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Negotiation conflicts in international focus

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Acknowledgements

A dear Swedish friend of my mother went to another country for vacation. When she came back, she told my parents that the journey went well, but she thought that the country was dusty and polluted. A friend of my father's, who lives in the Middle East, travelled for the first time abroad to this very same country. He spoke very highly of this country, thinking that it was a very beautiful place to see.

My parents were wondering, which were the reasons behind the fact that their friends had such different perspectives about the same country. My mother replied: Honey, you have to remember that our friends are comparing this country with their own home countries.

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Abstract

This research follows qualitative procedures in inductive reasoning. It presents the main aspects of cross cultural negotiation conflicts. The purpose of this study is to highlight the nature of conflict and negotiation. The study begins with defining conflict and negotiation in broad terms. It continues with presenting different strategies and explaining how different social norms of societies influence international negotiation. The research is both empirical and theoretical. Eight Swedish negotiators with international business negotiation experience participated in interviews and also in the Johnson and Johnson (2006) communication styles and conflict strategies test. The questions in the interview were divided in four different categories, conflict, trust, culture and negotiation. Furthermore, the result followed the same categorization. There were some cases corresponding to the theoretical frame, while others had a different result. A clear tendency was that the negotiators' trustworthiness and strategies were not influenced by their native culture. In fact the employed strategies vary from person to person or from organisation to organisation.

Key words: conflict, negotiation, culture, trust, international

Table of content

Abstract.....	ii
1. Introduction	2
1.1 Purpose statement.....	3
1.2 Research question	3
2. Theoretical frame	4
2.1 Conflict.....	4
2.1.1 The dynamics of conflicts	5
2.1.2 Communication styles and conflict strategies.....	7
2.1.3 Conflict outcome	8
2.2 Negotiation.....	9
2.2.1 Negotiation strategies	11
<i>Distributive negotiation</i>	11
<i>Integrative</i>	12
<i>The dual concern model</i>	12
2.2.2 Perspective	14
2.3 Trust.....	16
2.4 Culture	18
2.4.1 Main characteristics.....	19
2.4.2 Stereotypes and prejudice	21
2.4.3 Elements of culture.....	22
2.5 Intercultural negotiating	23
2.5.1 Constrains and limitations.....	24
3. Method.....	26
3.1 Research methodology	26
3.2 Research procedure.....	26
3.3 Limitation	27
4. Result	29
5. Discussion.....	34
6. Conclusion.....	38
6.1 Strengths and weaknesses	38
7. Future studies	40
Reference	41
Appendix.....	46

1. Introduction

Organisation is an entity with an identity and responsibility (*Wikipedia.org*). The word “Organisation” comes from the Latin “Organon” which means tool. Organisations have always existed around us as entities where humans are members of these organisations. An organisation can be anything from a family, to a group of friends, colleagues, societies, companies, political parties, governments or international institutions like, UN or NATO (Eriksson-Zetterquist et al., 2005). Organisations are all unique with separate objectives, core competences and organizational cultures. We have non-profit based and profit based organisations, local and international organisations. Today organisations have come a long way and have developed human resource management issues since the period influenced by Taylorism. During the 1990-ies the subject around diversity and gender perspectives became a very important issue within organisations. Here diversity includes everything from age, sex, personality, education and cultural background. Organisations are recommended to have personnel that are heterogeneous in all aspects, like in gender, age, background, experience and culture to create better solutions and to be innovative. The workforce is becoming more heterogeneous, which leads to more divergent perspectives. More professional and educated people value and expect their autonomy. Moreover, there is a decline in people’s acceptance for authority that people dare to express their dissatisfaction more openly than before (Lax and Sebenius, 1986). These conflicts have always existed in workplaces and were aggravated by several factors.

Business competition among organisations has increased. It is one of the main reasons that have forced organisations to relocate, to broaden their customer base and cooperate in a more efficient way. All this has created internal and external conflicts. In a multinational environment there is an uncertainty on how to manage or solve a conflict that can be accepted by the diverse cultures. This is frustrating and become a conflict in itself. This can also be caused by the fact that solving a conflict is a complex issue.

Our societies are becoming more and more influenced by the unavoidable globalization. Globalization can bring many beneficial opportunities, for example education, finance and a sense of cosmopolitanism. Globalization dissolves the organisations’ boundaries. Business relations will influence the organisations success, legitimacy and survival. However, it can also bring new conflicts and one way to solve these conflicts is through negotiation. Conflict management is a subject in the human resource management area that sets the focus on the organisations more than ever. Social researchers have acknowledged different methods to solve conflicts and one way is by negotiating. In spite of the grounds of the conflict, negotiation can be an important tool for finding a solution, because many negotiations end up as a conflict resolution (Lewicki, 2004). If mutual needs, wants or goals are not reached, we try to seek a cooperative relationship. However, when our needs, wishes or goals are different we risk to be faced with competitive relationships.

Negotiation is a process by which people with shared and opposed interests attempt to reach an agreement that specifies on which grounds the consensus was reached. Still the dilemma of trust, honesty, openness and goal is not going to vanish. However from a business point of view, the objective is to grab the opportunities that give profit and growth. This brings forward the competitiveness. These objectives are the main reason why organisations seek for expansion internationally. However the majority of nations have a business culture that is relationship-oriented. People in African, Asia, Latin America and the Mediterranean prefer to

cooperate with people whom they trust and have a solid relationship. For instance, they prefer to deal mostly with their family, friends and acquaintances.

This study is performed from the human resource management field or interest. It will emphasize some difficulties as: trust, culture, information sharing that managers have to face while negotiating. APM, Body of knowledge (2000) defines conflict management and negotiation as:

Conflict Management is the art of managing and resolving conflict creatively and productively. The art of conflict management is to channel these conflicts so that the result is positive, preferably synergistically so, rather than destructive.

All projects will involve the need for negotiation. The art of negotiation achieving to the greatest extent possible what you want from a transaction while leaving all parties sufficiently content that the relationship subsequently works well.

APM Body of knowledge (2000)

1.1 Purpose statement

This paper examines the nature of conflict and negotiation. With help of varied sources, this paper will seek to identify the most important aspects of negotiation and examine the main issues they see as roadblocks to negotiations with entities from other cultures. Using this comparison, this paper will seek to identify both common and unique issues. Along with this information will shed light on how different social norms must be understood and approached to help create a better understanding of international negotiation strategies that may be employed.

This study will begin by defining conflict and negotiation in broad terms and the different factors that have essential roles in conflict management. It will continue with presenting different strategies and cultural aspects of negotiation. This research project is relevant for managers today and tomorrow.

The aim of this study is to give possible solutions to some issues that are relevant for conflict management within organisations nowadays. It is also important to get an understanding of the difficulties managers encounter when negotiating. This will be done through a combination of both theories and empirical real life experiences. One of the methods used is interviewing experienced negotiators. They are people who have applied these theories in real life scenarios.

1.2 Research question

How do social norms of societies tend to influence the way that different cultures approach international negotiations?

2. Theoretical frame

2.1 Conflict

The world conflict comes from Latin *conflictus*, which means encounter (Lenn er-Axelsson and Thylefors, 1991). Conflicts will always exist between people. In a democratic and creative society where free communication exists in the constitution, different opinions and antagonism is unavoidable. A conflict can appear in different forms, for instance dispute, quarrel or physical violence. Plus, conflicts can also appear in different levels, they can be as small as a disagreement or as large as a war. Rubin et al. (1994) define conflict as a *“perceived divergence of interest or a belief that parties’ current aspirations cannot be achieved simultaneously”* (Rubin et al., 1994, 5). Barry et al. (2004) summaries conflict as: *“a sharp disagreement or opposition, as of interests, ideas, etc.”* and includes *“the perceived divergence of interest, or a belief that the parties’ current aspirations cannot be achieved simultaneously”* (Barry et al. 2004, 14).

Conflicts exist because humans are unique individuals with different needs, wants, goals and values. Nevertheless, other issues like scarce resources, influence, power, money, space, time, rivalry, position and popularity creates conflicts among individuals as in groups. Lenn er-Axelsson and Thylefors (1991) bring up some of the most common reasons why conflicts emerge.

Power conflicts: it is difficult to create a cooperative relation between people if their individual power level is not equal. We all want to have the power to decide what we desire to do.

Conflict of interest: the most common conflicts merge when people with different needs, different interests or different goals fight to achieve what they want. Power and conflict of interest are related to each other. Every person wants to increase its influence and improve his or her position. It is the person’s power level that determines who wins or loses. Therefore, when we try to cooperate with each other, conflict of interest becomes a main issue.

Value conflicts: these conflicts are about values and beliefs and they are more difficult (if not possible) to solve. Sometimes a solution is not desirable, because values are not for sale.

Misinterpretations: it is easy that misinterpretations occur when people do not know much about each other. Information and communication are important to solve these kinds of conflicts.

According to Lenn er-Axelsson and Thylefors (1991) there is a thick line between a real conflict and a pseudo conflict. A real conflict has a substantial content, for instance a question about which work methods are most suitable. They can easily become comprehensible to an outsider. On the other side, a pseudo conflict does not have clear goals; the goals are diffuse. Persons hold on to pseudo conflict just to ease up a tension or to show their anger and dissatisfaction. You create a conflict that actually is not there or over dramatise a dissonance. Groups need clear structures, boundaries, roles and rules; otherwise there is a created environment for real and pseudo conflict to nurture. It is vital to know the background and the level of the conflict for finding alternative solutions. Barry et al. (2004) have classified different levels of conflict. The four levels are presented below.

First level. Intrapersonal or Intrapsychic conflict: The conflict occurs at an individual level. A person that has problems with him self, for instance with self-esteem, emotions, thoughts and position.

Second level. Interpersonal conflict: The conflict occurs between individuals, for example between managers and workers, friends and lovers.

Third level. Intragroup conflict: The conflict merges within groups, for example within families, classes and teams.

Fourth level. Intergroup conflict: The final conflict level is between bigger groups like unions, organisations, communities or nations. In this level the conflict is very difficult to resolve, because too many people are involved.

2.1.1 The dynamics of conflicts

Burgess and Burgess (2003) say that perception is central, when it comes to handling conflicts. The parties are going to see the problem in the same way that the problem is being handled. If the issue is being tackled with drastic measures, then the people involved are going to obtain a drastic perception of the conflict. For instance, if the disputants involved see the conflict as intractable, then they are going to take desperate measures. However, the actions taken to solve a conflict can increase the parties' perception validity. This means that the actions taken to solve an intractable conflict can increase the intractability of the conflict. Intractable conflicts are defined as conflicts where the participants do not see a way out, because there are too high-stakes involved. It is a fact that perception influence actions.

Burgess and Burgess (2003) explain that a conflict can not simply be defined as tractable or intractable, because intractability can be spread on a scale. Extreme intractable and tractable conflicts can be compared with extreme right and left political parties. Like there are many other parties somewhere between the extremes, like there are conflicts (see figure 1)



Figure 1. The scale of conflicts

Source: The conflict resolution information source.

It is not common that conflicts are stated as intractable from the minute they emerge. There is a chance that conflicts develop into intractability if they are not managed well. However, conflicts that are handled efficiently to limit deeper escalation will more likely end up at the tractable side.

The authors Brett and Hirzel (2004) uses the terms “Pinch” and “Crunch” to explain conflict dynamic. Pinch is something unexpected or unpredictable that happens sooner or later. Someone does something that is not expected or consistent, so the dynamic of the relationship become disrupt. An internal disruption occurs when someone do not conduct according to the internal rules. An external disruption occurs, for instance when goals change or when the team gets a new member. Often when people feel “pinched”, they try to ignore them instead of seeking resolution. We have been taught to not rock the boat and create conflicts. At this phase people shake hands and apologize. The relationship is still the same, because the parties have reached to some kind of resolution. If the involved do not manage to compromise at this early stage, the “pinch” will in the long run grow to a “crunch”. Brett and Hirzel's (2004)

theory state that the disruptions will escalate if they are not taken care of. If many pinches are ignored, they will pile up and become a problem, a “crunch” .

Glasl (1999) explains how conflicts become more and more intense by people ignoring signals and thresholds. The thresholds function as warning signs, to aware people and protect them as well. Conflicts do not become intense just like that; they become more intense step by step. People neglect the signals in the beginning, because they rather avoid conflicts than facing them. Before a conflict becomes one more step intense it passes a threshold. This threshold makes us to pause, to think or go back. Intuitively most persons recognize the thresholds, but do nothing about them. In this stage the participants will maintain the control of themselves. They will hold back, at least for a period of time and not to jeopardise relationships straightaway. Consequently, conflicts do not become extreme immediately. If nothing is done about it, they will escalate (see figure 2).The escalation passes the untrained eye unconsciously. If people are aware, focused and have understanding and moral strength, these thresholds can be recognized and actions can be taken.

