceded by the emission of competitive and yielding behavior and by the face-saving cognitive orientation during negotiations (Pulido-Martos et al. 2013).

4.1.3 Conscientiousness

Although there are several possible combinations of personality traits, which could lead to different negotiation strategies, much of the published research on the affects on negotiation outcomes has been focusing on extraversion and agreeableness, because these two factors are predominant during interpersonal interactions (Sass and Liao-Troth 2015). Nevertheless negotiation is also about decision-making, emotion-management, self-discipline, creativity and achievement striving, which all are characteristics that are rather associated with other personality traits of the five factor model like openness, neuroticism and conscientiousness (Sass and Liao-Troth 2015).

Conscientiousness is seen as a measure of self-discipline (Costa, & McCrae 1992; Sharma et al. 2013). Conscientious individuals tend to be organized, achievement oriented, tasked-focused and responsible (Sass and Liao-Troth 2015; Sharma et al. 2013). Less conscientious individuals on the other hand tend to be impulsive and easily distracted (Ome 2013). Researchers expect conscientious negotiators to outperform their less conscientious opponents in a negotiation, due to the fact that they are likely to plan beforehand with the result that their arguments are logically presented and well rehearsed (Sass and Liao-Troth 2015). Negotiators that plan for example their first move beforehand will be less likely influenced by the other negotiation party's first offer (Barry and Friedman 1998). Nevertheless empirical results have yet failed to provide support for such an association (Barry and Friedman 1998; Olekalns and Adair 2013, p.27). This can be in fact triggered by the fact that this null finding is an artifact of the predominant use of laboratory studies in which more conscientious negotiators have not the opportunity to prepare better than less conscientious negotiators (Olekalns and Adair 2013, p.27). In addition they are highly concentrated on success, which therefore leads to the focus on winning outcomes during disruptive negotiations (Sass and Liao-Troth 2015).

Scholars have not primarily focused their research on the relationship between conscientiousness and integrative negotiation. Nevertheless as explained above conscientious individuals are motivated to achieve positive outcomes and are task oriented, which leads to the fact that they are evaluating a conflict, identify a negotiation strategy and plan accordingly (Sass and Liao-Troth 2015). These negotiators, when facing an integrative negotiation setting, recognize the importance of trust, information sharing and relationship building (Sass and Liao-Troth 2015). Their strive for mutual goals and strong relationships, which are vital to integrative negotiations, complimented by the mentioned abilities above help them to achieve more successful negotiation outcomes. Moberg (2001) recognized this relationship and determined

that high conscientiousness characterizes the collaborative negotiation style, which was explained in detail earlier. Individuals using this style are known to attempt to continue their relationship with the opposite side, while achieving their own personal goals. Furthermore they are able to recognize that they can only maintain their relationship by emphasizing joint gains and therefore they are expected to be more successful in achieving better integrative negotiation outcomes (Sass and Liao-Troth 2015). In their work Lund et al. (2007) could find significant associations between deception/manipulation negotiation tactics with low agreeableness and low conscientiousness and between industriousness/knowledge with high extraversion and high conscientiousness as well as high openness and low neuroticism.

4.1.4 Openness to Experience

Openness to experience is seen as a measure of broad-mindedness, divergent thinking and imaginativeness (Sharma et al. 2013). In the past a open individual was often defined as having an active imagination, having a preference for variety, the willingness to entertain new and sometime unconventional ideas, being creative, and being intellectually curious (Costa, & McCrae 1992; Ma 2008). Individuals that are characterized as open are further seeking out new experiences through arts, travel, reading and other activities, whereas individuals low in this trait usually stick with the tried-and-true ways of doing things (Ome 2013). In addition openness also reflects the extend to which individuals are willing to adjust their activities and notions in order to comply with new ideas and situations (Ma 2008). Openness exemplifies the depth, complexity and breadth of an individual's experiential and mental life (Ome 2013).

Especially in negotiation open individuals tend to enjoy devising unique possibilities and attempt to think outside the box and beyond the fixed pie (Sass and Liao-Troth 2015). Perhaps their openness gives them the ability to interpret both non-verbal as well as verbal communication more thoroughly (Sass and Liao-Troth 2015). Since information allows for creativity, open negotiators may become rather quickly frustrated in the process of distributive negotiation due to the limited amount of information that is presented (Sass and Liao-Troth 2015). Nevertheless their in-depth understanding to create convincing arguments in negotiation settings results in the opposite parties acquiescence and therefore it is concluded, that high openness to experience benefits distributive outcomes (Sass and Liao-Troth 2015). In case of integrative negotiations results on the relationship between openness to experience and negotiation outcomes are mixed. On the one hand Park and Antonioni (2007) found out in there study that low levels of openness are related to integrative negotiation processes, while on the other hand Lynch and Evans (2002) found that moderate levels of openness lead to integrative

negotiation processes. These findings can be seen as rather interesting since the common literature on personality suggests that open individuals are receptive to different ideas and perspectives (Sass and Liao-Troth 2015). So in contrast to what Park and Antonioni (2007) suggested, theory rather states that high openness to experience leads to integrative outcomes (Sass and Liao-Troth 2015). Support does exist for a positive relationship between the integrative negotiation outcomes and openness, even though it is indirect, because both the compromising as well as the collaborative negotiation style are positively related to openness to experience (Moberg 2001; Sass and Liao-Troth 2015). The results presented by Sass and Liao-Troth (2015) support their claim that primary negotiators distributive outcomes are positively impacted when the negotiator is open to experience.

4.1.5 Neuroticism

Neuroticism, which can be referred to as the inverse of emotional stability, is characterized by common traits such as being depressed, worried, anxious, insecure and angry (Costa, & McCrae 1992; Ma 2008; Sharma et al. 2013; Olekalns and Adair 2013, p.27). Further neuroticism also involves a greater tendency to experience negative affects such as sadness, anger, fear and guilt (Sharma et al. 2013). Individuals high in neuroticism are especially vulnerable in uncertain situations, which frequently happen in negotiations, due to the tendency to be more moody, more sensitive to negative stimuli, prone to emotional distress, anxious, having a negative self-concept, less self-acceptance and low self-esteem (Ma 2008; Sharma et al. 2013).

Scholars revealed that negotiators scoring high on neuroticism are more likely to be biased in interpreting certain situations, which could lead in the worst case to an negotiation failure (Ome 2013). The result of this behavior is that negotiators high in neuroticism are more likely to focus on face-saving tactics, because they care about their own image and how others might see them, which further leads to a uncertain relationship between neuroticism and win-lose situations and trust (Ma 2008). With respect to the win-lose aspect, negotiators high in neuroticism need to win in order to prove themselves (Ma 2008). It does not necessarily need to be a win-lose (a defeat) it can also be a win-win situation that will satisfy their needs.

In contrast to the presented findings on high neuroticism, other scholars have found that there is a positive relationship between high neuroticism and the distributive process (Wood and Bell 2008). For example Der Foo et al. (2004) found out that neuroticism was the only variable meeting their test, which meant in detail, that neuroticism was the only variable of the five factor model that showed a marginal or significant effect in a baseline model with a positive impact on the outcome of negotiations. Nevertheless did the scholars Sass and Liao-Troth (2015)

conclude that the positive impact of neuroticism on the distributive process does not lead to positive distribution outcomes, due to the undermining affect of low self-efficacy. Further Sass and Liao-Troth (2015) found a trend that emerges in studies focusing on the relationship between distributive negotiations and the big five. This trend shows that negotiators low in neuroticism are more competitive, which is due to the ability to manage stress better, present rational arguments, remain calm and do not exhibit extreme emotions (Sass and Liao-Troth 2015).

When it comes to the effects of neuroticism on integrative negotiations there is little agreement amongst scholars. Some researchers indicate that high neuroticism is leading to integrative negotiations processes (Hirsh and Peterson 2009; Park and Antonioni 2007; Sass and Liao-Troth 2015). In their work Hirsh and Peterson (2009) go as far as to suggest that highly neurotic negotiators, due to their insecurity and fearfulness of consequences, which are associated with defecting, are more likely to cooperate in negotiations. In addition to the already presented findings for negotiators low in neuroticism Lynch and Evans (2002) made the case that negotiators with a low score in neuroticism in combination with moderate levels of extraversion, openness, agreeableness and conscientiousness use cooperative strategies.

When talking about strategies and tactics in negotiation, Lund et al. (2007) found out that there is a small positive correlation between deception/manipulation and the tactics of deceptive self-promotion, derogate others and neuroticism. Other scholars that followed in the same direction of research on the topic of neuroticism and integrative negotiations concluded in their works, that low neuroticism leads to integrative processes, because negotiators with low neuroticism are less self-conscious and vulnerable and therefore are able to present their interest in a rather assertive manner (Lynch and Evans 2002; Sass and Liao-Troth 2015). They furthermore help create relaxed interactions and thereby encourage trust, which leads to a willingness to share information (Sass and Liao-Troth 2015). From this it can be concluded that the trait of neuroticism can be beneficial for both sides in integrative negotiations and lead to an improvement of the mutual outcome and can also grow the pie.

After going through the extended literature on neuroticism and their impact on negotiation outcomes it can be concluded that agents need to understand their own personality as well as those with whom they negotiate. This is not only true for neuroticism but also for all of the personality factors discussed so far. This understanding is important to improve their communication and therefore achieve higher outcomes in negotiations.

Sass and Liao-Troth (2015) for example conclude in their paper that agents must identify the negotiation conditions surrounding them, because by recognizing the actual individual strengths, negotiation conditions and limitations, a negotiator can determine his or her likeliness to succeed in international business negotiations. This assertion of the situation can help the negotiator to decide if a different agent is needed to ensure maximum outcome in negotiations. In distributive negotiation issues, a person that is high in neuroticism would want to seek out an agent who is rather low on neuroticism, or find an alternative form of dispute resolution (Sass and Liao-Troth 2015). So it can be said that recognizing and understanding of the negotiators counter party members personality can help the primary negotiator to determine communication styles as well as strategies that will lead to a successful negotiation and thereby to beneficial outcomes (Sass and Liao-Troth 2015).

Overall the findings of the review show that the personality traits discussed are important predictors of intensity and choice of tactics used in negotiations, and it becomes obvious that persons are influenced by their individual tendencies in the way they try to solve certain negotiation situations and life goals (Lund et al. 2007).

4.2 Intelligence

It can be said that in the research field of negotiation intelligence is not simply measured by the negotiators IQ. So the questions arising from this statement are the following: *What does it actually mean to be a smart negotiator? How can the impact of intelligence on the negotiation outcome, whether they are national or international, be measured?* This part of my thesis will try to find the answers to those questions in the literature published over the last decades.

In the beginning it is necessary to state that the area of negotiation that focuses on the relationship between intelligence and the negotiators performance in such, has been neglected and is rather unexplored due to the work of Rubin and Brown (1975) (Alon and Higgins 2005; Fulmer and Barry 2004). In their work Rubin and Brown (1975) state that individual differences such as intelligence or personality explain little variances in the behavior of negotiators and negotiation outcomes (Fulmer and Barry 2004). It was already shown in the first part of this chapter that the meta-analyses by Rubin and Brown (1975) is not fully correct and that personality traits indeed impact negotiation outcomes. Since their work is already 41 years old it was about time that intelligence was considered as an impact factor of international negotiations and their outcome. There are some very important reasons why the consideration of intelligence in the field of negotiation is a worthwhile enterprise for scholars (Alon and Higgins 2005). The reason will be discussed in detail in this chapter of my thesis.

Overall there is a growing recognition and acceptance that multiple intelligences are required for international negotiators in order to be successful. Two emerging constructs are especially relevant to the development of successful international business negotiators: cultural and emotional intelligences (Alon and Higgins 2005).

In the aspect of business negotiation, constituencies and organizations often have the luxury to choose whom they want to represent them at the negotiation table from a pool of potential negotiators (Fulmer and Barry 2004). It is therefore very important to explore which individual differences in the intelligence of a negotiator matter the most to ensure negotiation success. Therefore the following part will in detail analyze and compare cultural as well as emotional intelligence and their impact on the outcome of international business negotiation.

4.2.1 Emotional Intelligence

Just recently researchers have begun to take a closer look at the role emotions play in negotiations. Scholars have so far found that positive emotions lead to concession making, satisfaction, creative solutions, win-win agreements and the desire to stay in the relationship for the long-term (Kim et al. 2015). In addition positive emotions also lead to creative strategies and cognitive flexibility in fashioning integrative negotiation outcomes (Der Foo et al. 2004).

From what was shown in the first chapter “International Negotiation”, integrative bargaining is beneficial for both sides of the negotiation, because the negotiation parties can discover the interests of each other and find possible ways to increase the joint outcome (Der Foo et al. 2004). In order to ensure the benefits of the creation of joint objective value during often very difficult negotiation processes it becomes necessary to understand the subtle communication cues in negotiations and to maintain composure and a positive problem-solving attitude (Der Foo et al. 2004). So generating positive emotions can be seen as a powerful tool for the emotionally and strategic intelligent negotiator (Katz and Sosa 2015).

It is necessary to keep in mind that negative emotions can lead to a negative impression of the opponent, more impasses, less joint gains and less flexibility in thinking (Katz and Sosa 2015). These negative emotions furthermore lead negotiators to define negotiation situations rather distributive than integrative (Der Foo et al. 2004). A good example of a negative emotion is anger, which can hinder the objectivity of the negotiator, thereby cause a loss of trust in the other party and in the worst case even lead to retaliation actions instead of actions, which would help reaching an agreement (Der Foo et al. 2004). In their paper Fulmer and Barry (2004) indicate that focused negative emotions like anger are related to lower regards for the interest of

the opposite negotiation side, which then relates further to less accurate perception of their interests and ultimately lead to diminished joint gains. It becomes obvious that strong emotions are present in many negotiations. Given this fact, negotiators need to develop a special skill set for addressing such emotions beyond the conventional wisdom (Katz and Sosa 2015). This special skill set should encourage the negotiator to eliminate as well as to minimize their emotions in negotiations (Katz and Sosa 2015).

Over the past decade a growing body of research in the area of emotional intelligence offers a more realistic perspective on the important role emotions play in order to succeed in negotiations (Katz and Sosa 2015). The interest of burgeoning research in emotions generally in recent years gives the idea of emotion-related traits a timely and important role (Fulmer and Barry 2004). While there is no best way in how to study emotions especially in negotiations, a benefit of studying emotional intelligence is that it makes it possible to capture a range of abilities, which include understanding emotion, perceiving emotion, regulating emotion and facilitating thought with emotion (Der Foo et al. 2004). In order to make decisions, deploy effective tactics and acquire information throughout a negotiation a negotiator nowadays must be emotionally intelligent (Fulmer and Barry 2004). The term emotional intelligence was brought into the world of negotiation research by psychologist Peter Salovey and John D. Mayer (1990) through their article “Emotional Intelligence”, in which they introduced their definition of emotional intelligence (EI). For them EI is a form of social intelligence that involves the ability to discriminate among one’s own and others’ feelings and emotions, to monitor them and finally to guide one’s thinking and actions (Katz and Sosa 2015; Salovey et al. 2002; Salovey and Mayer 1990). Sharma et al. (2013) refer to EI as an individual’s ability to express and judge emotions, to regulate their own emotions effectively and to use information generated by emotions to their own benefit. The most critical competencies emotional intelligent negotiators display in their behavior were identified as being (Katz and Sosa 2015):

1. Understanding how those emotions affect their thought process
2. Positively managing emotions, tempering or intensifying them for strategic purposes
3. Identifying the emotions they and others are experiencing
4. Using that knowledge to achieve better negotiation outcomes

In spite of the late attention emotional intelligence receives, at its core the literature draws from rigorous psychological research concerning social skills and intelligence (Der Foo et al. 2004; Law et al. 2004; Matthews et al. 2004). Der Foo et al. (2004) states in his work that the ability of individuals with high EI to understand the emotions of other people can contribute to the

understanding of whether the other negotiation party is satisfied with the options presented to them and whether the interest of the other side are met. Additionally EI can help negotiators to keep their own intentions hidden from the opposite side, maintain their composure during emotionally tough situations and sway their opposite negotiation party through their effective manipulation and expression of emotions (Fulmer and Barry 2004; Sharma et al. 2013). Due to the fact that emotional expressions provide key information about the opponent's interests, highly emotional intelligent negotiators are likely to catch more accurate and richer information about underlying contextual limitations and concerns of their opponent (Kim et al. 2015). If accurately perceived, negotiators emotions will further provide hints about the relative importance or truth of the information presented, otherwise only revealed during the process of negotiation, alerting the opposite side of the existence of underlying interest or even constraints that have previously been hidden (Fulmer and Barry 2004). The analysis of the relationship between negotiation outcomes and EI has consistently been stressing the importance of emotions during negotiations, believing that negotiators will be better prepared to act strategically in a tough negotiation due to the achievement of a deeper understanding of experiences and emotional expressions (Fulmer and Barry 2004; Pulido-Martos et al. 2013). A possible conclusion that can be drawn from the statement above would be that perhaps the most important asset during a negotiation is the ability to influence the own emotion as well as those of the other negotiation party (Pulido-Martos et al. 2013). To verify this statement and the others above it is necessary to dig deeper into the research performed by scholars using empirical data based evidence to support the impact of emotional intelligence on international business negotiation outcomes.

