



universität
wien

MASTERARBEIT / MASTER'S THESIS

Titel der Masterarbeit / Title of the Master's Thesis

„Factors influencing the e-negotiation behaviour:
a perspective from individualistic and collectivistic
cultural dimensions“

verfasst von / submitted by

Viktoriia Littmann

angestrebter akademischer Grad / in partial fulfilment of the requirements for the degree of
Master of Science (MSc)

Wien, 2018 / Vienna 2018

Studienkennzahl lt. Studienblatt /
degree programme code as it appears on
the student record sheet:

A 066 914

Studienrichtung lt. Studienblatt /
degree programme as it appears on
the student record sheet:

Internationale Betriebswirtschaft

Betreut von / Supervisor:

o. Univ.- Prof. Mag. Dr. Rudolf Vetschera

Acknowledgement

This master thesis would not have been possible without the help and support of many people.

First of all, I would like to thank my thesis advisor o. Univ.-Prof. Mag. Dr. Rudolf Vetschera of the Department of Business Administration at the University of Vienna. I would like to express my greatest gratitude to Professor Vetschera for his guidance, constructive criticism, warm support and advices on how the thesis could be improved.

I would like to express my gratitude to my family, without their support, not only this thesis, but a lot of other important and not also easy experiences would not have been possible. Especially, to my mother, who has always believed in me, even in times I didn't believe in myself.

I would also like to thank my friends for supporting and encouraging me during this whole journey of writing the master thesis.

Thank you all.

Abstract

Cross-cultural electronic negotiation is a relatively new topic of research, however, is inevitable and understanding the influence of different factors on the negotiation process is crucial, as it will help and facilitate the understanding of the counterpart, their behaviour and motives. The purpose of this master thesis is to investigate to which extent cultural background influences the electronically mediated negotiation (hence as e-negotiation) as compared to the face-to-face negotiation. Based on the thorough literature research and studies it was discussed the influence of individualistic and collectivistic cultural dimensions on electronic negotiation. In the focus of the thesis is the cultural dimension of individualism and collectivism, according to the cultural dimensions by Hofstede. Members of individualistic cultures perceive themselves, as individuals or as a part of a larger group; while members of collectivistic cultures are integrated into groups and they are expected to follow the interest of in-groups. Members of individualistic and collectivistic cultures have unique negotiation behaviour not only when negotiating face-to-face, but also when the negotiation takes places via communication media.

Table of Contents

Acknowledgement.....	2
Abstract.....	3
List of figures:	6
List of tables:	7
1. Introduction.....	8
1.1 Overview.....	8
1.2 Research purpose and the research question.....	9
1.3 Research methodology.....	11
2. An Overview of the Negotiation.....	14
2.1 Defining Negotiations.....	15
2.2 The Nature of a Negotiation	16
2.2.1 Interdependence	17
2.2.2 Mutual Adjustments.....	18
2.2.3 Competing versus Cooperating.....	19
2.3 The Framework of the Negotiation Process.....	20
2.4 Distributive versus Integrative Negotiation	23
2.5 Cognitive-Motivational Biases in the Negotiation Settings.....	29
3. How Negotiating Online is Different to Negotiation Face-to-Face? (an overview of electronic negotiation)	32
3.1 Key Features of E-negotiation	33
3.2 Communication Media and Negotiations	38
3.2.1 Synchronous and Asynchronous Mode: Impact of Communication Mode on E-negotiation.....	39
3.2.2 Communication Media Dimensions	42
3.3 Social Interaction Biases.....	45
4. Influence of Cultural Differences on Negotiation	48
4.1 General Influence of Culture on International Business Negotiation.....	49
4.2 Individualism and Collectivism	51
4.2.1 Egocentric Perception of Fairness as a Self-Serving Bias.....	58

4.3	Factors Influencing the Individualistic and Collectivistic Cultures in the Context of Negotiation.....	60
4.3.1	Negotiation Process	61
4.3.2	Negotiation Outcomes	63
4.3.3	Conflict Resolution Styles	64
4.4	Shifts from Collectivism to Individualism.....	65
5.	Cultural Factors Influencing the Electronic Negotiation Process.....	67
5.1	Culture in Business Electronic Negotiation Settings.....	67
5.2	Negotiation Schemas and Behaviour.....	69
5.2.1	Self-interest schema, culture and communication media	71
5.2.2	Information-processing schema, culture and communication media	72
5.2.3	Perception	72
5.3	Impact of Negotiators' Own Culture and of Counterparts on Electronic Negotiation Behaviour.....	74
6.	Conclusion and Recommendations	77
	Appendixes	81
	Appendix 1. Ranking of Countries/Cultures on Cultural Dimensions	81
	Appendix 2. Abstract (in German).....	84
	Bibliography:.....	85

List of figures:

Figure 1. Literature review (own interpretation).	11
Figure 2. A model illustrating process of international business negotiation (Ghauri, 2003, p.9).	21
Figure 3. Cross-cultural e-negotiation framework (Kersten et al., 2002, p.3).	68
Figure 4. The influence of culture and communication media on negotiation (Barsness and Bhappu, 2004, p.354).	70

List of tables:

Table 1. Properties of Communication Media (McGinn and Cronson, in Gelfand, 2004, p. 336).....	39
Table 2. Affordance of communication Media (adapted from Brennan and Lockridge, 2006).	40
Table 3. Communication mode/media characteristics (Pesendorfer and Koeszegi, 2006, p. 143).....	41
Table 4. The effect of communication media on the enactment and interpretation of negotiation schemas and behaviours (Barsness and Bhappu, 2004, p. 355).....	43
Table 5. Key differences between collectivist and individualist societies: language, personality and behaviour (adapted from Hofstede et al., 2010, p. 117).	56
Table 6. Key differences between collectivist and individualist societies: school, workplace and communication technologies (adapted from Hofstede et al., 2010, p. 124).	58
Table 7. Culturally-conditioned perceptual orientation: individualistic vs. collectivistic (adapted from Kastanakis et al., 2012, p.996)	74

1. Introduction

1.1 Overview

The amount of international cross-cultural business negotiation cases is multiplying every day. According to international business analysis and inquiries in management course, an average manager spends approximately 20 per cent of their time negotiating of their working day (Kaynak and Darling, 2013, p.94), the managerial work and successful accomplishment of daily tasks depends on the level of negotiation skills. Information technology has made the negotiation process efficient and practical. The new technology is not only the external factor that influences the negotiation process, it transforms the whole process. Electronic negotiation is getting more and more attractive, and it is of vital importance to review which factors have an impact on the process, as well as on the outcome of the negotiation. However, not only the matter of dispute is influencing the process of the negotiation, but also other factors and variables play an important role, such as cultural background of negotiations' parties. Cultural differences influence the negotiation process from following levels:

- 1) national levels (at the level of different continents, countries);
- 2) organizational level (different type of organization, home country and the industry);
- 3) individual level (individuals have different cultural and professional background etc.)

Cultural differences create additional challenge to the negotiation parties and their ability to adapt and to be flexible would lead to a better solution (Ghauri, 2003, p. 4-5).

The focus of the present study is to examine the influence of the culture on the electronically mediated negotiation (hence denoted as e-negotiation a) as compared to the face-to-face negotiations. The main research question is to examine to which extent the culture influences the e-negotiation, if so. However, the predominant amount of existing studies is concentrating on the impact of cultural factors on the face-to-face stage of the business negotiation, this aim of the present thesis is to discuss the influence of individualistic and collectivistic cultural dimensions on the electronic negotiation.

The face-to-face negotiation is not always an option, and therefore negotiators have to be prepared to build relationships with each other via information and communication technology. Constraints, such as geographical distance and time pressure often make it impossible to negotiate face-to-face.

Given that electronic negotiation is often unavoidable, each negotiator should consider variables and factors that can affect the negotiation process and as a result have a direct impact on the outcome.

The present thesis is based on the Hofstede's model, particular on dimensions of individualism and collectivism, as it represents general patterns of behaviour. It is to acknowledge, that cultural dimensions of individualism and collectivism are not the only one factors that represent cultural differences in complex case, such as the electronic negotiation. However, it can provide an interesting benchmark for more complex theoretic and empirical in the future. The term individualism refers to a degree to which members of society define their self-image as an individual or as part of a larger group. While collectivism is common in societies where individuals are integrated into groups and they are expected to follow the interests of in-groups (Hofstede et al., 2010, p.90-91).

Although, the theory of Hofstede's is considered to be "de facto standard" when talking about cross-cultural research, there is a growing amount of critique. The work is considered to be simplistic, static as it covers only a small sample of subjects (IBM employees). Other scientist's critiques go further, stating that, the culture is a dynamic phenomenon and is changing according to social relationships; and that cultural dimensions may explain the complex scenario (Sanchez- Anguix et al., 2012, p. 631).

1.2 Research purpose and the research question

Internet has become an inevitable part of business life and the electronically mediated communication plays a relevant role. The e-negotiation is becoming widespread and there are different factors influencing the electronic negotiation. The purpose of this thesis is to examine how one of the factors, cultural background, specifically individualistic and collectivistic culture, and to which extent it influences the negotiation via technological tools (e-mail, Skype, video-conference and other medias). This topic has got attention during the last decades but there is not significant amount of studies to prove or to disapprove the concept of an impact of cultural background on the online negotiation. Second purpose of the thesis is to look at the e-negotiating from the cultural context.

There are a lot of cultural values and norms all around the world, but not all of them are relevant to the field of negotiation. Nevertheless, many of them are and they may serve as a basis for interpreting situations, the behaviour of parties involved. Cultural values chosen for this thesis are collectivism/individualism in the context of electronic negotiation. The aim of the thesis is not to bridge the gap between electronic negotiation and culture, but to shape an understanding of influence of cultural dimension on the electronic negotiation and to extend a culture lens to electronic negotiations.

Over the past three years I have been working in a multi-cultural environment with people from different countries and cultures and we have been tackling different obstacles and misunderstanding on a daily basis. These and other issues have come into my focus. Given that people are logical and rational individuals, it is still a question why not the most optimal decisions are taken? What are the factors and intrinsic variables that influence the outcome of a negotiation? If known, could this information be a prerogative? Culture is an issue, as it uncovers problems as well as opens new perspectives and business advantages. Some people think of themselves in terms of an individual units, individualist, while other consider themselves as a part of group, or collectivist. In the United States, for instance, people score highly in individualism, while in Asian or in Middle East countries people tend to be more collectivistic. This distinction explains how societies are organized and how decisions are made.

The question I arrived at the end is whether cultural background of an individual influences the negotiation if communicating via information and communication technology. This master thesis addresses two major fields: culture and online negotiation. This question and other thoughts led me to my actual research question:

What are the major differences of collectivistic versus individualistic approach when negotiating online?

(=To which extent collectivistic and individualistic culture differ from each other when negotiating online?)

Following questions will help to answer the research question: what are the major cultural and behavioural differences of e-negotiation versus face-to-face negotiation? Do negotiators behave

differently when they negotiate in a cross-cultural environment? Do collectivists and individualist show different behaviour when negotiating face-to-face or online?

1.3 Research methodology

The chosen research method of the present thesis is the literature approach. Thesis will examine results of the research studies from different fields in compliance with research questions of the present study as shown on the figure 1. This figure illustrates three different parts of theory that will be used in attempt to answer the research questions: face-to-face international negotiation, international electronic negotiation and culture in the context of negotiation field.



Figure 1. Literature review (own interpretation).

An empirical study seemed rather difficult, because the research findings on the impact of the culture of the e-negotiation are inconclusive. Furthermore, there is no single and unique way to measure the influence of the cultural background on the negotiation as a whole, not mentioning measurable variables for the online negotiation.

The present thesis is divided into six chapters and four thematic field. In the second chapter, the subject of negotiation will be high-lightened, starting with the definition of negotiation and following such topics as distributive and integrative negotiation and its influence on the process and outcomes. We will discuss the nature of negotiation by contrasting different strategies and tactics, to which extent parties' interdependence results in the outcome of negotiation; how mutual adjustments and competing and cooperating behaviour influence the process of negotiation.

Electronic negotiation will be presented in the third chapter and main characteristics, as well as media dimensions will be discussed.

In the fourth chapter, various aspects of cultural differences and its influence on the negotiation process and its outcome will be examined. While there is a great deal of consistency in perceptions that there is a unique style of negotiation, it is important to outline, that there is a variability within one culture. Next, some of factors and approaches that make cross-border negotiation different will be examined, it will be briefly discussed an approach of the conceptualization of culture, introduced by Robert Janosik (1987), who suggested that there are at least four different ways to perceive culture in the international negotiation settings: culture as learned behaviour, culture as shared values, culture as dialectic, culture in context. Each of these approaches shows its advantages and disadvantages. Then, we will turn to a discussion of revolutionary work in the field of cultural dimensions in international business of Hofstede. Hofstede defines culture as “*shared values and beliefs held by a group of people*” (Hofstede, 1980, 1989, 1991, 2010). He introduced four dimensions in cultural differences: individualism/collectivism, power distance, masculinity/femininity, uncertainty avoidance. In the centre of the research question of the present study is the individualism and collectivism dimension and we will delve into this dimension, main features and characteristics will be explored, and we will make conclusions on the base of results of empirical studies and experiments conducted by various scholars from 1980 till 2018. It will be examined to which extent the factor culture and cultural differences influence the negotiation. According to Lewicki (2011), there are several ways in which culture affect the negotiation: 1) the definition of negotiation; 2) the selection of negotiators; 3) protocol; 4) communication; 5) time; 6) risk propensity; 7) groups or individuals; 8) the nature of agreements.

The fifth chapter, and the final thematic part will highlight the influence of cultural dimensions of individualism and collectivism on the electronically-mediated negotiation. Empirical results from few experiments will be discussed, which will be used in order to answer the research question. By using empirical evidence, I hope to answer the research question, based on the literature review.

In order to organize the literature review, a thorough search was conducted of the English published literature listed in databases of the Library of the University of Vienna, SCOPUS, JSTOR, ERIC. I have limited search to books, journal articles that included “negotiation” as a keyword and with at

least one of the following synonymic terms: “electronic”, “online”, “digital”, “electronic communication” and “culture”, “individualism and collectivism”. This search produced approximately 7000 citations for the second chapter; 2300 for the third chapter; while for the fourth chapter generated more than 8000 sources for the literature on the “cultural influence on negotiation” and more or less 700 citations on the cultural dimensions of individualism and collectivism. For fifth chapter, it was generated remarkable less citations, approximately 130 sources from JSTOR database, 50 - from SCOPUS database, and approximately 530 sources from the Universitätsbibliothek, dating from 1980 to 2018. This search was reduced to reviewing abstracts and avoiding articles, that were not relevant to the research question. The review was also enlarged by items referenced in the main literature.

2. An Overview of the Negotiation

Negotiation is a basic human activity and we all are engaged in it in an everyday life, in all fields of our life. Effective negotiation requires specific skills and traits, that can be mastered. Learning how to negotiate effectively requires more than just mastering a basic set of tools, tactics and strategies. It requires developing a complex understanding of a negotiation process with all subtle details, factors and variables. There are key factors and variables that influencing the process, but some are not that obvious as they have an indirect influence and are often neglected and disregarded, however, they affect the process and, as a result, the outcome of negotiation.