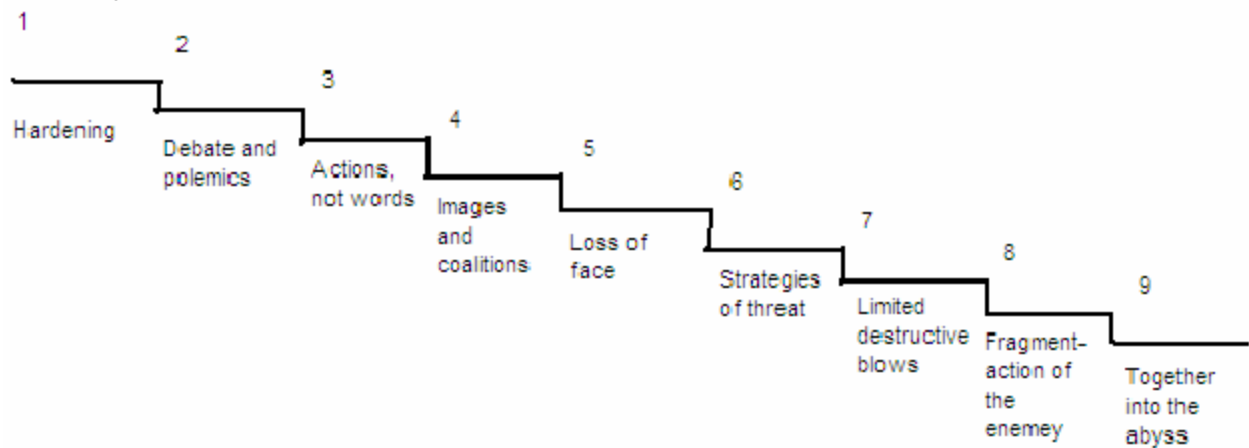


Figure 2. Conflict escalation (Glasl, 1999; 104-5)

Escalation level 1: hardening. There is a disagreement and it becomes harden during time. Because of selective perception, the messages go though a filter which leads to ineffective communication between the participants. However, in this stage people have not given up the hope. They still want to collaborate with each other, because different opinions provide creativity and stimulation.

Escalation level 2: debate and polemics. The facts are put aside and ones’ own arguments and position has become more important. The objectivity is gone. The extreme polarizing opponents can not see the opposing side’ s concerns. The creative discussions are no longer present; an argument is responded directly with a counter argument. Glasl (1999) calls it for ‘*intellectual game of ping-pong*’.

Escalation level 3: actions, not words. At this level the involved have lost the hope of finding a solution to the conflict with words. Irritation can not be avoided during the dialogues; therefore they tend to believe that some form of action is the right solution to end this issue. Conformity or unity becomes important within the groups. The interest of the group comes first, individual opinions are set aside.

Escalation level 4: images and coalitions. At this level the psychological distance will increase significantly between the parties. Images like we and them, good and bad, friend and foe are created in our minds. It is because human’ s perception is limited andonly sees things

that will confirm humans' judgement. Plus, the participants recruit others to gain some support.

Escalation level 5: loss of face. Insults and snide remarks have become intentional and disagreements have become radical and verbally brutal. The rival is seen as having a corrupt personality and dangerous intentions. The vision of cooperation has disappeared, because people can not imagine to work with others who are evil and do not have any moral. The escalation is so deep that a new beginning is unthinkable.

Escalation level 6: strategies of threats. Threats are responded with counter threats. Demands, ultimatums and threats intense the atmosphere and increase the pressure for decision making and actions that needs to be taken. The actions are met with reactions and a retreat is out of the question. The actions are taken under stress, which will have unintentional side effects.

Escalation level 7: limited destructive blows. At this stage the threats are implemented. The beliefs and hope of humanity is gone. The participants know that there is nothing to win any more. The only joy is found in destructing properties and hurting the other side.

Escalation level 8: fragmentation of the enemy. The participants do not care if they win or lose; the stakes are all or nothing. The opponent has to get out of the picture.

Escalation level 9: together into the abyss. The emotions are so deep that it is impossible to think clear. The opponent has to be destroyed even if it means you will go down with them. At this level self destruction can be seen as victory as long as the other side goes down with you.

Resolution of conflicts is possible at every level of Glasl' s escalation, however the deeper level, the more unwillingness to cooperate.

2.1.2 Communication styles and conflict strategies

Johnson and Johnson (2006) have created a questionnaire that is based on a model for different communication styles and conflict strategies (see figure 3). The Communication styles and conflict strategies model is similar to Lewicki and Wang' s (2004) Dual Concern model (see page 12). According to Johnson and Johnson (2006) all of us have the tendency to use all these five different styles, Smoothing, Problem Solving, Compromising, Withdrawing and Forcing. However, each and every person use some styles more than others. In different situations, persons will behave differently. Different sides will have the opportunity to come forward. It is influenced by a person' s experience and personalty.

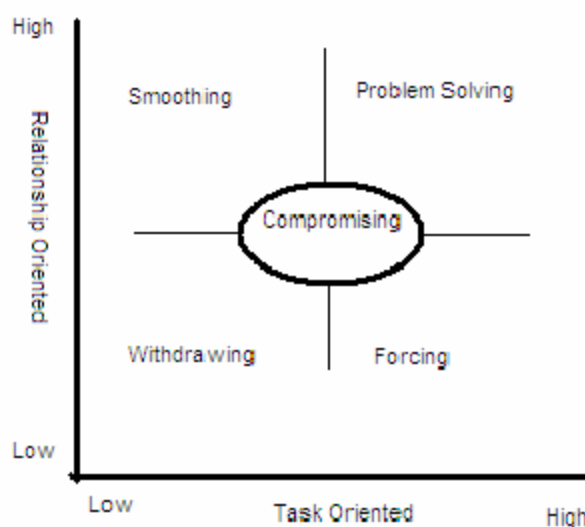


Figure 3. Communication styles and conflict strategies (Johnson and Johnson, 2006)

Compromising: the goal is to find a suitable, reciprocal acceptable solution that can partially satisfying both parties.

Withdrawing: a person who is cooperative but do not satisfy their own or others need. A withdrawing personality tries in a diplomatic way to push aside a conflict to a more suitable occasion or stepping aside when situations are getting serious.

Problem Solving: the person in questions is cooperative and carries through processes. Is willing to collaborate to find solutions that both can accept.

Forcing: a person who push processes forward, but does not like to cooperate. Follow its own path at the expense of others. A power-oriented method, where the person takes those measures he or she considers essential to win the cause.

Smoothing: a person who is reasonable and cooperative. An adaptable person who denies its own needs to provide others need.

2.1.3 Conflict outcome

Conflict size is determined by the expected outcomes by the parties (Deutsch, 1973). If the conflict outcome is satisfying to a person, he or she can feel that they have won. The more satisfying feeling the more victorious feeling. This implies that when both of the parties believe they can win, they will regard the conflict as small. However, in those situations when one party feels their own side will lose and the other party will win they will regard the conflict size as large. The definition explains that two different persons can experience conflict size differently; one can see it as large and one can see it as small. However, Deutsch (1973) also clarifies that one party can feel its outcomes satisfactory even if the other side wins. At the same time, the second party can feel its outcome to become affected negatively if the other wins. If the parties manage to increase the expected satisfaction of the outcomes, then they have managed to decrease the size of the conflict. In this way they have created a situation that makes it simpler to reach an agreement that is based on mutual rewarding.

Conflicts are difficult to avoid, but its outcome depends on how it is handled. Urgent subjects come up to the surface when persons involved work on the conflict. It is when a conflict is acknowledged that conditions for problem solutions are created and hopes for changes. It is important to work through conflicts so that people can raise their self-esteem and create preparation for future problems. Otherwise the issues have been in the background with the possibilities to grow. Rubin et al. (1994) says that conflict nourish social change. People will have an opportunity to change the old system and fight for a better one to become successful. It can also foster group unity. Also Deutsch (1973) says that conflict can separate groups and at the same time help to establish personal and group identities.

Cosier and Schwenk (1990) argue that dissents and conflicts within an organization are success factors. People should be encouraged to express different thoughts and opinions. Big organisations functioning in complex markets will benefit from conflicts. However, small, private, non diversified companies in stable and simple markets should prefer consensus if they do not have a need to grow. According to Deutsch (1973) conflicts prevent stagnation, it is the source of social and personal change and it stimulate curiosity and interest. They belong to an assessing and testing process.

Conflicts can create innovation and new opportunities. However, they can also have destructive consequences; create hostility, anger and violence which can result in sadness and pain. If the participant are dissatisfied with conflict outcome and feel loss, the conflict had negative consequences. If the participants are content and feel gain, the conflict had

productive consequences. A conflict outcome is considered to be more constructive if all the participants are satisfied instead of one or two (Deutsch, 1973).

Social and psychological researchers have asked themselves why people in the western societies are not happy. More and more people are taking anti-depressive drugs. You often hear that something is missing in their lives. This alternative answer can sound a little bit odd, but it can be one explanation. People have less conflicts in their lives in terms of needs, like food, safety and money. People in the western world have not dealt with hunger, poverty and wars for a long period of time. We do not miss anything in our lives and lack of conflicts and too much comfort have resulted in unhappiness and depression. Because, if we do not have conflicts in our lives, how else will we compare and appreciate our lives in those moments where there is no conflict? Negotiation is an approach to solve conflicts. It is done for a better life, to survive and in some cultures it is a way of life. It is an art. Negotiation is a process, not a skill. However a variety of skills are required in handling this process efficiently. Therefore, negotiation skills are important to have in every manager's portfolio (Fowler, 1996).

2.2 Negotiation

Negotiation is unavoidable for a number of reasons, for instance organisations or individuals have to deal with a restricted amount of resources, products or services. In the same time their expectations and demands (if not limitless) exceeds the size of availability. Rojot (1991) claims that social situations are situations of exchange. When persons contribute, they expect some kind of retribution. It can be materials, knowledge, status or other things. The problem is to agree how much the contribution and the retributions are worth. Carnevale et al. (1992) defines negotiation as "*Negotiation and mediation are procedures for resolving opposing preferences between parties*" (Carnevale et al., 1992, 532). Lunden and Rosell (1998) define negotiation as "*A process dedicated to satisfy needs*" (Lunden and Rosell, 1998, 10). According to Lewicki and Wang (2004) negotiation is a happening between communicating parties who wants to reach an agreement based on mutual acceptance in a circumstance where they need each other to reach a goal that is not possible to reach alone. It is an interactive and complex process which is influenced by different factors, like interpersonal skills, motivation, emotions, perceptions and cognition. Also Fowler (1996) defines negotiation as an interaction process, parties that initially have different goals where they resolve their differences to reach a common outcome by collaborating. Unt (1997) sees negotiation as a mutual problem solving process; two parties that need each other and need access to each other's competence and resources. Trust and courage to bring new information and experiences will solve the conflict more efficiently and rationally than those who put down all their energy on contradicting.

All managers negotiate, not only with outside managers, but with each other in the same organisation. For instance, when a project manager is going to create a project team he or she will negotiate with the Line manager about the individual team members. The Line managers are responsible for the distribution of the organisation's resources and the staff is considered as a resource. The project managers have to share the organisation's resources with other managers. Another example is when you negotiate with your manager about a raise. In these situations negotiation is common. Researchers categorize negotiation from the individual person to national level. Although, what is the difference between two children negotiating over one piece of candy and two countries negotiating over a piece of land? Barry et al. (2004) consider that negotiation at the personal level is fundamentally the same in process and structure as at the corporate and diplomatic level, for the reason that negotiations take place

for one or two reasons. The parties would like to create something new that they could not manage to do by their own or to solve a conflict between the actors.

Parties need each other to negotiate. Barry et al. (2004) call this condition of mutual dependency for Interdependence. Mutual dependence is about the individual party's ability and desire to manage conflicts by themselves (Lax and Sebenius, 1986). Actors' relationships that are characterized by joint goals and the need to reach them together are called for Interdependent relations. They have the prospect to influence each other and together find new options. However Independent parties have the opportunity to have a detached, unconcerned and an uninvolved attitude. On the other hand, the party that is dependent has to accommodate and accept the other party's demands (Barry et al., 2004).