Over the past decades the importance of subjective outcomes that describe the quality of the financial or objective rewards, as a complement to interpersonal experience of negotiations increased (Der Foo et al. 2004). Nevertheless at the same time value in negotiations can be created not only in terms of objective outcomes such as salary and benefits, but also in how the negotiators feel about the achieved outcomes (Der Foo et al. 2004). It is strongly believed by various scholars that a person high in emotional intelligence will leave the negotiation with a more positive experience, because they are likely to meet both their objective interests and develop good relationships with the negotiation partner (Der Foo et al. 2004; Fulmer and Barry 2004; Hegtvedt and Killian 1999). In my review of the field of emotional intelligence it quickly became obvious that most of the scholars predicted emotional intelligence to have a positive impact on the overall outcome of negotiations, but in many cases they also found support for the negative correlation of high EI and individual economic outcome. As it is true for all research in

the field of negotiation the results, were nevertheless sometimes contradicting each other. To support the claims made above, that EI indeed has an positive impact on the outcome of international business negotiation, three papers were selected. They will further be shortly analyzed, discussed and confronted with each other.

First study to be presented was published in the “International Journal of Conflict Management” by Der Foo et al. in 2004. The journal in which this paper was published is well known and the authors like Maw Der Foo or Hillary Anger Elfenbein are well established in their field of study. The most striking finding their research revealed was that a negotiator’s own EI had a significant negative impact on the objective outcome in negotiations, while the EI of the negotiation’s partner had a beneficial impact on the same outcomes by actually increasing the integrative value to be shared among the parties (Der Foo et al. 2004).

The sample, which was chosen by Der Foo et al. (2004), consisted of 164 undergraduate students from an Asian city university. The ratio of males and females was 76 to 88. This study is laboratory based and was conducted in a classroom environment. The mixed-motive negotiation exercise was built in a way that it addressed different issues namely two issues with integrative potential for which it would be optimal for the two negotiators to make tradeoffs, one distributive issue and one compatible issue (Der Foo et al. 2004). The overall goal of this exercise was to reach the most valuable deal for the individual, which required effective information exchange regarding the preference and interest of the negotiator (Der Foo et al. 2004). The outcome was measured using a scoring system, which consisted of points that were different for each possible agreement the negotiator could reach. Following this exercise participants were asked to complete additional survey items, which evaluated their experience during the negotiation (Der Foo et al. 2004). The core measure of EI in this study was based on the Emotional intelligence Scale, which was first introduced by Wong and Law (2002) and later updated by Law et al. (2004). This method Emotional Intelligence Scale uses a 40 forced-choice format of questions designed to elicit answers to specific questions that test the negotiators EI (Der Foo et al. 2004). This in ways forced choice format reduces the risk of self-presentation biases and does not require the individual negotiator to have any prior knowledge about their own degree of EI (Der Foo et al. 2004). Table 10 summarizes the empirical results of the different multiple regression models predicting objective point scores, negotiation experience and give thereby an idea of the impact of EI on negotiation outcomes. Post-hoc tests further revealed that the highest joint gain was achieved when dyads consisted of one negotiator high in EI and one low in EI (Der Foo et al. 2004). Low-low dyads were the least successful in the

negotiation exercise followed by marginally better high-high dyads. So at the dyadic level it can be concluded that higher levels of EI predict significantly better negotiation outcomes, while at the individual level the more emotionally intelligent negotiator of the dyad received significantly less (Der Foo et al. 2004). Those patterns together lead to the suggestion that emotionally intelligent negotiators do contribute towards creating a bigger pie, but are unable to claim the newly created value for themselves (Der Foo et al. 2004). This conclusion is undermined by the results shown in Table 10. In particular taking a look at the bottom of the Table it becomes obvious, that there is a significant relation between Dyad-level Average EI and joint outcome ($\beta = .12, p \leq .05$). From what was explained earlier in the thesis, it can be interpreted that with a $\beta = .12$ the effect size of the research on the impact of EI on joint profits is small. The coefficient of determination in this case was $R^2 = .11$, which means that 11% of the variance is shared. If the focus now changes to the impact EI has on the outcome for the individual a certainly different picture is drawn. As seen in Table 10 at the bottom, the support, for the claim, that the individual level of EI influences the outcome of business negotiations significantly negatively is shown ($\beta = -.36, p \leq .001$ (two-tailed)). This can be interpreted that with a $\beta = -.36$ the effect size of the research on the impact of EI on joint profits is medium and significant.

	Points Score		Negotiating Experience	
	Model 1	Model 2	Model 3	Model 4
	Baseline	Emotional	Baseline	Emotional
	Model	Intelligence	Model	Intelligence
Control Variables				
Role (Seller = 1)	.11	.04	-.07	-.05
Female	-.05	-.03	-.05	.00
GPA	.18*	.15*	.02	.02
Dyad-level personality variables				
Neuroticism	.03	.06	.02	.05
Extraversion	.02		-.01	
Openness	-.02		-.03	
Conscientiousness	.04		-.01	
	.00		-.01	
Individual-level personality variables (dyad-mean centred)				
Neuroticism	.21*	.13*	.20**	.18**
Extraversion	-.10		-.02	
Openness	-.14		.01	
Conscientiousness	.18		-.04	
Empathy	-.11		.01	
Emotional intelligence				
Dyad-level Average	.12*		.18*	
Individual-level (dyad-mean centred)		-.36***	.15*	
Model diagnostics				
R^2	.11	.19	.04	.09
F	$F(13, 81) = 1.29$		$F(13, 81) = 0.93$	
	$F(7, 81) = 4.32^{**}$		$F(7, 81) = 3.13^*$	

Note: $N = 164$ individuals, 82 dyads. Regression coefficients listed are standardized betas. Regression models use Stata's robust cluster procedure in order to account for nested observations that are interdependent among members of a dyad.

* $p \leq .05$. ** $p \leq .01$. *** $p \leq .001$. (two-tailed)

Table 10 Research Results Emotional Intelligence (Der Foo et al. 2004)

A possible explanation for this behavior could be that negotiators high in EI may show too much sympathy to the rather low EI negotiation counterpart and therefore be more conciliatory than the low EI negotiator (Der Foo et al. 2004). Additionally negotiators high in EI reported more positive experiences and their counterparts as well (Der Foo et al. 2004). The more positive experience is due to the fact that negotiators with high EI are generally more satisfied with their relationship with other negotiators (Der Foo et al. 2004). Furthermore Der Foo et al. (2004) found that having a partner high in EI also relates to better objective outcomes, which

clearly indicates that EI has a significant impact on the perceived outcome of negotiations (Der Foo et al. 2004).

However it is also important to state that these findings also lead to the conclusion that high EI negotiators are more communicative and trusting, which directly helps achieving better integrative negotiation outcomes, but which also leaves them extremely vulnerable to exploitation (Der Foo et al. 2004). Hence it can be expected that the value created by emotional intelligence in form of improving the quality of interpersonal coordination and relationship can be repeated over time (Der Foo et al. 2004).

In their meta-analyses from 2013, Sharma et al. set out to conduct a comprehensive search for all papers that measured emotional intelligence, negotiation-related attitudes, cognitive ability and personality traits. Those measures were used as a predictor of economic and psychological outcomes of negotiations and had quite similar findings, when it comes to EI, to the results presented above by Der Foo et al. (2004). The work by Sharma et al. (2013) was published in the comparably unknown journal "Organizational Psychology Review" and was at the moment of this thesis cited 17 times. Two of the authors are rather new and unheard-of and therefore this paper and its presented results need to be treated cautiously. Nevertheless the third author is well known and has been cited in this thesis a few times (Hillary Anger Elfenbein).

Their empirical findings also support that individuals high in EI achieve lower economic outcomes, but higher psychological subjective value. The columns four and five in Table 11 provide a statistical summary of the predictive validity of emotional intelligence on negotiation and support the previously made claims about EI and its impact on international business negotiations. This data supports that negotiator high in EI achieve lower individual economic value ($M = -.15$, $p < .001$) supporting the findings presented above, but they achieve higher psychological subjective value ($M = .25$, $p < .05$) (Sharma et al. 2013).

Individual differences	Central tendency of effect sizes					Variability in effect sizes		
	k	N	M	p	95% CI	SD	Q_{within}	p
Cognitive intelligence								
Individual economic value	5	862	.07	<.05	(.01, .13)	.21	17.08	<.001
Joint economic value	6	743	.20	<.001	(.12, .26)	.34	23.42	<.001
Subjective psychological value	3	473	.14	<.001	(.05, .22)	.29	3.12	ns
Emotional intelligence								
Individual economic value	3	449	-.15	<.001	(-.24, -.06)	.19	9.82	<.01
Joint economic value	2	273	.02	ns	(-.10, .14)	.10	1.30	ns
Subjective psychological value	5	520	.25	<.001	(.17, .33)	.05	.93	ns

Note. k = number of studies reviewed; N = total number of participants summed across all of the studies; M = average effect size; 95% CI = confidence interval for this effect size; Q_{within} = test for heterogeneity across studies.

Table 11 Summary of Correlation Coefficients of Emotional intelligence with Negotiation Outcomes (Sharma et al. 2013)

Additionally those individuals high in EI may not automatically realize immediate benefits, when simply measured by the economic outcome of the negotiation agreement, because even the more complex laboratory studies fail to consider the importance of the long-term deal implementation and non-contracted forms of social exchange in determining the economic outcome of such agreements (Sharma et al. 2013). Yet they do generate enhanced positive social psychological outcomes such as liking, intentions to work again with the other party in the future, satisfaction and trust and due to that they are likely to create substantial long-term economic value (Sharma et al. 2013).

In order to ensure effective negotiations, the involved parties try to achieve two seemingly contradictory objectives: satisfying their needs and maximizing profits while simultaneously minimizing the interdependence with the other party (Pulido-Martos et al. 2013). In order to achieve these goals a complex combination of cognition, behavioral traits and personality is necessary (Pulido-Martos et al. 2013). It can therefore be said that effectiveness during negotiations ultimately depends on a diverse set of relationships between these different variables (Pulido-Martos et al. 2013). This so called effectiveness in negotiations in combination with EI allows negotiators to achieve positive economic outcomes (Pulido-Martos et al. 2013).

To show the link between EI and negotiation effectiveness and therefore negotiation outcomes the scholars Pulido-Martos, Lopez-Zafra and Augusto-Landa (2013) choose a rather different approach to this topic than the ones explained in detail above. The focus in their paper lies on perceived emotional intelligence (PEI) and its relationship with perceptions of effectiveness in negotiations. They divide PEI up into three branches namely emotional attention, emotional clarity and emotional repair. Their work showed that those negotiators scoring high in emotional repair will be able to create an environment in which their counterparts do not perceive any power imbalance (Pulido-Martos et al. 2013). Due to no perceived power imbalance the trust in one another is secured. With the help of the secured trust better negotiation agreements can be achieved and therefore the economic outcome is positively impacted. In addition negotiators with low emotional repair were found to be more likely to achieve exploratory and flexible interactions and generating as many alternatives as necessary, in order to secure the success of a negotiation, thus ultimately leading to greater effectiveness in negotiations (Pulido-Martos et al. 2013). Contradicting earlier findings on this topic they were not able to find significant support that emotional clarity will have an influence on the effectiveness of negotiations and therefore on the economic outcome.

4.2.2 Cultural Intelligence

The word global interdependence requires individuals to negotiate on a daily basis across cultural and national boundaries (Imai and Gelfand 2010). Research has shown indications that this process is in particular facilitated by cultural intelligence (CQ) (Imai and Gelfand 2010). For that reason negotiators bargaining on an international stage should be selected for their level of CQ. The purpose of this sub chapter is to examine CQ and its possible impact on the outcome of negotiations. Before looking at the research on CQ in detail a short introduction to the history of the research field is presented.

Despite its relative short history of research, CQ has undergone a remarkable journey of growth (Ng et al. 2012). Ang and Van Dyne first formally introduced the concept of CQ in 2003. In 2006 there was the first Global Conference on Culture Intelligence, which was the beginning of the formation of a diverse network of researchers from different cultures as well as different disciplines who continue until this day to exchange ideas and work collaboratively to advance the research (Ng et al. 2012). To sum up the rather short history of the research on CQ, we have seen the development of CQ from a theoretical concept to a measurable construct with construct validity evidence and strong psychometric properties and its development from an academic construct to a practical framework for multicultural and global education (Ng et al. 2012). This growth, development and increasing importance of CQ is easily explained due to the unprecedented globalization throughout the world and increasing cultural tensions that followed the September 11th tragedy in 2001 (Ng et al. 2012).

The most commonly used definition of CQ was introduced by Earley and Ang (2003) and states that CQ is an individual's capability to deal effectively in situations characterized by cultural diversity, as a potential predictor of intercultural negotiation effectiveness (Ang et al. 2006; Imai and Gelfand 2010). CQ itself is further distinct from emotional and social intelligence in the way that it requires people to switch national contexts and actually rely on their ability to learn new patterns of social interactions as well as to devise the right behavioral response to these patterns (Alon and Higgins 2005; Earley and Ang 2003). Additionally Brooks Peterson defined CQ as the aptitude to use abilities and skills appropriately in a cross-cultural negotiation setting (Alon and Higgins 2005). The reasoning for examining CQ in more detail is that while constructs such as emotional intelligence and cognitive ability may help negotiators to evaluate and process various types of information, such advantages may not be automatically helpful for facilitating social interactions specifically in the intercultural context (Imai and Gelfand 2010). Examples can easily be identified like emotional intelligence enables a negotiator to accurately

appraise other's emotions and react appropriately, but it does not guarantee that it familiarizes individuals to culture-specific systems of emotional expressions (Imai and Gelfand 2010). While cognitive ability allows one to solve problems, reason and to think abstractly in general, it does not certainly entail effective processing of interpersonally relevant information (Imai and Gelfand 2010). To put it in other words, just because a negotiator possesses high interpersonal skills within his home culture, this may not necessarily translate into the ability to adjust quickly and easily to situations and individuals across new cultural contexts (Imai and Gelfand 2010). Nevertheless it can also be the other way around, an negotiator who appears to be lacking interpersonal skills in his own home culture may still be totally able to adjust better and quicker to new cultural contexts compared to his peer (Earley and Ang 2003; Imai and Gelfand 2010). Examples of these cultural differences in negotiation and the necessity for cultural intelligence are easily to identify. Business in Spain will be used as an example. Many cultural practices are found to be the same throughout the country, but nevertheless doing business in Bilbao is not identical to doing business in Madrid or Barcelona, because each of these cities is representing a different major Spanish subculture: Basque, Andalusia and Catalan (Alon and Higgins 2005). So for international negotiators it is challenging to negotiate within these various subcultures, but it is nonetheless a necessity to understand the subculture and their specialties in order to be successful (Alon and Higgins 2005). Of course, organizations cannot at all control for the level of CQ of the negotiation counter party, yet what they can do is to make sure that their own employees, who are negotiating in the international environment, do not have low levels of CQ, because this will negatively impact the outcome of the negotiation (Imai and Gelfand 2010).

In the area of CQ and negotiation one model stands out namely the four-factor model of cultural intelligence, which is highly useful to study the possible impact of CQ on negotiation sequences and outcomes. This model splits up CQ into metacognitive CQ, cognitive CQ, motivational CQ and behavioral CQ (Ang et al. 2006; Imai and Gelfand 2010). Those four factors can also be looked at as types of intelligences. Mental intelligence includes the cognitive as well as the meta-cognitive capabilities like cognitive knowledge and cognitive processes (Ang et al. 2006). Motivational intelligence is represented by the magnitude and direction of the negotiators energy and it acknowledges that most cognition is motivated (Ang et al. 2006). Behavioral intelligence on the other hand focuses more on what the negotiators do rather than what they actually feel or think (Ang et al. 2006).