There are different types of negotiation and therefore different level of responsibilities and stakes. In some areas, these stakes are very high and the appropriate preparation is required. It may be crucial to take into considerations factors that could influence the outcome. Individuals enter into the negotiation because they have triggers to influence the process and they do not have simply to accept or reject what the counterparty has to offer at the initial stage. However, parties can quit the negotiation process at any time if the required modifications do not lead to expected and mutually beneficial outcome (N. Ghauri, 2003, p. 3). The tools used in the negotiation research has passed through several transformation and moved from the game theory, mathematical analysis of fully rational individuals towards assumption that individuals are not showing the rational behavioural pattern and do not behave in an optimal and prescribed way (Raiffa, 1982). According to Thompson (2010), there are two main distinctions in the theoretical approach to the negotiation field is whether it is defining the negotiation from normative or descriptive perspective. Normative research takes its roots in the game theory, economics and mathematics and suggest what individuals would do if they were rational (Nash 1951 in Thompson, 2010, p. 492). Descriptive research focuses on a negotiator as an irrational individual, while normative approach presumes, that individuals would try to reach Pareto-optimal and mutually beneficial agreement. Though, only small share of negotiations ends up in a Pareto-optimal range (Thompson et al., 2010, p. 492). The study of the negotiation is multidisciplinary as it has been studied from the economical, organizational behaviour, political science, sociological and psychological perspective. The main purpose despite of the field of study, however, is to make it more effective, efficient and reliable through thorough understanding of the concept and the behavioural patterns (Eshragh et al., 2015, p. 148).

Negotiation is often determined as “*art and science*”, where an art is defined as the personal ability to convince and to be convinced, and an ability to use the right tools at the right time; while the science includes the systematic analysis and the set of tools (Raiffa, 1984). Therefore, negotiation is a combination of art and science, where positive outcome is the result of knowledge and experience and planning (Lewicki et al., 2011, p.15). There are few explanations and factors to what may influence the negotiation process and its outcome. In the following chapters, few of them are going to be discussed deeper in order to answer the research question.

The purpose of this chapter is to elaborate on negotiation concept, its nature, principles, theories and characteristics relevant to research questions.

2.1 Defining Negotiations

The terms that will be discussed throughout the thesis should be briefly defined before review of the literature. There are several definitions of negotiation and in the scope of this thesis two are going to be introduced as the most matching to the present topic.

Pruitt and Carnevale have described the negotiation as a form of social interaction, as a “*procedure for resolving opposing preferences between parties*” (Pruitt and Carnvelle, 1992, p.532). Thompson added the concept of resources and defined the negotiation as “*an interpersonal decision-making process by which two or more people make mutual decisions concerning the allocation of scarce resource*” (Thompson et al., 2002, p. 110).

As we can see from these two definitions, both enlarge each other and it could be summarized, that the negotiation process is an interaction between two or more parties that takes place around the issue of bargaining. The ideal outcome of the negotiation is an agreement where the joint profit is maximized and it is divided so that it is mutually acceptable and beneficial. The opposite would be the impasse, where two or more parties fail to reach an agreement.

2.2 The Nature of a Negotiation

Negotiation takes place every day on the individual personal, diplomatic, corporate and business level. The negotiation posits on the belief, that parties share conflicting interest at, either individual or group level. Parties involved in the negotiation process must find a solution to bridge their differences in order to reach a mutually acceptable agreement or till the moment the negotiation comes to impasse. According to Lewicki (2011) there are two reasons for individuals to be involved into the negotiation process: 1) to achieve a goal, that neither of the party can do alone; 2) to resolve a problem between parties. The structure of the negotiation process and fundamental characteristics are the same at all types of negotiation, whether at the personal level or at the corporate level, whether they take place offline or online, via any kind of communication media. In the following sub-chapter main characteristics of negotiation will be introduced.

There are several fundamental and obvious characteristics of negotiation process that are common in most situations:

- 1) there are two or more parties involved. These could be individuals or group of individuals, organizations, countries;
- 2) there is a conflict of interests in the centre of the negotiation between parties;
- 3) the nature of the negotiation is voluntary and parties get involved in the negotiation process as they think they have triggers and power to influence the other party in order to reach an agreement where they can get what they aim for;
- 4) parties are looking for an agreement and start the negotiation in order to avoid a conflict;
- 5) the concept of “give and take” is a predetermined factor. However, concessions and compromises of one party are not the unique way to get the satisfactory outcome for another negotiator, as during the negotiation process parties modify their positions and should try to come up with a solution that is mutually beneficial.

Lewicki et al. (2011) introduced another characteristic of tangibles and intangibles factors. Tangible factors are the terms and price of an agreement. Intangible factors are the psychological motivations that have direct, sometimes indirect impact on the party's behaviour during the negotiation.

2.2.1 Interdependence

Parties involved in the negotiation process are usually dependent on each other. The mutual dependency is called interdependence. The interdependent parties face a challenge, as there is a set of options to be chosen and they have an opportunity to influence each other. When one party is dependent on another than there are only two options: to accept an agreement or to not to accept, there are barely any triggers to influence the context of an agreement. To the contrast, interdependent parties are involved in a more complex and difficult relationship with opportunities and leverages of influence.

Goals of interdependent parties are tightly intertwined; hence, parties are motivated to cooperate in order to reach them. The type of interdependence determines the set of solutions, tactics and strategies for negotiators to be used. In the “win-lose” settings – the more one party gains, the more the other loses – the focus will be placed on how to divide determined resource. In the “win-win” settings benefit all parties involved.

Based on the concept of interdependence, it is possible to make a distinction between integrative and distributive negotiation, that will be discussed in the following chapter. When goals of parties are interdependent so that only one can achieve a goal, there is an environment for competitive behaviour, also called zero-sum or distributive case. On the other hand, when goals of parties are interdependent in a way, where there is a mutually beneficial outcome, also called non-zero-sum or integrative case. These interdependences show negative and positive correlations between goals respectively (Lewicki et al., 2011, p. 7-9).

The interdependence is perceived as an objective concept. However, the negotiators’ perception of the interdependence is not to be undervalued. The perception of an interdependent situation has an important effect on how the negotiator behaves during the negotiation. There are two consequent outcomes of interdependent relationships: value creation and conflict. The interdependence has the capacity to create a value, as a combination of shared interest and scale. Joint ventures between companies create value through scale and are aimed to realize a project that completing alone would be problematic if not impossible (Lewicki et al., 2011, p. 14-17).

Conflict is another important issue in the interdependent relationship. It can occur when parties are willing to achieve the same goal or when parties have completely different visions, or as a result of influence of another intangible factor. Pruitt and Rubin (1984) defined conflicts as “*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*” (in Lewicki et al., 2011, p.17).

Relationships where both parties are interdependent are complex at its core as parties are aware of the fact that they have triggers to influence the process and the outcome as well as each other. This would lead us to the following sub-chapter of mutual adjustments.

2.2.2 Mutual Adjustments

Negotiation is a process that goes through different transformations and mutual adjustments play a significant role in changing negotiation process. Adjustments are made on the available information to each party. However, the premise “the more information, the better” does not always turn out to be the best case, as the excessive amount of information may lead to confusion. Information exchange between parties’ results in cooperative work towards solving the problem and reaching an agreement. One challenging issue may be the unclear negotiator’s vision of what they are aiming to achieve. Hence, it is crucial to clarify what each party wants to achieve at the early stage, what is a desired outcome for each of them (Lewicki, 2011, p. 9-12). One problematic issue for a negotiator is the decision to accept or not to accept agreement in which they get less of what is desired.

Negotiators agree on terms of an agreement at a disadvantage if they think they give away too much (Tyler and Blader, 2004, p. 297).

Hence, making *concessions* is an important step during the transformation of the negotiation process, when several possible outcomes were introduced, but the desired outcome was not reached. Concessions are playing an important role in the negotiation. Accept-it-or-leave-it approach used to be common in the labour market relations, however negotiators dislike and generally are trying to avoid situations where the initial offer is made only on one party’s analysis. Therefore, individuals expect concessions when entering the negotiation. Otherwise, if negotiators are not prepared to make concessions, the counterpart would have to either establish a deal with the initial offering or the negotiation will end up in a deadlock. The more flexible parties are, the more open they are to

make concessions, the greater is the chance, that the settlement will be achieved. However, concessions limit available options for reaching an agreement (Lewicki et al., 2011, p. 12-13).

There is a paramount number of studies that examined how and under which circumstances concessions are made. When the stakes are high, the negotiator is not willing to make a concession and is more inclined to peruse terms of an agreement, to the contrast when the stakes are not so high (De Dreu, 2004, p. 116). The same behaviour is observed when the negotiation costs are perceived as high (Neale, 1984); or when the negotiator behaves in an overconfident manner (Neale and Bazerman, 1985). These factors influence the tendency towards concession making and, as a result, negotiators reach fewer agreements. Another interesting remark was made by Kelter and Ross, that negotiators evaluate the concession that were not offered as more attractive and significant than the concessions that were offered. The concession loses its attractiveness the moment the counterpart introduces it to them (Gelfand et al., 2004, p. 20).

2.2.3 Competing versus Cooperating

Another important aspect in a negotiation context is competing and cooperative, or collaborative behaviour. According to Neal and Fragale, there are two types of uncertainty that negotiators faces during the negotiation process: preferences uncertainty, where the negotiator is uncertain about their preferences and preferences of a counterpart; and goal uncertainty, where the negotiator has a vague understanding of what is the objective of a negotiation.

Competitive or power-focused behaviour leads to a distributive result, to a zero-sum outcome. (Saner R., in Ghauri and Usinier, 2003, p. 53). Collaborative behaviour represents an effort to reach an agreement working together and considering preferences and needs of a counterpart. The pattern of a collaborative approach corresponds to an integrative negotiation. Such tactic is a fundamental factor for creating trust and fairness. However, this may sound idealistic, but the collaborative approach requires mutual readiness to collaborate (Saner R., in Ghauri and Usinier, 2003, p. 54). While co-operators are trying to maximize the joint outcome and individualists are focusing on their own outcome with no concern to the benefit of a counterpart, the competitor is maximizing their own outcome in regard to the counterpart's outcome (in other words, to get a greater share of a resource in comparison to the counterpart's share) (Neale and Frugal, in Thompson, 2006, p. 33).

The decision to compete or to cooperate is often perceived as a part of a goal uncertainty in the social cognition aspect and represents different dimensions of behaviour. However, any negotiation is a “mixed-motive conflict” and combines both cooperative and competitive elements. Negotiators achieve the most integrative results when they cooperate, what induces motivation and trust. The goal of a negotiation is to find a balance between cooperation and competition, however, this may not be an easy task. Negotiators tend to label the negotiation process either cooperative or competitive and the shift during the process seems to be challenging, if not impossible. In the negotiation study domain there are three types of negotiation orientation: cooperative negotiation, individualistic orientation and competitive orientation (Neale and Frugal, in Thompson, 2006, p.27-33).

There are several factors influencing the decision what tactic to integrate, cooperating or competitive, from mood of a negotiator at that particular moment, evaluation of their own skills and traits to medium chosen for conducting the negotiation process. There is an evidence, that in the face-to-face context, negotiators are more likely to show a cooperative behaviour relative to the negotiation conducted via communication medium. There is a higher level of trust and information flow in the face-to-face negotiation context than when negotiating from a distance. In the face-to-face negotiation settings, parties are more likely to apply cooperative tactics in order to achieve a higher joint outcome than negotiators who interact via communication medium (Neale and Frugal, in Thompson, 2006, p. 33-35).

Lewicki defined the collaboration and competition as integrative and distributive tactics respectively and in the following sub-chapter, we will take a look into the negotiation in a distributive and integrative context.

2.3 The Framework of the Negotiation Process

The amount of global business negotiation is skyrocketed in recent decades and has got a lot of attention among scholars, from both academic and practitioner aspects. It is important to distinguish international and cross-cultural negotiation, as these two terms are confusingly used as interchangeable synonyms. Weiss identified the international business negotiation as “*deliberate interaction of two or more parties (at least one of them a business entity); originating from different nations, who are attempting to define or redefine the terms of their interdependence in a business*

matter” (Weiss, 2006, p. 288). The terms cross-cultural negotiation is often used a synonym, however there is an essential difference and namely, the type of an actor and the subject of negotiation. The international business negotiation occurs between multinational enterprises and government (Weiss, 2006, p. 289). On the other hand, the cross-cultural negotiation approach includes the negotiation between parties from different countries, cultures or regions, without any specifications and pre-requisites of parties (Lewicki, 2001, p. 183).

Ghauri (2003) outlined three groups of variables influencing the negotiation process: background factors, the process and the atmosphere. These variables form the three-dimensional business negotiation process. Strategic and cultural factors are an inevitable part at each stage; however, it is worth to mention that these factors play different roles in each dimension: one variable may have a positive influence at one stage and a negative at another stage. The following illustration depicts these dimensions.

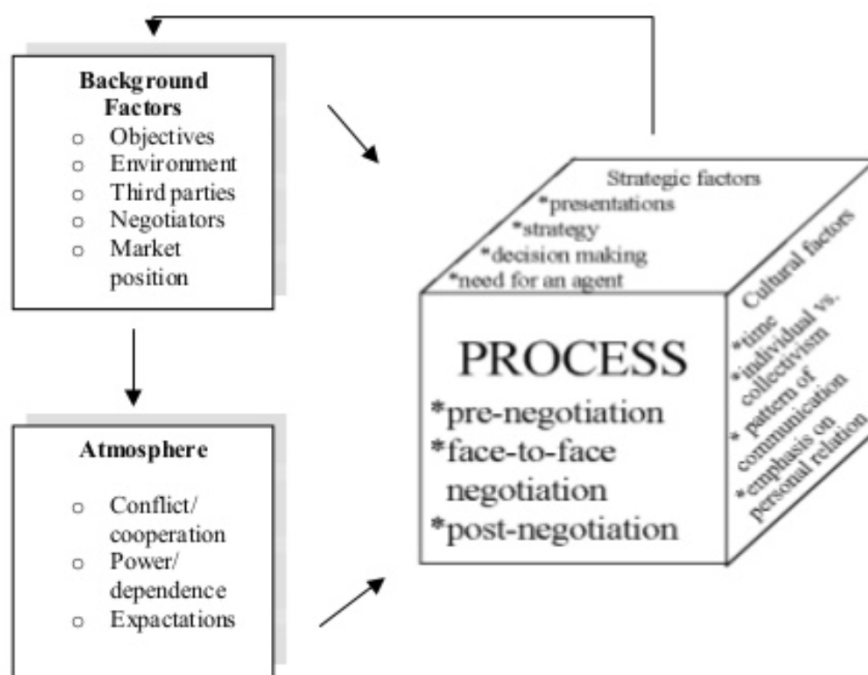


Figure 2. A model illustrating process of international business negotiation (Ghauri, 2003, p.9).

Background factors has an influence on the negotiation process and on the negotiation atmosphere and include objectives, environment, market position, third parties and negotiators. Objectives are divided into common, conflicting or complementary and are desired outcomes for each party. Environmental variable includes relevant to both parties political, social, structural factors, while atmosphere is the relationship between individuals involved in the process of the negotiation and

play a fundamental role in the process. However, it describes the perceived reality, not the reality itself, which is often more important. Atmosphere characteristics (conflict/cooperation; power/distance and expectations) have different weight at each negotiation process (Ghauri, 2003, p. 5-8). The process of each business negotiation consists of three following stages: pre-negotiation, negotiation and the post-negotiation.

During the pre-negotiation stage, after first contacts and decision to start to negotiate in order to reach an agreement, first offers are announced and both parties are trying to understand one another objectives, needs and points of views in order to enter into the negotiation process. Parties are gathering the information about each other, about their environment, competitors, influencers and start making evaluations and assumptions about benefits and possible losses. The main concern during the pre-negotiation stage is to define a problem jointly in order to solve it. The pre-negotiation stage is considered to be more important in the international business negotiation settings than the formal negotiation itself. Social, informal relationships between parties built during this stage could lead to a smoother formal negotiation stage.