Johnson and Johnson (2006) present three types of interdependence in a negotiation, Interdependence Participation, Interdependence outcome and Interdependence Information. Interdependence Participation means that it takes at least two to negotiate. It can be two nations, two organisations, two groups or two individuals. Outcome Interdependence is when the disputants can reach an agreement. The negotiators must agree on issues to solve conflicts, it is why the parties are dependant on each other for the outcomes. The peak of the negotiation process is the outcome. It signifies the ending of the negotiation and a finish of a dispute. The outcome is a mutual agreement between the parties. The agreement is based on terms that are acceptable in the circumstances for the parties than no agreement at all. In a negotiation, parties with different interests, backgrounds, potentials and aims join together to find a mutual agreement for future conciliation. Mouzas (2006) explains that negotiations are interaction processes that can become highly dynamical and negotiators are often aware of the small possibilities to place all requirements in a complex agreement. Negotiation outcomes are something different or something that differ from the original wish that the parties had expected. Some issues had to be left out for the sake of reaching a compromising resolution. Those issues were seen as being incapable of reaching an agreement. They will lie dormant and fade out or become new matters to future negotiation (Gulliver, 1979). However it is difficult to benefit the parties equally. Some factors, like power and money influence who will take the most advantage of an agreement. This is called in Johnson and Johnson (2006) a goal dilemma. The problem is to have an agreement that is beneficial, but not so favourable that the other party turns down the agreement.

Information Interdependence is about communication interactions, the way negotiators share information with each other. Negotiators have the chance to be honest and open or they can chose to secure the information by not revealing too much. There exist two dilemmas with Information dependence: the dilemma of openness and honesty and the dilemma of trust. There is a dilemma of trust to choose to believe your opponent. There is a risk that the other negotiator takes the opportunity to exploit. However, distrusting your opponent can reduce the chances for agreements to be reached. Openness and honesty dilemma involves risk, such as revealing too much and there by once aging being exploited. The negotiator can also disclose the information and harm the relationship by seeming distrusting and deceitful. Further, in a negotiation both competitive and cooperative elements are present. Both of the elements exists, because the parties want to reach an agreement that benefits them both and at the same time make the agreement as most beneficial to themselves as possible. Tjosvold and Wong (2004) believe that competition and cooperation is the foundation for diverse people to negotiate and solve their conflicts. The difficulty is to find the right balance between cooperation and competition. Both parties should feel reciprocity when signing the contract. The reciprocity rule says that we should repay the person that has given us something

(Cialdini, 2005). Reciprocity has such a strong and influential power that affects people in a way that make them have to assent and say yes because of their guilty feelings. It can also be used as a tool. A person can do others a small favour before he or she ask for something. The rule is simple, give before you beg. This tactic is often used by people that you do not know or dislike.

2.2.1 Negotiation strategies

The two most used strategies are collaborating (problem solving) and competing (contending). In the literatures these strategies are also called for Integrative vs. Distributive negotiation. Integrative negotiation is often employed when negotiators expect to nourish a relationship and maximize joint outcomes for all the parties. Integrative approach helps the parties to reach their goals. In a distributive bargaining the involved consider the key resources to be limited and controlled. This kind of perception is called a “fixed-pie” situation. The circumstances do not have room for a long-term relationship, because one party’ s gain is seen as other party’ s loss(Lewicki and Wang, 2004). Even Ruane (2006) and Johnson and Johnson (2006) recognize these two general negotiation strategies, distributive and integrative negotiation. The negotiator can aim for the trophy by using hard-line with distributive procedures or the negotiator can aim for a win-win solution trying to reach a mutual beneficial way by practise integrative procedures.

Distributive negotiation

The first strategy is called the Distributive approach and it assumes a zero-sum game, which means one wins and the other loses by claiming value (Ruane, 2006). Barry et al. (2004) explain that a distributive or a zero-sum situation exists between people whose goals are interrelated so that only one reaches its objectives. It exists a negative correlation between the negotiators goals, in such a way that when one achieves its goals the other one’ s goals availability becomes blocked. According to Johnson and Johnson (2006) in a distributive negotiation one member benefits only if the other member agrees to make concession. The objective is to make the most of your outcomes while minimizing the other negotiator’ s outcomes. The negotiators attempt to reach an agreement more favourable to themselves than to each other. When negotiators’ wants, needs and goals are vital and they have a short-term relationship with each other, they go for the win. However, within a zero-sum game it prevail an atmosphere of deficient trust and sincerity. Lack of openness forces the negotiators to only see the consequences for themselves when taking a decision (Unt, 1997).

If the negotiator wants to drive a distributive approach he or she must have the skills to respond to his or her opponent and to act decisively. Otherwise the opponent will feel unchallenged and will interpret that the respondent has put down his or her guard. Each remark must be carefully examined to keep an offensive position and gain control. It is important that the negotiator have the tendency to constrain or to cue other remarks put forward by the opponent. It gives the negotiators an opportunity to control the direction of the communication when he or she decides to use offensive tactics (Donohue 1981). Even Barry et al. (2004) thinks that strategies and tactics like distributive bargaining are best used when a party wants to maximize its outcomes in a negotiation with someone whose relationship is not important to the party or in a one time deal. In a distributive negotiation approach the negotiators use win-lose tactics, one person wins while the other person loses. This creates a very competitive atmosphere, because winning is the main goal. The tactics are designed for gaining advantage. The parties think that there is a lack of cooperative communication in the processes. The negotiators focus to find each others main points to use when proposing offers and formulating arguments (Johnson and Johnson, 2006).

One example of a distributive procedure is when one negotiator presents an offer, after an evaluation the other party replies with a counterproposal. Then the first negotiator will put forward a modified proposal. This sequence will carry on until an agreement is accomplished. Plus, this is a tactic that negotiators use when they carefully want to collect information from the other party. The ideal is to obtain as much information possible and relive misleading or minimal information about the negotiators own preferences. However, a distributive approach has its disadvantages. It can have a severe impact on the future collaboration between the parties. When negotiators use this harsh method they assume that a future relationship is not important. This kind of assumptions is not professional. The chance that a negotiator will not need to face the other party again is small. Next time the other negotiator will try to get its revenge. That is why the parties should solve conflicts by heading for joint outcomes. One way correlation does not last long.

Integrative

The second one is called the Integrative approach; it assumes joint gains. Meaning both sides will gain from the negotiation, by creating value with information sharing and creative communication (Ruane, 2006). In an integrative approach, negotiators work together to seek a solution that will benefit them all. The objective is to maximize joint outcomes. Having a good relationship with the other organisation (negotiator) is more vital than maximizing your own outcomes (Johnson and Johnson, 2005). The participants goals have a positive correlation, both achieves their goals in integrative or non-zero-sum situation (Barry et al., 2004). The negotiators tries to find a solution that will benefit both parties, a win-win situation. The circumstances are more cooperative (Donohue 1981).

In an integrative approach both parties aim for maximizing the joint benefits. The most important task is to maintain a relationship based on quality. Integrative negotiation is therefore a very hard process; where the different parties try to find a settlement that is favourable to both sides. For instance, in a family, the survival is everything than winning on any matter. For a long lasting relationship to work, each party should feel reciprocity. Plus the relationship stands on mutual responsiveness. If the parties want a cooperative long term relationship with each other, they have to discuss about the relationship dynamic and set a relationship statement. It includes roles, responsibilities and interaction behaviour and factors that can improve the collaboration. It also illustrates how the parties see the relationship (Johnson and Johnson 2006).

Negotiators have primary and secondary gains. The most important and the most beneficial gain is the primary. Secondary gains are influenced by the negotiator's future interest, collaboration relationship and third parties anticipations. In a conflict situation there is a possibility to find a solution that both parties can agree on when they expose their underlying interest. To succeed in integrative negotiations the negotiator needs to find out the opponent's interests and help him or her to reach it. Seeing the conflict as a problem that has to be solved together will increase trust, cooperation and communication between the parties (Johnson and Johnson 2006).

The dual concern model

Rubin et al. (1994) go further with the integrative and distributive strategies in their Dual concern model. The dual concern model postulates that there are two independent levels of concerns in a conflict situation, the concern about your own outcomes and other's outcomes. The higher in the vertical axle, the more willingness to cooperation and the higher in the

horizontal axle the, higher assertiveness. There are four different strong positions in the model, Contending, Yielding, Inaction and Problem solving (see figure 4).

Lewicki and Wang (2004) write in their article that the dual concern model explains fundamentally the negotiation strategy's frameworks. The negotiators have two major concerns, a concern for your own benefits and outcomes and the concern for helping the other side to reach their goals.

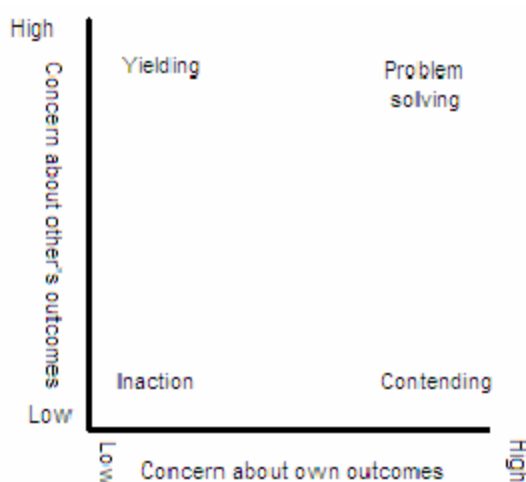


Figure 4. The dual concern model (Rubin et al., 1994; 3)

1. **Contending** (also called controlling or competing). It is a strategy used when the actors have interests for their own outcomes and little concern for the other party's outcomes. The negotiators are only striving to gain the best possible result for themselves by trying to impress their own favoured solution.
2. **Yielding** (also called cooperating or obliging). It is a strategy used when the negotiator would like to build a strong future relation with the opponent. Negotiators have little concern or interest in their own outcomes. They are in the other hand very much interested in the other party's achievement of attaining their targets. Yielding is done by decreasing your own desires and by letting others to win, lowering your own aspirations and settle for less than preferred. For the untrained person this seems like a bizarre strategy, but it has its advantages, depending on the situation.
3. **Inaction** (also called avoiding.) The actors prefer to be silent, passive or to retreat. They have no interest in their own or other's outcomes. This situation can depend on that the participants feel despair or coercing.
4. **Problem solving** (also called collaborating or integrating). With this strategy actors wish to squeeze the maximum outcomes for all the participant from the negotiation. This is an alternative strategy that pleases both sides' aspirations.

Barry et al. (2004) claims that there is a possibility for a fifth position, Compromising; located in the centre of the dual concern model. A strategy that uses moderate efforts to attain ones owns goals and a moderate effort to pursue the other party's outcomes.

Lax and Sebenius (1986) name the negotiators that use integrative and distributive strategy as Value creators and Value claimers. Value creators believe in creativity and collaboration for a successful negotiation process. They tend to believe using win-win strategies than win-lose

strategies would derive value. Win-win conditions are more beneficial and long lasting than simple compromises (Carnevale et al., 1992). However Lax and Sebenius (1986) believe that these main views of negotiation are inadequate and incompatible. Both strategies are used, because they are linked together in a negotiation process. Also Johnson and Johnson (2006) recommend that both distributive procedures and integrative procedures are used under specific circumstances. During a negotiation the parties have the choice to choose the different approaches to solve the issues.

2.2.2 Perspective

In negotiation, negotiators often find themselves using basic social skills like perception and anticipation to guide their action in activities that involve other parties. For improving the chances for achievements, the negotiator needs to put a lot of effort to understand the other party's behaviour (Gulbro and Herbig, 1998). These social skills help negotiators to negotiate their way through social encounters to avoid conflicts and achieve their own interests. Negotiators need to have a social perspective skill. They need to be a people person who can read signs and body language. Social perspective is an ability to identify how different circumstances appear to other people and how they are reacting emotionally and cognitively to a situation.

It's easy to forget that others have different views in this egocentric world and that the own perspective of the situation is limited and incomplete. Since, humans' knowledge is unlimited, but the perception is very limited (Fillee, 1978). Further, Sten (2003) writes that in negotiation situations where stress and exhaustion are involved it is almost impossible not to judge someone.