So in parallel fashion it can be stated that *metacognitive CQ* reflects the process individuals use to understand and acquire cultural knowledge (Ang et al. 2006). The metacognitive facet of CQ

signifies the individual level of cultural awareness or mindfulness during intercultural negotiations (Imai and Gelfand 2010). A negotiator with high metacognitive CQ is found to engage in higher- order cognitive processes when trying to adapt to a new cultural environment, including how to evaluate and monitor his own progress and how to plan learning about the new culture (Imai and Gelfand 2010).

Cognitive CQ is knowledge structure and the general knowledge about a cultural area and refers in detail to an individual's acquired knowledge of practices, conventions of other cultures and similarities as well as differences regarding norms (Ang et al. 2006; Ang and Dyne 2008; Imai and Gelfand 2010).

Behavioral CQ is the ability of the negotiator to exhibit appropriate verbal and nonverbal actions in order to interact with their opposite negotiation party, which has a different cultural background (Ang et al. 2006). This also includes having a flexible and wide repertoire of behaviors at the negotiators disposal (Dyne et al. 2012; Ng et al. 2012). Those individuals with high behavioral CQ exhibit situationally appropriate behaviors, which are based on their extensive range of verbal and nonverbal capabilities, such as displaying culturally appropriate gestures, facial expressions, words and tone (Dyne et al. 2012).

Last but not least important for the model is the *motivational CQ*, which represents the direction and magnitude of energy applied towards learning about and functioning within cross-cultural situations (Ang et al. 2006). In more detail, motivational CQ refers to self-efficacy in adapting and intrinsic motivation to new cultures (Imai and Gelfand 2010). Those individuals high in motivational CQ direct their attention and energy toward cross-cultural situations based on confidence and intrinsic interest in their cross-cultural effectiveness (Dyne et al. 2012). It can further be argued that motivational CQ is critical in facilitating the growth of cognitive and metacognitive CQ (Dyne et al. 2012). The findings by Ang and Van Dyne (2008) support that negotiators with high motivational CQ enjoy interacting in new cultures and feel further also confident about their own abilities in doing so (Imai and Gelfand 2010).

Before going into the empirical analyzes of research, which supports the impact of CQ on the outcomes of business negotiations, the relationship between CQ and the five-factor model of personality is reviewed.

In their paper published in 2006 Ang, Van Dyne and Koh examine the actual relationship between the Big Five factor model of personality and the four-factor model of cultural intelligence. For their study they used a sample of business undergraduates at a large university in Singapore. The reason for choosing Singapore was its multiethnic and multicultural structure,

with 300,000 of its 1.2 million workforce being nationals of foreign origins like India, Europe, China, North America and Southeast Asia (Ang et al. 2006). In order to make sure that the participants had some experience with different cultures Ang et al. (2006) asked them the number of countries they have visited outside of their home countries. The results showed that on average the participants had visited 4.2 countries (SD 0 2.6, raging from 1 to 17) (Ang et al. 2006). Table 12 gives an overview of the results found by Ang et al. (2006), which will be explained in detail.

	M	SD	1	2	3	4	5	6	7	8	9	10	11	12
1 Metacognitive CQ	4.89	.88	(.76)											
2 Cognitive CQ	3.18	.90	.24**	(.84)										
3 Motivational CQ	4.74	.91	.29**	.24**	(.76)									
4 Behavioral CQ	4.24	1.05	.37**	.35**	.30**	(.83)								
5 Conscientiousness	3.33	.56	.27**	.07	.16**	.10	(.83)							
6 Agreeableness	3.34	.44	.15**	.17**	.14*	.20**	.20**	(.74)						
7 Emotional stability	2.78	.49	.10	.00	.14**	-.04	.25**	.31**	(.71)					
8 Extraversion	3.17	.52	.24**	.29**	.34**	.27**	.27**	.29**	.17**	(.82)				
9 Openness	3.25	.54	.34**	.28**	.38**	.24**	.16**	.17**	.22**	.46**	(.86)			
10 Age (in years)	20.17	1.61	.13**	.04	.10*	.18**	.08	.01	.12*	.04	.11*	–		
11 Gender (0 = female, 1 = male)	.30	.46	.07	.05	.07	.17**	.02	.03	.17**	.06	.18**	.53**	–	
12 Experience (cultures)	1.79	.49	.12**	.10*	.25**	.12**	.02	.08	.09	.21**	.21**	.07	.02	–

CQ = cultural intelligence.

Cronbach's alpha in parentheses.

* $p < .05$, ** $p < .01$.

Table 12 Descriptive Statistics, Correlations and Reliabilities (Ang et al. 2006)

The results by Ang et al. (2006) demonstrate that openness to experience is the crucial personality factor, because it is significantly related to a person's capabilities to function effectively when confronted with negotiators who have different cultural backgrounds (Ang et al. 2006). In addition high agreeableness was positively related to behavioral CQ, which came not as a big surprise because those who are agreeable are also considered easygoing in their social behaviors (Ang et al. 2006, 2007). Their research further found support that Metacognitive CQ and conscientiousness were positively related (Ang et al. 2006). Contrary to the expectations of the scholars, emotional stability was negatively related to behavioral CQ. The rather speculative answer to this finding is that individuals who are indeed emotionally stable tend to be less expressive in their verbal and nonverbal expressions, which could possibly lead them to believe that they do not have the capabilities to enact their social behaviors in an novel cultural setting (Ang et al. 2006). Another positive correlation was found between self-confidence and CQ. Negotiators with high self-confidence and sociability seek always opportunities to interact with members of different cultures to learn more about their culture in the process (Ang et al. 2006). This makes it obvious why highly extraverted individuals were also high in cognitive CQ, motivational CQ and behavioral CQ (Ang et al. 2006). Ultimately openness to experience, as already explained in detail above, which is characterized by imagination, curiosity and broad-mindedness, was related to all four factors of CQ (Ang et al.

2006). They concluded if individuals are very open to learning new things and are also willing to seek out and try out new things, they have higher cognitive CQ, metacognitive CQ, motivational CQ and behavioral CQ (Ang et al. 2006).

After exemplarily showing the relationship between the four factors of CQ and the five-factor model of personality it is time to exemplarily show the relationship between CQ and negotiation outcomes with the help of the empirical work by Imai and Gelfand from 2010. Their work was published in the journal “Organizational Behavior and Human Decision Processes“, which is one of the leading journals in the field of Organizational Behavior and Human Resource Management. Lynn Imai is a newcomer to the field and found a co-author in the person of Michele Gelfand, a well-recognized professor from the University of Maryland. Due to the fact that this paper was published in a well-known journal and with Michele Gelfand as co-author it is no wonder it has been cited 229 times already. This in combination with my personal analyses of this paper leads me to the decision to include their findings into my thesis.

In their already mentioned and cited paper from 2010 Imai and Gelfand examine CQ in the context of negotiation. Their overall conclusion was that all levels of CQ predicted a relationship to the success of negotiations across cultures (Imai and Gelfand 2010; Rehg et al. 2012). They assessed CQ with the help of a 20-item Cultural Intelligence Scale (CQS), which also includes the four-factor structure explained above. Their work was divided into two separate studies. Study one was looking into CQ, cooperative motives and epistemic motivation. The results from the first study revealed that individuals who have greater ability in adapting to cultural diverse situations also tend to want to behave more cooperatively in international negotiations, compared to those individuals who have a lower ability to adapt to situations of cultural diversity (Imai and Gelfand 2010). From the four factors motivational CQ had the strongest positive correlation with cooperative negotiation heuristics (Imai and Gelfand 2010). All study one findings are in detail summarized in Table 13.

Variable	M	SD	1	2	3	4	5	6	7	8	9
1. Overall CQ	4.66	0.88	–	.72**	.75**	.79**	.75**	.04	.19**	–.12	.19**
2. Meta-cognitive CQ	5.39	1.06		–	.35**	.47**	.54**	.07	.23**	–.01	.17*
3. Cognitive CQ	3.85	1.23			–	.42**	.30**	.01	.00	–.10	.09
4. Motivational CQ	4.97	1.18				–	.49**	.14*	.27**	–.21**	.24**
5. Behavioral CQ	4.74	1.15					–	–.08	.14	–.01	.11
6. Prosocial value orientation	0.64	0.48						–	.22**	–.11	.10
7. Cooperative heuristics	4.01	0.56							–	.12	.03
8. Need for closure	3.80	0.53								–	–.31**
9. Need for cognition	4.04	0.70									–

Note. Descriptive statistics based on N = 236 except for social value orientation (N = 200). Partial correlations based on N = 195, controlling for age, sex, US citizen status, and two dummy codes representing race.

* p < .05.

** p < .01.

Table 13 Descriptive Statistics and Partial Correlations of Individual Differences Measures (Imai and Gelfand 2010)

Study one could overall show that individuals with higher CQ are also more cooperative in

general and have the greater desire to develop a better understanding of their negotiation environment compared to individuals with lower CQ (Imai and Gelfand 2010). Thus this study shows support that CQ provides negotiators with special psychological characteristics that are beneficial for achieving greater joint profits in integrative negotiations at the intercultural negotiation table (Imai and Gelfand 2010). The second study presented in the paper was about CQ and intercultural negotiation effectiveness.

Study two revealed that dyads that engaged in more sequences consisting of more cooperative non-task-related comments, more sequences of non-identical integrative behavior and more sequences of identical integrative behaviors were much better able to create value at the negotiation table in the intercultural context (Imai and Gelfand 2010). Table 14 presents the findings and the impact of CQ on the outcome of international business negotiations.

Variable	M	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1 Sex	1.40	0.49	–	.18	.25	.24	.09	–.07	–.05	.11	–.08	–.17	–.03	.14	–.07	.18	–.09	.25	.15	.05	.33**
2 Education	1.74	0.44	–	.63**	.23	–.10	.04	.08	–.02	–.02	.08	–.04	.09	.01	.05	.06	.24	–.08	.17	.10	
3 Mean age	26.17	4.40	–	–	.25	–.10	–.10	–.02	–.18	–.07	.01	–.09	.18	.04	.06	–.02	.38**	–.07	.11	.22	
4 Negotiation experience	1.31	0.46	–	–	–	–.08	.06	.19	.09	–.05	–.03	–.13	.30*	–.03	.02	.10	.13	–.09	–.22	.02	
5 East Asian Time in US	33.35	19.63	–	–	–	–	–.04	–.09	–.21	.03	.14	.52**	.08	.16	.19	.08	.08	–.01	–.15	.08	
6 Overall CQ	5.08	0.41	–	–	–	–	–	.65**	.68**	.73**	.72**	.20	.37**	.41**	.02	.50**	.16	.23	.04	–.04	
7 Meta-cognitive CQ	5.52	0.51	–	–	–	–	–	.25	.26*	.51**	.09	.53**	.46**	.12	.48**	.17	–.08	–.04	–.12		
8 Cognitive CQ	4.41	0.56	–	–	–	–	–	–	.35**	.18	.07	.09	–.04	.06	.21	.07	.22	–.07	–.05		
9 Motivational CQ	5.46	0.63	–	–	–	–	–	–	–	.34**	.08	.27*	.43**	–.16	.40**	.17	.35**	.01	.07		
10 Behavioral CQ	5.15	0.64	–	–	–	–	–	–	–	–	.30*	.26*	.39**	.07	.36**	.07	.06	.20	–.04		
11 International experience	83.17	62.46	–	–	–	–	–	–	–	–	–	–	.10	.34**	.21	.12	.24	.07	–.26*	.07	
12 Openness	3.79	0.40	–	–	–	–	–	–	–	–	–	–	–	.55**	.28*	.58**	.25*	–.03	–.18	–.01	
13 Extraversion	3.23	0.55	–	–	–	–	–	–	–	–	–	–	–	.17	.52**	.21	–.02	–.11	.05		
14 Cognitive ability	0.01	0.68	–	–	–	–	–	–	–	–	–	–	–	–	.00	.24	–.01	–.07	.30**		
15 Emotional intelligence	3.79	0.31	–	–	–	–	–	–	–	–	–	–	–	–	.13	.01	–.03	–.06			
16 Reciprocal Sequences ⁺	0.02	0.03	–	–	–	–	–	–	–	–	–	–	–	–	–	–	.48**	–.27*	.46**		
17 Complementary sequences ⁺	0.02	0.02	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–.03	.55**		
18 Cooperative sequences ⁺	0.04	0.04	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	.19	
19 Joint profit	1337.74	105.03	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	

Note: ^aMeans and standard deviations of strategic sequences are presented in original proportions, whereas correlations are based on logit-transformed proportions.

* $p < .05$,
** $p < .01$.

Table 14 Descriptive Statistics and Inter-Correlations of Dyad-Level Measures (Imai and Gelfand 2010)

In their publication Imai and Gelfand (2010) identified CQ as one capability that improves intercultural negotiation processes and thereby also their outcomes. Additionally they found that some differences in individual characteristics, which were found to be advantageous for integrative negotiations in the intracultural context, might not be so advantageous in intercultural contexts (Imai and Gelfand 2010). Furthermore this work shows that CQ can improve objective performance of negotiators in addition to the self-reported affective outcomes (Imai and Gelfand 2010). Nevertheless it is necessary to state that the data presented in Table 14 shows that overall CQ as well as the four levels of CQ itself do not show a significant correlation with joint profits.

In terms of dyad composition it can be concluded that the negotiator with the lower CQ had more of a negative impact on the extent to which the dyad engaged in effective sequences (Imai and Gelfand 2010). Meaning that even if one negotiator has comparable high CQ and tries to adopt an integrative strategy during the negotiation process with the goal of becoming more synchronized with the other negotiator that is comparable low in CQ and this other negotiator

does not reciprocate the integrative behavior the overall negotiation suffers in terms of economic outcome (Imai and Gelfand 2010). No matter how this is spun around the lower CQ negotiator will prevent the continuous as well as the immediate exchange of integrative behaviors necessary to achieve high joint gains (Imai and Gelfand 2010).

From the findings shown above and from what is known so far about CQ it becomes obvious that training in CQ becomes a strategic human resource management function, which leads to successful cross-cultural business interactions and international business negotiations with a better outcome (Rehg et al. 2012). Concluding from the statements made in this chapter managers should develop training programs for negotiators working in a national as well as global environment in order to increase their CQ, which as shown by the empirical support above increases the likelihood of successful negotiations. Taken for example motivational CQ due to its central role in predicting intercultural negotiation effectiveness, employees could be trained to increase their self-efficacy in terms of adapting to new cultures (Imai and Gelfand 2010). A way of enforce such trainings to increase motivational CQ, would be to focus on setting challenges and specific goals pertaining to cross cultural adaptation (Imai and Gelfand 2010).

4.3 Gender

In the past decade we have witnessed a greater number of women advance into upper management positions of organizations. It is therefore increasingly important to research and understand how gender impacts the processes, behaviors and outcomes of negotiation (Stuhlmacher and Walters 1999). Before intensively reviewing the research on gender some obvious questions come to mind right away. Are men and women in any way different when they negotiate? How is it possible to explain these differences? Is the bargaining table exclusively a male domain? Is gender directly impacting negotiation performance in any way? Does it really matter that women and man have a different conceptualization of negotiation? Do man and women differ in their ability to claim and create value?

Due to the salience of male and female roles in society as well as the concerns that negotiation gaps are fostered by inequities between women and men, interest and significance of gender in negotiations is growing (Bowles and McGinn 2008). Over the past forty years, in fact since the already mentioned publication by Rubin and Brown in 1975, theory and empirical research in the field of gender and its connection with international negotiations have provided us with conflicting assertions as well as inconsistent or disparate findings (Alavoine 2014). Before going into more detail on the published research in the field of gender and negotiation, it is

important to describe what exactly a social role is.

In general, roles are based on one's social positions, which consist of behavioral expectations individuals hold for themselves and others (Katz and Kahn 1978). These social roles (e.g. women, man, manager, negotiator, student) have both injunctive aspects (expectations on what they ought or ideally should do, believe or think) and descriptive aspects (inference about what people in that social role actually do, or not do) (Stuhlmacher and Linnabery 2013; Wood and Eagly 2012). Based on their role beliefs, people start to develop perceptions about their own behaviors as well as those of others (Stuhlmacher and Linnabery 2013). In order to influence another's behavior and fit within their role these role expectations and beliefs can be communicated with variable direction, intensity, specificity and strength (Katz and Kahn 1978; Stuhlmacher and Linnabery 2013). It is strongly believed by various scholars that individuals hold a gender belief system, which is largely consistent with the commonly used gender stereotypes that address not only the way in which women and man are presumed to act, but also how they are expected to act (Kray and Thompson 2004). These gender stereotypes also affect negotiations, specifically they dictate that women act emotionally, with concerns for others and passively, while man are supposed to act independently, assertively and rationally (Kray and Thompson 2004). Kray and Thompson (2004) argue further that negotiators hold implicit theories about what it takes to succeed that place female negotiators at a disadvantage. Figure 10 depicts the implicit link, which is argued by many scholars to be in the minds of most negotiators, between gender stereotypes and negotiation performance (Kray and Thompson 2004).