The first step in the pre-negotiation stage in any negotiation, and electronic included, is the collection of the information about the negotiation's matter of dispute as well as about parties involved in the negotiation process. It is often called the identification process. Retrieved information will provide the negotiators with available alternatives in order to have a set of offers and prepare argumentation. Some information may be blocked from the counterpart in order to have triggers and more influence during the negotiation process. Second step is the validation, where parties sift the most important information from irrelevant to the negotiation issue. Results have to be credible and authentic. Credibility is defined as the trustworthiness of retrieved information. It is important to avoid over-generalization and simplifications of the information. Authenticity is, on the other hand, is "*association of the real information provider with the information we have*" (Harkiolakis, 2012, p.48).

During the face-to-face negotiation stage, the main task is to find a solution to a joint problem. Each party should also acknowledge that the counterpart has different view and perceives the situation differently and it important to start a negotiation with several alternatives in mind. Each party should evaluate the available alternatives and to choose the alternative that is compatible with their own

expectations. The main issue is to identify the differences and try to bridge them (Ghauri, 2003, p. 11-12).

The final stage, the post-negotiation, leads to signing a contract. However, during this stage may occur some obstacles, such as different views on the language that is used. This stage can also lead to a renewed face-to-face negotiation if parties cannot agree on the final draft of a contract (Ghauri, 2003, p. 13-14).

2.4 Distributive versus Integrative Negotiation

Negotiation is a venture with mixed aims, as negotiators are cooperating with one another in order to reach an agreement and, on the other hand, are competing with one another to get the resource. The negotiators are acknowledging the worthiness of reaching a mutual agreement, however, are motivated to maximize their own profit. One of the most compelling paradigms in the study of the negotiation, is the distinction between distributive and integrative negotiation.

There are two main aspects that are describing the major goals of the negotiation process: 1) the cooperative aspect, the increase of the resources and 2) the competitive aspect, the claim for those resources (Thomson et al., 2002, p. 110). These two aspects are also known as integrative and distributive negotiation. However, according to Hawes and Fleming (2014) significant amount of negotiations falls between two extremes with the mixed-motive negotiation in between. The main difference between these two concepts is whether the “pie”, simply a resource, could be extended before the allocation. Distributive bargaining handles with the “fixed pie”, while the “pie” in the integrative negotiation gets enlarged before the allocation process begins (Hawes et al., 2014, p.280).

Distributive negotiation is often called as “win-lose” or competitive bargaining (Labovitz, 1980). In the distributive framework, goals of parties involved are fundamentally different and are usually in direct conflict with another party’s goals. While resources being fixed, parties are implementing strategies and tactics in order to get a larger part of it and to maximize their shares.

According Thomson et al. (2002) there have to be a positive bargaining zone and both parties have to decide how to allocate resources. The bargaining zone, also known as settlement range or zone of potential agreement is area where the negotiation actually is taking place. When the buyer’s

resistance point is above the seller's point (the buyer is not willing to give more than the seller is willing to accept) – there is a positive bargaining zone. The negative bargaining zone occurs when the buyer is not willing to give more than the seller is willing to accept. The *resistance point* is the minimal price the seller is willing to accept and no one is going to settle for anything less than that. When the negotiation begins in the negative bargaining zone, the negotiation is more likely to come to an impasse, unless both parties- the seller and the buyer- will change their resistance points. At the initial stage of the negotiation when resistance points are interchanged, it is challenging to say if there is a positive or negative bargaining zone. Both parties may come to conclusion during the process of negotiation, that there are no mutual points in the range. At that given moment, negotiators may agree on ending the negotiation or making the re-evaluation of their resistance points. The goal of a distributive negotiation is to reach an agreement within the positive bargaining zone. In other words, each party have in sights to get as close as possible to the counterpart's resistance point. When entering into the distributive negotiation process, parties assume that they may have to get less than they are willing, but as long as there is a chance that the settlement point will meet their expectations and be higher, the negotiation will take place (Lewicki et al., 2011, p. 75-79). This topic deserves a discussion, but in frames of this thesis only relevant to the research questions points and remarks are going to be introduced.

In order the distributive negotiation to be called as successful, the negotiator has to note two important issues: the positioning during negotiation and the important role of making concessions. At the process of making offers parties will take their positions, very often positions are changed and adjusted according to the information they receive from the counterpart. These changes are caused by the introduction of new information (Lewicki et al., 2011, p. 90). The role of concession in the negotiation process was introduced above, while the aspect of information sharing is going to be presented in the following discussion. The information to be shared may be a perplexing issue for negotiator.

The amount of information in distributive bargaining is generally constrained and parties do not reveal more than it is required for the negotiation (Nadler, 2004). The distributive negotiators are focusing on their positions and avoid revealing information and weaknesses, while integrative negotiators are willing to inform the counterparty about their interests in order to achieve a mutually beneficial agreement (Hawes et al., 2014, p.283). Due to Pruitt, the scope of opportunities enlargers

when the negotiator starts sharing information and introducing their initial offers, as the negotiator sees the counterpart's preferences and priorities. However, parties are providing information only when it is strategically advantageous. In other words, distributive negotiation is a competition, where each party is trying to get the fixed and limited resource.

Despite the negative shade, distributive tactics and strategies are necessary, when the negotiator is willing to maximize the profit in the particular deal and the future cooperation is out of their interests (Lewicki et al., 2011, p.74-75). Distributive negotiation as noted above is considered to be damageable to many bargaining relationships, however in some occasions it is the most desirable approach, for instance, as when the price is the only given variable that differentiate one provider from another, other factors are the same. Due to Thomson et al. (2002), the fixed-pie perception of negotiation dominates during the process of the negotiation, which is the belief that the counterpart has complete opposite interests. This common misunderstanding does not lead to mutually beneficial agreement. The results of the meta-analysis conducted by Thomson a decade earlier, have proven that people do not perceive the compatible interests in approximately 50% of cases and negotiators' interests are usually correlated, so that the gain of one party does not equal to the loss of the counterparty. Successful outcome of the integrative negotiation requires open exchange of information, cooperation and revealing common interests.

To conclude, there are several distinctive characteristics of distributive negotiation. The distributive negotiation begins with establishing own resistance point and the resistance point of a counterpart is going to be identified during the process directly or indirectly. However, the minimal price under which the counterpart is not going to accept an agreement is unlikely to be revealed. The bargaining zone is crucial. If there is a positive bargaining zone, then the range in which the settlement can occur and both parties are more likely to try to get as much as possible and to get closer to the resistance point of a counterpart. In order to achieve this, the negotiators would gather all possible information about the counterpart and their positioning. However, if there is a negative bargaining zone, the negotiation is unlikely to take place. As it was already mentioned before, distributive negotiation's focus is short-term and all the efforts are pitched on immediate results without much interest about future and how these results may impact future opportunities. Hawes compares the concept of the distributive negotiation with the Wealth of Nation by Adam Smith's where the short-term profit is the goal and the consideration about long-term influence on the reputation and future

collaborations are neglected (Hawes et al., 2014, p.283). The distributive negotiation is a conflict situation and all parties involved are trying to meet their own preferences and needs by revealing only a sparse amount of information and using tactics and strategies that include manipulative and misleading actions. However, the negotiation by definition is an attempt to resolve a conflict and for an effective distributive negotiation it is necessary to plan carefully, to control persistently the behaviour and the reaction of a counterpart (Lewicki et al., 2011, p.112).

The process of reaching an agreement, that would benefit both parties of the negotiation process is known as integrative negotiation, often called “win-win” agreement (Labovitz, 1980), cooperative, collaborating (Lewicki et al., 2011) where both parties admit that before the allocation of the scarce resource it could be expanded through collaboration. Not all conflicts have to be a “win-lose” situations and negotiators have to look for integrative solutions with mutual gains.

In the distributive negotiation there is a belief that exists a fixed amount of resources and they have to be divided, while in the integrative negotiation process goals of parties are not mutually exclusive. However, it is not always the case and in order to reach an integrative agreement, multiple issues have to be identified (Hawes et al., 2014, p. 283).

According to many authors (Pruitt, 1983, Ghauri, 1983, Lewicki et al., 1991), business negotiation is more related to the integrative negotiation and is close to the problem-solving approach.

The following characteristics are defining the integrative negotiation:

- 1) there is an open flow of information between parties as a prerequisite for a mutually beneficial solution;
- 2) parties accept the conflicting objectives and what they have in common and they are willing to reach an agreement;
- 3) both parties understand that they have different points of view, but focus on commonalities;
- 4) parties are looking for a jointly optimal solution.

In order to reach mutually beneficial goal, parties have to be firm about the needs and preferences, but at the same time flexible in the manner these needs and preferences are achieved (Lewicki et al., 2011, p. 117). Negotiator in the integrative context would consider the influence of the present deal on the future in the long-term. Another characteristic is the influence on the relationship of the parties. In integrative context, to the contrast to the distributive, the mutually beneficial outcome

would lead to the overall satisfaction, including emotional and substantive. It is also of vital importance to mention the role of concessions, however, the role of concession is not to be underestimated in the distributive frameworks as well. Thibaut and Kelley's describe the concession as the "give-take" process, where one party expects the other one to respond to its "give". Without any kind of concession from both sides, the agreement is not likely to be reached (Hawes et al., 2014, p. 282- 283). Negotiators in the integrative negotiation must have a free and open interchange of information and the willingness to listen to other side's preferences and needs. If the negotiator perceives other side as an opponent or a rival then the integrative negotiation cannot take place (Lewicki et al., 2011, p. 117).

There are four steps in the integrative process (Lewicki et al., 2011, p. 117- 135).:

- 1) The problem identification is often the most challenging step and requires a lot of effort. The problem statement ideally should be set in neutral terms and it may be necessary to work over the problem definition for a certain time before the statement is acceptable for all sides.
- 2) Understand the problem and bring interest and needs to the surface is the key to achieving an integrative solution. In this aspect it is important to distinguish interests and positions. It is not always that clear to identify the position of the counterpart to the contrast to interests and needs. Interests are concerns, needs, preferences and fears that motivates the negotiator to take a particular position. Understanding interests helps negotiators to come up with solutions to meet identified interests. The key question is why – *why* individuals want what they want. Generally, parties stand their positions when they enter negotiations and parties state what they *want*. In distributive negotiation context, parties are trying to achieve a settlement close to the counterpart's resistance point. In the integrative negotiation context, negotiators should understand the motivation behind – why is the other side willing to get to the resistance point. Only when parties understand motivating factors, they can recognize compatibilities and come up with new solutions.
- 3) Generation of alternative solutions to the problem is the creative part of an integrative negotiations. The purpose is to create a number of alternative solutions after the problem is defined and interest of every party is understood. There are two approaches to generating alternative solutions: "generating option to the problem as given" and "generating options by

redefining the problem”. In order to create solution to the problem it is required to have a flow of information exchange; to be focused on interests and not on positions and be firm in regard to what they want to achieve and at the same time be flexible in the means which are used to achieve their goals. Firm flexibility indicates on few fundamental interests and on a variety of positions and solutions.

- 4) Evaluate those alternatives and select the most suitable one. If the problem statement was not perplexed than the evaluation and selection phase may be combined. However, negotiators may rank each alternative option against specific criteria in order to select the best one. If no option is acceptable, it is a sign that the problem was not stated clearly (return to the step of defining the problem), or standards are not realistic or not relevant.

However, the last point introduced by Lewicki et al, is arguable, as the alternative solution might be beneficial for one party and unacceptable for another.

Integrative negotiation is a collaborative process where parties establish their common problem and rely on tactics and strategies to solve it. However, negotiators do not perceive situations as integrative or are not able to negotiate in an integrative manner and view situations predominantly as “win-lose”. There are several factors to that encourage the integrative negotiation: 1) if there is a defined common goal which parties are willing to attain or they want to share or one party’s resources are not sufficient to achieve a goal unless cooperating with another side, then there is higher chance for an integrative negotiation to occur; 2) parties have to be committed to cooperate and to work together; 3) parties must perceive other side’s interests as valid; 4) there must be clear communication among parties (Lewicki et al., 2011, p. 135-146).

There are several major distinctions between distributive and integrative bargaining. The goal each party has before entering the negotiation may influence the way the negotiation will go. In a distributive context, each side is willing to maximize their own share of the resource; while the goal in an integrative context is to maximize the resource and afterwards to allocate it.

Another distinctive characteristic is the way parties are dealing with the problem. The distributive negotiation presumes the logical approach to problem solving and avoiding the emotional part. On the other hand, the integrative negotiation covers more complex problems which require mutually

beneficial solutions and therefore the creative and innovative solutions are prevailing (Butler, 2010 in Hawes et al., 2014, p. 283).

However, considering all the distinctive characteristics, distributive and integrative negotiations are not mutually exclusive and during different stages of the negotiation process the behaviour of the parties may fluctuate from one extreme of the spectrum to another one. The common inaccurate step is to assume that there are no more common interests, when the distributive approach was implanted at the early stage of the negotiation (Adair & Brett, 2005).

2.5 Cognitive-Motivational Biases in the Negotiation Settings

The traditional economic theory suggests, that negotiations are rational businesses, based on principle of maximization and Pareto-optimal and that individuals have stable preferences and needs and that they try to maximize gains and minimize loses. However, the outcome of a huge amount of negotiations is far away from rational predictions. Negotiators have to deal with imperfect and incomplete information and have limited knowledge about their counterpart, their preferences and needs. As a result, negotiators have unclear picture about what they have to do and how they have to behave (Neale and Fragale, in Thompson, 2006, p. 25).

In the previous sub-chapter, the importance of a free flow of information was discussed. In this sub-chapter, the manner individuals use received information during the negotiation and its influence on decisions will be discussed. Previous studies by Bazerman (1987), Thompson and Neale (2004) and prior literature in psychology have already proven, that individuals are not rational and tend to make mistakes and errors. These errors are called cognitive biases.

“Cognitive biases are systematic deviations from normative models that prescribe rational behaviour, as articulated by game theory and other normative principles” (Thompson et al., 2004 in Gelfand, p. 8).

Cognitive biases play central role in the decision-making literature. In a significant share of literature there is an assumption that individuals are not rational and they tend to have cognitive and emotional limitations. Decision-making literature identifies approximately 21 biases (Caputo, 2013, p. 390), however, only following heuristic that lead to occurrence of cognitive biases will be

represented: framing, anchoring and adjustment, overconfidence (Neale and Bazerman, 1991) and self-serving biases (Lewicki, 2011).

The term framing in the decision theory context was framed by Tversky and Kahneman in 1981 and is explained as the manner individuals tend to use when attaining information and solving problems. The way individuals evaluate the situation depends on their reference points and definition of “gains” and “loss”. Frames induce individuals to behave in a certain way and avoid others and the way the negotiator is framed leads them to be more or less risk averse or risk seeking. What is of most interest, individuals show different responses when they negotiate to “gain” something or “not to lose” something (Lewicki et al., 2011, p. 155). In the negotiation context, the individual who expects profits is positively framed and who expects losses is negatively framed. Positively framed negotiator shows a less risky-averse behaviour and shows a tendency to make concessions in order to reach an agreement. However, positively framed negotiation leads to a higher number of successful agreements, the overall profit of a negatively framed negotiation is remarkably higher. In the context where parties have different frames, the positively framed negotiator is expected to gain a smaller amount of an available resource than the negatively framed. Negatively framed negotiators generally have better outcomes not only in the distributive but also in the integrative negotiation setting (Thompson et al., in Gelfand, 2004, p.9 -12). Negotiation where the outcome is negatively framed leads to a significantly smaller amount of concessions and agreements and the outcome is perceived as less fair than in the positively framed context (Lewicki et al., 2011, p. 156).