Because of different backgrounds individuals rarely interpret a situation in the same way. The perception is coloured by past experiences and cultural expectations (Schein, 2003). Also, humans' perspective is selective; it has the ability to see only the things it wants to see. If a person is presented an amount of data, he or she will focus and pick out data that verify prior perceptions and misinterpret or ignore data that question his or her perception (Johnson and Johnson, 2006). It is very common to see your own merits and the other negotiator's faults. Further, people tend to have different perspectives at different occasions. For instance, if a person has been eating pizzas everyday in a week he or she will not like to eat pizza for a long time. Moreover, when a person's situation changes, like profession, experience, age and values; the way of seeing things will also change. Professional negotiators use perception as a form of tactic. The contrast principle influences our perception depending on in which order objects are presented. For example, if a heavy object is first lifted and then a slight lighter object is lifted, the second object will be experienced lighter than if it was lifted first. If an employee has been working twelve hours a day, then he or she will appreciate an eight hour work day. This tactic is usually used in negotiation when parties want to present their objectives or costs (Cialdini, 2005).

Communication, perception and cognition fundamentally influence interpretations, encounters and especially negotiation processes. When faced with another social entity our style of interaction is influenced by our perceptions and analysis of other social actions. Negotiators' perceptions attend at each negotiation which is led by their current behaviours and attitudes, past situations and experiences. In negotiation perception may be used to judge a party's reaction to an offer (Barry et al., 2004). Because, individuals connect their surroundings with their perception. The negotiator's own interests, goals, desires and needs can also create

a predisposition. Predispositions cause misinterpretations and errors in communication (Barry et al., 2004).

In many conflict situations there is no right or wrong, we just see things differently. It is not only in negotiations, but in all relationships with humans in general (Lundén and Rosell, 1998). According to Filley (1978) most conflicts occur because individuals have their own way of seeing and interpret a situation. Conflicts occur because everyone does not have the same perspective. Because we see things from different perspective a message can be interpreted very differently from person to person. It is the individual's perspective that decides how signs will be interpreted.

There have been failures to comprehend the other person's perspective, when conflicts have been managed in a destructive way. It's common that negotiators often find themselves disagreeing on applying the proper principles, which makes it difficult to find a settlement. This is because the participants are so into their own interpretations and solutions (Carnevale and Pruitt, 1992).

There is a bigger sensibility for people to approach each other to coordinate, negotiate and discuss to solve conflicts if they regard each other as similar. On the contrary when people see each other as diverse, they are more reluctant to approach each other and use win-win solutions for solving problems (Triandis, 2003). Comprehending differences as well as similarities is important for negotiation. Because, we like people that are similar to us, regardless personality, opinions, background or lifestyle (Cialdini, 2005). One of the explanations is Ethnocentrism, which prevails in all cultures. It is used to compare other cultures with your own. The outcome is an assumption that your own culture is normal and the right one, other cultures are incorrect and abnormal (Triandis, 2003). The airline company, Scandinavian Airline System (SAS) is a very good example of similar cultures working together. SAS is a business unit between the countries Sweden, Norway and Denmark and was founded in 1946 (*Sasgroup.se*). These three countries have rather the same climate, history and culture.

Negotiators, who have the ability to see from others' perspectives, increase the chances for cooperation, understanding and clarifying misunderstandings between negotiators. Persons who have the ability to use perspective reversal change their attitude and issue reevaluation. Plus, that person will be considered in the other party's eyes, as a person who is willing to compromise and a trustworthy and a cooperative person who is willing to understand his or her colleague's position.

The author Boddy (2002) claims that everyone has an 'Invisible committee'. The negotiator needs to imagine an invisible committee standing behind every person. When a person is aware that everyone is affected by an invisible committee it will help him or her to see beyond surface actions and expressions and also control the temper. When a person does a statement, the underlying motivations is represented by his or hers invisible committee. Boddy (2002) also claims that there are internal and external forces that influence a humans respond to a proposal.

Internal:

Personality
Motivation and objectives
Experience

External:

Personal life (e.g. family)
Past commitment
Organisational forces

These forces influence people in a critically way. They influence they way people think and express themselves. Boddy (2002) recommends that manager prepare a negotiation by considering how these forces will affect the other party.

2.3 Trust

The first theorist assumed that there are some existing terms individuals that predispose them to trust or distrust another person, whom we do not have knowledge about (Bigley and Pearce, 1998). When people trust, they confidently rely on others and make themselves vulnerable. This is done in a confidence that the trustee will not take advantage of our vulnerability. There exists a confidence that the same person will respect the things that makes us vulnerable. In a situation of vulnerability and trust, people put together the accumulated experiences and knowledge. Dirks and Ferrin (2001) propose that for a trusting relationship to inhibit and foster positive outcomes need two distinct processes. Trust is affected by past or present interpretations of others motives and actions. Secondly, trust is also affected by future assessments of others behaviour. Deutsch (1973) believes friendly social relations and cooperative actions to nurture, trust and trustworthiness is one of the true essences.

The existence of trust is less in societies; it is understood that people trust less today than before (Andersenn, 2005). Trust has become a value in social life and it is considered as a virtue to the ability to trust. Bradach and Eccles (1989) argue that a person's trusting experiences often originates from personal relationships and social norms. One of the most fundamental judgment people can make about another person is the level of their trustworthiness (Dirks et al., 2006). Hence, trust arises from people's judgments and the possibility that others whom are trusted will act reliable. It is said that persons who are unselfish, empathetic and sensitive have benevolent intentions.

Three important reflections are present when a person decides to trust: expectations about another's trustworthiness, track record of another's trustworthiness and social influences (Currall and Epstein, 2003; 194). These three considerations of trust help us to decide to trust or not. Expectations are predictions about a person's trustworthiness. Trust and predictability are close related, because both are some kind of expectancy (Bhattacharya et al., 1998). However trust is not an expectation, though it has characters like an expectation. People build trust by others distributions of delivery and results. However, during the time the distributions can alter. This change is affected by alternation of acceptance of others' behaviour; review on actions and on imposing or lifting of organizational and social constraints (Bhattacharya et al., 1998).

It seems that trust is a delicate matter and means different things in different cultures. Theorists have difficulties to unite to a single definition. However, here are some definitions from different authors. Currall and Judge (1995) define trust as "*an individual's behavioural reliance on another person under a condition or risk*" (Currall and Judge 1995; pp 151). Castelfranchi and Falcone (2002) write "*trust is a mental state, an attitude towards another agent*" (usually a social attitude) (Castelfranchi and Falcone, 2002; 250). Bhattacharya et al. (1998) describe: "*Trust is an expectancy of positive (or nonnegative) outcomes that one can receive based on the expected action of another party in an interaction characterized by uncertainty*" (Bhattacharya et al. 1998; 462). Dirks and Ferrin (2001) characterize: "*Trust is a psychological state that provides a representation of how individual understand their relationship with another party in situations that involve risk or vulnerability*" (Dirks and Ferrin 2001; 456).

In trusting situations risk is present as an outcome of uncertainty and vulnerability (Cannon et al., 1998). Bhattacharya et al. (1998) claim that trust does not exist in an environment surrounded by good faith and sincerity, for the reason that, trust would become something insignificant. Consequently, trust exists in risky and uncertain surroundings. Trust is some kind of expectation that helps to ease a fear a person can feel for someone they do not trust (Bradach and Eccles, 1989). A high level of trust increases the probability of taking risks in sharing information or cooperation. In turn, when we take these risks we are expecting positive outcomes (Dirks and Ferrin, 2001). Also Currall and Epstein (2003) link trust and risk. They believe that people trust when they decide to rely on someone under a state of risk. It means that trust consists of two key parts, risk and reliance. In their article, risk is referred as a possibility to damages and costs if the other person shows not to be relied on. So we can say that risks give us a prospect to trust.

Individual and organizational trust is crucial to organizational presentations and achievements. Dirks and Ferrin (2001) state that for higher performance, collaboration and positive perceptions and attitudes to take place there must be some conditions for trust. Andersenn (2005) believes that trust can give explanation to many of the organizational activity outcomes, such as ethical behaviour, goal setting, leadership, performance appraisal, teamwork, negotiations and development of relations. According to Cannon et al. (1998) trust leads to lower transaction costs and direct to competitive advantage. And Ricketts (2001) express it best by stating that exchange in any form requires trust.

To trust or not to trust is not a big issue in strategic or business level. Authorities and contracts are there to assess violations and to take legal actions. Organizations rely their business on obligations, authorization or permission and not on trust. Even Castelfranchi and Falcone (2002) believe that guarantees and control helps people to become more confident in situations they lack trust in their partner. Trust and control are closely related. Because people we do not trust, we wish to control and monitor. In business the client do not care so much about the seller's sensitivity and empathy. The trusting relationship is more based on financial compensation systems, for instance, the client's returns and the seller's returns. If both of the parties are convinced that the transactions will maximize their economic benefit they are more likely to trust each other. However guaranties and insurance are two examples of safety nets that are there to function if in case it turns out to be a mistake to trust the other party (Currall and Epstein, 2003).

Everyone has in their lives been in a situation where they did not know whether to trust or not. Barry et al. (2004) call this problem for the dilemma of trust. The dilemma of trust is about whether you and your colleague can trust each other. Will the trustee keep his or her promises or will he or she exploit your credulousness? The dilemma of trust, concerns how much to believe of what the other party tells you. To what extent you should trust the other party depends on many factors, including the reputation of the other party, how he or she treated you in the past and the present circumstances.

When negotiators are truly honest, they make the information exchange easier which is a necessity for moving the negotiation process forward. On the other hand the directness can be exploited by the other party who is more anxious with asserting value (Stefanos Mouzas, 2006). Interaction with unknown actors is a big problem and this problem is becoming more common for everyday because of the globalization.

2.4 Culture

Culture is a collection of lines of actions that a group of people have developed in common purpose to solve life's essential problems. Depending on climate, geographical position, natural resources and other factors that require special conditions for survival humans are forced as a group to find solutions for life to function fairly flexible. The solutions develop a common way of thinking and behaviour patterns which is an origin to values and norms within the group (Bodin and Fant, 1995). The word culture comes from Latin *Cultura*, in literal transition it means to cultivate and to nourish (Lindehag et al., 1993). Cannon et al. (1998) defines culture as "*an attribute that develops within any identity group enduring over time*" (Cannon et al., 1998; 608). Barry et al. (2004) describes culture as "*shared values and beliefs of a group of people that can span national borders*" (Barry et al., 2004; 201).

Every individual is part of several cultures at the same time. Culture is a vital ingredient in human's life. It gives us a feeling of cohesion, safety, involvement and responsibility (Hellström, 1990). People attain a part of their identity from cultures. Persons are characterized by their local and national history, by life styles, traditions, values, music, literature and architectures. It is a source for recognition, belongingness and support. Culture can also work as a tool to shape and change our identity (Kulturdepartementet, 1995). Sometimes the leaders want to change a population's eating habit for better health, change the attitude towards physical punishment of children or discrimination of women at labour market (Knudsen and Wilken, 1997).

People that belong to the same profession category or generation do not automatically represent a culture. It is when they first start to use the same language, frame of references or traditions that they attain a collective identity (Eagleton, 2001). Often the rules in a culture are silent agreements, since people rarely or never talk about it, but everyone is yet of the same mind about the assumptions. The assumptions consist of ideas, which lay so deep within us that we do not reflect over them (Bodin and Fant, 1995).

Culture is a social subjective territory, a territory which is bigger than ideology but smaller than a society (Eagleton, 2001). The cultural boundaries do not always follow the society boundaries (Knudsen and Wilken, 1997). The difference between society and culture is that a society is a concrete assembly of people that live under one roof which consist of same set of rules. The people have something in common, like paying tax to the same government or obeying the same laws. All members in a society do not have the same culture, norms, speak the same language or practice the same religion (Knudsen and Wilken, 1997). A social group is characterized by its unique culture (Brett, 2001). The world is divided in different regions, like Asia, Europe and Africa. For example, all the countries in Asia and all the people in Asia are placed in the same box. Asians are dark-haired, practice Buddhism and have very humble personality. Except, a region consists of many various cultural, political and governmental structures. Economy, business methods and infrastructure diverges from rudimentary to sophisticated from nation to nation (Gesteland and Seyk, 2002). There is a risk that humans simplify others when they say Americans, Arabs or Asians.

Every national culture is enclosed by local sub cultures and it is often a big difference between urban and countryside culture. In addition, different generations can have different cultures. The same is applied to women and men (Bodin and Fant, 1995). Culture works as a social adhesive. It joins people tighter and makes them feel that they belong to a community, but it can also give a feeling of separation and difference from others (Salacuse, 1999). At the same time the "we" feeling unites, it also separates. We can take Nigeria as an example.