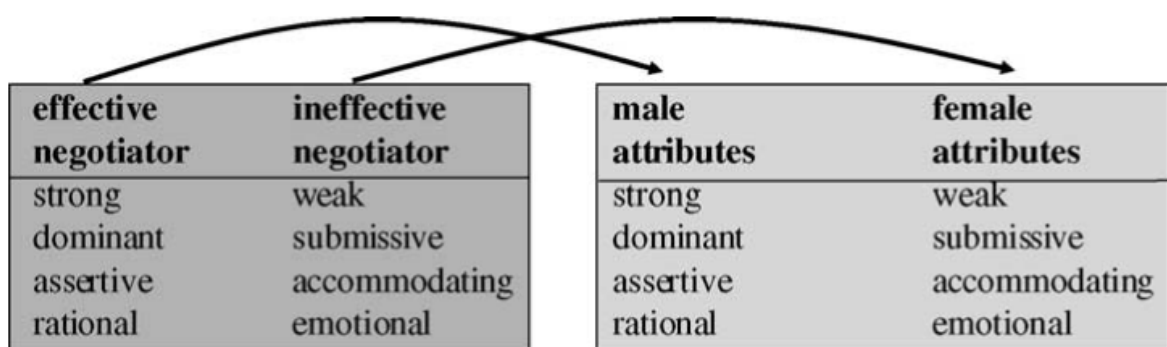


Figure 10 The Gender Stereotype-Negotiation Link (Kray and Thompson 2004)

The question of how gender affects the negotiation process and their outcomes has been approached from many different angles. Nevertheless it is possible that one theoretical tradition may supports or contradicts another. Overall, five main theoretical perspectives on gender and negotiation were identified in the extensive review of theories and empirical support by Kray and Thomspon (2004).

1. Initially man and women differ in their way of interpreting negotiation, in how they handle conflicts and in their negotiation styles. Furthermore there is a difference in how gender impacts the degree to which they focus on power, interest and rights in resolving disputes (Alavoine 2014).
2. Contrary to the first perspective, men and women don't differ fundamentally but rather the expectations the negotiation partners hold about men and women lead them to be treated differently. Negotiators adjust their own behavior in negotiations depending on their opponent's gender and their performance is influenced by their opponent's behavior. This would also mean that gender affects the way negotiators are expected to behave and the way they are actually treated in a negotiation situation (Alavoine 2014).
3. Depending on their counterparts gender negotiators are supposed to have different expectations that they communicate intentionally or negligibly causing thereby behaviors that are consistent with these different expectations and create a self-fulfilling effect (Alavoine 2014).
4. A primary determinant of any behavior is the situation. In their approach of negotiations men as well as women are inherently similar, if not even the same, but situational and external factors are the reason for the creation and appearance of gender differences. So it can be said, that a determinant and an explanatory variable of the expression of gender differences during negotiations is the balance of power and how power is expressed (Alavoine 2014).
5. The impact of gender on the negotiation outcome as well as the whole negotiation process can be moderated depending on the situation. On the one hand normative contextual cues can force the negotiators to adopt a rather standardized behavior. On the other hand situational context can lead to the activation of stereotypes, mostly negative ones, which will indeed affect the negotiation process and will amplify the gender differences by reducing the reality to only simply traits. In so called weak situations there is a lack of behavioral indicators, which lead to the expression of individual differences that can be related to gender ones, while in strong situations accurate behaviors are more clearly defined (Alavoine 2014).

Emerging from the research the most robust finding is that, under the baseline conditions of negotiation, men outperform women in terms of economic measures of success (Kray and Thompson 2004). These findings were also in line with the role congruity theory. These social roles theories such as the role congruity theory (Eagly and Karau 2002) suggest that gender difference in negotiation behavior and outcomes, especially in western cultures, can be

explained by the fact that the behavior of the agent, usually considered essential, for negotiating economic outcomes are not in line with the female gender role (Amanatullah and Tinsley 2003; Mazei et al. 2015).

4.3.1 Gender Roles and Negotiation Roles

Gender roles carry expectations about characteristics of females and males and provide reinforcement for role consistent behavior (Stuhlmacher and Linnabery 2013). As already mentioned above gender roles are formed from stereotypes that arise from observing sex similarities and differences (Stuhlmacher and Linnabery 2013). These differences originate in part from the evolutionary division of labor, which were in fact related to the physical differences such as men's greater physical strength and women's tie to motherhood (Stuhlmacher and Linnabery 2013).

In more detail has the female gender role communal characteristics such as being concerned with the welfare of others, being accommodating, or being relationship-oriented as well as characteristics like friendliness, warmth, unselfishness, helpfulness and emotional expressions (Mazei et al. 2015; Stuhlmacher and Linnabery 2013). In contrast to the female gender role has the male gender role agentic characteristics such as behaving in profit-oriented, competitive and assertive ways (Mazei et al. 2015). Additionally it is important to mention that negotiating effectively for economic outcomes usually requires a certain amount of agentic qualities such as behaving competitively or assertively, and is therefore more congruent with the male gender role, whereas ineffectively negotiating with respect to the economic outcomes is linked to female qualities such as behaving accommodatingly or submissive (see Figure 10) (Mazei et al. 2015).

Since gender roles are not merely descriptive but also injunctive they include expectations about how female and male ought to be and behave (Eagly and Karau 2002; Mazei et al. 2015). Women who deviate from their female role, for example by slightly acting assertively, risk incurring social backlash, because gender roles are injunctive (Mazei et al. 2015; Rudman and Phelan 2008; Stuhlmacher and Linnabery 2013). This means that when females negotiate assertively, thereby violating gender injunctions, they are evaluated more negatively than males displaying the same kind of behavior (Mazei et al. 2015). These so-called backlash effects, which were researched by different scholars from different fields, are defined as economic and social reprisals for behaving counter stereotypically (Rudman and Phelan 2008). Although males are also subject to gender-role constraints, the prescriptions of female-based stereotypes are especially problematic (Rudman and Phelan 2008). Men's instead of women's social roles overlap to a certain amount with the roles required in international business negotiations

(Rudman and Phelan 2008). As with every violation of social norms in life, women who disobey their prescriptive norms by enacting agency, even though it is to succeed in a traditionally masculine domain like business negotiations, may still elicit negative reactions, which in some cases could lead to a negotiation failure or a negative impact on the negotiation outcomes (Rudman and Phelan 2008). Morris et al. (2010) propose that women acting as negotiators may consciously adjust their level of assertiveness according to the situation they are facing in order to avoid the realistic threat of backlash. Additionally scholars who have focused their research on comparing impression management tactics of male and female negotiators have shown that women are much more likely to engage in protective strategies in order to minimize negative impressions such as apologies and hedging (Morris and Amanatullah 2010).

It is nevertheless very important to note that certain situations can make gender roles more or less significant (Stuhlmacher and Linnabery 2013). There are many possible examples, which would influence the salience of gender roles especially when it comes to negotiation situations like communication style (e.g., participative vs. directive and verbal vs. non-verbal), negotiation group's composition (e.g., majority vs. minority of gender), type of task (e.g., leadership vs. caretaking) and communication form (e.g., face-to-face or not) (Stuhlmacher and Linnabery 2013). To wrap up the point of gender roles it can be stated that women in negotiation might feel social pressure to obey their stereotypical female role and display gender-consistent behavior such as cooperation or accommodation and thereby achieving worse economic outcomes than male negotiators, because their negotiation opponent may evaluate role deviations negatively (Mazei et al. 2015; Miles and LaSalle 2008).

There is nevertheless another possible way to look at roles and stereotypes. While less researched than gender roles, negotiation roles are also very important and moreover influence the expectations and inferences about appropriate characteristics for an individual in certain situations (Stuhlmacher and Linnabery 2013). Nevertheless there are many overlaps in the research field on negotiation roles and gender roles, especially from the way I look at them. So it appears to be that for negotiation roles again male negotiators in comparison to female negotiators are favored.

Contradicting to this view is the paper by Kray et al. (2002). Many negotiators still hold naive theories that link stereotypically masculine traits to negotiation success, but many of the traits regarded by actual experts in the field to be critical to achieve such negotiation success are actually feminine in nature (Kray et al. 2002). In particular adjectives like insightful, verbally

expressive, emotional and good listening are associated with women and adjectives like rational, sense of humor, patient and good judgment are more seen as gender neutral (Stuhlmacher and Linnabery 2013). Especially the traits like verbal ability as well as being insightful and emotionally expressive can be of advantage to the female negotiator and are further equated with successful negotiations (Kray et al. 2002). Activating these traits will give women the opportunity and the chance to improve their performance at the bargaining table. Additionally Kray et al. (2002) believe that if cultural stereotypes contribute to the already existent gender gap, witnessed when females and males negotiate with each other under regular conditions, then regenerating the discussed links between successful negotiation behavior and stereotypical traits should eliminate or in some cases even possibly reverse the gender gap (Kray et al. 2002). Nevertheless scholars suggest that there still remains the obvious connection of favorable male traits and economic outcomes of business negotiations like dominance, assertiveness and confidence, which in fact does not necessarily imply that females are not good negotiators, or that communal attributes are not important in negotiations, but rather that there are particular challenges only women have to face in order to be successful (Stuhlmacher and Linnabery 2013). Figure 11 presents a summary of factors that were deemed to make the negotiation role more congruent for women.

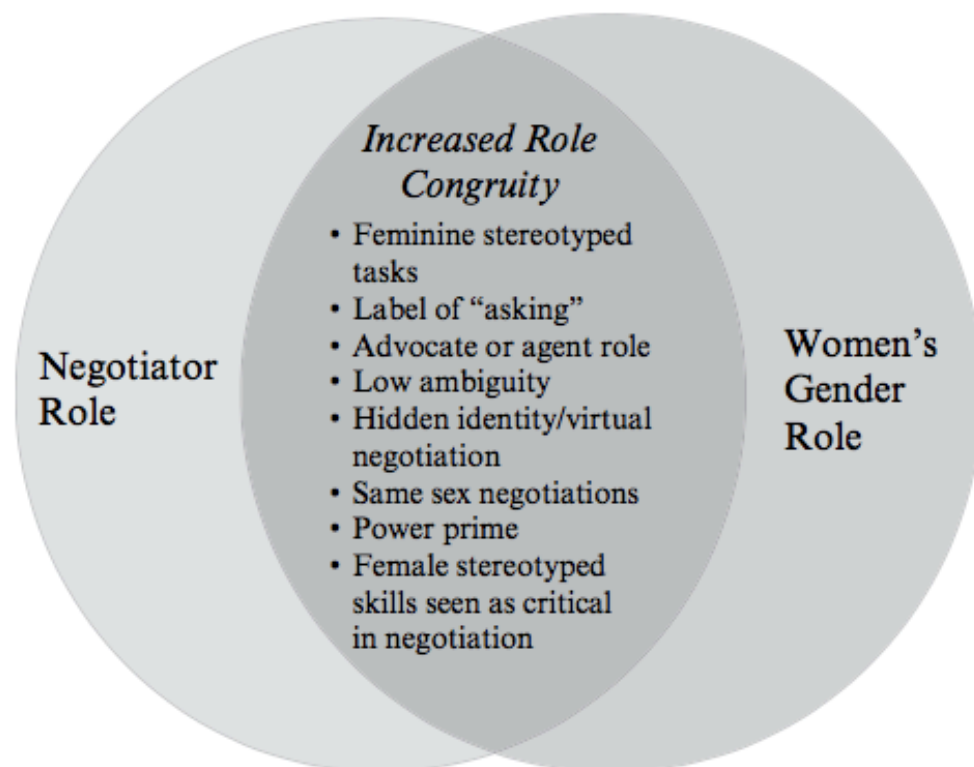


Figure 11 Summary of Factors, which make Negotiation Role more Congruent for Women (Stuhlmacher and Linnabery 2013)

4.3.2 Impact of Gender on Profit and Economic Outcomes

Of particular interest especially concerning the topic of this thesis is the difference between the two genders when it comes to their impact on negotiation outcomes as well as the overall impact of gender on negotiation outcomes.

First of all I want to mention the meta-analyses presented by Stuhlmacher and Walters (1999), who offered a wide-ranging summary of the existing research regarding the objective outcomes between women and men in negotiation. Their search result yielded in 21 studies that met their criteria for inclusion with a combined total of 3,496 individuals participating (1,550 women and 1,946 men) (Stuhlmacher and Walters 1999). In their analyses they came to the conclusion that there is a consistent pattern in negotiation in which men achieve higher outcomes than women, which was consistent with the role congruity theory, but in contradiction to the prevailing expectations at that time (Stuhlmacher and Linnabery 2013; Stuhlmacher and Walters 1999). Nevertheless it is important to mention that as stated above their effect size was extremely small (only 21 studies) but nonetheless significant and further recognized that the cumulative effects of a negotiation could be substantial over time (Stuhlmacher and Linnabery 2013). Besides these small inconveniences it was their work that inspired explorations into the contextual constraints and moderators on women in negotiation (Stuhlmacher and Linnabery 2013). Based on their meta-analyses and findings, (Bowles et al. 2005) compared the outcomes of women and men when they knew the range of ambiguous (high structural ambiguity) or likely settlements (low structural ambiguity). The first important finding by Bowles et al. (2005) was that when expectations about the negotiation outcomes were not given, men are more likely to benefit than women in terms of making offers and negotiation outcomes. In addition their findings showed that men, as compared to women, offered 19% less, expected to pay 10% less and obtained overall better outcomes in business negotiations (Bowles et al. 2005). Additionally their work showed that male negotiators found more success than their female counterparts in high ambiguity situations, whereas low ambiguity minimized gender differences in negotiation (Bowles et al. 2005; Stuhlmacher and Linnabery 2013). These findings are in line with the social role theory in the way that highly ambiguous situations create a framework in which individual differences can have a larger effect (Bowles et al. 2005). Additionally their work supported the fact that situational ambiguity and gender triggers are distinct categories of moderators of gender effects in negotiation and that they are also working in interaction with each other, such that the decreased situational ambiguity constraints the potential for gender triggers influencing negotiation performances (Bowles et al. 2005). Research in this field goes as far as to state that when negotiation is presented as a task requiring feminine stereotyped

traits, women's success increases significant, as in where the focus lies on important masculine traits, where men are more successful (Stuhlmacher and Linnabery 2013). Explicitly activating a gender stereotype during a negotiation has notably been found to lead to women actively resisting this stereotype (Stuhlmacher and Linnabery 2013). The paper by Mazei et al. (2015), which was already mentioned above, reports extremely important moderators, which in fact reduce gender differences including negotiator experience, advocacy and the case in which a negotiator chooses to negotiate a certain deal instead of being assigned to it (Mazei et al. 2015; Stuhlmacher and Linnabery 2013). Aside from these moderators Curhan et al. (2008) compared the economic outcomes of negotiations occurring between females and males. The findings of this comparison were that negotiations between females resulted in lower joint economic outcomes than negotiations occurring between males, which are also in line with the theory of relational self-construal in negotiations (Curhan et al. 2008).

When consulting historical research papers, it becomes obvious that the negotiation field has been dominated by a focus on the pure economic outcomes of negotiations, but lately an emerging body of research argues for the growth of importance of social psychological outcomes, such as the relational capital among negotiation parties is increasing (Curhan et al. 2006, 2008; Gelfand et al. 2006). The expression relational capital is very similar to the construct of social capital, which in turn refers to the accrual of goodwill among social networks of relational ties, with the slight exception that relational capital stereotypically entails mutual trust, liking and the quality of a dyadic relationship as divergent to a network relationship among many individuals (Curhan et al. 2008; Gelfand et al. 2006).

In more detail the paper by Curhan et al. (2008) found out that all male and mixed-sex dyads earned more joint points in the hierarchical condition than in the egalitarian condition, which can be seen in Figure 12. In contrast to that dyads consisting of solely females actually earned fewer points in the hierarchical condition than in the egalitarian condition (Curhan et al. 2008). In case of relational capital male dyads showed significantly greater relational capital in the egalitarian condition ($M = 4.7$, $SD = .89$) compared to the egalitarian condition ($M=4.19$, $SD = .77$), while female dyads on the other hand showed no such difference ($M = 4.24$, $SD = 1.01$, and $M = 4.34$, $SD = 1.10$) (Curhan et al. 2008).