Anchoring and insufficient adjustment is another important bias and relates to decision-making process where individuals make evaluations. The effect of “anchoring and adjustment” occurs when parties define an anchor – this could be an initial offer or a goal- as a benchmark and make adjustments based on it. This defined anchor influences how individuals think and how they make decisions. The asking price can serve as an anchor, however, it may be false or consist of incomplete information (Lewicki et al., 2011, p. 155). The unreliable anchor creates additional risks to the quality of judgements individuals do. The anchoring effect has an impact on initial positions, aspirations and resistance points of negotiators (Caputo, 2013, p. 387). In many situations, individuals make their assumptions based on the anchor and then adjust them to what they think will be a final outcome. This causes a problem as the adjustments are insufficient or are not reliable as they consist of incomplete information (Tversky and Kahneman, 1974).

Negotiator's decision and evaluation are based on the available to them past and present information. However, not every piece of information is relevant to the decision-making process (Thompson et al., in Gelfand 2004, p. 14). Overconfidence occurs when individuals believe that the information they possess are greater and that their abilities to make judgments about positive events and underestimation of negative ones. Overconfident negotiators are more likely to make fewer concessions and reach fewer agreements than realistically confident negotiators (Lewicki et al., 2011, p. 157; Thompson et al., in Gelfand 2004, p. 14-15). One possible explanation of the overconfidence is that negotiators neglect the other side's perspective. Another explanation lies within the self-serving bias, which means that negotiators have a strong belief that they can make judgments and estimations more accurately than the counterpart (Neale and Bazerman, 1985).

Another important in the scope of the present topic is the self-serving bias, which is a judgemental error, that has an impact on individual perception of a given situation. According to Gelfand (2002) self-serving bias show itself in a way, that individuals perceive themselves as better than others, they perceive their traits and abilities higher than in others, they feel more responsibility for success and lower responsibility for failures. Even after, acknowledging the existence of a self-serving bias, some people still think they are still prone to this bias, but this does not affect the existence of that bias. The impact of self-serving bias is manifested in the dynamic interaction settings. Results of study among negotiators in the United States conducted by Kramer, Newton and Pommerenke, that negotiators evaluated themselves as better negotiators than their counterparts, as fairer and more cooperative (Gelfand et al., 2002, p. 834). This bias has got a lot of attention in the distributive negotiation context and predefines an impasse. High self-serving bias encourages negotiators not to accept offers from the other side as they are perceived as unfair (Gelfand in Caputo, 2013, p. 387).

Cognitive biases as well as misperceptions occur automatically and even if negotiators are aware of them, they still are inclined to show biases to some extent. It is a challenging effort to eradicate biases, however, the first step is to be aware that the bias can occur and be able to have an open discussion with counterparts (Lewicki et al., 2011, p. 122-123). Notwithstanding, this advice does not seem to be strong and reliable, and more studies have to be conducted on this particular problem in order to point out new techniques and strategies.

3. How Negotiating Online is Different to Negotiation Face-to-Face? (an overview of electronic negotiation)

In the last three decades, information technology has become inevitable both in private and in business environment and the digitalization has also reached the field of negotiation processes. There is an increased demand for online negotiation, as online negotiations guarantee higher level of efficiency, effectiveness, quality of reaching agreements etc. However, digitalization influences not only the process and gives new opportunities and bring the negotiation process to a new level development, it brings some perils as it also influences the way organizations and individuals communicate with each other. In the following chapter, it will be examined how individuals negotiate via communication media and how the process and the outcome of the online negotiation is different from the traditional face-to-face. Key features, characteristics, tasks, strategies, advantages and disadvantages will be reviewed on the base of the research literature that has been examining the online negotiation for several years. Some traditional approaches to research on negotiation are not applicable, when talking about negotiation online, as communication media is often missed out.

There are two obvious factors that induce the negotiation to make a shift from offline to online environment. First, the use of communication media has become a mainstream both in private and in business context. Second, negotiation is something that all individuals will face on an everyday basis. These two basic facts made it inevitable for negotiation process to be conducted through technology (Nadler and Shestowsky, in Thompson, 2006, p. 145- 146). However, it is not always possible to choose or to change the counterpart, it may be possible to change the extent to which the negotiator perceives the counterpart as an “identifiable stranger”, what is common when communication via technological tools. Given that, the negotiation via communication medium are often unavoidable and negotiators are to consider facts and variables that affect the negotiation process and the outcome, as a result.

Individuals experience the communication in a different way than when they communicate face-to-face. Negotiation takes place more often not at the “negotiation table”, but through a variety of electronic channels such as e-mail and teleconferencing systems. The selection of a particular channel influences the perception of a communication as a whole process and the behaviour. The diversity in the communication channels is a driving factor of negotiation process and outcomes

(Lewicki et al., p. 174). Individuals who are to negotiate face-to-face tend to trust the counterpart more than when those who are to negotiate in the online settings. Study among students, conducted by Naquin and Paulsen in 2003 has shown, that the very idea of negotiating using the technology channels lead to minimizing trust, irrespective of relationships between parties.

The use of technology channels for the negotiation purpose and reliance on it without acknowledging the influence of it on the quality of communication, the process and probable outcomes may turn out to be full with obstacles and hidden drawbacks. However, the implementation of information and communication media offer new horizons and opportunities and the focus of this chapter is to examine challenges individuals are facing when negotiating using the communication technology, and the prerogatives it brings with itself.

The type of negotiation that takes place using communication technology is referred to “e-negotiations”. There are several other definitions, such as “online negotiations” or “virtual negotiations”. However, as these terms are frequently used as interchangeable definitions, this thesis also employs these terms for the purpose of the literature review. The influence of technology channels on a communication– particular negotiation – will be analysed. To which extent technology influences the process, tone and the outcome of a negotiation.

3.1 Key Features of E-negotiation

Negotiation via information technology is different from face-to-face negotiation by its structure. E-negotiations’ fundamental characteristic is that *“they are, by definition, mediated by a machine and, therefore, relatively indirect means of interaction”* (Spears and Lea in Thompson, 2006, p. 149). Electronic negotiation has several undoubted advantages, such time saving and costs reduction, and convenience’s increase (Rosette et al., 2012, p.639), however, there are some pitfalls, that are going to be briefly introduced in the following sub-chapter.

All significant features of an e-negotiation form a specific context and environment for negotiation to take place. The major distinctive feature of the e-communication forms a setting where individuals experience the counterpart as distant, unknown and conspicuous. Technology deprives the negotiator the prerogative of the visual cues as the social information is not available, which is the common characteristics of the face-to-face communication. Negotiating at the same location at

the same time provides negotiators with the sense of shared surroundings and parties involved in the face-to-face negotiations have an opportunity to perceive the counterpart's utterance the same time they speak and make assumptions, conclusions. The communication online disseminates the information that individuals receive from visual cues (Nadler et al., 2006, p. 149).

On the other hand, the reduced communication cue in the e-negotiation settings could form the relationship between negotiators that may never be formed otherwise. The “gating features”, such as gender, colour, attractiveness etc. are the most notable features of the face-to-face negotiation and often appear to be an obstacle for forming bonds between negotiators, whereas via the e-negotiation these obstacles are more likely not to arise (McKenna et al., 2000; Thompson et al., 2002, p. 120-121; Harkiolakis, 2012). The inability to observe the reaction of the counterpart, body language, facial expressions etc. may give an easy win in one context and may turn out in frustration, mistrust and misinterpretation in other circumstances. It was proven, that negative emotions have more influence in the context of online negotiation than in the face-to-face. On the other hand, there is certain freedom to express ideas, thoughts in the online negotiation (Harkiolakis, 2012, p. 2). There is an interesting remark, that when the counterpart is not just an average abstract individual than the negotiator tends to perceive them more or less like themselves, and is more likely to make objective judgements. The “identifiable other” effect is applicable not only in judging personal traits, preferences and skills, but also in identifying decisions. The results of studies on “identifiable others” have shown the importance of use of information technology in negotiation. The theoretical background suggests, that acknowledging the counterpart as a specific individual mitigates differences between the counterparty and the negotiator and induces to show more generous behaviour towards them (Nadler and Shestowsky, in Thompson, 2006, p.151).

There are several ways to inform and to communicate emotions, feelings online to the counterpart: a form of language of symbols, norms is worldwide accepted. In this context following factors, as time, date, location could help to clarify the content of the message and are worthwhile to consider, however, they are beside the scope of these thesis' topic. Therefore, if the social bond is lost in the technology-mediated context than individuals perceive the counterpart as less known than they would perceive in the face-to-face context (Nadler and Shestowsky, in Thompson, 2006, p.150).

Another important contextual factor is the existence of relationships between negotiating parties. It requires relatively small amount of effort to reach an integrative agreement if parties have already established a certain level of trust among them. In the study of legal disputes, Johnston and Waldfogel (2012) found that the existing relationships between opposing counsel would have a direct influence on settlement and cases were solved quickly and only few landed in the trial. However, parties may establish relationships during the process of negotiation and it may be established even through technology-mediated channels. Negotiators may face few challenges while building relationships in the digital environment as it may last longer to get to know each other. There is also a significant difference in how communicators deliver information and the study conducted by Thomson and Murachver (2001), sometimes labelled as discriminant, has shown that females tend to make more references to emotion, they also share personal information and use more intensive adverbs. Results of this study suggest that social cues are present in the electronic context to a certain level, but it may be a challenging task to identify them (in Thompson, 2006, p.157).

Study conducted by Naquin & Paulsen in 2003 has shown interesting results. It was proven, that individuals involved in negotiation via the communication media were less likely to continue to negotiate with their counterpart afterwards than individuals after the face-to-face negotiations. On the other hand, the study by Morris (2002) has found no difference in the emotional content when comparing face-to-face negotiation with the e-negotiation. Social awareness research theory posits that communication media reduces the level of collaboration and induces the competitive and risk-seeking behaviour (Rosette et al., 2012, p. 630). Experimental investigations have shown results, as individuals who have met prior the negotiation process via communication medium have shown a greater level of collaboration than those who have not met each other. Visual access increased cooperative behaviour and as a result the joint outcome of a negotiation process. The lack of visual access and synchronicity among individuals in digital settings leads to decreased cooperative behaviour, trust and flow of information sharing. McGinn and Keros conducted a study in a distributive context, where two parties had to use communication medium. Individuals who had a relationship prior the experiment, have shown a cooperative behaviour and reached more beneficial outcome than individuals who were strangers. However, when negotiation was face-to-face, there were no significant differences in the outcomes between individuals who were acquainted and strangers. These results suggest, that even in a distributive negotiation, the use of a communication medium

can affect the outcome differently depending on the relationships between parties (Nadler and Shestowsky, in Thompson, 2006, p.160-161). According to some researches, communication media chosen for the negotiation process does not have a significant influence if any on the outcome of a negotiation. The results of a study (Galin et al., 2007) have not found significant differences to prove that face-to-face negotiation had any influence of the final price, number of instalments or on the volume of advanced payment. The results were surprising as the joint outcome of the negotiation between individuals, who were negotiating face-to-face and those, who were negotiating via technology channels were no significantly different. Some studies reported that individuals who interact via technology channels reached less integrative agreements than negotiators who interacted face-to-face; while in other studies there was no reliable evidence that could prove, that technology had an effect on an integrative outcome (Nadler and Shestowsky, in Thompson, 2006, p. 148). Galin et al. (2007) have found out, that individuals who were engaged in face-to-face negotiation tend to implement soft techniques in comparison to hard techniques in the e-negotiation. Galin gives following explanation to the frequent use of soft techniques in the face-to-face negotiation, as there is higher level of trust and rapport. However, the authority-related techniques are also more frequent in the face-to-face settings, as in the electronic negotiation's status-related advantages are mitigated.

Asynchronous communication mode of the e-negotiation via some communication modes gives an opportunity for both parties to think about content of a last message and retrieve more information in order to contemplate effectively before formulating a response. For this reason, the online negotiation is favourable when the counterpart has more control over the informational content (Nadler et al., 2006, p. 149). It is also worth to consider what attributes of the face-to-face negotiation are lost in the online negotiation setting. The synchronic communication, in some sources (Nadler et al., 2006) called co-temporality, that enables parties to act respectively in a co-temporal manner, is absent in some e-negotiation context and disables the party the opportunity to observe social cues. However, as it will be presented in the following chapter, there are some channels that are more co-temporal than others, but the technology still fails to provide the negotiator with the same settings as face-to-face negotiation (Nadler and Shestowsky, in Thompson, 2006, p.150).

The major prerogative of the electronic negotiation is the record of every detail during the communication process. It gives the negotiator an opportunity to track intentions, outcomes,

reactions and allows to analyse and to evaluate strategies. The asynchrony of the communication leads to heightened attention to the context of the message as the emotional side is left aside (Harkiolakis, 2012, p. 2). When negotiating via technology-mediated channels, negotiators tend to focus more on a message and less on a counterparty. This focus has several implications. Study conducted by Morley and Stephenson back in late 1977 has shown, that weak arguments turn out to be successful in the face-to-face negotiation and otherwise, the strong argument will lose its authority in online settings. The clear interpretation to this is that social constraint gives an impulse for persuasive process. As a result, negotiation in the technology-mediated environment gives the negotiator shifts negotiator's focus from the counterpart to the content and quality of a message. The focus on a content of a message shows negative consequences when the remark made by the counterpart is negative. As we have already seen, there is a difference in the e-negotiation between strangers and individuals who had the opportunity to connect with each other (Nadler and Shestowsky, in Thompson, 2006, p.153-154).

However, the technology channels have little influence on the outcome and joint profits, it influences the time duration and tactics employed and shaped certain stages and phases. It could be assumed, that interaction via communication channels require less time and effort, it was found that individuals spent more time negotiating online via e-mail, as face-to-face, in fact, it was more than double. This could be explained by the fact, that e-negotiation in experiment was conducted via e-mail and relied only on text to the contrast to face-to-face negotiation and to other types of e-negotiation, where visual and/or audible cues are given (Galin et al., 2007, p. 795).

The extent to which the technology channels affect the negotiation depends on how parties interact with each other, how do they perceive each other's behaviour. Communication medium has the strongest influence of negotiation when parties had no prior face-to-face contact, when the sense of identity is lost. Particularly it can be seen in settings, where negotiation requires a complex and integrative approach, mutual flow of information, the absence of visual and audible cues - as in the e-mail context – can increase the level of distrust and can lead to disinclination to engage in interaction in order to reach an agreement. The consequences of above-mentioned difficulties, that are indicative to the e-mail and other communication technologies, result in an insignificant implication for parties who have already established relationships, however, may have a dramatic influence for individuals, who enter the negotiation process being total strangers. Nevertheless, there

are correcting techniques and tactics to use in order to bridge differences and establish relationship in order to reach an agreement, idealistically with mutually beneficial profit. These include the process of establishing rapport by initiating the pre-negotiation and mutual self-disclosure (Nadler and Shestowsky, in Thompson, 2006, p. 165).