Nigeria is a country divided in three cultural and political invisible regions. The north is mainly ruled by the Muslims. The southwest is considered to have a very proud and educated population. And the southeast is dominated by Christians who want to have a country of their own, because of the rich oil deposits. In a similar matter, individuals, organisations and nations have their own cultures as well.

2.4.1 Main characteristics

Trades cross cultural boundaries have played an essential roll in human' s history. It may be the most significant external influence on an ethnic group' s development (Fross, 1987).Lack of resources and human' s curiosity made us to explore other countries. Columbus' findings like sugar and chocolate is not enough for humans any more. The desire to find new tastes, scents and life stiles leads to a reach. Humans are prepared to go far and to unknown cultures to get what they want. That' s why researchers have categorised cultures and found its main characteristics for further general understanding of behaviour and attitudes. For the reason that, an international business collaboration will not flourish without any efforts of showing respect for the host culture' s traditions and customs (Watson, 2006).

Individualism and collectivism

Individualistic cultures can be found in the wealthiest countries and collectivistic cultures can be found in poorer countries (Hofstede et al., 2002). However, historians and philosophers claim that one of the most prominent features of the western development from the middle age to present times is that societies have become more and more individualistic. The individual put its own goals and interests and does not se it self as a member of a group, but as an independent individual (Bodin and Fant, 1995). They are distinguished by their full act to reach accepted goals and ideals (Fross, 1987). Individuals in individualistic societies are often referred to as “economic man”, or as a person who desre to maximise its own benefits; economical and psychological needs come first. The opposite of individualism is collectivism. Individuals see themselves first and foremost as a part of or as a representative of a group, a collective (Bodin and Fant, 1995). In the collective society an individual is considered to belong to a group and is expected to put the group' s interests first before its own

The human resource techniques and ideas come originally from individualistic countries. Training methods like honesty and sharing information and feelings is considered to be unfit for exercise in collective societies, because these cultural assumptions do not hold in every culture (Hofstede and Hofstede, 2005).

Feminine vs. masculine

In masculine societies it is considered to solve a conflict by a “good fight” .Organisations based in masculine cultures hand out rewards according to performances and base results on equity. Competition is in every organisations blood, “let the best man win”. Masculine cultures socialize boys to be assertive, to compete and be ambitious while in feminine cultures children are taught about solidarity and modesty (Hofstede and Hofstede, 2005). In countries like Sweden, Netherlands and Denmark (feminine cultures), the preference is to solve a conflict with negotiation and compromise. In these kinds of cultures, organisations reward their personnel based on equality (Hofstede and Hofstede, 2005). Historically, men have been dominating outside the homes. Only recently women entered organisations in wealthier societies. Wealthy, feminine countries have statistically more women working in technical and professional high positions (Hofstede and Hofstede, 2005).

Hierarchy vs. egalitarian

Researchers claim that hierarchy is connected to wealth and the more a country becomes wealthier the less becomes the power distance. It is easier to maintain the power in a society where poverty, lack of education and limited resources prevails. Western and northern countries in Europe show signs of small power distance compared to the countries in southern and Eastern Europe (Hofstede et al., 2002). Australians and Scandinavians belong to the least hierarchical cultures and Asians belong to the most hierarchical cultures (Gesteland and Seyk, 2002). In egalitarian cultures the existing power differences are toned down (Bodin and Fant, 1995). One of the reasons might be that differences in power relationships give rise to jealousy (Bodin and Fant, 1995). In the large power distance societies all humans are not considered as being equal or having the same rights (Hofstede et al., 2002). In an organisation, status is measured by one's rank, age and gender. Consequently a young female representative may not be taken seriously. Actually in some cultures a female messenger is a sign of lack of respect and may be interpreted as an insult. Imagine USA's female foreign minister, Condoleezza Rice send to Iraq to negotiate with a group of men from a masculine and hierarchical culture. However, it is proven that women learn languages faster than men and they are also better in reading body language (Hofstede and Hofstede, 2005).

Direct vs. indirect language

Usually deal-oriented people tend to use straightforward and direct language, while relationship-oriented people tend to value subtle and an indirect style (Gesteland and Seyk, 2002). Cultures differentiate here as well, by the possibilities in encouraging and using different expressions languages have. In certain cultures equivocalness is valued in communication, in normal conversations, at the political level and as well as in literatures (Fross, 1987). While in some cultures people prefer clear and direct answers, others have a tendency to read between the lines and understand ambiguous messages and signs without any further explanations. For instance, silence, murmur or a "maybe" usually means no in indirect language (Gesteland and Seyk, 2002).

In a low-context culture people assume that messages should be understood without any difficulties. People are frank and straightforward in their conversations. Better to be silent than talking gibberish. Conceptions as honesty and openness are taken literally. At workplaces and in schools clear and direct information is expected. In public places, for example at train stations and airports signs and directions are carefully marked so that everyone can find its way. Plus, you are never too far to any information offices or information boards (Bodin and Fant, 1995). People in Western cultures have the reputation to be explicit and direct in their communication. For instance, western negotiations ask directly about the other party's priorities and preferences and they receive crucial information. In East the information is embedded in the message, called indirect communication. According to Adair et al. (2004) negotiators in low-context cultures use direct communications as a strategy as the same as negotiators from high context cultures use indirect communication as strategy. Although, according to Behfar et al. (2006) indirect communication gives Eastern negotiator a lead, because Westerners find it difficult to understand the hidden messages in the text. Wide context cultures are more attentive to find hidden and implicit meanings and people from those cultures are good at reading them. Therefore people are automatically focused on what is meant than what is said. Concepts as openness and honesty do not have the same meaning as in the low-context cultures. The messages are inexplicit (Brett, 2001). It is not suitable to claim that people communicate more in neither one of the cultures. On the other hand it can be stated that people communicate differently (Bodin and Fant, 1995).

Weak vs. strong uncertainty avoidance

Strong uncertainty avoidance culture is based on numerous customs and norms about the right behaviour and attitudes. There is a sensitivity about others in the group who do not follow the rules of the society. In uncertainty avoiding cultures the employees' right and duties are controlled by laws and unspoken rules. The laws are there to give a society formal structure and to ritualise behaviours (Hofstede and Hofstede, 2005).

Weak uncertainty avoidance cultures are more at ease. They have more respect for human's individuality and show more tolerance for deviations for people's behaviour (Triandis, 2004). In weak uncertainty avoidance people's opinion is that formal rules are not the answer for solving problems. The irony is that the rules are often better followed in these cultures. Specialist and expertise knowledge is highly appreciated in organisations in uncertainty avoiding societies. They believe in common sense and in human's ability to think rational. China, Denmark, Singapore and English speaking countries are considered as more uncertainty tolerant (Hofstede et al., 2002).

Strong uncertainty avoidance has bigger prosperity chances in isolated societies, where the population is interdependent and there is a high population density. These societies need norms and rules so they do not harm each other. Cosmopolitan cities and a nation with low population density have a loose culture (Triandis, 2004).

Long vs. short-term orientation

Most of the countries in East Asia are measured as long term oriented. Americans, Europeans and Africans are considered to be short term oriented (Hofstede et al., 2002). Organisations in long term oriented cultures want to build strong relations with their partners and invest in strong market positions. Long-term orientation affects the perseverance to achieve desired ends even at the cost of sacrifices. By setting long term plans and goals organisations can affect the motivation levels as they are willing to overcome short term setbacks in order to reach a visualised outcome. In contrast organisations in short term orientation are running after monthly results (Hofstede and Hofstede, 2005).

The transparency international is an organisation that fights against corruption and they classify side payments as bribery. On their website (*Transparency.org*) they have ranked Russia, china and India as bottom three. In these countries culture is stronger then the law. And bribery happens every day, but in Western countries bribery is less common, but happens in high positions with high amount of money.

2.4.2 Stereotypes and prejudice

Six billion people are too many for one person to handle. It is natural to group and categories them (Triandis, 2003). Humans have restricted capacity to store and receive information. As an outcome, unconsciously or consciously employ heuristic thinking, shortcut strategies to handle information easier is used (Carnevale and Pruitt, 1992). Humans place themselves in stereotype thinking because it is in many cases the most effective way to think. Sometimes it is simply necessary. We live in an extremely changeable and complex environment. That is why people need shortcuts to mange this world. It is impossible to handle and analyse every aspect of every person, event or situation, not even during a single day. Time, energy or the capacity is not sufficient. Instead stereotypes are constantly used (our rule of thumbs) to classify certain things and then act without thinking (Cialdini, 2005).

Human' s assumptions are influenced by biased observations. Often the assumptions are negative (Runesson, 1993). Negative assumptions influence the “ information filter receiver” . Messages that are received and chosen to turn back become prejudiced by this filter (Runesson, 1993). Stereotypes hinder effective communication across cultures. The pervious experiences fit people into patterns. We see what we want to see and when possible interpretations do not fit with our expectations the interpretations are rejected.

It is really easy to let prejudice to take over when negotiation with a foreign party (Sten, 2003). The consideration of ” we and them” are distracting and it unconsciously make our own arguments as well thought, while the opponent' s statements are unrealistic and amateurish (Sten 2003). Negotiators that are expecting in an intercultural bargaining compatible preference have difficulties to comprehend a negotiator' s rationality from a culture that have different views on the same issues. Labelling the other side as irrational is very foolish and unwise. Such labelling contributes for distributive strategies and outcomes, instead of working for integrative agreements (Brett, 2001).

It is not unusual that to think what drives us drives the other actor as well. Sociologist calls this phenomenon for sociocentrism which means persons think that others want the same things as themselves do. If the other party wants are known then there is a bigger chance to help to reach his or hers goals without giving up our own goals (Dawson, 1995). By asking for further explanation, correction and clarification the negotiator can ensure that the other party has the same understanding and perception. Johnson and Johnson (2006) call it for perception checking. This is also easily done by paraphrasing the other position' s sentences or presenting his or hers arguments.

2.4.3 Elements of culture

Salacuse (1999) describes culture' s four elements: values, norms, attitudes and behaviour. The elements are formed and piled like onion layers (see figure 5). The understanding process is like peeling an onion when a negotiator tries to understand the other party' s culture. The first layer represents behaviour; actions and words of the other side. This layer is the first layer that a negotiator encounters in intercultural business negotiations. We have inherited, been taught and unconsciously noted and copied our pattern of behaviour (Lindehag et al., 1993). Culture has a great impact on our behaviour and it is also often used as an excuse when we want to explain our behaviour and motivation (Hofstede and Hofstede, 2005). It is difficult, in fact impossible to say if a person' s behaviour is an outcome from a cultural background or from its personality (Bodin and Fant, 1995). The next layer represents the attitudes of a person. Attitude is a person' s disposition or state of mind (*The free dictionary.com*), for example it elucidates how a person sees at punctuality or giving waitresses tip or not.

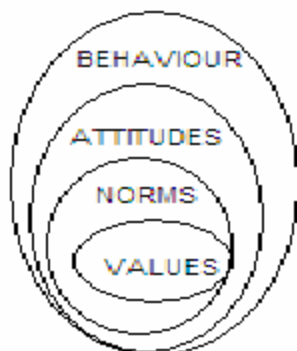


Figure 5. Culture as an Onion (Salacuse, 1999; 219)

The third layer consists of norms, that is to say the rules. Here, for instance the negotiator realizes that the other party insisted attitude toward something is derived from his or hers culture and it is not just a personal view. And finally, the core of the onion consists of values. Values explain the importance and reason for norms. Our cultural values tell us what questions are important to us and in this way affect a negotiator' s priorities and interests. Values are the most difficult layer of a culture for a negotiator to detect and to fully comprehend.

Our minds hold on basic values. They are so natural to us that we do not think of them consciously. Our conscious are based on values and cultures (Hofstede and Hofstede, 2005). Our values are expressions of what we think in our culture are respectively good or bad. Values describe the living ideal for the members of the culture. They lie deep within a person and we consider them as universal (Bodin and Fant, 1995). Culture does not only affect and create our values, but it unconsciously influences our thoughts and decision making process (Schein, 2001). In an intercultural negotiation the values are detected and understood after a long time, when the contract is signed and the collaboration has begun. Differences in values are often one of the main explanations why international business partners fail to solve conflicts and work together (Salacuse, 1999).