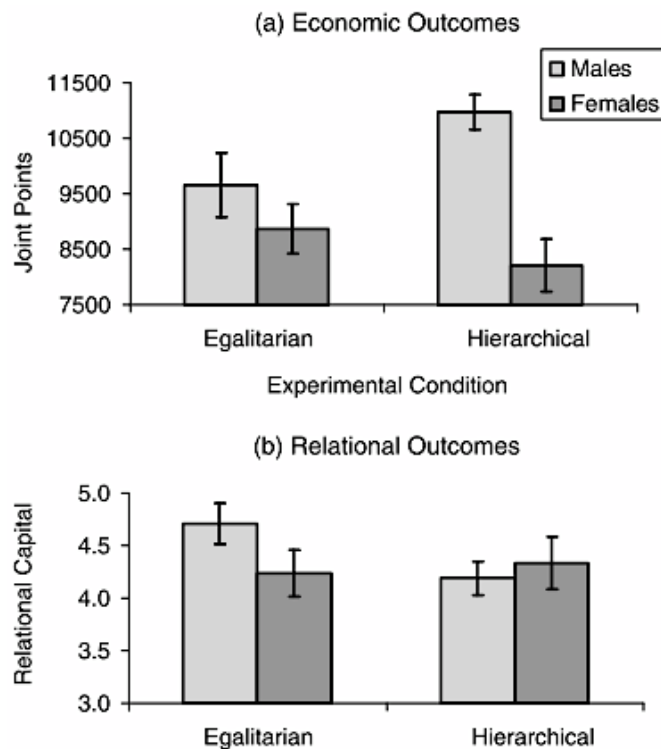


Figure 12 Mean Economic and Relational Outcomes as a Function of Organizational Culture and Gender (Curhan et al. 2008)

Nevertheless it also needs to be mentioned, that these statements have the problem that due to the small number of all-female dyads ($n=5$) reliable significant testing was not achievable, the relevant interaction was only marginally significant (Curhan et al. 2008). Overall Curhan et al. (2008) could find support for their hypothesis that joint gains by male dyads were higher than joint gains by female dyads. However, organizational culture affected man and women differently, as explained above with the connection of gender and hierarchical and egalitarian conditions. In detail Curhan et al. (2008) showed that male dyads in the egalitarian condition left round about 60% more value on the negotiation table than did male dyads in hierarchical condition, nonetheless did male dyads in the hierarchical condition achieve lower relational capital. Contrasting this finding females reacted differently to the manipulation of organizational culture meaning that they performed superior in terms of value creation in the egalitarian condition compared to the hierarchical condition (Curhan et al. 2008). Nevertheless due to the fact that value creation in business negotiations requires a good balance of yielding and contending, as explained in the chapter negotiation styles, behaving too communally can be a liability for the negotiator, not only in terms of the own economic outcome but also in terms of joint economic outcomes (Amanatullah et al. 2008; Curhan et al. 2008).

Earlier in this chapter I already mentioned the importance of moderators for this research field, especially those moderators introduced by Mazei et al. (2015). They published their research in

the “Psychological Bulletin” journal. This journal is highly acknowledged by researchers in the field of psychology. Due to this fact as well as the line of authors I believe that the results presented in this paper and the conclusions drawn from these results are reliable.

Advocacy emerged as the moderator of difference between male and female when it comes to the economic outcomes of negotiations (Mazei et al. 2015). This gender difference favoring especially man over women was significantly reduced when negotiators were acting on the behalf of another single individual or on behalf of entities as compared to the case in which they negotiated on the behalf of themselves (Mazei et al. 2015). By excluding samples where participants negotiated on behalf of entities the gender difference in economic outcomes favoring male over female were still significantly reduced in samples where participants negotiated for another individual compared to samples where participants negotiated for themselves (Mazei et al. 2015). This phenomenon was already identified by Bowles et al. (2005), which meta-analysis was covered earlier. Figure 12 displays the findings of Bowles et al. (2005), which will support the findings by Mazei et al. (2015).

From this the conclusion can be drawn that the moderator advocacy only lessens the gender difference in economic outcomes when operationalized as negotiating on the behalf of a single negotiator (Mazei et al. 2015). In these negotiations conducted on the behalf of or for the benefit of other individuals female negotiators can capitalize on the developing higher role congruity, which will further lead to a possible reduction of gender differences in business negotiations including their associated consequences and therefore possibly free well prepared and/or experienced female negotiators from the risk of incurring backlash (Mazei et al. 2015). Additionally when taking the findings of Bowles et al. (2005) into account, as shown in Figure 13, women can surpass their male counterparts in negotiations. This surpassing means that gender directly impacts the outcome of business negotiations, which supports the claim that individual characteristics indeed have a impact on the outcome of international business negotiations.

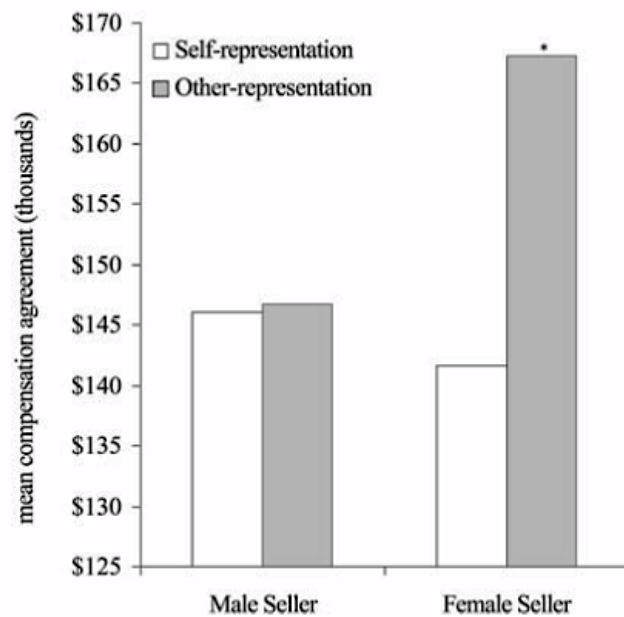


Figure 13 Mean Compensation Agreements by Sex of Seller and Representation Role (Bowles et al. 2005)

Another variable emerged, which could be used as a moderator of the overall gender difference in negotiation. This moderator was negotiation experience. The findings of Mazei et al. (2015) indicate that if the negotiator had experience, the gender difference was significantly reduced (coefficient = -0.26, $p = 0.017$). The overview of the findings for all researched mixed-effect moderators of gender differences in the meta-analysis by Mazei et al. (2015) are visualized in Table 15.

	<i>k</i>	Coefficient	<i>SE</i>	95% CI	<i>t</i> ratio	<i>p</i>
Fixed effects						
Intercept (mean)		0.49	0.13	[0.23, 0.74]	3.81	.001
Advocacy	41	-0.31	0.11	[-0.53, -0.09]	-2.86	.003 [†]
Structural ambiguity	70	-0.25	0.12	[-0.50, -0.01]	-2.05	.021 [†]
Negotiation experience	82	-0.26	0.12	[-0.49, -0.02]	-2.16	.017 [†]
Self-initiated negotiation	96	-0.07	0.11	[-0.29, 0.15]	-0.62	.270 [†]
Integrative potential	94	0.23	0.15	[-0.08, 0.53]	1.47	.143
Random effects						
		Variance component		χ^2	<i>df</i>	<i>p</i>
Within study, τ^2		0.11		207.86	67	.000
Between studies, δ^2		0.00		44.29	50	>.5

Note. *k* indicates the number of effect sizes coded as 1 = attenuated gender difference predicted. The coefficients for the moderator variables reflect multilevel regression coefficients. A negative sign for these coefficients indicates a reduced gender difference in line with predictions. [†] denotes *p* values that are halved because of directed predictions.

Table 15 Mixed-Effects Moderator Analysis of Gender Differences (Mazei et al. 2015)

Nevertheless it thus appear that gender differences are not static when set in context with the economic outcomes of negotiations, but rather they are decreasing with the growth of negotiation experience (Mazei et al. 2015). Negotiators will be able, by gaining more in depth business negotiation experience, to develop a situation-specific script or a protocol of suitable behaviors that might override the influence of more general gender role scripts (Mazei et al. 2015). The appearing differences due to gender can be more easily revealed, with the increasing

knowledge about the negotiation underlying mechanisms (Mazei et al. 2015). Overall were the observed gender differences rather small with $g = 0.20$ and highly variable (Mazei et al. 2015). Nonetheless it is known that even the smallest and situational bound effects can have economic relevant implication, which can decide if a negotiation is seen as a success or not (Mazei et al. 2015).

The view that women's deficit in negotiation motivation or capacity reflect the gender differences in negotiated outcomes is disconfirmed, because evidence presented by Amanatullah and Morris (2010) supports the account that those differences rather reflect women's strategic tradeoffs between social and economic costs, which can be seen as sort of hedging of assertiveness in contexts in which they anticipate incurring backlash. If individuals would be able to eliminate these social costs women exhibit the same successful outcomes and assertive behaviors as men (Amanatullah and Morris 2010). To understand that gender differences in negotiation are stemming from strategic responses to actual social constraints offer important insights into the boundary conditions of gender effects (Amanatullah and Morris 2010). Additionally the observed moderators, especially negotiation experience, let me believe that women compared to men will greatly benefit from negotiation training or simulations (Mazei et al. 2015). Training will not only benefits female negotiators but also male ones. The benefits of such training for female negotiators are obvious they will help reduce the ambiguity in future negotiations and increase further the role congruity (Mazei et al. 2015). This will result in dismissing some of the gender differences favoring male negotiators with consequences like the mitigation of the disparity in salaries (Mazei et al. 2015). In addition it is also important to notice that too much focus on building relationships, either because of gender norms or because a organizational culture demands it of an individual, can ultimately lead negotiators to underutilize and/or overlook given opportunities to create high joint economic outcomes (Curhan et al. 2008).

There is probably no other area in this thesis and probably also in management science that has such a consensus of opinion like the question of whether gender differences exist at the negotiation table and whether they impact the outcomes of negotiations (Kray and Thompson 2004). A wide range of support has been found for the most pervasive beliefs that men outperform women in mixed-gender negotiations (Kray and Thompson 2004). But the research in the field has shown that differences between men and women concerning the economic outcomes of negotiations are not inevitable but they are strongly depended on the context (Mazei et al. 2015). One of the least intuitive conclusions that can be drawn from the presented

research was that men and women experience the bargaining table in different ways, which sometimes lead to gender specific differences in counter-stereotypical directions (Kray and Thompson 2004). This means for my thesis that the presented findings support the claim that personality traits, in this particular case gender differences or gender itself, have an impact on the outcome of international business negotiations.

5 Relative Impact of National Culture vs. Individual Characteristics and Behavioral Traits

After looking separately at the different impacts of national culture as well as individual characteristics and behavioral traits on the outcomes of international business negotiation the aim of this chapter will be to compare both sides directly with each other. This will give a good and hopefully clear indication of whether national culture or individual characteristics and behavioral traits have a greater relative impact on the outcomes of international business negotiations. Furthermore is this chapter supposed to give a understanding if and how my hypothesis is supported by the findings presented.

In the beginning it is important to note that the research of the impact of national culture on international business negotiations, societies are compared, even though most of the data has to a great extend been collected from individuals within those societies, while in studying personality, individuals are compared directly (Hofstede and McCrae 2004). There is a rather good metaphor that could explain how culture and personality are connected. The connection individuals have to a society can for example also be seen as the connection of trees to a forest (Hofstede and McCrae 2004). Comparing such forests does not mean comparing the trees within it, rather does comparing forests involve quite different elements like the entire biotope and not only the configuration of different trees (Hofstede and McCrae 2004). It is important to realize that cultures are not king-sized individuals, they rather need to be seen as wholes and their internal logic can't easily be understood in terms used for the personality dynamics of individuals (Hofstede and McCrae 2004). For that reason scholars as well as myself looked at both topic as if they would operate on different levels (Hofstede and McCrae 2004).. On the one hand we have a useful set of dimensions of culture as presented in chapter three of my thesis and on the other a useful set of dimensions of personality and behavioral traits as presented in chapter four. Nevertheless I find it very important to compare both sides with each other, even though they might seem to be on different levels, in order to be able to find out which has the greater relative impact on the outcome of international business negotiations.

There are a few different opportunities to make this comparison. It is nevertheless important to mention, that those comparisons are not easy to make since there are many obstacles that need to be overcome. One attempt, which was presented by Oyserman et al. (2002) measured the cultural dimensions in individuals. This has been tried most often with the dimension of individualism vs. collectivism, with notably inconsistent result (Hofstede and McCrae 2004; Oyserman et al. 2002). Another way in which the broad field of national culture, individual characteristics and behavioral traits can be compared was introduced by Hofstede and McCrae (2004) and included the measure of personality traits at the cultural level.

Since the aim of this thesis is to find out whether the national culture or the individual characteristics and behavioral traits of a negotiator have a greater relative impact on the outcomes of international business negotiation I will approach the comparison differently from the above shown options. After looking at each side individually I will now progress my analyses to the point where I compare each selected personality trait or characteristic with the national culture side. By doing so I hope to find evidence to support my hypothesis that the national culture of a negotiator has a greater impact on the outcome of international business negotiation than the personality traits and characteristics of the individual negotiator. To be able to compare these two fields some ground rules need to be established in order to make no false statement. It would be a mistake to simply take some selected papers and compare their findings like for example correlation and effect size and draw my conclusion from them. This is not possible due to the fact, that the papers take different approaches to the topics, which involve different models, different sample sizes, different negotiation approaches (laboratory study vs. simple choice game) and different measures of outcome. If the comparison would exclude those thoughts the results of that comparison would be false and therefore my conclusions and statements would be false. So there are just a few solutions to this problem. The first solution would include to conduct a full meta-analysis of papers from both fields and perform regressions including various moderators, which would be important in order to solve the question of whether cultural background or personality has a greater impact on the outcome of international business negotiations. This type of meta-analysis was not yet performed and would go beyond the scope of this master thesis. So in order to compare these two fields and their findings in a broader sense I chose to use an argumentative approach.

This means that I will approach this comparison by first of all looking at the journal in which the research was published and the authors who wrote the research paper in order to evaluate the impact level of the research as well as the trustworthiness of their findings. The second step will be to evaluate the arguments made in the different research papers using their presented

empirical data especially correlations, significance levels and effect sizes in order to rank the power of those arguments. The last step will be to compare the arguments made on both sides (culture vs. personality) to come to a conclusion based on the findings of my method.

5.1.1 Relative Impact of the Big Five Factor Model vs. National Culture

Since the early days of negotiation research especially Rubin and Brown (1975) and their conclusion that personality has little or even no impact on negotiation outcomes the research field has seen a development, because scholars have continued to study personality and its impact on international business negotiations (Barry et al. 2004; Barry and Friedman 1998; DeRue et al. 2009; Dimotakis et al. 2012) to just name a few (Brett and Thompson 2016). One of the more recent and in chapter four in detail covered meta-analysis by Sharma et al. (2013) concluded that a variety of individual differences including the big five personality construct consisting of agreeableness, extraversion, neuroticism and the openness to experience, but not conscientiousness, affect individual and joint gains as well as psychological outcomes.

Substantial research, as shown in chapter three, has established that the use of negotiation strategies varies by national culture (Adair et al. 2004; Brett and Thompson 2016; Brett and Gelfand 2006). These cultural differences in negotiation strategy can be the reason for the differences in achieved joint gains (Aslani et al. 2016; Brett and Thompson 2016; Lügger et al. 2015). From what has been assessed so far by this thesis and in line with academic research it is known that negotiators in cultures where distributive strategy is normative tend to generate lower joint gains than negotiators in cultures where integrative strategy is normative (Brett and Thompson 2016). Due to the variety of research conducted on the topic of culture in negotiations it was necessary to narrow down the field of culture to certain topics in order to not over extend the scope of this thesis. Overall chapter three was divided into two main fields the cultural dimensions and high versus low context cultures and their relative impacts on the outcome of international business negotiations. For both sub chapters a detailed analysis was performed to see in what way and how significant they impact the outcome of international business negotiations. For each field the strongest findings were selected and will be used as a benchmark in the comparison of the relative impact of culture compared to the relative impact of the selected moderators presented in chapter four. The comparison will be performed according to the method presented and explained in the introduction to this chapter.