3.2 Communication Media and Negotiations

A wide range of communication media is available to individuals to negotiate online. Some of these instruments have been used for a long time, such as the telephone, fax machine, videoconference. Other e-negotiations are taking place with help of relatively new applications, such as online dispute resolution systems. Negotiations can also take place using traditional e-mail or other computer-mediated systems. Electronic negotiation allows to negotiate using the analytical support tools aiming to achieve goals. The volume of available communication tools is increasing and the aim of this chapter is to provide a clearer role of communication media in negotiation. In the following subsection will be briefly introduced the technology solutions that are essential in the e-negotiation field.

Results of several studies concluded that communication media influenced the negotiation behaviour and performance (Pesendorfer and Koeszegi, 2006); effected the richness of message exchange (Thompson and Nadler, 2002); decision-making quality, communication satisfaction (Lin et al., 2009, p.6). Media richness refers to emotional and social content in the communication (Pesendorfer et al., 2006, p.143). McGinn and Cronson (in Gelfand, 2004, p. 334- 345) summed up that the chosen media influences the outcome of the negotiation by influencing the perception and the way parties interact with each other. Scientists refer to this perception as *social awareness* and highlight the importance of understanding the role of communication media play in the negotiation process. Communication medias offer different ways of building social awareness. Additional aspects of the cross-cultural negotiation behaviour could be studied from this perspective of view. Parties involved in the international business negotiation, are more likely to have different expectations on how to negotiate with each other at the initial stage of the negotiation because of the cultural differences. There is usually a geographic distance between cross-cultural parties. “*Building social awareness may be a key to building shared understandings in cross-cultural negotiation*” McGinn and Cronson (in Gelfand, 2004, p. 345).

In order to have a clear understanding of communication media, it is to discuss main characteristics of media in the context of negotiation. Daft and Lengel suggested (in Pesendorfer et al., 2006, p.143) three following characteristics for media: 1) the possibility to provide multiple information cues simultaneously; 2) the possibility to address individuals personally; 3) the possibility to give and receive immediate feedback. A prevalent amount of studies focuses merely on the possibility to provide multiple information cues when comparing face-to-face with e-negotiation, however, new approach to characteristics was introduced by McGinn and Cronson (in Gelfand, 2004, p. 336-337), who distinguished following characteristics from another perspective. These are:

- 1) *synchronicity* (do individuals communicate in real life or do they at different times?);
- 2) *communication channels* (do parties have visual/oral or other cues?);
- 3) *efficacy* (does the chosen media transfer different types of information, facts and emotions?).

According to these characteristics, each media has an impact not only the negotiation process but on any social interaction. The following table provides a simplified overview of various medias based on the three properties.

<i>Properties of Communication Media</i>			
	<i>Synchronicity</i>	<i>Communication Channels</i>	<i>Efficacy</i>
Face-to-face	Yes	Audio, visual, tactile	High
Videoconference	Yes	Audio, limited visual	High
Telephone	Yes	Audio	Med-high
Computer chat rooms	Yes	Text only	Med-low
E-mail	No	Text only	Low
Handwritten	No	Text (+ penmanship?)	Med-low

Table 1. Properties of Communication Media (McGinn and Cronson, in Gelfand, 2004, p. 336).

The suggested three properties are not inconclusive, there are several others, like anonymity, speed of transmission, but according to McGinna and Cronson, they have a little impact on the social aspect of negotiation, if any.

3.2.1 Synchronous and Asynchronous Mode: Impact of Communication Mode on E-negotiation

In the following chapter, it will be discussed main features and characteristics of both modes and how the choice of a media influences the negotiation.

The possibility to provide immediate feedback is determined by the communication mode, whether it is synchronous or asynchronous mode. The main difference between face-to-face negotiation and any type of electronic negotiation, whether it is synchronous or asynchronous, is that electronic negotiation is one-directional and intermittent (Pesendorfer et al., 2006, p.144). However, there are significant differences in negotiation face-to-face and computed-mediated, there are some similar features between face-to-face and synchronous negotiation (Koeszegi et al., 2011, p.394).

According to Friedman and Currall, face-to-face communication, negotiation including, has six main features: co-presence, visibility, audibility, co-temporality, simultaneity, revisability and reviewability, as shown in the table 2.

Affordances of Media

Co-presence	Parties share a physical environment, including a view of what each is doing and looking at.
Visibility	One party sees another, but not necessarily what the other is doing or looking at.
Audibility	One party can hear another.
Co-temporality	Messages are received without delay (close to the time that they are produced and directed at addressees), permitting fine-grained interactivity.
Simultaneity	Parties can send and receive messages at the same time, allowing communication in parallel.
Sequentiality	Parties take turns in an orderly fashion in a single conversation at a time; one turn's relevance to another is signalled by adjacency.
Reviewability	Messages do not fade over time.
Revisability	Messages can be revised before being sent.

Table 2. Affordance of communication Media (adapted from Brennan and Lockridge, 2006).

The main feature of synchronous communication mode is that the interaction occurs in real time and this feature enriches the communication in comparison to asynchronous technology channels. As it can be seen, the synchronous is more similar to face-to-face negotiation as it demonstrates co-presence (in terms of being in the environment, in “virtual room”), co-temporality, simultaneity, revisability and reviewability. In synchronous settings, individuals have less time for response, for taking into considerations available alternatives and options, given the circumstances and, as the result, they may show there is a pre-requisite for competitive and offensive behaviour (in Pesendorfer et al., 2006, p.144).

To the contrast, asynchronous communication demonstrates none of these characteristics, but such feature as

revisability and reviewability. Individuals engaged in asynchronous mode of communication are not necessarily interact simultaneously as there is a time delay between messages. In synchronous settings, individuals tend to behave emotionally and spontaneously as there is time pressure and the increased need for immediate reaction. When individuals have more time to react, it is more likely that they will consider available alternatives and options and take account of an affective behaviour and its consequences (in Pesendorfer et al., 2006, p.144), as shown in the table 3. Pesendorfer and Koeszegi labelled synchronous mode a “hot debate” and asynchronous a “cool conversation”.

Communication mode/media	Electronic	Face-to-face
Synchronous	(1) Co-presence (4) Co-temporality (5) Simultaneity (7) Revisability (8) Reviewability	(1) Co-presence (2) Visibility (3) Audibility (4) Co-temporality (5) Simultaneity (6) Sequentiality
Asynchronous	(7) Revisability (8) Reviewability	

Table 3. Communication mode/media characteristics (Pesendorfer and Koeszegi, 2006, p. 143).

Pesendorfer and Koeszegi conducted a study in 2006: two simulations on e-negotiation in seller-buyer settings were performed in synchronous and asynchronous mode between students from the University of Vienna and the National Sun Yat-sen University Taiwan. In total, 100 students took part in experiment, and they had three weeks to reach an agreement in asynchronous settings and 45 minutes to reach an agreement in synchronous settings. In both cases, it was a mixed- motive setting with integrative and distributive features, where buyers and sellers received detailed information and instructions on their positions and preferences and they had to agree on price, delivery and quality of a negotiated subject. After a content analysis on extracted units from experiment, some interesting results, remarks and conclusions were made. There was a significant difference between two modes, however, given circumstances were similar, such as the amount of used words. In synchronous settings, negotiators interchanged shorter messages but there were more messages in comparison to

the asynchronous settings, and ideas were expressed with less amount of words. Synchronous communication mode leads to more disinhibited behaviour, as lesser degree of etiquette norms was recorded, such as thanking and apology. On the other hand, the behaviour was more tactical with elements of pressure, information exchange and more rejections; and only few evidences of concessions and private information exchange were recorded. These results show that the behaviour in synchronous settings is more competitive and offensive and it requires more procedural coordination. Another interesting remark, is that the overall satisfaction with the process and outcome of a negotiation is lower. However, satisfaction with the process and the outcome does not measure the quality of an agreement, it serves as a predictor for interactions in future between parties.

Time pressure and immediate feedback, main attributes of synchronous communication mode, are the pre-requisite for competitive behaviour and what in its turn reduces the possibility of reaching an agreement. Individuals expect the counterpart to respond and give a feedback immediately, however, they are aware of the fact, that their counterpart has same expectations as well. Another important issue was suggested, is that a context with emotional tension it is preferable to choose asynchronous mode of communication in order to mitigate problem solving (Pesendorfer and Koeszegi, 2006, p. 152-153).

Nowak has found out in an experimental setting, that individuals feel more engaged in the interaction and there is a sense of social bound between parties when they use synchronous communication mode (in Koeszegi et al., 2011, p. 393).

3.2.2 Communication Media Dimensions

There are two dimensions of communication media that have a significant influence on the negotiation from the cultural perspective and it is important to define these characteristics, *media richness* and *interactivity*. Media richness is an ability of a medium to transmit visual, audible cues and to provide immediate feedback and facilitate the flow of personal information; while the interactivity refers to a potential of the medium to sustain that flow of information between parties. These two main features identify the differences between communication media in its structure and form of information interchanged, in the number of cues and in the negotiation schemas and

behaviour (Barsness and Bhappu, 2004, p. 354-355). More detailed information can be found in the following table 4.

Media Dimensions	Negotiator Schemas	Negotiator Behavior	Information Exchange
Media richness: • Social presence • Salience of social groups and social status	Lean media: • Accentuates self-interest • Limits leveraging of power • Encourages information sharing	Lean media encourage: • More direct confrontation • More analytical–rational communication tactics • More distributive tactics • More candid information-sharing • More balanced participation • More tempered response	Lean media encourage: • Attention to self • More awareness of one's own schemas and behaviors • Focus on content vs. source of communications • Less nuanced but more diverse information exchange
Interactivity • Synchronicity • Parallel processing	Low interactivity: • Accentuates analytical–rational expression of information • Accentuates intuitive–experiential interpretation of information	Low interactivity encourages: • More direct confrontation • More analytical–rational communication tactics • More indirect information sharing • More packaging of issues (simultaneous issue consideration) • More balanced participation	Low interactivity encourages: • More intuitive–experiential interpretation of others' behavior • Less judging of others' behavior, at least initially • Feedback seeking • Information seeking

Table 4. The effect of communication media on the enactment and interpretation of negotiation schemas and behaviours (Barsness and Bhappu, 2004, p. 355).

Lean media represents communication channels that are incompetent in transmitting visual and audible cues. E-mail is considered to be a classic example of lean media, while face-to-face is a rich media, as it transmits both cues. The social presence and social awareness are minimized in the electronic context: the perceived social distance is increasing between individuals who are engaged in negotiations and at the same time are physically separated; and the social awareness is diminished as, as it was mentioned, visual and verbal cues are absent, and individuals are less aware of each other. The use of lean media may induce the self-interest schema (the extent to which a negotiator is focusing on their own needs and preferences rather than on collective interests) (Barsness and Bhappu, 2004, p. 355).

In the previous chapter, the absence of visual, audible and other cues was discussed, however, there are several remarks to add. Negotiators using lean media are concentrating on the content of a message and are more likely to rely entirely on logical argumentations and facts rather than on emotional side of an issue. Issues handled with help of lean media, such as e-mail are more task-

oriented than comparing to face-to-face negotiation (Kempt and Rutter, 1982, in Gelfand, 2006, p. 356).

The use of lean media induces distributive technics as it promotes direct and confrontational communication, according to results of a study conducted by Kiesler and Sproull leads to conflicts and reduces the overall joint profit. On the other hand, there are other studies (Bhappu, 2003), that prove that lean media eliminates the conflict element from interaction process due to its key characteristics, such as it does not transmit visual and audible cues. Furthermore, lean media promotes more equal participation among individuals engaged in negotiation process, the social group differences is mitigated as the transmission of social context cues is constrained and reducing the effect of social biases. The influence of information from lower-status parties on negotiators is higher when interacting via lean media, to the contrast to the face-to-face setting, where this information may be ignored (Barsness and Bhappu, 2004, p. 356-357).

The richness of communication affects the outcome of negotiation for several reasons: 1) approximately ninety percent of meaning of a message could be read from visual and audible cues and negotiation may fail as negotiators lack "*the commonality of meaning*"; 2) as the result of limited amount of information the depersonalization factor may occur; 3) communication media has a direct influence on the perception. Video-conferencing, for instance, is scored closely to the face-to-face negotiation in terms of media richness (Purdy et al., 2000, p.164-166). Results of study conducted by Purdy et al suggest, that rich communication media encourages the negotiators to use more collaborative strategies and tactics. An interesting finding is, that some types of communication media, such as video-conferencing generate the joint payoffs and the satisfaction level as the face-to-face negotiation, however the latter remains the most time-efficient mode. However, these two types of negotiation show similar results in creating value, they may turn out to have different effects when claiming values.

Interactivity in its turn has two dimensions. The temporal dimension refers to synchronicity of interactions, as in the face-to-face settings as all parties engaged are co-temporal; while an e-mail is an asynchronous communication media (Barsness and Bhappu, 2004, p. 358).

The second dimension, the parallel processing refers to a medium that enables two or more negotiators to interact simultaneously, and it is common in group-decision support systems, chat rooms etc. The parallel processing, a feature that is absent in the face-to-face negotiation, enables the negotiators, who are engaged in computer-mediated interactions, to consider multiple issues simultaneously (Barsness and Bhappu, 2004, p. 358).

According to previous studies, there are two information-processing modes; an analytical-rational mode and an intuitive-experiential mode. Behaviour of individuals who adopt analytical-rational mode is logical, tactical and decisions are based on argumentation and facts. On the other hand, individuals who adopt intuitive-experiential mode, are more likely to rely on intuition and previous experience (Epstein et al., 1996). However, these two different information-processing modes are not the same in the computer-mediated context. Individuals tend to exchange messages with multiple issues included when interacting via asynchronous communication media, given that the opportunity of a party to respond and to clarify is restricted (Barsness and Bhappu, 2004, p. 358).

3.3 Social Interaction Biases

In the previous chapter, we have discussed social- motivational biases that arise in the face-to-face context, however, Thompson and Nadler in their research in 2002 have identified four specific social interaction biases that affected the negotiation if conducted via technology channels. However, some biases matter only in the context of e-mail negotiation.

- 1) *Temporal synchrony bias* presumes the behaviour of a negotiator to be the same in the context of online negotiation as in the face-to-face. Negotiators ignore some implications of negotiation online, nevertheless, they are aware of a certain level of asynchrony and may behave as if they can control the rate of messages. This aspect is possible within the face-to-face negotiation; however, it fails in the digital-mediated context. Negotiators interact in the face-to-face negotiation immediately as receiver and sender are engaged in a process where they can quickly correct information. Mostly, all negotiators have a “tennis game” approach and they expect the counterparty to respond the moment, they send a message. To the contrast, in the e-negotiation settings, negotiators first interpret what the other party has said and therefore e-negotiators make assumptions. In the study, conducted by Morris et al. (2000) e-negotiators ask fewer questions than individuals who are engaged in the face-to-

face negotiation and assumption they make in the result of e-negotiation tend to show more ego-central shade and they lead to irritation.