2.5 Intercultural negotiating

Fross (1987) place human' s behaviour in thr e different levels (see figure 6). The first, individual level is unique for every person. There is no person acting or thinking exactly the same like another person. It is from our life experiences that we have gained our personality. The second, collective level is a behaviour understood and practiced by a limited quantity of people. It can be a family, a profession category, an organisation or a country. It is in this level that the conception of culture (language, religion, norms and values) is placed. The third, universal level is applied to all humans. The most primitive behaviours are profound in this stage, like humans' survival instinct, aggressiveness and humbleness (Fross, 1987).

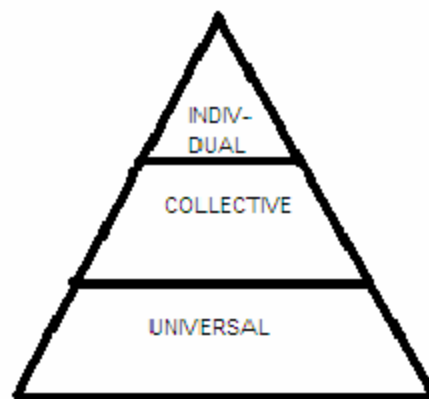


Figure 6. Different levels of behaviour (Fross, 1987; 12)

In cross cultural encounters, culture is often the culprit (Brett, 2001). However, it is because of the universal behaviours that we can interact and understand each other no matter which language we speak, which religion we practice or which cultures we belong to. Further, Tjosvold and Wong (2004) state that people from different cultures or a heterogeneous team working together find owns ways to communicate and collaborate.

Negotiators, leaders, managers and organisations belong to national societies. Therefore it is important to understand their societies in turn to understand their behaviours and actions. For

instance, family function, education, politics, national history, consumer behaviour, crime and punishment and religion all these things affect a person's life and attitude (Hofstede and Hofstede, 2005). It is obvious, that humans function better in cross cultural meetings if they have learned to know and apply the cultural codes (Bodin and Fant, 1995). Also, to understand other cultures a person needs to know what characterise its own culture have. Otherwise it will become difficult to make an approach to other cultures. Humans take all the time decisions, without any further consideration. Most of the concerns are life's trivialities, like choosing outfits for the day or how to style our hair. The knowledge about what is accepted or not accepted in our social crowd is there. For intercultural negotiations to become effective there is a demand for insight into the different cultural values. It's vital for the messages to be interpreted correctly by the receivers, therefore communication and language skills are a necessity (Hofstede and Hofstede, 2005). Because, in cross-cultural negotiation it requires longer elaborated dialogues (Schein, 2003).

Most of the Mediterranean, Latin Americans, Asians and Africans prefer to do business with people they know. In fact most of the nations are relationship-oriented. It means that the country has a culture that advocates strong family relationships. Persons in these cultures have a preference to deal just with people they know, like friends and family, people who they trust. Foreigners are seen as strangers and relationship-focused people feel uncomfortable doing business with them. So it is common and natural that organisations wish to know whom they are doing business with. In contrast, North America and northern Europe tend to be deal oriented. They are comfortable doing business with firms they do not know. Another explanation to this behaviour is that we as persons with different personalities and interests like to have contact and social encounters with people that are similar to us (Gesteland and Seyk, 2002). Smart organisations that have knowledge about that others may not like to do business with foreigners do not take the first contact directly. International trade shows, government and trade associations or a third party can arrange an introduction (Gesteland and Seyk, 2002).

Cultures consists both of social and psychological elements. Norms and values are the psychological cultural elements and politics, economy, religion are the social elements of a culture. Negotiators' strategies are influenced by their cultural norms, which helps them to define what is inappropriate and what is appropriate behaviour. Negotiating parties bring their culture to the table by their strategies (confront indirectly or directly or usage of influence and information), interests, priorities and motivations (Brett, 2001). There is a connection between culture and negotiations strategies. Negotiation strategies are derived from the native culture and norms of people in the team they draw upon these from their native societal interaction norms (Brett, 2001). The other side's position or an issue of higher concerns can be explained of their cultural beliefs (Brett, 2001).

In international business negotiations, the parties develop during time a mutual understanding for each others perspectives and ways for communication (Salacuse, 1988). When communication works as it should, everything becomes frictionless and culture becomes invisible. So you might say that when culture is not visible it is working (Lindehag et al., 1993).

2.5.1 Constrains and limitations

Domestic negotiation is fundamentally different from international negotiation. Salacuse (1988) explains that international business negotiations have basically six restraints: legal and political pluralism, monetary factors, the role of government, instability and sudden change

and cultural differences and ideological diversity. These factors increase the chances and the risks for not reaching an agreement.

Legal and political pluralism: doing business internationally will require the organisations to also deal with national authorities and laws. Contracts can be subjected to several legal systems, transactions can be taxed by several governments and several courts can become involved in a conflict resolution.

Monetary factors: in international business transactions, organisations deal with many monetary systems and currencies. The world's currencies and the stock market frequently rise and fall so there is always a risk when business is done internationally. The time the contract is signed and from the time the payment is received, there is a risk that the value of the currency has changed. If it has increased, it's your gain and if it has decreased it's your loss. Plus, in some countries the government has a control over the money flow in and out of the country. This kind of monitoring is called exchange control and can be done without any virtual warnings (Salacuse, 1988).

Government: one of the major governmental responsibilities is to arrange public utilities and regulate the nation's economy. It is common that in a country the government has monopoly over a product or a service. For instance, the government has monopoly over the alcohol sale in Sweden.

Sudden change: the high risk of change and instability require organisations need to anticipate the future when they negotiate internationally. The risks for war, strike, revolution, government shift and currency devaluation are some examples of events that have a great impact on international transactions. Therefore negotiations have become a very predictive process. Organisations can negotiate for a Force Majeure, which gives them the right to cancel contracts. Force Majeure gives a party excuse from liability if an unexpected happening, like natural disaster or war prevents them from carry out the contract (*Yale university library. com*).

Cultural difference and ideological diversity: it complicates interactions and certainly negotiation processes. Cultural encounters are not only about learning a foreign language or trying exotic foods. An understanding for philosophies, perceptions and values are required to fully appreciate a unique culture. A message can be interpreted in several ways by different people, because culture operates on unspoken assumptions (Salacuse, 1988). Cultural misunderstandings and communication failures make it difficult to solve a conflict constructively. These issues act as some kind of prevention to framing a problem in a mutual way. Humans are culturally over trained, that is why it is so difficult to understand each other (Schein, 2003).

3. Method

This chapter guides readers through the design and methodology process of this paper. The purpose is to explain how the research findings were produced and what methods were used. The research methodology explains the design of the research and why qualitative research was chosen. The research procedure clarifies the whole process of this study.

3.1 Research methodology

This study has presented facts about culture, trust and human interaction. Subjects that are difficult to put numbers on, subjects that cover the social area. A qualitative approach is considered to be the most suitable form for this study. It will generate theory from the research results, an inductive reasoning (Bryman, 2001). According to Gill and Johnson (1991) it is a learning process which helps the researcher to set its own theories by reflecting on past experiences.

The information has been gathered through a survey examination by interviews. An approach that has the possibility to cover a broad spectrum while still being reliable and replicable. Compared to a case study, a survey will bring out different points of views from different people, from different organisations. The more people that are participating in the survey the less are the chances that the result will be biased (Denscombe, 1998). The researcher wish was to find some common grounds among diversity. However there are some difficulties with a survey. External reduction is when individuals do not want to give an interview and internal reduction is when individuals do not want to give answers to some specific questions (Nordlund and Rönnerberg, 1984). If these reductions become too recurrent, the result of the research will be misleading, and thereby lose its validity and dignity.

3.2 Research procedure

Dr Max Rapp Ricciardi was contacted at the end of year 2006 for guidance. The meeting gave clarification about the research's limitations and possibilities. After the Christmas holiday it was a mutual agreement that Dr Rapp Ricciardi would supervise this dissertation. This study began with a literature review in the spring of 2007 and continued on until the researcher initiated with the interview process. The literature review began slowly by reading recommended articles and books. It was during this period that the research's topic was shaped. The literature review placed the researcher in the subject's context, it illustrated information and knowledge that already were presented and published (Denscombe, 2004). The review was used to employ the existing materials. The quantity and the quality of the literature were equally important.

The quantity: to increase the validity of the study, the researcher wants to show that one experiment, hypothesis or theory is acknowledged by several authors or researchers.

The quality: to many references, for example from websites, a source where anyone can claim to be an expert will decrease the legitimacy of the study. Old classics from notorious authors will give the researcher basic knowledge and it is also from them other researchers have build their theories on. However, modern journals have more relevancy and dignity than the classics.

In the beginning of June the project seriously took off. And at the same time a first submission was handed to present the title of the research. When the literature review was completed an interview guide divided into four categories was developed. The interviews took place at the end of August with the companies Saab Space in Gothenburg, Volvo Aero in Trollhättan and Saab Automobile also in Trollhättan. Companies, that all have vast experiences with the cross cultural negotiation.

The purpose of the interview was to gather a vast variety of information about the subject. In doing so, the researcher interviewed individuals who had cross cultural negotiation experience. The participants who had a vast experience in international negotiation were five men and three women all in the ages from 39 to 58. The individuals received information about the purpose of the study prior the interview. According to Nordlund and Rönnerberg (1984) knowledge about the purpose of the study is important, because it will increase the motivation of the participants. It will also make it easier to steer the content of the interview in the right direction, so that the participants talk about relevant issues. According to Bryman (2001) in qualitative research the interviewer has the opportunity to digress from the interview guide or the question schedule. The interviewer can ask new questions as a follow-up to the first question. As a result qualitative interviews tend to be flexible and the focus can be adjusted after important issues that pop up during the interviews.

Interview results are often opinions, attitudes, stories or life experiences. The purpose of a qualitative interview was to gain qualitative descriptions about the individuals' way of seeing the world. The interviews were recorded with a tape recorder and notes were also taken during the whole interview. One-on-one interviews were seen as the best option, and gave the researcher a more controlled and structured result compare to a group interview.

Each interview ended with the participants filling a questionnaire by Johnson and Johnson (2006) which is based on different communication styles and conflict strategies (see page 7). The purpose was to see how negotiators from a country that is considered to be feminine and egalitarian solve conflicts.

The received materials from the interviewees were analysed. The first step was to go through the interviews and eliminate superfluous material, like deviations and repetitions, keep essential and unessential information apart. This will help the researcher to simplify and summarise the interviews. First, the researcher reads the complete interview to understand the bigger picture. The answers that the interviewees have given become more consistent by a technique called sentence concentration by Kvale (1997). Long expressions are narrowed down, but the essential messages are captured. Also the questionnaires were analyzed and the results were summarised in a table.

3.3 Limitation

The biggest limitation for this research project was time, especially when the researcher decided to write the dissertation during the summer in Sweden. The key persons who were going to participate in the interviews took their vacation in July-August month.

Sweden is considered as an individualistic, egalitarian and feminine culture by the outside world. The persons who took part in the interviews were Swedish negotiators. This means that the researcher received only information about the Swedish perspective.

The researcher does not believe that a single method like questionnaire was appropriate for this study. A questionnaire does not give the participants free hands to express themselves, because they are forced to limit their answers. Here, observations would have been the best way to study the participants' actions. However, the researcher does not have the necessary time or education in psychology or sociology to interpret the result from the observations in a professional way.

4. Result

This chapter presents the result in four different categories: negotiation, culture, trust and conflict that are all related to each other. Also the result from Johnson and Johnson (2006) Communication styles and conflict strategies questionnaire is presented.

Conflict

According to the interviewees, persons do not feel there is a conflict, since it is the other person that has overreacted. It is a common psychological tendency to think that conflicts are created by the other side (by someone else). Different interpretations, perspectives and cultural backgrounds are normal factors for misunderstandings. Depending on the relationship, misunderstandings can easily be resolved. Some take conflicts personally while others see them as an opportunity to strive for power and prestige. Different interest and goals affects the communication in a way that the persons involved do not listen to each other to gain an understanding of why a specific interest is important. People are also bad at explaining why they think in a certain way or why this specific decision has been taken. In some cultures people do not explain why and the decisions are expected to be accepted without any questions. It is a common expectation at a management level. Expectation is another factor for conflicts to emerge. Every person has a certain expectation, for example how a vehicle should operate or how a person should conduct. When personal expectations are destroyed, a conflict will be experienced.