The strongest evidence found in the literature review for an impact of the cultural dimensions on the outcome of international business negotiations is found in the dimension of individualism and collectivism. For that reason the dimension of individualism and collectivism will be used as

the benchmark for cultural dimensions in this analysis.

To shortly recapture individualism describes the attitude, which places the task before the relationship and which values independence the most, such that each negotiator involved takes responsibilities primarily for him- or herself (Wilken et al. 2013). On the contrary collectivism focuses primarily on strong perceived interdependence among people, in-group solidarity and loyalty (Wilken et al. 2013). Nations are often characterized as having a predominant value orientation like the United States, which are typically being seen as individualistic, whereas China's culture is viewed as collectivistic (Cai Wilson et al. 2000). The main effect of collectivism as it emerges in negotiation literature (Adair et al. 2001; Brett 2000; Brett and Okumura 1998; Gelfand and Dyer 2000), suggests that it represents an antecedent of the use of integrative and indirect strategies, while individualism supports distributive negotiation strategies (Wilken et al. 2013). From this statement and from the research presented in chapter three it can further be stated that collectivism is known to affect the integrativeness of negotiation outcomes (Adair et al. 2001; Brett 2000; Lituchy 1997; Wilken et al. 2013). Negotiation outcomes, which enhance both negotiation parties' outcomes and produce high combined benefits are also referred to as integrative outcomes (Lituchy 1997). Researchers like Thompson and Hastie (1990) revealed that negotiators who sought information, about other's priorities in negotiations and thereby acting integrative, achieve higher profits in business negotiations (Drake 2001). For this reason the comparison will be furthermore narrowed down to collectivism and integrative negotiations.

Since there are many research studies published, which elaborate the topic of national culture in negotiation, especially the impact of individualism and collectivism on international negotiations it was necessary to make a selection among these publications. The selected papers and their findings will be analysed and used as benchmarks as explained above.

The first paper to be presented for this comparison was published in 1997 by Terry R. Lituchy and compares negotiations between Japanese and Americans, particularly focusing on the effect of collectivism on integrative outcomes. Her research was published in the "Canadian Journal of Administrative Science" (CJAS). The CJAS is a ISI-listed journal, which publishes papers in all key disciplines of business. Professor Lituchy has more than 30 years of experience in academia and organizational research. She is a Professor of International Management at the Concordia University. At the time of this thesis her publication was according to scholar.google cited 42 times. Overall Terry Lituchy has over 40 published articles in several international journals.

For her study she chose 32 American business students (15 male and 17 female) and 32 Japanese business students (15 male and 17 female), which participated in 32 international dyads (Lituchy 1997). As known from chapter four, research has shown differences in same-sex and mixed-sex dyads negotiation outcomes (Bowles et al. 2005; Curhan et al. 2008; Mazei et al. 2015), so in order to eliminate gender differences all the negotiation dyads in the study by Lituchy were same sex. The laboratory experiment was setup in the way that the key to a successful outcome involved integrative negotiation behavior of both involved parties. If nevertheless both parties behaved individualistic and came up with a distributive solution the worst joint profit would equal \$125,000 (Lituchy 1997). If on the other hand both parties communicate the most integrative outcome that can be achieved leads to a joint profit of \$158,000 (Lituchy 1997). The participants in this negotiation were chosen to include a individualistic (America) and a collectivistic (Japan) culture to measure the difference in the outcomes achieved by negotiators.

To measure the level of collectivism the already explained INDCOL scale developed by Hui and Triandis (1986) was chosen, because it has been shown to be valid and reliable and because it was developed in a individualistic and collectivistic culture simultaneously (Lituchy 1997). In Table 16 all standard deviation, correlations for all dependent and independent variables, minimum and maximum scores and means of the study performed by Lituchy (1997) are presented. A low score on INDICOL scale indicates individualism while a high score on the other hand indicates collectivism (Lituchy 1997). American participants found to be, as expected, individualists (range = 1.41 – 2.43), while Japanese participants found to be collectivists (range = 2.53 – 3.60) (Lituchy 1997). These ranges nevertheless shows that the gap between the two cultures concerning individualism and collectivism is not always this great when comparing the lowest Japanese score of 2.53 with the highest American score of 2.43.

	Total (n=190)				Jpn./Jpn. (n=66)		Am./Am. (n=60)		Am./Jpn. ^a (n=64)		Correlations ^b						
	M	SD	Max.	Min.	M	SD	M	SD	M	SD	1	2	3	4	5	6	7
Outcome ^c	137.6	19.8	158	125	147.5	10.9	130.7	7.3	127.6	9.8							
Strategy	3.2	0.8	4.0	2.0	2.67	0.47	3.69	0.73	3.16	0.88	-.26						
Compete	2.3	1.7	7.0	1.0	1.69	1.43	2.93	1.77	2.41	1.72	-.23	-.08					
Cooperate	5.9	1.7	7.0	1.0	5.18	2.16	6.46	1.06	6.03	1.37	-.28	.30	.11				
Empathy- partner	2.2	1.5	7.0	1.0	2.36	1.59	1.88	1.17	2.44	1.63	.16	-.06	.10	.02			
Empathy- joint	6.2	1.6	7.0	1.0	6.34	1.36	6.44	1.38	5.69	1.99	.20	.17	-.14	.19	-.11		
Empathy-own	2.0	1.4	7.0	1.0	1.87	1.30	1.93	1.39	2.19	1.56	.03	-.19	.32	.06	.43	-.21	
INDCOL ^d	2.5	0.4	5.0	0.0	3.01	0.50	2.10	0.63	2.50	0.40	.36	-.19	-.21	-.21	.13	-.12	-.05

^aAm. = Americans; Jpn. = Japanese.

^bCorrelations greater than the absolute value of .12 are significant at the $p < .05$ level. Those greater than the absolute value of .15 are significant at the $p < .01$ level.

^cJoint profit in thousands of dollars, $n = 95$.

^dIndividualism-collectivism.

Table 16 Descriptive Statistics and Correlations for All Dependent and Independent Variables (Lituchy 1997)

Table 16 is split into five very important segments. The first shows the total scores of all included negotiators ($n=190$). The three following parts show the differentiation in the assembling of the dyads. There were 33 Japanese/Japanese dyads, 30 American/American dyads and 32 American/Japanese dyads. For each of the sections the achieved scores were collected. Table 16 shows that the collectiv Japanese negotiaton dyads achive the highest negotiation outcomes ($M = 147.5$; $SD = 10.9$), followed by the individualist American negotiaton dyads ($M= 130.7$; $SD = 7.3$) and the mixed dyads ($M = 127.6$; $SD = 9.8$). If we compare these results to the total outcome scores ($M = 137.6$; $SD = 19.8$) it becomes obvious that only the collectivistic dyads consiting of Japanese negotiators score above this mean. This can further be used as support that collectivism impacts the outcomes of international business negotiations in a positive way. When taking a closer look at the last section of Table 16 it becomes obvious that the correlations of the INDICOL variable with the outcome of the negotiations is highly significant. In detail the correlation between the INDCOL scale and the negotiation outcomes is greater than the absolute value of .12 and .15 (absolute value of .36) and is therefore significant at the $p < .05$ as well as at the $p < .01$ level. As explained earlier in this thesis a significant correlation does not automatically proof a causality. For this reason Lituchy performed a one-way analysis of variance (ANOVA) in order to test her hypotheses. Her presented results can be used to support my own hypothesis. In order to determine the magnitude of the effect she used eta squared (η^2). Eta squared is calculated in the same way as the previously explained R^2 and can be interpreted the same way. The results of the ANOVA ($F(2,187) = 212,32$, $p < .001$, $\eta^2 = .83$) provide support for the claim, that the dimension of collectivism versus individualism indeed impact the outcome of business negotiations. In fact 100% of the Japanese/Japanese dyads reached integrative outcomes (profit $> \$137.600$), while most of the other dyads (see section 3 and 4 in Table 16) reached distributive outcomes (profit $< \$137.600$, 75% and 87% respectively) (Lituchy 1997).

Another paper that was already presented in detail in chapter three was published by Deborah Cai, Steven Wilson and Laura Drake in 2000 and will be used as second benchmark. Their paper was published in the "Human Communication Research" journal. The Human Communication Research journal is one of the official journals of the respected International Communication Association and is a top-ranked communication studies journal. Since its publication the paper was cited according to scholar.google 14 times by scholars from the fields of management, marketing, psychology and negotiation.

In their paper Cai Wilson et al. (2000) are researching the impact of seller as well as buyer collectivism on the negotiation outcomes in form of their achieved joint gains. The Dyad's

summed collectivism was associated significantly with joint profit ($r = .38$, $p < .01$, one-tailed, $n = 37$) (Cai Wilson et al. 2000). From what was explained earlier in the thesis it can be interpreted that with an $r = .38$ the effect size of the research on the impact of collectivism on joint profits is considered medium. From this it is possible to come to the conclusion that collectivism has a significant positive effect on the outcome of negotiations (Cai Wilson et al. 2000). In their last step concerning the impact of collectivism on the outcome of international business negotiations they regressed total profits simultaneously onto a mean-corrected interaction term of seller and buyer collectivism, seller collectivism and buyer collectivism (Cai Wilson et al. 2000). The results show that the regression was significant, $R^2 = .23$, $F(3, 33) = 3.23$, $p < .04$ (Cai Wilson et al. 2000). This can be interpreted that 23% of the dependent variable is predicted by the independent variable. This regression showed that only the seller collectivism can be associated with joint profits regardless of the level of buyers collectivism (Cai Wilson et al. 2000).

These findings from both publications clearly support my claim that the dimension of individualism-collectivism has a significant impact on the outcomes of international business negotiations.

In addition to the presented empirical findings for the impact of the cultural dimensions, initially introduced by Hofstede and further adapted to the field of negotiation by numerous scholars, on the outcomes of negotiations the effect of the negotiators role on the outcomes of business negotiations, firstly introduced by Hall (1976), particularly his description of high and low context cultures will be introduced as the next benchmark for the comparison. Hall includes a broad variety of variables under the word context like roles of participants, status/power relationship, nonverbal and verbal aspects of communication and physical environment (Graham et al. 1994). These ideas were interpreted by Cateora (1990) as he states that communication in a low-context culture depends more on explicit, verbally expressed communications, while the high context culture depends heavily on the context or non-verbal aspects of communication (Graham et al. 1994). This further implicates that the context dimension of culture has direct implications for the perception of how much the other negotiation party should rely on the contextual cues given and how much explicit information is enough (Adair et al. 2004). The benchmark paper for the area of context will be the paper published by Adair et al. (2001) published in the "Journal of Applied Psychology". The Journal of Applied Psychology belongs to the top ten journals in the field of applied psychology and is well reknown. The publication by Adair et al. (2001) was cited 345 times according to

scholar.google at the time this thesis was written.

The study by Adair et al. (2001) included the negotiation simulation of the sale of syndicated rights to a children's television cartoon. The data itself consisted of three different samples: U.S.-Japanese intercultural with 26 dyads, Japanese intracultural consisting of 22 dyads and U.S. intracultural with 40 dyads (Adair et al. 2001). The study showed that there were significant differences in joint gains between U.S. and Japanese intercultural and intracultural dyads (intercultural: $M = \$3.54$ million, $SD = \$0.94$ million; intracultural: $M = \$4.29$ million, $SD = \$0.79$ million) (Adair et al. 2001). As already established above, direct information sharing behavior is linked to low-context cultures and is therefore in this study represented by the negotiators from the United States, while indirect information sharing behavior is linked to high-context cultures and is therefore represented by the negotiators from Japan. To test their hypothesis concerning culturally normative behaviors Adair et al. (2001) ran two separate sets of analyses. Their first set, which results are seen in Table 17, compared U.S. intracultural negotiators and U.S.-Japanese negotiators ($N = 64$ dyads), which is further referred to as the U.S. contrast data set (Adair et al. 2001). The second set they ran compared Japanese intracultural negotiators and U.S.-Japanese intercultural negotiators ($N = 46$ dyads), which is referred to as Japanese contrast data set in Table 17 (Adair et al. 2001). The results show that in the U.S. contrast data set, direct information sharing was overall positively related to joint gains ($r = .21$, $p \leq .05$), and that indirect information sharing was negatively related to joint gains ($r = -.23$, $p \leq .05$) (Adair et al. 2001). In contrast to the results shown above the Japanese contrast data set shows that direct information exchange was not related to joint gains, but indirect information exchange was positively related to joint gains ($r = .19$, $p \leq .10$) (Adair et al. 2001).

Variable	U.S. contrast group					Japanese contrast group				
	1	2	3	4	5	1	2	3	4	5
1. Culture ^a	—					—				
2. Direct	-.18†	—				.30*	—			
3. Indirect	.21*	-.18†	—			-.66**	-.21†	—		
4. Influence	-.27*	.03	-.01	—		-.57**	-.27*	.19†	—	
5. Joint gains	-.45**	.21*	-.23*	.11	—	-.31**	.01	.19†	.25*	—

Note. Correlation significance levels are based on the one-tailed test because the hypothesized direction of the effect under investigation is cultural group → behavior → negotiation outcome.

^a 0 = intracultural dyad, 1 = intercultural dyad.

† $p \leq .10$. * $p \leq .05$. ** $p \leq .01$.

Table 17 Correlation Between Cultural Group Membership, Behaviors and Negotiation Outcome (Adair et al. 2001)

These shown results from Table 17 support my claim that there is a relative impact of high and

low-context cultures on the outcome of international business negotiations. The outcome here is measured by the joint gains of the dyads. Even though in some cases the correlation is negative it is still a reasonable impact on the overall outcome at the $p \leq .05$ level.

Going forward these benchmark papers will be used for comparing the relative impact of national culture against the relative impact of individual characteristics and behavioral traits on the outcome of negotiations beginning with the big five-factor model of personality.

In their paper Ma and Jaeger (2005) state that even though both academic research as well as everyday experience suggest that personality, especially the big five factor model, plays an important role in the negotiation outcomes and processes there was no single personality trait or characteristic, until recently, found that was consistently linked to success in negotiation. The personality trait of agreeableness can promote the positive negotiation process needed to achieve joint economic gains (Sharma et al. 2013). Nevertheless these economic joint gains come at an expense of lower individual economic outcomes in the case that the counterpart is of a competitive nature. Despite the negative influence on the individual economic gains agreeableness is chosen as the representative personality trait, due to its consistency and its severity in findings.

The work by Amanatullah et al. (2008) was published in the Journal “Personality and Social Psychology”, which is ranked under the top five journals in the areas of personality and social psychology, and will be used as the benchmark paper for the Big Five-Factor Model of personality. Furthermore are the authors all from renowned universities and have been cited many times as well as their paper itself (90 times at the moment this thesis was written). For those reasons combined with their conclusive argumentation I trust the results presented in the paper and use them for my comparison with the benchmark papers on culture. Even though it wasn’t their first intention Amanatullah et al. (2008) could give empirical support to the claim that the personal trait of agreeableness indeed impacts the outcome of negotiations. Their results indicate that higher dyadic agreeableness scores result in better negotiation outcomes ($\beta = 0.25$, $t(71) = 2.00$, $p < .10$) (Amanatullah et al. 2008). The results are visually found in chapter four, Table 9.

In order to support these findings the paper by Sharma et al. (2013) is introduced as the next benchmark publication. In their meta-analyses from 2013, Sharma et al. set out to conduct a comprehensive search for all papers that measured emotional intelligence, negotiation-related attitudes, cognitive ability and personality traits and their impact on the outcome of business negotiations. Those measures were used as a predictor of economic and psychological outcomes

of negotiations and had quite similar findings concerning agreeableness. The work by Sharma et al. (2013) was published in the comparably unknown journal “Organizational Psychology Review” and was at the moment of this thesis according to scholar.google cited 17 times. Two of the authors are rather new and unheard-of and therefore this paper and its presented results need to be treated with caution. Nevertheless the third author is well known and has been cited with a variety of different works in this thesis (Hillary Anger Elfenbein).

An unpublished work by these three authors, which studied supervisor ratings to examine the association of the Big Five personality traits with negotiation performance, was used (Sharma et al. 2013). The results of their published work are presented in Table 18.

Individual difference	Central tendency of effect sizes					Variability in effect sizes		
	k	N	M	p	95% CI	SD	Q_{within}	p
Extraversion	7	647	.14	<.001	(.06, .21)	0.15	7.79	ns
Agreeableness	7	647	.15	<.001	(.07, .23)	0.19	12.47	ns
Conscientiousness	7	647	.06	ns	(-.02, .14)	0.24	13.07	<.05
Emotional stability	7	647	.12	<.01	(.04, .20)	0.23	12.20	ns
Openness	7	647	.07	ns	(-.01, .15)	0.10	2.20	ns

Note. k = number of studies reviewed; N = total number of participants summed across all of the studies; M = average effect size; 95% CI = confidence interval for this effect size; Q_{within} = test for heterogeneity across studies.