- 2) *Burned bridge bias* stands for tendency the individuals to show risky behaviour when communicating via technology channels than they would do when negotiating face-to-face. In other words, negotiators may test each other by making conditions for the counterparty that would lead to a higher possibility of making a mistake. For instance, by saying “If you do not respond in 1 hour, I have to cancel our pre-agreement”. There is a variety of tools, signals and rituals that are widely used in the context of face-to-face negotiations, such as smiling, nodding, eye contact, all of them lead to establishing positive rapport. Negotiators who are attempting to build positive rapport are less likely to brake relationships while the lack of rapport leads to establishing temporary relationship, if any. One explanation to why individuals may burn bridges in the context of electronic negotiation is that there is a less accountability for the relationship. There is also an argument, that individuals who are involved in the face-to-face negotiation are a part of social network environment.
- 3) *Squeaky wheel bias* is a tendency of individuals to show a revolting behaviour when using e-mail as a communication channel, while in the face-to-face context an individual would rather show a positive behaviour in order to reach an agreement. The squeaky effect is common in an e-mail context as negotiators tend to believe that intimidation is an effective approach to reach one’s goal. An interesting remark is that individuals who are total strangers entering into the e-negotiation, via e-mail for instance, behave in a rude way, as they focus more on a content leaving etiquette aside and partly because they consider squeaky wheel an effective strategy.
- 4) *Sinister attribution bias*. Individuals often do not pay attention to essential temporal and situational factors that influence the behaviour of other party and tend to attribute the behaviour of other to personal traits and preferences. As a matter of fact, people behave in a less appropriate when communicating via impoverished channels. The social identity theory posits that the more similar individuals perceive each other, the more cooperative behaviour they tend to show. In contrast, if the counterpart is perceived as an outgroup member it is more likely that their actions and behaviour will be accounted for their malevolent motives.

This phenomenon is referred to “sinister attribution error” (Kramer, 1995). Absence of social cues and social distance in the e-mail context is a pre-requisite for sinister attribution bias.

However, there are some specific to the e-interactions and particularly to e-negotiation biases, there is still no unified classification. The challenge is to develop concepts and theories that are appropriate for medium, rather than trying to apply existing theories from other disciplines.

4. Influence of Cultural Differences on Negotiation

Some researchers have argued whether cultural differences influence negotiation process at any of its stages, on the other side there were researches like Zartman (1993), who stated the undoubtful influence of cultural background on negotiation. There are empirical studies that support the assumption that cultural differences influence the negotiation (Brett & Okumura, 1998; Adler, 2002).

Culture has the same meaning in the society as the memory for the individual, it could be seen as the sum of words, norms, roles and values that have worked in the past and is still used in the present (Triandis, 1995, p. 4). Although, term culture has many definitions, in this thesis culture will be referred to shared values and beliefs of group of people (Hofstede, 1991; Lewicki et al., 2011, p. 394). In the following chapter we will argue, that the culture affects not only beliefs, goals and norms, but also the communication process, particularly negotiation.

Negotiation is not only based on legal and business elements, often called “hard facts” that are considered to be the only important issues, but also on the quality of social relations or “soft facts”, nowadays called “soft skills”, which are essential in the cross-cultural business settings. Culture influences how people think, how they communicate and interact with others, how they behave and react. The great diversity of cultures makes it impossible to fully understand each and every single one of them, however, there are some specific features and characteristics that are common across several cultural clusters. Culture does not determine the negotiation, it is one of many factors and variables affecting the interaction between parties, however, an important one. Predicaments in interacting, negotiating, planning and collaborating together in order to achieve mutually beneficial agreement could be traced back to the cultural, social, human background of individuals. Parties involved in negotiation may not have the same beliefs, expectations and these differences will be observed during different stages of negotiation: starting from understanding the concept of negotiation and continuing with positioning during the negotiation process, which could lead to cultural misunderstandings and trust failure (Usunier et al., 2002, p. 97-98).

In previous chapter it was discussed how communication media influences the negotiation process, the information exchange and the interaction between individuals engaged in the negotiation. The aim of the following chapter is to highlight the influence that cultural differences have on the

negotiation process. Cultural values interpret experience of individuals and affect not only how individuals negotiate, but also what information they share, what information they consider to be relevant to the negotiation (Barsness and Bhappu, 2004, p. 359).

4.1 General Influence of Culture on International Business Negotiation

In the following subchapter, some significant elements of culture that have an impact on the international business negotiation will be introduced. Considerable part of the academic literature on the influence of culture on international business negotiation is based on the comparative and cross-cultural settings (Kersten et al., 2002; Cai et al., 2000). Cultural differences exist, they can be measured and influence the negotiation process on different levels, the question is how they influence and to which extent. Lewicki et al (2011) based on the works by Weiss and Stripp (1985), Foster (1992) suggested, that there are at least eight dimensions:

- 1) Definition of negotiation. There is a crucial difference of definition of negotiation between cultures. While Americans tend to refer to the negotiation as to a competitive process and Japanese perceive the negotiation as a process of information-sharing (Foster, 1992), negotiators from Saudi Arabia view the negotiation process as a process of relationship building based on trust (Hofstede, 2010, p. 89).
- 2) Selection of negotiators. The criteria of who will take part in a negotiation process varies and include many factors, such as the familiarity with the subject of a negotiation, seniority, family connections, gender, age, status.
- 3) Protocol. Protocol, which refers to the formality of the relationships between parties engaged in the negotiation process, is an important issue to be considered. For instance, European countries are very formal and not to use the proper title when addressing someone, may be considered as an ignorant and insulting act.
- 4) Communication. Cultures affect how people communicate verbally and non-verbally.
- 5) Time. There is a significant difference across cultures on how people determine time and what it means. While in countries, like United States, German-speaking countries, people tend to respect time by showing to meeting at appointed time, other cultures view time differently, where the main focus is on the negotiation process and it is of little importance how long does it take to accomplish it.

- 6) Risk propensity refers to extent to which individuals are willing to take risks. Risk-oriented cultures induce negotiators to take more chances and to close a deal quicker, while risk-avoiding cultures are prone to gather more information before reaching an agreement.
- 7) Group versus individuals. There is difference between cultures whether they emphasize the importance of an individual or group. Individual-oriented cultures praise the superiority of independence and assertiveness and usually one individual is responsible for making a final decision, while group-oriented cultures praise the superiority of a group and the group is responsible for the decision-making and often includes the consensus.
- 8) Nature of agreements. In countries, like United States the agreement is based on logic and is formalized, while in other countries, like China, it is the negotiator who is valued, their family or political connections (Lewicki, 2011, p. 416).

The assumption and hypothesis are based on specific traits and behavioural patterns of nationalities involved in the negotiation process and contrasting them with other national groups. According to Usunier (2002, p. 102-103), behavioural patterns of individuals is not the same in the intra-cultural settings and when they are involved in the inter-cultural business negotiation context. As it was already mentioned, culture has a subtle and indirect influence on the process and on the outcome of the negotiation. However, cultural influence consists of two variables:

1. the situational aspect of the negotiation (time, power, number of participants, location, communication media, etc.);
2. the characteristics of the negotiation (personality and cultural variables).

These two sets of variables influence the process of the negotiation and it in its turn has a direct impact on the outcome of whole negotiation (Usunier, 2002, p.103).

However, there is another approach, where culture perceived from different perspective in frames of its influence on international negotiation: as learned behaviour, as shared values, as dialectic and in context. Each of these aspects display important issues of cultural impact on the negotiation process (Janosik, 1987 in Lewicki et al., 2011, p. 405). *Culture as learned behaviour* is a pragmatic approach to perceive a culture and its effects. According to this approach, there is no urge to understand why individuals behave in a certain way, it rather suggests to form catalogues with main traits and characteristics of cultures, and lists of what is required to do and what has to be avoided. The purpose of an approach of *culture as shared values* is to create a model to guide the negotiator

and to explain how core values and norms of each culture influence the negotiation process. The main difference between these two approaches is that culture-as-learned-behaviour focuses on the behaviour and the culture-as-shared-values approach is focusing on explaining how thoughts are influencing the behaviour of a negotiator. *Culture as dialectic* approach is a contradictory approach as it does not offer guidelines for negotiators as it describes the culture as units combining conflicting dimensions and tensions, called dialectics. The interrelation between independence and teamwork reflects the dialectic, as both methods have its advantages and disadvantages depending on the situation and circumstances. The culture-as-dialectic stated that not every individual within one culture shares same values at the same level. *Culture in context* approach assumes that it is impossible to generalize the behaviour of a single individual based on a single cause. The behaviour has different levels, as the negotiation process which is influenced by a bundle of different factors and variables where the culture is one of them. This approach recognizes negotiation as a complex process, that is influenced by many factors and using the culture as a single dimensional factor oversimplifies the process (Janosik, 1987 in Lewicki et al., 2011, p. 405-407). Culture has different affects on each aspect of negotiation process and its outcome and there is great amount of literature dedicated to the cultural influence on negotiation, that will be introduced in the following chapter.

4.2 Individualism and Collectivism

In the previous chapter, different approaches to culture were introduced. Cai et al. (2000, p. 592 - 596) defined these approaches from the perspective of individualistic and collectivistic culture, where culture as a shared values concept assumes that individualism and collectivism will show different negotiation style. Another approach is called culture in context, which states that not only cultural background influences the negotiation behaviour, but also the negotiators' qualities, preferences and other contextual features. The culture in a context approach consists of several factors influencing the negotiation behaviour. It could be assumed, that the outcome of negotiation may be moderated by other variables, other than cultural values and norms. As it was already mentioned, the term of culture has many different definitions, but in the scope of the present thesis, culture will be perceived according to Geert Hofstede, as "*values and beliefs shared by a group of people*". There is another view of culture, that complement the above-mentioned definition and represents the culture through cultural syndromes, which is referred to a "*pattern characterized by shared beliefs, attitudes, norms, roles, and values that are organized around a theme and that can be found in certain geographic regions during a particular historic period*" (Triandis, 1995, p.43).

One of the most extensive and comprehensive works on cultural dimension and its influence on international business is the research of G. Hofstede. His book “Culture and organizations: Software of the mind” has went through several re-editions, with his son Gert Jan Hofstede following and enriching the theory on cultural dimensions. A data was taken from approximately 100.000 IBM employees from all around the world, from 53 cultures and countries was examined. After a statistical analysis of this data four dimensions of the culture were suggested:

individualism/collectivism, power distance, masculinity/femininity, uncertainty avoidance (Lewicki et al., 2011, p.411; Hofstede et al., 2010). Power distance measures the perception of individual toward individuals who possess more power, to authorities. The main feature of a high-power culture is a strong hierarchy with the dominance of norms and rules. The masculinity/femininity represents to which extent masculine (“achievement”) or feminine (“relationships”, and “quality of life”) norms are pre-dominant in a society (Hofstede et al., 2010; Kersten et al., 2002). Uncertainty avoidance, the fourth dimension, represents the individual’s search for truth, it indicates the extent to which members of society are comfortable when tackling new, different from usual and unstructured situations. Uncertainty-avoiding cultures are trying to avoid situation by establishing strict rules and norms, based on safety, philosophical or religious norms. To the contract, the uncertainty-accepting societies are willing to tolerate and are more willing to accept different from what they are used to (Hofstede and Usunier, in Usunier, 2000, p.141).

The focus of the present thesis is the individualism and collectivism dimension and in the following chapter main characteristics will be discussed.

Individualism is used to be a synonym with liberalism and meant the freedom of an individual, as an opposite to the authoritarianism, which excluded freedoms and required to be inclined to the will of authorities. These definitions were first used by English political philosophers in the eighteenth century, where individualism of John Lock was opposed by collectivism of the Jean- Jacques Rousseau (Triandis, 1995, p.19; Encyclopedia Britannica, 1953). In other words, “*individualism pertains to societies in which the ties between individuals are loose: everyone is expected to look after him- or herself and his or her immediate family.*” (Hofstede et al., 2010, p.92).

There are also several definitions of collectivism, according to Hofstede collectivism, as an opposite to individualism, “*pertains to societies in which people from birth onward are integrated into*

strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty" (Hofstede, 2001, p. 225). Triandis (1995, p. 6), in his turn, enriched already existing definition of the collectivism with the following criteria: 1) an accent on the views, need and goals of the in-group, rather than on the self; 2) behavioural adjustment to the social norms rather than acting based on the personal needs and pleasure; 3) common beliefs shared within the group; 4) eagerness to cooperate.

There is a variety of attributes and characteristics for collectivism or individualism, however, these features are culture specific. Predominant number of societies is collectivistic, as the interest of a group prevails over the interest of the individual. However, it is important to stress that the word collectivism has nothing in common with the political connotation where it refers to the ultimate power of a state, it refers to the power of a group. In order to get a better understanding of collectivistic and individualistic culture in general, it is important to trace back to a deeper, first bounds. The first group every individual face is the family to which they are born. In collectivist societies a child grows up in a family, which consist of larger number of people, and while growing up a child thinks of themselves as a part of group, of a "we" group and learns to distinguish "we" group from other groups, "they" group. The "we-group" (in-group) forms an identity of an individual through mutual dependence that is not only practical, but also psychological. There is another type of society, an individualistic, where interests of an individual prevail over interests of a group. In this type of a society a child, born into two-parent or one-parent family, start to think of themselves as "I". Interestingly, that there is a substantial difference between personal identities, between "I"s, based solely on personal characteristics and traits. In individualistic society a healthy individual should be independent of a group neither practically or psychologically (Hofstede et al., 2010, p. 90-92). Individualistic cultures encourage young people to be independent, while collectivistic cultures immerse young people into groups in order to take care of the welfare of others. Individualistic countries include United States, Great Britain, Australis, while collectivistic include Indonesia, Pakistan, Costa Rica (Lewicki et al., 2011, p. 408). Yoshi and Emiko Kashima (2003) have made several interesting remarks based on their research on relationships between culture and language, they studied the pronoun drop, in other words, the avoidance of the first-person singular pronoun ("I"). The most significant correlation was between within individualist societies, as languages spoken in individualist societies tend to use the "I" pronoun when speaking about themselves, while languages in collectivistic cultures tent to omit the use of "I" pronoun.

Another interesting remark is that the “I” pronoun in English language, one of the most spoken in individualistic societies, is written with a capital letter (Kashima, 2003). Collectivist often use “we” and the context is of a more relevance to them. They try to read the counterpart’s mind and understand what he/she thinks. Therefore, the message is indirect and not often clear, while individualists are direct and say what they think. Individualist are more concentrating on “I” and point out the content of the message. In other words, the emphasize of the communication with collectivists is on the context and concern for feelings of others, and the emphasize with individualists is on clarity (Triandis, 1995, p. 76).

A more detailed information on countries representing either collectivistic or individualistic culture can be found in Hofstede’ ranking of countries/culture on cultural dimension, alongside with other dimension, power distance, masculinity vs. femininity and uncertainty avoidance in Appendix 1. For instance, Austria can be considered as individualistic with relatively high score of 55 on the scale of Hofstede compared to Ecuador, to a collectivistic country (8 on the scale). The United States is clearly individualistic starting from it the concept of “American Dream”, with the hope and belief that anyone can achieve everything, regardless of status and relationship (ClearlyCultural, 23.08.2018).

Hofstede suggested, that the main focus in collectivistic cultures is on building and maintaining relationships and it continues for years; and changing the negotiator counterpart will take a long time to re-build the relationship. To the contrast in individualistic cultures, competency plays the critical role in the negotiation process and negotiator party is considered interchangeable. This suggestion leads to conclusion, that collectivist depends on long-term relationship, while individualist is more likely to change the negotiator based on criteria other than sustaining relationship (Lewicki et al., 2011, p. 408).

According to Triandis, there are four dimensions that distinguish individualism from collectivism:

- 1) The self-defining process is interdependent in collectivism and independent in individualism.
- 2) An individual in collectivism sets a higher priority on the communal goals, while an individual in individualism has their personal goals as a priority. When in-group goals and personal coincide then there is a collectivism, when they do not, there is an individualism (Schwartz, 1990).

- 3) The social behaviour in collectivism is determined mainly by norms, duties and obligations. Those that follow attitudes, personal needs, right are more common in individualistic cultures.
- 4) The collectivism values the relationship even if it is perceived as depreciative. In individualistic culture values the rational analyses of desirable and undesirable effects of keeping the relationships.