A common view among the respondents is the early realization of conflicts. Persons realize rather soon that there is a conflict, the insight comes early. It also depends how clear-sighted the persons are. To detect a conflict and then do something about it takes time, because it sometimes feels difficult. People are different, some avoid it to the end and some start to do something about it when they reach the “shout at each other” level. Many issues like time, importance, urgency and subject influence the decision of when to resolve a conflict. For instance, some conflicts are avoided from being introduced where the common good overwhelms any need for discussion as some issue will always contain cultural beliefs. Neither side will be willing to change without force, thus creating a conflict. So end points, some topics of negotiation are avoided to avoid the resulting conflict. Moreover, some conflicts never reach resolution because too many conflicts have been piled up on each other. People have missed the chances to do something about it. There are also people who do not desire to solve the conflict because they gain something beneficial out of it. Essentially we are stone aged people and do not behave diplomatically in all occasions. Conflicts can become expensive if they never reach resolution.

A solid relationship with the opponent will lead to a discussion. It is positive with discussions; it leads to enlightenment from different directions. It can contribute to a refreshing new way to think and it is an opportunity to get to know each other better. If the participants manage to solve the conflict, they become stronger as a group unity. It is better to deal with a conflict than not to say anything at all, hence there will always be an opportunity to do something about it. Plus, it drives things forward.

The interviewees definitely felt that there are prevailing cultural differences in conflict management. Some cultures have animated discussions internally while others just let the person in charge do all the talking. And in other cultures lots of feelings come out during negotiations, then everything is left aside while eating lunch together as friends. In Sweden

conflict are regarded as something bad and are usually avoided. It is more difficult in this nation to become aware of the existence of a conflict, because the people are so quiet.

Negotiation

The respondents regard international negotiation as a complex encounter where the negotiators have different cultural backgrounds. This denotes the existence of different behaviour and expressions. For instance, some involve their feelings and while others manage to keep a low voice. And in some cultures the hierarchy levels are unclear, while in other cultures hierarchy plays an important role in the negotiations. Because of these factors the respondents thought that it takes more time and effort to build trust in a cross cultural negotiation.

The mentioned difficulties with international negotiation were several. It is difficult to interpret and understand messages, signs and body language, which the outcome is misinterpretations and lack of respect. Plus, it makes it harder for both of the parties to agree on the purposes and objectives. Moreover there are also some practical issues, like distance which makes it difficult to arrange a meeting and have the essential personal contact.

The lack of knowledge regarding the opponent's culture makes it more difficult to be fully prepared. In international negotiations the participants are required to adjust to each other a little bit more than in national negotiations, however the facts are still the same. The respondents experienced national negotiation processes as simpler, were the participants are from the same country. The participants are more familiar with each other and do not expect any surprises. The negotiators anticipate the same behaviour and attitude from their opponent.

Win-win negotiation outcomes are preferable almost in any situation. And to reach a win-win agreement, integrative strategy is used. It is a beneficial strategy in those cases where the parties wish to have an ongoing relationship for future projects. It is especially important to use integrative strategy when something has gone wrong and it is your side's fault. Integrative strategy can also be used in contract negotiation. During these kinds of circumstances, the negotiators can afford to give away a bit when they know that the contract has some marginal. However, giving and receiving should be balanced professionally; otherwise the opponent will regard his or her opponent as a dumb person. If the participants use win-win strategies they will gain each others trust and build long lasting relationships. Plus, it feels easier to arrange future meetings, as they expect a pleasant future interaction. The positive atmosphere during the meetings contributes to constant communication which in turn leads to a shorter time to reach agreements. However, the interviewees thought there are some few situations where distributive strategy can be taken. Relationships are important and when a negotiator decides to use distributive strategy he or she must be certain that the opponent will never cross the negotiators path again. Though, this strategy will give the negotiator a bad reputation and harm future relationships with others. It is often used in situations when a person does not have a choice or when some issues are too important to compromise. Also in situations where the negotiator knows it is a typical used strategy by the opponent or when the negotiator would like to scare the opponent in a controllable way. If a negotiator meet someone with distributive attitude and the negotiator use integrative strategy as a respond, there is a big chance that the opponent will soften up and switch from distributive to integrative strategy. None of the interviewees recommended distributive strategy. Distributive strategies create a bad atmosphere during the whole negotiation process. It harms the relationship between negotiators. It also creates a power difference, were the negotiator's aim

is to become a person with the strongest arguments. The issues become constantly inclined to conflicts and there is a high risk for negative results.

A successful negotiation is when all the concerns feel like a winner, because if one party goes out from the negotiation room as the only winner, it will backfire in the future. A feeling of victory from both sides will lead to better future collaboration. A process of good communication and an interaction of give and take characterise also a successful negotiation. At the end, it all comes down to a contribution in fulfilling each others needs.

Trust

One of the most vital factors for a successful negotiation was considered to be a shared feeling of mutual trust for each other. For that reason negotiations are a complicated and the process is time consuming. Social events shorten the building trust time. Nowadays, it is common for organisations to have social events to get to know each other and to give everyone an opportunity to present themselves before negotiating. During the actual negotiation your own temper and conduct is very important. The persons at the meeting need to watch out with their temper, act polite and calm and never insult anyone during any circumstances. One of the respondents explained why a negotiator should never lie.

“Lies are never logical; liars eventually get caught with their pants down. The negotiators do not need to reveal everything, but does not either need to tell the whole truth. Show openness and demonstrate honesty by being open and direct with your arguments and avoid false hopes”.

The people involved can not never be hundred per cent certain. The promises that are given during the negotiation can be broken. Several issues were addressed when the interviewer asked about the risks. The respondents mentioned one of the biggest risks is when people think that they know a person, who in fact has a deceiving personality. In worst case scenario it can become an economical backfire and the future trust is gone. And you will be hurt as a person as well. Looking at the preventive measures to reduce these risks, the respondents mentioned, preparation. Being prepared is essential. For example, talk to your colleagues, especially in the marketing and sales department. They have probably been there before the negotiator to promote the organisation. Or bring some experts to the negotiation table. By asking control question (asking about the same thing several times) the negotiator will easily detect the opponent’ s weaknesses and strengths in his of her statements and promises. Another secure prevention that was mentions by all the respondents were to have all the vital points written down. This can be done in several levels. The most common one is a formal contract. A softer from of contract is an Authorization to proceed (AP). Basically the AP is a sign of good faith that negotiations or a real contract is starting to be formulated and that one party allows the other to start working. However, there is a new form of writing that is getting more and more familiar in meetings. Someone writes on a board during the meetings so everyone can see the agreements. It’ s a better form of communication that double checks if all the participants have understood. When the negotiators feel a sense of trust from your side the hope is that the opponent also has a trust in you. In this level of negotiation there is a desire for better communication. Corresponding honesty and openness at least in the same level as it is coming from your side.

All the respondents shared a mutual understanding of Swedish and foreign negotiators. They thought that it is a myth that Swedish people are more honest than others. They did not have a favourite country that they would like to negotiate with. Whom that can be trusted depends

from person to person or organisation to organisation. The nationality of the negotiator does not decide his or her trustworthiness. It depends what kind of relationship the participants would like to create. However, it is easier to get to know a Swedish person. A foreign negotiator does not share the same culture and customs as a Swedish negotiator.

Culture

Since the first meeting is essential and you will always remember it, the most important thing is that the negotiator as a person has both the ability to reflect the opponent's personality and culture. Negotiators should be themselves. There is no need for personality change, because that person will only end up in a bizarre state. It seems like the different characteristics of cultures do not play an important role in negotiation. However, there are some small significant that negotiators need to be aware of when they are going to negotiate with a person from another culture. A negotiator in a masculine and hierarchical culture needs to have knowledge about the opponent's hierarchy. For example, be sure that the persons who are present have decisions mandate. It does not matter if the negotiator is a man or a woman as long as they have experience and a high hierarchy position in the organisation. A person who managers respect and have the ability to captures the audience attention. Some interviewees sincerely thought a female negotiator would be favourable. A woman, who is sharp, is an advantage to break a pattern and men can not be patronizing to a woman who have a manager's position. If a female negotiator is going to represent the organisation in a masculine and hierarchical culture, then she has to be better than the men to gain respect.

The participants addressed a negotiator in a feminine and egalitarian culture as calm, humble and have a non-authoritarian attitude. Since, an authoritarian person is regarded as a pretentious person in Sweden. Moreover, get everyone in the room involved; because of the deep values in equality and the authority line is vague. The negotiator is advised to use direct and honest communication and avoid sensitive subjects, like religion and politics.

A successful negotiation is characterized with all the parties' satisfaction. A constructive negotiation process when both feel like a winner with clear conscience. It is vital to have a relationship where negotiators can change some points without any further heavy discussions. A successful negotiation outcome is when then parties would like to see each other again for future cooperation. Even if a party loses a negotiation, it does not mean that the outcome was negative. Actually, the negotiator has built up a relationship with the opponent and opened a new opportunity for future negotiation. This scenario is referred to situations when negotiating for a contract with a desirable client. An unsuccessful negotiation is when the participant feel it did not went as they were anticipating. Negotiations that did not lead to any agreements or where there was no sufficient time. Some bad examples are when the opponents end up in court or when they force each other to cooperate with contracts. The respondents considered South Europeans having an ability to not mixing person with profession. This is an area that Swedish people need to improve on.

All the interviewees had the same opinion about the used strategies. The negotiator choice of Integrative or Distributive strategy has nothing to do with the national culture. They all emphasized the importance of the organisational culture's influence on the chosen strategies. It does not matter which national culture the negotiators belong to, because the cultural difference lie in the small details. However, negotiation strategies are also very much influenced by the objectives and the specific industry.

Negotiations were perceived as tough and complex interaction, for that reason an inexperienced person is never sent alone to present the organisation. Training, seminars and lectures in negotiation, management, cultural understanding and organisational values would improve the possibilities for successful negotiation in an international context. Other measures that can be taken are constant training in communication for better listening to others' opinions and ideas and becoming clearer in explaining the goal settings.

Communication styles and conflict strategies questionnaire

The participants' results from Johnson and Johnson (2006) questionnaire (see page 7) are presented in table 1.

Style/ Value	Withdrawing	Force	Smoothing	Compromising	Problem Solving
Mean value	17.1	18.1	27.9	26.0	31.3
Min. value	14	16	21	17	25
Max. value	21	20	32	33	35

Table 1. The result from the respondents

Considering the results regarding the use of different communication styles and conflict strategies the majority of the respondents regard themselves as a problem solving person. As the values show the participants have high marks both on the relationship-oriented and the deal-oriented axis.

5. Discussion

This chapter will discuss the results. In the same way as chapter four this chapter is also divided into four different categories, negotiation, conflict, trust and culture. Also the result from the Johnson and Johnson (2006) questionnaire will be discussed.

The purpose of this study is to examine the nature of conflict and negotiation. It will identify the most important aspects of negotiation and examine the main issues that are seen as roadblocks to negotiations with entities from other cultures. Along with this information try to shed light on how different social norms must be understood and approached to help create a better understanding of international negotiation strategies that may be employed.

Conflict

Conflicts between people are often taken as personal by the involved. It makes it even more difficult to reach a resolution. The participants are advised not to take it personal and act professional instead. One of the reasons why people take it personal is because they get accused by their opponent. Blaming each other is a common conflict feature. It is not a strategy; the persons really feel that it is the other person's fault. This phenomenon is common not only at the business level but at all levels. Glasl's (1999) has placed this experience in escalation number five. Consequently blaming each other is something that evolves with time and is not existent at the very beginning. Different perspectives, cultural background, goals, and interests are some explanations and which are also common factors for conflicts to emerge. Negotiators who are forced to act professional by the prevailing business culture need to have an ability to see from other's perspectives to gain some understanding. Sten (2003) explained that humans' prejudice makes us to regard the opponent's arguments as weak and our own arguments as rational. Some persons see conflicts as an opportunity to show their authority and prestige. Involvement of prestige affects the communication in wrong direction. While shouting at each other, people forget to explain why some issues are important for them or why they think in a certain way.

In our daily conversations we use words without any further consideration as to the implication of their usage. Others that listen to us may interpret it differently. How can people be certain that they have understood it correctly and that others use the same definition as they have? Johnson and Johnson (2006) name it for "Perception checking" or "Paraphrasing". Organisations with vast experience in international negotiation have the knowledge about the involved difficulties with different perceptions. By writing at the meetings on some form of screen, the agreed points and objectives will be available to everyone in that room. In this way, if misinterpretations take place they can be solved immediately.