Table 18 Summary of Correlation Coefficient (r) of Individual Difference Construct with Negotiation Performance (Sharma et al. 2013)

The results presented in Table 18 show that agreeableness does in fact impact the negotiation performance and therefore also impacts the outcome of negotiations ($M = .15$, $p < .001$). These results support the findings presented by Amanatullah et al. (2008).

Since the papers, which are used as benchmark for their respective field of study, were selected and presented it is now time to compare the findings. According to the method, which was introduced in the beginning, this comparison will be done argumentative, but based on their individual relevant empirical findings. Amanatullah et al. (2008) as well as Sharma et al. (2013) make compelling arguments for the impact of personality in form of the Big Five-Factor Model on the outcome of international business negotiations. In case of Amanatullah et al. (2008) their work was published in a well respected journal and was according to scholar.google cited 90 times so far, but the significance of their findings is only on the $p < .10$ level. On the other hand the publication by Sharma et al. (2013) can support the relative impact of personality on business negotiation outcomes greatly ($M = .15$, $p < .001$), but needs to be seen with caution due to the background of the majority of the authors as well as the journal in which the paper was published. If we now compare these findings to the selected benchmark papers presented above for national culture it becomes obvious, that the relative impact of national culture on the

outcomes of business negotiations compared to the Big Five-Factor Model is greater. This statement is supported by the stronger arguments for the effect of national culture on negotiations. The papers presented were written by well respected authors in their field of study and were published in top journals. In addition their empirical data does significantly stronger support their argumentation and their drawn conclusions. Furthermore it is to mention that the sample size used is in favor of the argumentation made on the side of national culture.

Just taking the work from Adair et al. (2001) into closer consideration my argumentation becomes even more obvious. Their research was published in a highly valued journal and was cited 345 times by scholars from various fields of study in different well recognised international journals. This in combination with their strong findings ($r = .21$, $p \leq .05$) allow me to come to the conclusion that in this case the relative impact of national culture compared to the relative impact of the Big Five-Factor Model of personality on the outcome of international business negotiations is greater.

5.1.2 Relative Impact of Intelligence vs. National Culture

The method of comparison in this sub chapter will be the same as already seen above. The only difference will be, that the benchmark papers introduced for national culture will stay the same and will not be explained again, while the selected papers for the relative impact of intelligence will be presented in detail first.

As introduced in chapter four the research field of intelligence in negotiation can be divided into two separate areas namely emotional intelligence (EI) and cultural intelligence (CQ).

Just recently researchers have begun to take a closer look at the role emotions play in negotiations. Scholars have so far found that positive emotions lead to concession making, satisfaction, creative solutions, win-win agreements and the desire to stay in the relationship for the long-term (Kim et al. 2015). In addition positive emotions also lead to creative strategies and cognitive flexibility in fashioning integrative negotiation outcomes (Der Foo et al. 2004). Chapter four could find empirical data as well as research papers with supporting arguments for the relative impact of EI on the outcome of business negotiations. It is nevertheless important to mention that in comparison to national culture do the results on EI vary plenty and are not uncommonly contradicting each other. There are further many papers, which were also included in my research, due to their approach to the topic, which nevertheless were unable to find significant results. Some even claim that there is no connection between EI and the outcome of international business negotiation. Keeping this in mind, the question that will be focused on now is whether this found relative impact in the selected publications is greater than the one of

national culture on business negotiation outcomes. Due to the fact that there are only a few publications showing significant empirical results only one benchmark paper for EI was selected.

Der Foo et al. published their paper, which has been selected as representative of this field, in the “International Journal of Conflict Management” in 2004. The journal is well known and the authors like Maw Der Foo or Hillary Anger Elfenbein are well established in their field of study. According to the website scholar.google.de Maw Der Foo was cited over 3000 times and published in a variety of well-known international journals. Hillary Anger Elfenbein was already introduced above and also according to the website scholar.google.de her publications were cited over 6000 times. The work published in 2004 was cited 164 times, which indicates that other scholars approve of this work.

The most striking finding their research revealed was that a negotiator’s own EI had a significant negative impact on the objective outcome in negotiations, while the EI of the negotiation’s partner had a beneficial impact on the same outcomes by actually increasing the integrative value to be shared among the parties (Der Foo et al. 2004). Table 10 summarizes the empirical results of the different multiple regression models predicting objective point scores, negotiation experience and give thereby an idea of the relative impact of EI on negotiation outcomes. Post-hoc tests further revealed that the highest joint gain was achieved when dyads consisted of one negotiator high in EI and one low in EI (Der Foo et al. 2004). In particular focusing on the bottom of Table 10 it becomes obvious, that there is a significant relation between Dyad-level Average EI and joint outcome ($\beta = .12$, $p \leq .05$). From what was explained earlier in the thesis, it can be interpreted that with a $\beta = .12$ the effect size of the research on the impact of EI on joint profits can be considered small. The coefficient of determination in this case was $R^2 = .11$, which means that 11% of the variance is shared. If the focus now changes to the impact EI has on the outcome for the individual a certainly different picture is drawn. As seen in Table 10 at the bottom, the support, for the claim, that the individual level of EI influences the outcome of business negotiations significantly negatively is shown ($\beta = -.36$, $p \leq .001$ (two-tailed)). This can be interpreted that with a $\beta = -.36$ the effect size of the research on the impact of EI on joint profits is significant and greater then on the Dyad-level. The coefficient of determination in this case was $R^2 = .19$, which means that 19% of the variance is shared. However it is important to state that these findings lead to the conclusion that high EI negotiators are more communicative and trusting, which directly helps achieving better integrative negotiation outcomes, but which also leaves them extremely vulnerable to

exploitation (Der Foo et al. 2004). Hence it can be expected that the value created by emotional intelligent negotiators, in form of improving the quality of interpersonal coordination and relationship, can be repeated over time (Der Foo et al. 2004). Even though the individual negotiator is worse of the argument, that there is a significant impact on the outcome of business negotiation due to EI is still supported, because the dyad is achieving higher negotiation outcomes with a negotiator with high EI involved.

I will begin the comparison in chronological order and start by taking a look at the research results of Lituchy (1997). Retrospectively Lituchy (1997) made a strong case providing support for the claim, that the dimension of collectivism versus individualism impacts the outcome of business negotiations ANOVA ($F(2,187) = 212,32$, $p < .001$, $\eta^2 = .83$). Nevertheless her work was only cited 42 over the past two decades, which is an indicator that other scholar did not entirely support her research. Since Der Foo et al. (2004) published their work in the International Journal of Conflict Management and were cited 164 times it becomes obvious, that their results show higher approval rate then the ones made by Lituchy (1997). Since the selected paper on EI was written by four authors, where two of them are well renown and plenty of times cited scholars in form of Maw Der Foo and Hillary Anger Elfenbein, their arguments are thus more promoted and make a stronger case. Additionally from the empirical standpoint the method used as well as the results shown in the research by Der Foo et al. (2004) make a stronger case for the impact of EI on the outcome of international business negotiation then the cultural dimension of collectivism/individualism. This holds true even though the results of the correlation analysis by Lituchy (1997) show a significance on the 1% level compared to the 5% level of Der Foo et al. (2004).

Since the comparison is not yet finished a final conclusion whether the relative impact of EI is greater than the relative impact of national culture cannot be made. This statement is made for a reason, because if the comparison is continued this picture slightly changes. The remaining benchmark papers found the impact of national culture to be more significant then the impact of EI on negotiation outcomes. In detail both Adair et al. (2001) and Cai Wilson et al. (2000) found their results to be significant at the $p < .01$ respectively the $p < .05$ level. In addition is their effect size stronger as well as their coefficient of determination. Additionally both benchmark papers were published in well-renowned journals and were cited by scholars from various field of study. So overall due to the fact that there are no consitent findings in the field of EI, which would further support in a variety its impact on the outcome of business negotiations, and due to the fact that the papers by Adair et al. (2001) and Cai Wilson et al. (2000) show more significant results, the relative impact of national culture on the outcome of

international business negotiations is considered greater.

The word “global interdependence” requires individuals to negotiate on a daily basis across cultural and national boundaries (Imai and Gelfand 2010). Research has shown indications that this process is in particular facilitated by cultural intelligence (CQ) (Imai and Gelfand 2010). Despite its relative short history of research, CQ has undergone a remarkable journey of growth, due to the presentation of groundbreaking findings (Ng et al. 2012). These findings were explained in detail in chapter four. Imai and Gelfand presented the strongest empirical findings in the area of CQ and its impact on the outcome of international business negotiations in 2010. Their work was published in the journal “Organizational Behavior and Human Decision Processes“, which is one of the leading journals in the field of Organizational Behavior and Human Resource Management. Lynn Imai is a newcomer to the field and found a co-author in person of Michele Gelfand, a well-recognized professor from the University of Maryland. According to scholar.google this publication was cited 230 times by scholars from the field of psychology, organizational behavior and management to name a few, which can further be seen as an approval of their research. Their overall conclusion was that all levels of CQ predicted a relationship to the success of negotiations across cultures (Imai and Gelfand 2010; Rehg et al. 2012). Even though this paper was published in a well-renowned journal and has been cited more than 200 times the data as presented in detail in chapter four Table 14 shows that overall CQ as well as the four levels of CQ itself do not show a significant correlation with joint profits. So at the moment of this thesis there is no reason to continue the comparison since there are no significant results. Nevertheless I predict that in future publications this will change. So if this comparison is done again in five to ten years the results will be different.

Overall this sub chapter has proven that there is some empirical work present, which supports the claim that intelligence, has an relative impact on the outcome of international business negotiations, which is common sense. Nevertheless due to the explained inconsistencies in the field itself and the fact that scholars are being unable to find consistent significant support for the relative impact of intelligence on negotiation outcomes the relative impact of national culture on the outcome of international business negotiations is greater.

5.1.3 Relative Impact of Gender vs. National Cultural

The following sub chapter will focus on gender and its relative impact on international business negotiation outcomes in comparison with the relative impact of national culture. The procedure will follow the method explained and used above.

It can be said that power is expressed and manifested by negotiators in many different ways for

example, power can rely on personal characteristics or upon structural factors like BATNA (Thompson et al. 2010). One of the important sources of such personal power is gender, which will be focused on in this comparison. Furthermore as explained in detail in chapter four negotiations are consequential social accomplishments, affecting peoples relationships, salaries and career advancements (Mazei et al. 2015; Thompson 2009). Research over the past years has shown that tangible negotiation outcomes indicate that men in negotiation may be placed at a systematic advantage vis-à-vis woman in negotiation at a disadvantage (Amanatullah and Tinsley 2013; Bowles et al. 2005; Brett and Thompson 2016; Mazei et al. 2015). Recent primary studies and theoretical frameworks (Kray and Thompson 2004; Stuhlmacher and Linabery 2013) suggest that gender differences favoring men can be reversed or eliminated under certain conditions (Bowles et al. 2005; Kray et al. 2001; Mazei et al. 2015). Bowles et al. (2005) found, that women are more likely to level the playing field of negotiation when they negotiate on behalf of other. Additionally to these findings Amanatullah and Tinsley (2013) found that a key factor in determining whether women will ask for what they want in negotiation depends on whether they are self-advocating or advocating for others (Brett and Thompson 2016).

Gender differences are among the most persistent issues in the field of negotiation research (Kray and Thompson 2004; Walters et al. 1998), but research on the relative impact of gender on the outcome of business negotiations as well as the relative effectiveness of men and women in negotiation has often yielded mixed evidence (Mazei et al. 2015; Rubin and Brown 1975).

Even though the research has yielded mixed evidence on the impact of gender on the outcome of international business negotiations there is support found and will be focused on.

The first research paper to be used for the comparison was published in the journal “Personnel Psychology” by Amy Walters and Alice Stuhlmacher in 1999. Amy Walters as well as Alice Stuhlmacher are teaching and researching for the renomated DePaul University in Chicago. Their meta-analysis, which will be futured in this comparison was cited according to scholar.google more then 370 times, wich again is a valuable indicator for the approval of their work by other scholars. According to the ISI Journal Citation Reports Ranking of 2015 the journal Personnel Psychology is ranked 4/79 (Psychology Applied) and 13/192 (Management), which indicates the high reliability of this journal and the research published in it.

The paper itself studies the reported objective settlements obtained by men and women in negotiations (Stuhlmacher and Walters 1999). The gender differences in negotiation outcomes can be moderated by several factors, which were identified by Stuhlmacher and Walters (1999) as sex of opponent, power difference in negotiation situation, integrative potential of task,

communication mode and the year of the study. In order to calculate the effect size of their research, women and men were compared on the objective settlement that was reached through negotiation processes (Stuhlmacher and Walters 1999). In the end the effect size estimate computed for each study was g , which is the difference between men and women on negotiation outcomes divided by the pooled standard deviation (Stuhlmacher and Walters 1999). All the g 's calculated were in the end converted into d 's by correcting for bias inherent in small sample sizes (Stuhlmacher and Walters 1999). Table 19 presents the summary of the overall effect size for gender differences in negotiation outcomes found by Stuhlmacher and Walters (1999).

	All effect sizes	Excluding results reported only as "non-significant"
Mean weighted d (d_+)	+0.09	+0.10
Median effect size	+0.001	+0.05
Number of effect sizes	53	47
95% Confidence interval for d_+	+0.02 / +0.16	+0.02 / +0.17
Homogeneity (Q) of d s comprising d_+	61.61	59.17
r_+	+.04**	+.05**

Note: Effect sizes are positive for better outcomes for male negotiators and negative for better outcomes of female negotiators. d_+ = mean weighted effect size; r_+ = effect size expressed as a correlation coefficient, Q = homogeneity of effect sizes.

** $p < .01$

Table 19 Summary of Overall Effect Size for Gender Differences in Negotiation Outcomes (Stuhlmacher and Walters 1999)

The overall mean weighted effect size shown in Table 19 (d_+) was +0.09 and the 95% confidence interval for this estimate is +0.02/+0.16 (Stuhlmacher and Walters 1999). For that reason the overall effect is significant at the $p < .01$ level. So it can be concluded, that there is a significant impact of gender on business negotiation outcomes.

The second paper used to support the findings of the one above is a familiar one written by Imai and Gelfand (2010). Even though the paper as explained above could not find any significance in the relative impact of CQ on the outcome of business negotiation it found unintentionally support for the relative impact of gender. Table 14 in chapter 4.2.2 showed that gender (sex) is significant for joint profit ($\beta = .33$, $p < .01$) (Imai and Gelfand 2010). So taken the results of both papers presented above as well as the papers and results presented in chapter 4.3 into account it is straightforward to make a case for the relative impact of gender on the outcomes of international business negotiations. The question that still remains is whether or not this impact is relatively greater than the one of national culture.

From the results presented above it becomes obvious, that gender according to the findings of

Stuhlmacher and Walters (1999) and Imai and Gelfand (2010) has a greater relative impact on the outcome of international business negotiation when compared with the publication of (Lituchy 1997). This conclusion can be supported, when first of all taking a look at the journal the papers were published in, followed by the number of citings in other publications and lastly by their empirical work. Both benchmark papers for gender were published in well-renowned journals by highly influential scholars and were cited far more than 200 times each. Both of their presented findings were on the $p < .01$ level, while the results of Lituchy (1997) could support her arguments on the $p < .01$ level, but her paper was only cited 40 times and was only published in a ISI listed journal.

It is nevertheless important to see the other papers presented in chapter 5.1.1 in relation. Both Adair et al. (2001) and Cai Wilson et al. (2000) found their results to be significant at the $p < .01$ respectively the $p < .05$ level. Even though the paper by Cai Wilson et al. (2000) only found significance on the $p < .05$ level the respective coefficient of determination in both papers is higher than the one presented by Stuhlmacher and Walters (1999) ($R^2 = .0256$). Nevertheless considering where the benchmark papers on gender were published and how often they were cited, it is hard to come to a final conclusion on which factor has a greater relative impact on international business negotiation outcomes. So I would say even though over the years the scholars on the research field of gender in negotiations have yielded mixed evidence, it has still presented some solid support as well as the research published in the field of national culture in negotiation. Because of these arguments shown above I come to the conclusion, that there is no greater relative impact to be found in the comparison of gender and national culture and their impact on the outcome of international business negotiations.