Results of an analysis of data from IBM questionnaire, collected by Hofstede, have shown that such dimensions as personal free time, freedom and personal challenge, challenging work are important within the individualism society, while training (an opportunity to improve skills and learn new), physical conditions (to have appropriate working conditions) and an ability to use skills on the job are of prevalent importance in collectivistic cultures. The latest dimension refers to employee's dependence on an organization. Another interesting remark, is that individualist countries tend to be richer than collectivistic countries. In rich countries such issues, as training, physical conditions and use of skills are usually taken for granted and do not reflect importance neither to an employee or to organization. In poor countries, to the contrast, these features characterize the job. In other words, it distinguishes a good job from a bad one (Hofstede et al., 2010, p.93).

According to results from IBM research, individualists tend to score themselves as extraverts, referring to themselves as more gregarious, assertive, active and having positive emotions prevalent amount of time. Individuals from cultures that pride themselves on being independent tend to score themselves higher on extraversion (Hofstede et al., 2010, p. 115). David Matsumoto, U.S. psychologist, examined the recognition of emotions in facial expressions between students, who had to classify emotions from photos of faces, expressing sadness, happiness, surprise, fear etc. The interpretation of the results leads to the assumption that individualist societies encourage the showing of happiness, on the other hand, collectivist societies did the opposite, they encouraged the showing of sadness. There was also found a strong correlation between individualism and the pace of life. Interestingly, it was found out, that individuals in individualist cultures tend to walk quicker and in general lead more active life. However, there is no indication that there is an interrelation between health level and individualism and collectivism, according to results of the Hofstede research, individualists tend to spend a greater amount of their income on their health, and governments in individualistic societies spend a large share of public budget on health care (in Hofstede et al., 2010, p. 115). The identity among collectivists is defined by their relationships and

group memberships, while individualists tend to identify themselves based on their experiences and their own abilities.

The detailed information can be found in the following table 5, as a summary of key differences between collectivists and individualists.

COLLECTIVIST	INDIVIDUALIST
Use of word “I” is avoided.	Use of the word “I” is encouraged.
Interdependent self.	Independent self.
On personality tests, people score more introvert.	On personality tests, people score more extravert.
Showing sadness is encouraged, and happiness discouraged.	Showing happiness is encouraged, and sadness is discouraged.
Consumption patterns show dependence on others.	Consumption patterns show self-supporting lifestyles.
Social network is primary source of information.	Media is primary source of information.
A smaller share of both private and public income is spent on health care.	A larger share of both private and public income is spent on health care.

Table 5. Key differences between collectivist and individualist societies: language, personality and behaviour (adapted from Hofstede et al., 2010, p. 117).

The employer in the collectivistic society will hire an individual that fits in the in-group, while an employee in individualistic society place an emphasize on individual who is expected to work. The hiring process in a collectivistic society is always starts from within group as hiring someone known reduces risks to a certain degree, while family relationship in the working place in the individualistic cultures are considered undesirable, as it a first step towards nepotism. Management in an individualist society is a management of individuals, and any kind of incentives or bonuses are rewarded on a performance of individual. To the contrast, management in collectivistic society is a management of groups. Term universalism refers to a norm that one should treat everyone alike and is common situation in the individualistic cultures that does not resonate within the collectivistic culture, where there is a dramatic distinction between in- and out-groups. Treating one’s friends better than others is natural and ethical and this norm refers to a particularism, or sometime called exclusionism. The reason for particularism is that trust should be built before any deal can be done. In collectivistic society, “*personal relationships prevail over the task*” and in the individualistic

society any “*task is supposed to prevail over any personal relationships*” (Hofstede et al., 2010, p. 119-123). Collectivists are more likely to select, to evaluate and to promote individuals based on their loyalty rather than on their personal and professional attributes and characteristics, while individualists give a prerogative to professional traits (Triandis, 1995, p. 79).

Surveys and studies on the use on information and communication media (ICT) between cultures and societies. The main purpose of ICT is to give individuals an opportunity to be linked and these tools are more popular in individualistic than in collectivistic cultures. According to the results of Eurobarometer survey, individuals in more individualistic countries in European Union rely on Internet and e-mail on a greater level that individuals in collectivistic countries and they are more likely to use the ICT for online shopping, banking and supplying information to public authorities in comparison to collectivistic (Eurobarometer, 2008). However, there were no updated surveys since 2008 and it would be interesting to look at the situation now, a decade later.

COLLECTIVIST	INDIVIDUALIST
The purpose of education is learning how to do.	The purpose of education is learning how to learn.
Diplomas provide entry to higher-status groups.	Diplomas increase economic worth and/or self-respect.
Occupational mobility is lower.	Occupational mobility is higher.
Employees are members of in-groups who will pursue the in-group's interest.	Employees are “economic persons” who will pursue the employer's interest if it coincides with their self-interest.
Hiring and promotion decisions take employee's in-group into account.	Hiring and promotion decisions are supposed to be based on skills and rules only.
The employer-employee relationship is basically moral, like a family link.	The employer-employee relationships is a contract between parties in a labor market.
Management is management of groups.	Management is management of individuals.
Direct appraisal of subordinates spoils harmony.	Management training reaches the honest sharing of feelings.
In-group customers get better treatment (<i>particularism</i>).	Every customer should get the same treatment (<i>universalism</i>).
Relationships prevails over task.	Task prevails over relationships.

The internet and e-mail are less attractive and less frequently used.	The internet and e-mail hold strong appeal and are frequently used to link individuals.
---	---

Table 6. Key differences between collectivist and individualist societies: school, workplace and communication technologies (adapted from Hofstede et al., 2010, p. 124).

It is of no doubt, that collectivism and individualism have different types within, and each culture is different in its own way, however, there are several common characteristics and attributes that could be seen across them. Hofstede’s approach to culture has received a lot of attention, however, the model is not without critics (Triandis, 1995; Lewicki, 2011). There is an evidence that there are significant differences within collectivistic and individualistic cultures. Miyahara, Kim, Shin and Yoon (1998) have found out that Japanese and Koreans, who are considered to be both collectivistic countries, showed significantly different approach to impositions and conflict situations, where Japanese demanded more clarity on the negotiating subject. For this reason, the Hofstede’s model could not be considered inconclusive and according to Lewicki, the interpretation of dimension is rather an attempt to understand the cultural influence on the negotiation process (Lewicki et al., 2011, p. 412). However, the theory of Hofstede’s is considered to be “de facto standard” when talking about cross-cultural research, there is a growing amount of critique. The work is considered to be simplistic, static as it covers only a small sample of subjects (IBM employees). Other scientist’s critiques go further, stating that the culture is a dynamic phenomenon and is changing according to socials relationships; and that cultural dimensions may explain the complex scenario (Sanchez- Anguix et al., 2012, p. 631). However, regardless these criticisms, the present thesis is based on the Hofstede’s model, as it represents general patterns of behaviour.

4.2.1 Egocentric Perception of Fairness as a Self-Serving Bias

There is a concern whether cognitive biases are generalized across cultures. According to Gelfand (2002) culture is variable which has a significant influence on biases. Negotiating parties from different cultures show different reactions and behaviour while settling agreements. Gelfand et al. focused on one general judgement bias in a negotiation context – self-serving biases of fairness. Western countries, which represent the individualistic cultures, view their own behaviour as fairer and biases based on this assumption hamper the resolution. The self-serving biases is an individual’s inclination to perceive themselves as better than others, fairer, more successful and more responsible for success and less responsible for a failure. The self-serving biases has been seen as universal

biases, however, some studies show that this particular bias in negotiation is more common among individualistic cultures (Gelfand et al., 2004, p.834).

The nature of self in collectivistic culture is different from individualistic culture. Individuals in individualistic cultures focus on their key aspects of self- own preferences, abilities, need etc. The goal is to be independent from others. However, this cultural ideal is considered unethical in collectivistic culture, where self is perceived as interdependent and is defined through lenses of role's, statuses and obligations. The aim is to be accepted by others and fit better. The continuous process of being self-critical is approved and encouraged in the collectivistic context. The self in individualistic culture serves to promote the independence of individuals and to be better than others. To the contrast, in collectivistic cultures, the self serves for being accepted and on paying greater amount of attention on negative characteristics and as a result on being interdependent (Gelfand et al., 2004, p. 834-835). The self-perception is an important attribute to indicate whether an individual is a collectivist or individualist. The individualist perceives an individual as a unit of social perception. Margaret Thatcher made an interesting remark during one of her speeches, where she noted that *"there is no society, there are only individuals and their families"*. Social perception within the collectivistic culture consists of a set of relationships, while individualists place an emphasize on individuals who have relationships. During the interview with Japanese and American women in the scope of an experiment, Lebra (1984) learned a lot about relationships of Japanese woman and almost nothing about themselves, to the contrast to American women, where at the end of an interview she got a lot of information about themselves and almost nothing about their relationships (in Triandis, 1995, p. 69). Collectivist usually have a realistic perception about themselves and their abilities, while individualists tend to overestimate themselves.

There is a variety of specific characteristics and attributes that are dominant in collectivism and individualism. However, some individualistic cultures may consist of some types of attributes, which may not be relevant in another individualistic culture. These characteristics are called "culture-specific". One interesting attributed is associated with the self-perception. Collectivistic cultures tend to have more realistic self-perception about themselves, than individualist cultures do. There is also interesting remark, as according to the results of the study by Kitayama, Western cultures, individualistic, focus on success, while Eastern cultures, collectivist on failure. In attempt to explain this, terms of looseness and tightness are to be mentioned. An individual in loose culture

has more freedom to choose one or another behaviour pattern if it fails in order to success. However, individual in tight culture feels obliged to get one or two things right. These would lead to the conclusion, that individualist show more positive attitude, while collectivist to the contrast more negative. Individualist are looking for information that corresponds to their internal preferences, while collectivist tends to look for deviation from norms. Collectivist tend to adopt and to adjust to the situations depending on the circumstances and show fewer skills when interacting with strangers, but once the relationships are established they are long lasting and are deeper than in the individualistic cultures (Triandis, 1995, p. 68-73).

4.3 Factors Influencing the Individualistic and Collectivistic Cultures in the Context of Negotiation

There are several reasons for why negotiation fail and some are the result of cultural differences. In this chapter it will be discussed the way collectivistic and individualistic cultures influence the negotiation process and if there are any impact on the outcome. It will be explored to which extent individualism and collectivism behaviour have a direct influence on the process of achieving goals in the negotiation.

The major question is: why are the effects of cultural norms and values on the process of negotiation predetermined by the role of the negotiator? As it was already mentioned, in the predominant amount of cases, sellers are more dependable on buyers and this would encourage sellers to work in the direction of integrative agreements in order to increase the joint profit. The buyer has a set of alternatives and it is the seller's responsibility to reach an integrative agreement. Attributes of collectivistic cultures are corresponding to this request.

People in Western cultures tend to perceive themselves as individualist, as independent units and focus on their own goals rather than on social obligations. To the contrast, people in Eastern cultures tend to behave in interdependent, collectivist manner and perceive themselves as a part of group they belong to. Result of studies conducted by Gelfand and Realo (1999) and Gelfand and Christakopoulou (1999) show, that accountability cause collectivist to negotiate in a win-win manner, while the same factor induces individualists to choose a competitive tactic and to behave in a win-lose manner. Individualist also tend to make more extreme offers and were more focused on

their own interest and goals, while collectivists tried to consider needs and preferences from both sides (Adair and Brett, 2004, p. 159-160).

The situation is the most important factor influencing the adoption of individualistic or collectivistic behaviour; individuals adopt different types of behaviour according to specific situations. For instance, in societies with a high level of bureaucracy – regulations, laws, norms etc., the collectivism is more common (Triandis, 1995, p. 86-87) and respectively, collectivistic cultures tend to have more rules and norms. It is also worth mentioning, that different cultural patterns have been set a default options according to a particular historical phase. Such factors as stability of membership, cultural homogeneity, resource scarcity, time pressure are the pre-requisites for collectivism to occur. Collectivism results in doing what is required by the norms, traditions. To the contrast, cultural heterogeneity, urbanism and as consequence increased choices, required mobility lead to individualism to occur. Within the individualism sense of freedom, personal control becomes habitual and automatic for an individual (Triandis, 1995, p. 100-102).

The morality factor is often highlighted when speaking about the collectivism. In cultures with the collectivistic approach it is noticed that the level of crime is lower. The level of crime is often considered as of the major factor when contrasting collectivism and individualism at the political level. When social control is lowered the crime level increases. The higher the public level of the relationship of an individual to the state the extremer the collectivism is. The higher the level of bureaucracy is established in society, it is more likely that collectivism is the common approach among members (Triandis, 1995, p. 172-178).

The individualism and collectivism dimensions of culture receive a significant amount of attention from scientists from negotiation field, and it influences the negotiation from different aspects, from negotiation process, outcomes to conflict resolutions style.

4.3.1 Negotiation Process

Collectivistic and individualistic culture influence how people plan to negotiate. In the research on the Prisoner's Dilemma (Kelly and Stahelski, 1970) found out, that individualists do not adopt their behaviour to different cultural settings, they stay in-tune with the basic preference and stay pragmatic. Negotiators with cooperative orientations act cooperatively in the intra-cultural group

and adopt their behaviour when negotiation with individualists. The distinction between individualism and collectivism in the negotiation process is important as it shows two major findings: 1) individualist is following their own interests and pay a little, if no attention to needs of the other party, as long as negotiation meets their preferences. However, under certain circumstances may adopt their behaviour; 2) the co-operator remains sensitive to the needs of the counterpart, regardless under which circumstances he/she negotiations, whether in intra- or in inter-cultural settings (Brett, 2000, p.100). An interesting remark was made the Japanese researcher Tanaka in 1983, which stated that the people may act as an individualist or collectivist depending on the location on the hierarchy. There is a line between the public and the private behaviour in collectivist cultures than in an individualistic culture. Newman (1993) outlined the characteristic of individualists to pay more attention to the internal processes while collectivists were more concerned about the public image and act based on the situation.

The study conducted by Cai et al. in 2000 suggested that the collectivistic and individualistic behaviour is influenced also by their roles in the negotiation process and in the context of integrative bargaining. Roles are defined as “*sets of rights, obligations and normative expectations attached to social positions and impose limitations on task- characteristic responsiveness*” (Cai et al., 2000, p.596; Gelfand and Dyer, 2000, p. 73). The distinction between sellers’ and buyers’ roles may lead to different expectations and be a factor that has a significant influence on the joint outcome of the negotiation process. Usually, buyers have more bargaining power than sellers and the interdependence plays a higher role for a seller, however, it is not always the case. When the buyer from the collectivistic culture has alternatives they would look for opportunities to reach a better agreement and to make a better deal. In contrast, the seller being in a less powerful position may look for a solution to increase the available resources. Collectivistic behaviour lucrative for a seller. Social roles may impact the way negotiators behave under given circumstances.

In order to conduct the research among US and international students and to measure to which extent the cultural background has its influence on the outcome of negotiation, there were introduced three different communication behaviour: information sharing includes both asking for information and providing the counterpart with the information; under the heuristic trial are understood single or multiple issues offers; distributive tactics include threats, demand and refusals.