People can sense conflicts early in a stage. Except, the time between detecting a conflict and the time to do something about it varies from conflict to conflict. Time, importance and subject influence the urgency of a conflict solution. And if there are high costs involved, the conflict will attain a high priority. Some conflicts become graver because people did not do anything about them while seeing opportunities. Glasl's (1999) presentation about conflict escalation corresponds with the respondents experiences. Conflicts become more intense because people ignore the signals. This theory also computes with Burgess and Burgess (2003) theory. They described people first feeling pinches and if nothing was done about them, the pinches were develop to crunches.

Conflicts bring enlightenment, new ideas and drives matters forward. It enforces the group unity. It corresponds with Rubin et al. (1994) statement that a group becomes stronger as they manage to solve conflicts. Another positive affect from conflict outcome is that persons get to know each other better.

Conflict is regarded as being managed differently in different cultures. The purpose with Johnson and Johnson's communication styles and conflict strategies questionnaire was to see how negotiators from a feminine and egalitarian culture solve conflicts. Sweden which is placed in the deal-oriented category in the books does not correspond with the respondents' reflections in conflict management. The test shows that the Swedish negotiators place both relationships and tasks in a high priority when solving conflicts.

Negotiation

Negotiation is a common outcome from conflict resolution between entities. It is defined as an interaction process where different parties (at least two) strive to reach mutual agreements with different interests and needs.

Every party's satisfaction, where everyone feels like a winner is characterised as a successful negotiation outcome. Also having a good relationship with the opponent will contribute to better outcomes. For example, when there is so much trust in the relationship that the opponents can make changes in the agreement via a simple phone call. One of the reasons why relationship is important to successful negotiation is because of the potential future collaborations. It is not common that negotiations between negotiators are a one time event. It is an ongoing process. If the organisations are satisfied with each other they wish to cooperate again. Unsuccessful negotiation take place when the parties' anticipations are not fulfilled or when no agreements were made. And the peak of the mountain in unsuccessful negotiation outcome is situations when the parties end up in court. If one party loses a negotiation in a fair fight, it does not mean that the result of the process was negative. Deutsch (1973) clarified that parties can feel satisfaction even if the opponent wins. Rubin et al. (1994) mentioned this win-lose situation in strategically terms, they called it for "Yielding". The winlose situation may have build a relationship and opened a discussion for future cooperation.

Some authors recommend distributive strategies in certain situations, like when the negotiators own goals are too essential or when the relationship with the opponent is brief. This theory is divorced from the reality. Without any doubt, win-win negotiations and integrative strategies are highly recommended from every aspect. As it creates a pleasant atmosphere and offers opportunities for better communication. Seeing that relationships are crucial, it creates mutual trust and prosperity for long lasting relationships and collaboration. Independent parties (those who have monopoly in the market) have the opportunity to have a detached, unconcerned and an uninvolved attitude. On the other hand, the party that is dependent has to accommodate and accept the other party's demands. Used Distributive strategy will give the negotiator and the organisation a bad reputation within the business. In the long run it will affect business relationships negatively.

International negotiation has grown in numbers. Organisations do international business more frequently. In this way global negotiation has become a standard activity. Cross cultural negotiations involve conflicts like language, geographical distance and different behaviours and attitude. The difficulties are a frequent cause of misunderstandings and shown lack of respect to the concerns. This in turn makes it more time consuming and more difficult to reach an agreeable conclusion. A negotiator who is well prepared and has an ability to adjust to

different cultures will contribute to diminish the difficulties. Since, the rule is “*While in Rome, do as the Romans do*”. There is a difference between adjusting and changing personality. A negotiator who is willing to follow, understand and respect the cultural beliefs and values has an adjustable personality. While a negotiator thinks that he or she needs to change personality will only feel uncomfortable in his or her role and never reach confidence at a high level. That negotiator has an image and expectancy on how people from different cultures are. It is a mistake to judge people because of their nation instead of judging people from person to person.

Trust

Trust is an important contributor to successful negotiation outcomes. If there is no mutual trust among the participants no negotiation will take place. Negotiators do not negotiate with someone whom they do not trust, even the availability of and the protection from contracts. Contracts are not used to guard the agreements; it works as a safety net in case of unpleasant surprises.

Organisations have realized the importance of trust at the personal level. Because, trust both among individuals and organizations plays an important role to the organizational presentation and achievement. Therefore, social events are held before the negotiation process so that the different parties have an opportunity to get to know each other and to build trust at a personal level. Consequently, negotiators see it just as important to get to know the opponent’s background as to know the opponents organisation. This can also be seen at from another angle. It is a strategy. The existence of trust at a personal level makes it more difficult to deceive another person, because of shame and guilty feelings. Interpersonal trust has also a tendency to make the deceived person to feel hurt and as a result, taking it personally.

Honesty and openness are the most important contributors for trust building. Negotiators should never lie, but they do not need to tell the whole truth either. With information interdependence (Johnson and Johnson, 2006), the negotiator has the choice to act openly and honest or choose not to reveal everything. The second case involves some risks. The other party will see the opponent as a dishonest person and the relationship will get damaged. In some cases negotiators can not inform everything to the opponent. For instance, it can be because of strategic reasons or sometimes they are not allowed to talk about certain subjects because of company policy or decisions from higher level. Not to be able to explain why a certain objective is important or why a certain decision is taken can cause conflicts. Actually, explaining the “Why” questions are essential factors to conflict resolution. Subsequently, when negotiators hide information from each other and do not want to explain the reasons behind them, they unconsciously create an environment for conflicts to nurture. Openness will also avoid false hopes, because false hopes give the other party certain expectations. Furthermore, when a person’s expectations are not coherent with the reality, conflicts emerge.

The authors have categorized the different cultures. Cultures that use indirect communication can be understood as having a distributive attitude and coming from cultures that use direct communication. Also, deal-oriented cultures that are notorious for maximizing profits and not concerned about relationships are regarded as tricky and false by relationship-oriented cultures. However, the national culture has nothing to do with whom a negotiator can trust. A person’s trustworthiness varies from person to person.

Culture

The typical cultural hallmarks exist in people's private life, like when they have a discussion with their families and friends. Except, the hallmarks are very vague in people's professional lives. Globalization is the best explanation for this, because more and more negotiators gain experience with cross cultural business and education. Negotiators are aware of their cultural hallmarks and that is why they aim to act professional and hide them. Although how hard a person tries to change, a complete change is not possible. Some behaviours and attitudes are so deep that people are not aware of them.

The different cultural characteristics do not play an important role in negotiation. They are present, but they lie in the details and in the background. Negotiators from masculine and hierarchical cultures are used to work with men. They show great amount of respect for managers. A negotiator from a feminine and egalitarian culture believes in equality and openness. It is a non-authoritarian person who thinks managers should deserve respect and not claim it. Brett (2001) argued that a negotiator's native culture drive a negotiator's employed strategies. However, it is difficult to interpret what the author means with strategies. Because, it was not considered by the respondents that the employed strategies were ruled by the negotiators national culture. The negotiators organisation's culture and situation were the most vital factors affecting the strategies. For example, if an organisation has monopoly in an industry, then they have an opportunity to use distributive strategies. Furthermore, some companies believe so deeply in integrative strategy that they have honesty and openness written in the company policy.

It is vital that the negotiators take some time and do some background research about the opponent's culture (organisational and national). A common scenario is when negotiating with hierarchal cultures and it turns out that the opponent does not have decision mandate. Some background research about the opponent, especially about his or her hierarchal status will save the negotiation from conflicts. Seminars, lectures and training provided in subjects like cultural understanding will improve the negotiators chances in cross cultural negotiation.

6. Conclusion

This chapter will draw conclusions from the result findings and moreover give some suggestion on how cross cultural negotiation can be improved.

In this study it was concluded that sometimes stereotypes are not necessarily accurate. A nation like Sweden is considered in the literatures as a deal-oriented and individualistic nation. The natives are more concerns about maximizing their own profits than nurturing relationships. If this was correct then the respondent in the Johnson and Johnson (2006) communication styles and conflict strategies test would have resulted in “Withdrawing” or as “Forcing”. The test presented Swedish negotiator as “Problem solving” persons. Persons who place both tasks and relationships in high priority.

A female or a male, young or an elder negotiator does not play a central part. The negotiator need to be well prepared, sharp and experienced. A person who has social skills and has an ability to see from other’ s perspective A negotiator does not need to change his or her personality play a role, when negotiating with negotiators from foreign cultures. He or she needs to have the willingness to adapt and use the universal conduct codes which is also mentions by Fross (1987).

Integrative strategies should be strived in every negotiation occasion. Win-win situations create new business opportunities, trust and also build strong relationships. The negotiator’ s communication is open and direct. In this way he or she avoids giving the opponent false hopes that do not match the opponent’ s expectation. Distributive strategies create hostility harm relationships and give the negotiator a bad name.

Negotiators experience that conflict management varies from culture to culture. Some cultures believe in open discussions and some cultures let the manger do all the talking. Some cultures show their enthusiasm and commitment by raising their voice and while other cultures are so quiet that it is difficult to realize there is a conflict. All in all, it is essential to be able to explain why a specific objective is important. It is easy to forget in tumults.

A persons trustworthiness or used strategies has nothing to do with his or hers native culture. It varies from person to person. A person can no longer defend his or hers personality, attitude or behaviour by blaming it on his of her native culture. Globalization is slowly but surely wiping out the cultural stereotypes. Instead of just studying other cultures, negotiators need to emphasise personal development, for instance in communication skills, leadership and conflict management. If negotiators are provided with education, their conflict management tactics will be influenced positively. Education broadens views and makes the language richer. It becomes easier to receive knowledge and have contact with the rest of the world. Education in any form is an investment.

6.1 Strengths and weaknesses

This study covers deep and vast ranges of different aspects of negotiation. It exposes conflicts in negotiations from different angles and views. The interviewees are highly qualified negotiators with many years of experiences. Their answers verified some theories that were mentioned by the authors in the theoretical frame and some theories were questioned, which opened new areas for future research. All of the respondents come from high tech industries

with distinguished reputations. If respondents have been from different industries the results may had been more diverse. Plus, the researcher is not convinced if the respondents interpreted the Johnson and Johnson questionnaire' s purposeonly on how they normally act or how they think is the correct way to tact in a conflict situation.

7. Future studies

In western cultures the image of the best way to deal with conflicts is to act openly and cooperatively. The question can be asked if this is the best way of solving conflicts in international situations. Books and articles have been published on the art of negotiation. It is a trendy subject for managerial training. There are even software programs that simulate different forms of negotiation. The computer models and the theories, however, virtually use assumptions about objectives and the values of the negotiators taken from Western societies. There should be a study on how other cultures see on cross cultural negotiation. For instance, what strategies should be employed and how conflicts should be approached.

The Johnson and Johnson (2006) communication styles and conflict strategies test was only taken by eight Swedish negotiators. This test could be provided with more number of participants to draw a more accurate conclusion about negotiator from feminine, individualistic and egalitarian cultures. In addition the same test can be done with negotiators in masculine, collectivistic and hierarchical cultures.

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Appendix

Interview questions

Negotiation

1. Explain the differences between international and national negotiation.
2. Describe the difficulties with international negotiation.
3. In which situations should Integrative and Distributive strategies be used?
4. In what ways do Integrative and Distributive strategies influence the relationship with the opponent?
5. What is a good negotiation according to you?

Trust

1. Do you have more trust for Swedish than foreign negotiators? Why?
2. In what ways can the participants build trust in negotiations?
3. What are the risks in trusting the opponent in a negotiation?
4. What sorts of preventive measures can be take to reduce the risks?
5. What do you expect when you decide to trust your opponent?

Culture

1. In what ways does the negotiator' s cultural background influence the applied negotiation strategies?
2. Describe how a negotiator should be/act if he or she is going to negotiate with negotiators from masculine and hierarchical culture.
3. Describe how a negotiator should be/act if he or she is going to negotiate with negotiators from feminine and egalitarian culture.
4. Describe a successful respective unsuccessful negotiation in international situations.
5. How can your organisation improve the possibilities for successful negotiation in international context?

Conflict

1. What are the most common reasons for conflict to emerge?
2. How far in the conflict do you think that the participants realize the need to negotiate with each other?
3. Why do you think that some conflicts never reach to resolution?
4. Do you think conflict can have beneficial outcomes?
5. How do you comprehend conflict management in different cultures?