In the end this comparison has shown that my hypothesis is supported. When comparing at an overall level the picture is rather clear. National culture has shown a greater relative impact on the outcomes of international business negotiations in two out of three selected areas. Only the research results on the moderator gender were able to achieve a draw.

6 Discussion

My master thesis is taking a new assessment on the enduring mystery about whether there is a relative difference in the impact of individual characteristics and behavioral traits compared to national culture on the outcome of international business negotiations, which has been an area of interest to me as well as research due to its highly practical value.

This part of my thesis is about the identified limitation, practical impact and future research in the field of negotiation. In every academic topic there is room for improvements and

opportunities to criticize. The field of negotiation is no exception to this rule. These limitations to the research, which I want to discuss in this chapter, can be identified for the area of national culture as well as for the area of individual characteristics and behavioral traits. Not only the field of study but also this thesis is no exception, because it is also limited in several ways. Nevertheless since the research on the impact of individual characteristics and behavioral traits on the outcome of negotiations is evolving and most of the time contradicting the emphasis of this chapter lies on them and their comparison with the impact of culture on negotiation outcomes.

The existing primary studies on which my argumentations are based, do not allow for a conclusive investigation of all theoretical relevant variables, which could be used as moderators to measure the relative impact of either area on the outcome of international business negotiations. For that reason it is important to first of all state that there are many additional variables in both areas, which could be used as moderators for the outcome of business negotiations, that were not focused on in this thesis. I had to do a selection of certain moderators in order to stay in scope of my master thesis and not run into generalization problems. So there are many additional factors in both areas I could not focus on. I am certain, that these left out moderators would impact the outcomes of negotiations as well and sometimes even significantly.

The obstacle of comparing two very different areas of research like national culture and individuals characteristics and behavioral traits with each other was explained in chapter five. Readers need to keep in mind that in many cases the results presented by scholars are only correlations and do not per se establish a causal link between the moderators and negotiation outcomes. So the basis of the argumentations presented by scholars is in some cases rather vague.

When talking about correlations it is also necessary to mention that in my opinion, which is supported by scholars like Hofstede and McCrae (2004), Elfenbein (2015), Brett and Thompson (2016) and Sharma et al. (2013), culture and personality in form of individual character and behavioral traits are beyond debate correlated with each other. For purposes of my thesis I looked at each area separately in order to be able to compare the relative impacts. Nevertheless it is important for me to emphasize the connection between personality and culture. The culture of a nation is formed by the individuals living in it, the same way that individuals are formed by the national culture they grew up with. Future research needs to address this problem and needs to develop methods and models to measure this connection and still be able to tell, which area

has a greater impact on the outcomes of international negotiations.

Besides this hurdle there are more things to discuss when it comes to the topic of relative impact of culture and personality on negotiations. One downside of negotiation research could be that negotiation can be seen to have taken more than it has given. This means that often research on negotiation is basically about organizational or social phenomena's, which could truthfully be studied in other contexts as well (Thompson et al. 2010).

Additionally there remains my concern of the presence of a certain generalization in both research areas, because many of the used negotiation studies make use of only one-time negotiation exercises instead of repeated relationships, lack a payoff structure or material reward and only use students in place of professionals (Sass and Liao-Troth 2015). So again there is room for improvement in the way the studies are set up.

The flaw that is the most important to me is that research is at least to what it feels like 80 percent based on laboratory studies. These studies have the benefit of easily achieving a great number of participants for a very cheap price. Most of the time these participants are students in a negotiation class of the scholar with very limited amount of experience in real-life negotiations. On top of everything, these laboratory studies are lacking a great deal of realism. Most of these studies are forcing the participating negotiator to negotiate with a particular partner. Especially since these laboratory studies have stylized designs they lack the flexibility to let individual differences shine (Elfenbein 2015). The majority of the scholars researching in the field of negotiations are professors, which generally teach negotiation classes. For that reason students are easy to access and therefore they use laboratory studies. The problem with conducting research in that classroom environment is that most of the students are biased, because they will subconsciously seek integrative solutions, because they are taking a negotiation class, which most of the time tells them that integrative solutions will enlarge the pie (Sass and Liao-Troth 2015). This indicates that these kinds of lab studies with this type of cuing may not actually model the impacts of national culture as well as individual characteristic and behavioral traits on negotiation outcomes accurately. Including the research findings of Sharma et al. (2013), which were presented in detail in this thesis, it is now also known that personality appears to matter more in real-life studies. The problem with real-life studies is only their higher complexity, expense and the problem with their accessibility, meaning to get organizations or managers look behind the curtains and reveal their achieved or not achieved negotiation deals.

6.1 Practical Implications

In my opinion the aim of academic research on negotiations should always be that the results should always be presented in a way that they can be implemented in a practical manner. Scholars are recognizing this as well, therefore they regularly translate their findings in order to help practitioners negotiate better outcomes (Sharma et al. 2013). I tried to include as much of these practical implications in the thesis itself. This sub chapter can be seen as a short summary of the practical implications that can be drawn from this thesis.

The first practical implication I want to mention follows the results presented by Sharma et al. (2013) and is that negotiators should make more use of their self-awareness about their strengths and weaknesses in order to be able to select in which negotiation situations and settings they are likely to achieve the greatest outcomes. In some cases this even means that negotiators have to defer specific negotiation tasks to a colleague, because this colleague has a greater likelihood due to his character or his cultural background of succeeding in this specific negotiation task. This is one of the reasons why scholars have, despite the findings by Rubin and Brown (1975) and other scholars, continued to provide practical implications on the relative impact of personality on negotiation outcomes to their students as well as to clients in professional development and job selection (Sharma et al. 2013). These implications are also supported by a variety of scholars, which also emphasize the very importance of understanding how individuals affect negotiation interactions (Sass and Liao-Troth 2015). Therefore it is very important that individuals understand their own personality in form of weaknesses and strengths and be able to understand those of their opponents.

Additionally it can be concluded that it is possible to expand our behavioral repertoire if the proper motivation exists. By expanding the behavioral repertoire the negotiator will be able to modify their behavior depending on situation and opponent in order to improve communication and thereby improve negotiation outcomes. Therefore it is essential for organizations and universities to improve the training process, because this will lead to wide-ranging benefits to the individuals and to society (Elfenbein et al. 2010).

As shown in this thesis global interdependence now requires that managers and everybody else is negotiating on a daily basis across cultural boundaries (Imai and Gelfand 2010). From what was shown in my work based on the publications on CQ I can come to the conclusion that managers, which are facing such cultural boundaries should be selected based on their level of CQ and additionally trained like explained above. I am aware that it is not possible to control the level of CQ of the counterpart in negotiations, but organizations should make sure that their

own managers don't have low levels of CQ, which will definitely hinder successful agreements as my work and other in the field of intelligence in negotiation have shown (Imai and Gelfand 2010).

6.2 Future Research

It is easy to identify opportunities for future research in the broad field of negotiations. This sub chapter will focus on those opportunities. I will present my ideas for future research on national cultural, individual characteristics and behavioral traits and their relationship with negotiation outcomes separately, before presented the ideas for research on comparing their relative impacts.

One possible area of future research could lie in the addressing of the dynamics of negotiating across episodes and there may be some creative way to make use of the evolving technologies to do this (Brett and Thompson 2016). Just taken for example the difference between negotiation research in the past where scholars sat in a room and took notes on hours of negotiations in different settings, technology now is close to giving us efficient ways to track and model negotiations occurring over long periods of time via text message, phone, e-mail and video (Brett and Thompson 2016). Soon enough technology will be able to turn audio into text, translate this text into different languages and already linguistic coding protocols without inaccuracies using voice recognition software like Siri (Apple) or Alexa (Amazon) (Brett and Thompson 2016). Due to this software and other technologies to come it should be no problem for future researchers to code, capture and analyze different types of negotiations over reasonably long periods of time. In their review of negotiations Brett and Thompson (2016) introduced me to the idea of computational modeling, which could be another approach that might show fruitful results in studying the evolution of negotiation.

I hope that scholars focusing on individual characteristics in negotiation will bring new energy to this topic. It is unfortunate that a book published decades ago (Rubin and Brown 1975), which only focused on the review of a few relevant studies, marginalized this whole field of study (Elfenbein 2015). This should serve every reader of this thesis as a cautionary tale to not overly rely on just a few sources. For me I tried to involve as many publications as possible to not leave out important contributions to this topic. Therefore I could identify other areas that would be productive for future work on this topic.

One of the most important area future research should increase their focus on is the amount of field studies included. As explained already in this chapter most of the research papers presented in this topic and in journals are based on results gained from laboratory studies. Sharma et al. (2013) were able to show that the research based on face-valid designs showed the

strongest association among negotiation outcomes and the big five-factor model of personality, because they sampled from the individual behaviors over time, in a context that is rather flexible for individual traits to shape behaviors. This type of negotiation would also include a greater range in individual differences that can only be found outside of the university setting (Sharma et al. 2013). It is known that field studies are the hardest to perform and therefore the first step would be to include samples of outside participants in laboratory studies in order to limit the problems of restriction-of-range on factors like openness to experience, cognitive ability and conscientiousness (Sharma et al. 2013). Another idea concerning the research on the individual characteristics of the negotiator and their impact on the outcomes of international business negotiations would be to study the outcomes of such negotiations over time. The influence of the character of the individual may emerge as their effects accumulate, whether with the same negotiation partner or through their reputation carried over to others (Sharma et al. 2013). In detail this research idea means that due to past experience a sense of anticipatory justice may grow (Shapiro and Kirkman 2001) and that relational capital over time could feed back into economic capital (Gelfand et al. 2006).

In the research field of psychology scholars distinguish between weak and strong situations in negotiations, whereby individual differences are more influential when situations do not guide our behavior (Elfenbein 2015). Due to the fact that in laboratory studies strong situations are emphasized, individual differences could matter more than what the past research has us believe (Elfenbein 2015). This leads to the idea that future work should take a closer look at weaker situations or settings for example, by incorporating long-term working relationships and real negotiation stakes, as well as more flexibility in the areas of how to choose a partner, how to prepare for a negotiation, how much time for the negotiation itself and preparation and even whether to negotiate at all (Elfenbein 2015). When designing those new types of studies it is also important to not only focus on the relative economic outcomes but rather include psychological measures of outcomes as well. This leads also to another rarely examined area of research, which is the influence of negotiators' individual differences on subjective experience of the counterpart of a negotiation and their performance (Elfenbein 2015). It is obvious that those results will reach qualitatively different and hopefully consistent conclusions compared to what has been presented so far in the past and present.

Furthermore after reviewing all the papers for this thesis it became obvious that the moderators selected by scholars explained in many cases only a small amount of the variance found in the measured outcomes of negotiations. So there needs to be additional work in order to explain

how the moderators like EI, CQ, trust, gender or communication style impact negotiation outcomes and relate to each other.

As mentioned in the beginning of this chapter in order to be able to evaluate the relative impact of culture and personality on negotiations it is necessary to develop a model that includes all of the moderators from both areas. This can be done in a meta-analysis like the one performed by Sharma et al. (2013). Another possibility to solve this obstacle would be to set up a new study including all introduced moderators of culture and personality, which have a theoretical impact and on the outcome of negotiation and measure their individual relative impact as well as their intercorrelations. This would finally shed some light on the question what moderator has the greatest impact on the outcome of negotiations and would additionally support its own conclusion with empirical data. This empirical data set would increase the reliability of the research findings presented in my thesis.

7 Conclusion

In this master thesis I have been examining empirical research on the topic of negotiation spanning five decades. Modern negotiation research was greatly influenced by its economic roots, which have provided a wide array of methods by which to measure the joint gains by the negotiation parties, whereby each negotiator is motivated to pursue their own interest (Thompson et al. 2010). The fires of negotiation research were greatly fueled by the fact that the majority of negotiators fail to fully maximize their own as well as the mutual gains (Thompson et al. 2010).

In the beginning (1970s and 1980s) the research on negotiation was highly influenced by game theory as well as social psychology theory (Brett and Thompson 2016). It took till the beginning of the new millennium until research expanded to focus on the implications of political, cultural and social contexts of negotiation (Brett and Thompson 2016). With regards to the cultural context in negotiation early as well as present research stay highly influenced by the work of Hofstede (1980) especially by his typology of the cultural dimensions. The early studies of individual differences and their impacts on negotiations were largely abandoned due to the publication of Rubin and Brown (1975). Nevertheless topics like gender and personality started to make a comeback in the last few years. Researchers like Bowles et al. (2007) showed that women are reluctant to advocate for themselves in negotiations, because they fear backlash, but achieve the same when not better outcomes than man when negotiating for a third party. Personality is making a comeback as well, especially with the results published and issues raised by the meta-analysis of Sharma et al. (2013).

To my liking, even though much of the past research on individual differences and behavioral traits resulted in contradictory findings, the body of evidence is consistently growing, the presented findings and results are increasingly optimistic and reliable and to my content new research doors are opening up for exploration (Elfenbein 2015; Sass and Liao-Troth 2015). So it can be said that although research in the field of negotiation is mature, it is by no means dead (Brett and Thompson 2016).

This was one of the reasons why I chose this topic for my master thesis in the first place. In my opinion, which is supported by scholars (Adair et al. 2004; Brett and Thompson 2016; Sharma et al. 2013; Thompson et al. 2010) it is time to acknowledge the far-reaching potential and role of individual differences in predicting the outcome of business negotiations. I strongly believe that personality and behavioral traits have a significant impact on the outcomes of international business negotiations. Research at the moment is just not able to prove this statement with consistent significant empirical data. Even though my research supported my hypothesis that national culture has a relatively greater impact on the outcome of international business negotiations than individual character and behavioral traits I believe that there is a change about to happen.

It is true that the empirical data supports my hypothesis but it is important to look at the time those papers were published and whom they took as participants in their negotiations. This change is not only happening in research but also and even more importantly in real life negotiations. When we look at who is negotiating the important deals at the moment for companies it becomes obvious that these negotiators are well seasoned experts in the mid 40s. This means that most of them grew up using no technology like the Internet and were not able of accessing the world as freely as my generation. They had to learn about cultures by trial and error negotiations. Today negotiators are more versatile when it comes to culture and technology. My generation is well traveled and has most of the time experienced different cultures first hand. If not due to travel then due to international exchange students (Erasmus) and due to the internationalization of teaching at universities. So when they have to negotiate with individuals from those cultures there should be a clear reduction of misunderstandings. Even if they have not been in contact with that culture directly they can read about it on the Internet or at least know some details from movies, music or other types of media, especially social media. Additionally language, which is directly linked to communication ability and therefore to national culture, as one of the biggest obstacles to negotiations, is in my opinion, no longer an issue. Due to extended training and university courses the new generation of

negotiators is fluent in at least two languages one being English. Therefore I strongly believe that personality and behavioral traits will gain more and more importance compared to national culture when it comes to negotiations. The skillset of the individual, for example in order to convince the other to make a deal, is gaining significance. Therefore it is further necessary to train negotiators on all levels to develop their skillset and in order to teach them how to use their own as well as the opponents personality in favor of the negotiation outcome.

Furthermore will this shift in importance lead to a change in the relative impacts of national culture, individual characteristics and behavioral traits on the outcome of international business negotiations. Since I am not the only one who believes this is true the research on personality and behavioral traits and their impact on the outcome of negotiations is gaining more and more attention from scholars. Topics like e-negotiations for example are on the rise and new models and methods are introduced every year, which will support my prediction.

At this point I want to emphasize again that I was not able to include all moderators linked to national culture, individual characteristics and behavioral traits. This thesis looks at a selection of moderators. So my conclusions are drawn based on the findings associated with those moderators. Since negotiation research, like the universe, appears to be expanding rather than contradicting, there are new areas of research in the broad field of negotiations, which indeed will have an impact on the outcomes of negotiations. The increased virtual level has already allowed globally dispersed researchers to collaborate negotiation research at this level (Thompson et al. 2010). This virtuality will further continue and catch on to negotiations itself in form of the mentioned e-negotiations, where negotiators will negotiate via computer and never meet in person and therefore eliminate some of the obstacles concerning culture leading to a reduction in its relative impact. Additionally as it is common knowledge globally important economic and political negotiations do not reach an agreement in a single episode of face-to-face negotiating, so research is obligated to finally develop research models, which include the aspect of time and how time effects the outcome of negotiations (Brett and Thompson 2016).

Finally I want to state again, that based on my research in the field of negotiation and based on the time this research was collected culture has still the greater relative impact on the outcome of international business negotiations compared to individual characteristics and behavioral traits. Therefore my hypothesis is supported by my findings, which were presented in the chapters above.

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Appendix

Curriculum Vitae