The result of the research has shown the following. The negotiator role influences the effect of the collectivism and individualism in a way that the seller collectivist induces the seller to use three types of communication behaviour (information sharing, heuristic trial and error and distributive tactics), while the buyer collectivist would focus on the distributive tactic. If the collectivist is in the seller role, the buyer is asking for more information by itself, however providing less information. The seller collectivist is asking for more information what leads to a higher joint outcome and is using less of distributive tactics. Considering these effects, seller collectivism is a pre-requisite for a higher joint outcome. On the other hand, the buyer collectivism is associated with the decrease in the reliance on the distributive tactics, but in the contrast, it induces the use of distributive tactics from the sellers' side. The effects of the buyer collectivism are controversial, as one link increases the joint profit, while other decreases (Cai et al., 2000; Gelfand and Dyer, 2000, p. 73-74).

There are several conclusions and remarks to be made in the context of the negotiation process:

- 1) The effect on the joint profit is influenced by the role of the negotiator. The seller collectivism is directly correlated with the joint outcome; however, the buyer collectivism is not associated with the joint profit.
- 2) The communication role depends on the negotiator collectivism and varies by role as well. Seller collectivism relied on the use of three tactics (asking for information, making multiple issues offers, and avoiding the distributive tactics).
- 3) The role in the negotiation prescribes the way negotiators exchange information. The joint profit is considered higher when the seller is asking for information and is lower, when the buyer is providing the counterpart with the directional information.

4.3.2 Negotiation Outcomes

Researches have also found out individualism and collectivism affect the outcome of negotiation. According to Schwartz (1994) the distinction between collectivistic and individualistic culture lies in the preference of each culture when achieving goals. Goals motivate the behaviour of individualist to concentrate more on their own interest as they set their personal goals high in the negotiation. This predisposition leads individualist to reject not optimal, but still acceptable agreements and negotiate towards ones that suit more their self-interests (Brett, 2000, p.99).

Nevertheless, there are several studies and research findings suggesting, that individualists are motivating each other to achieve a higher joint outcome, Cai et al (2000, p.594) proposed four reasons for collectivist in their turn to reach the higher joint outcome:

- 1) The main characteristic of a collectivistic culture is an attempt to maximize a resource, before dividing it;
- 2) Collectivist is concerned with the welfare of the whole group;
- 3) Collectivist is taking into consideration few factors and issues at a time, in other words packaging issues gives an advantage to reach an integrative agreement;
- 4) Collectivist is avoiding conflicts and distributive strategies and relying more on cooperation.

Individuals in collectivistic societies believe that the negotiation is about relationships, however, it does not deny the fact, that there is an interconnection between cooperative and competitive goals, in order to achieve a long-term relationship and at the same time there is enough social distance to claim a value. For instance, the cooperative goal is to build trustful long-term relationship, while the competitive goal is to achieve a dominant position. Individuals in individualistic societies believe that the negotiation is only about distribution of resources, the interconnection between cooperative and competitive goals refers to creation a joint value and to claim the largest part of it (Adair, W.L. and Brett, J.M., 2004, p.161).

4.3.3 Conflict Resolution Styles

Conflict can occur within both individualistic and collectivistic society; however, it takes a different form and probabilities of a conflict to occur. Collectivists tend to strive to improve the conditions for a group of people, while individualists tend to fight in order to change something. The conflict within the collectivistic society usually happens within the group, ethnicity, language, religion and the reason is to improve the economic conditions for the welfare of a group (Triandis, 1995, p.111). It takes time to agree on norms, standards and principles that will guide the interaction within the group, however, conflict as itself may impair the productivity (Program on Negotiation, accessed on 28.09.2018).

Individualist enters the conflict, based on the evaluations of advantages and disadvantages of solutions in order to maximize their profit, they focus on components of a conflict. The basic principle is “time is money” results in terminating the contract, if its components are not satisfying

the majority of those who are affected. The central point in the communication is on the content, rather than context. Collectivist on the other hand, focuses on the whole picture and may neglect many issues and components as unimportant. Successful negotiation is an outcome of a built trust between parties. More time is required in collectivistic cultures to reach an agreement, as the informal negotiation usually starts prior formal (Triandis, 1995, p. 128).

According to results of a study by Trubisky et al. (1991), collectivists tend to show more obliging, avoiding behaviour and compromising styles of resolving conflict situations; collectivists are more motivated to preserve the relationships. However, if the relationship is negatively predisposed, collectivists are more likely to be outspoken than individualists (Triandis, 1995, p. 77).

The collectivist would rather behave differently when negotiating in the inter- or intra-cultural business settings. When the counterparty shared same beliefs and belongs to the collectivistic culture, negotiators are willing to cooperate in order to achieve a mutually satisfying agreement. However, when the counterpart has different background beliefs, the negotiator would switch to the competitive strategy (Brett, 2000, p.100). Collectivist often chooses to preserve the relationship when it is required to communicate an undesirable message and would rather forward the “white lie”. On the other hand, individualist would sacrifice the relationship in order to forward the message in the precise manner (Triandis, 1995, p. 32). Results of study conducted between US and Ghana students, representing individualistic and collectivistic cultures respectively, have shown that the culture indeed affects the decision-making process. Individualist tend to show more rational behaviour to the contrast to collectivists who are more dependent on in-groups. This implication lead to conclusion, that collectivists tend to make long lasting decisions, when other members of group are involved, while individualists may not accept the logical deal and go with the a hasty decision (LeFebvre et al., 2013, p. 141). Collectivists tend to avoid conflicts and look for the compromise, as they are more sensitive to the status of the counterpart.

4.4 Shifts from Collectivism to Individualism

In the previous chapter, we have discussed the distinction between collectivism and individualism, main attributes and characteristics, while in this chapter, we will discuss whether the modernization, exposure to mass media, social networks can affluence the shift from collectivism towards individualism. The question is whether the modernization will eventually mitigate and finally eliminate cross-cultural boundaries and differences. There are some studies that are arguing that the

modernization and globalization will moderate cultural differences and cross-cultural differences will not be relevant in some areas. According to Triandis, some psychological attributes will be eradicated as a result of modernization. Obvious advantages of collectivism are relevant in societies with minimal resources, but it becomes less important when societies are getting more complex. The balance between both collectivism and individualism is desirable.

Yang already in 1988 introduced twenty features of a modern society, while twelve of them correspond to main characteristics of individualism. These are: personal efficacy, low integration with relatives, equalitarian attitudes, openness to innovation, sexual equality, achievement motivation, independence, self-reliance, active participation, risk taking and nonlocal legal orientation. However, these features are common in a modern life, but there are other culture-specific characteristics and features that cannot be eradicated and even if the convergence happens, the total elimination of cross-cultural differences is impossible (Yang, 1988 in Triandis, 1995, p. 82). The advantages of collectivism are clear when the resources in the society are minimal, but when the society is evolving and becoming more complex and differentiated it shifts from collectivism towards individualism. In cultures, where there is a gap between social classes and the economic inequality is high, like Latin America countries, there is a large difference between individualism and collectivism, where the upper class tend to show very individualistic behaviour (Triandis, 1995, p. 82).

5. Cultural Factors Influencing the Electronic Negotiation Process

There are various kind of distances, when talking about the business e-negotiation context: physical distance, economic and cultural distance. As we have seen from the literature review, cultural diversity is a crucial matter in negotiation process and has different impact on the parties during different stages and dimensions of the negotiation process. A successful outcome of the negotiation process, which leads to a mutually beneficial agreement, to a certain level depends on the negotiators' readiness and willingness to understand and to accept the way the cultural background influences the decision-making process.

In the cross-cultural business negotiation settings, it is challenging to reach an agreement beneficial for all concerned parties. In online negotiation context, involved parties do not see each other and the communication is often asynchronous and the traditional cues, such as visual and/or audible presence is not available, new skills and new strategies are required (Harkiolakis et al., 2012).

Significant cultural differences cause serious issues in the negotiation process and the purpose of the following chapter is to explore the influence of e-negotiators' culture on its own and on the counterpart' behaviour. In the second part of this chapter it will be discussed if these cultural differences could be bridged and how conflicting issues could be resolved.

5.1 Culture in Business Electronic Negotiation Settings

The growing amount of negotiated transaction taking place via the communication media has intensified an interest in the culture and in the communication media. However, there is significant number of findings that demonstrate the importance of the cultural differences and its influences on the negotiation, but there is still very little research and studies on the influence of culture on negotiation when the parties communicate electronically. Researches assume, that culture and communication media have an impact on the type and the quantity of the information shared among parties (Barsness et al., in Gelfand, 2004, p. 350). In terms of negotiation context, culture is perceived as the practices and values that are unique and shared among parties. Practice covers the organizational style, including the degree of centralization authority, formalization of communications and the hierarchy. Values represent the negotiator's preferences. The relevance of these factors in the online negotiation is debated, but they are worth to mention. In the intra-cultural

negotiation context, the cultural influence may not be significant, as there are no cultural, linguistic barriers and parties may predict the counterpart may react and act. On the other side, misunderstandings, mistrust and frustration are arising when the opposing cultures negotiate (Harkiolakis et al., 2012, p. 63- 64).

In face-to-face negotiation individuals may adopt their behaviour based on their perception of counterpart's culture. To the contrast, in the anonymous negotiations, parties do not have any cues to rely on and to create a perception. Results from a study conducted by Kersten et al. in 2002 have shown, that negotiation via information and communication technologies are abundant of cultural and personal differences. However, these differences are not observed in the bargaining strategies and in the atmosphere to the extent that was expected (Kersten et al., 2002, p. 9). Several interrelated constructs were considered in the experiment, as shown in the following figure. Situational constraints and negotiators' traits and characteristics affect the expectations and the atmosphere prior the negotiation process. The impact of cultural differences on results of negotiation is indirect in the experiment, as different outcomes on the negotiation cannot be accounted for cultural differences, but rather to expectations and behaviour (Kersten et al., 2002, p. 3).

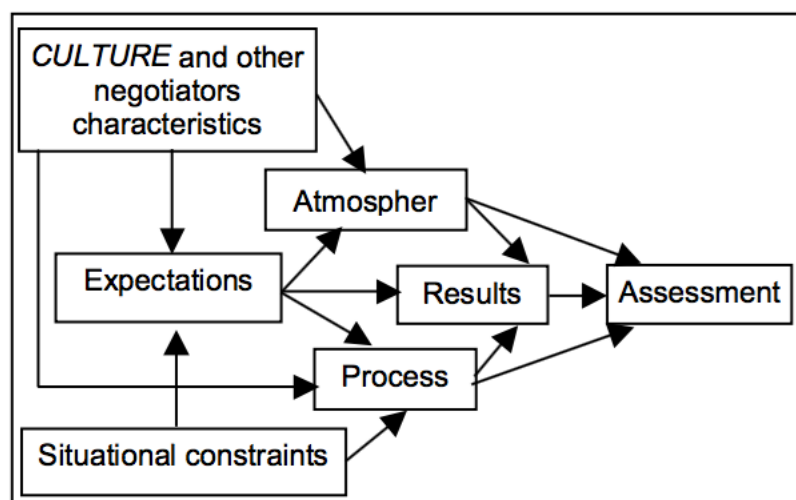


Figure 3. Cross-cultural e-negotiation framework (Kersten et al., 2002, p.3).

In previous chapters it was mentioned the influence of the communication media on the negotiator and their behaviour. Cultural background influences the sense-making and the amount of shared information of a negotiator. Barsness and Bhappu outlined three dimensions of cultural variability: individualism-collectivism, egalitarianism versus hierarchy, and communication context.

Throughout this thesis, the individualism – collectivism dimension will be described. These cultural values help the negotiator to interpret the experience and have an impact not only on the way the negotiator share information, but also what information is shared.

5.2 Negotiation Schemas and Behaviour

In previous chapter, the importance of communication media and its influence on the negotiation was discussed. Just as technology channels affect the negotiator and the negotiation process and its outcomes, so does the culture. At a fundamental level, the culture has an impact not only on how the negotiator share the information and make decisions, but also on what information they decide to share, what is relevant and what is unimportant from their perspective. However, we have already discussed the influence of communication media on negotiation process and media richness and interactivity, two dimensions introduced in previous chapters, which relevant to the cross-cultural negotiations, lead to the introduction of negotiation schemas and behaviours.

Negotiation schemas are defined as *“organized structures of information and expectations about negotiation that help negotiators make sense of the negotiation exchange”* (Thomson 1997 in Barsness and Bhappu, 2000, p.352), while negotiation scripts *“specify sequences of appropriate negotiator actions and behaviours”*. There is a variety of negotiation schemas and behaviours that lead to creation of mutual gains (Barsness and Bhappu, 2000, p.352), as shown in the following.

There are two main schemas that are important in the continuum of individualism-collectivism: the self-interest schema and information-processing schema. Extent to which individuals put a value on their own interest, rather than on collective gains is reflected within the self-interest schema. Focus on maximizing their own personal goals induce the behaviour of searching for more optimal alternative, omitting the closure and increasing joint payoffs, acknowledging goals of other parties involved. Recognizing the differences between collectivism and individualism, gives an opportunity to acknowledge, that the underlying values define not only how the information is searched, but also how these values influence the behaviour. Individualists prefer direct confrontations and choose direct problem-solving approaches and methods, while collectivist prefer indirect approaches, including conflict mediation. These and other behavioural traits predefine the presence of self-interest schema, and different information-processing schema (Barsness and Bhappu, 2000, p.359-360).

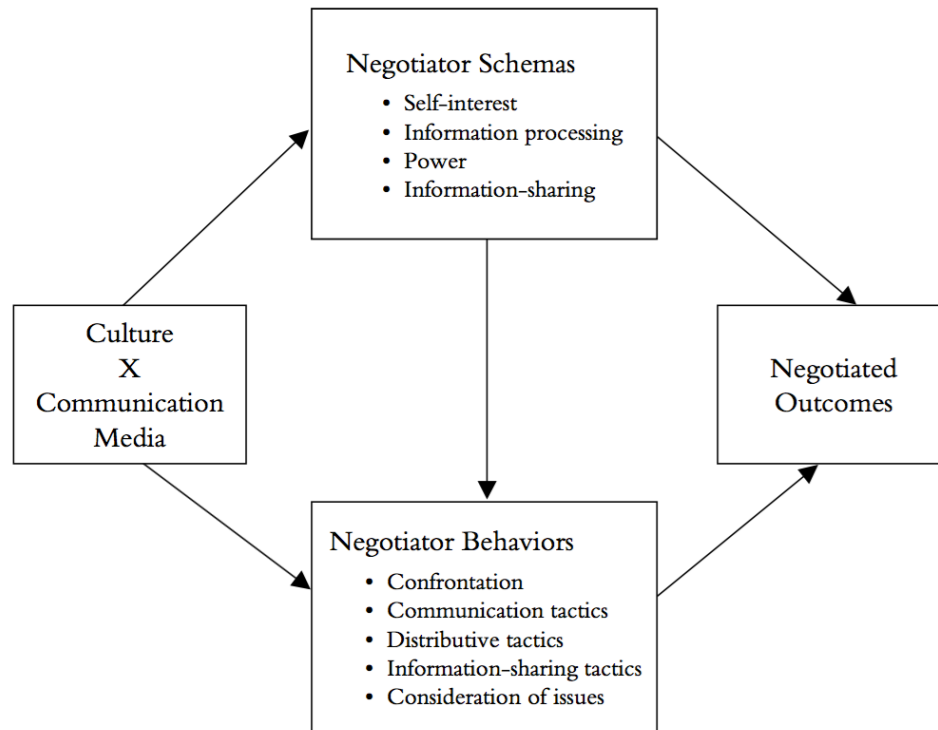


Figure 4. The influence of culture and communication media on negotiation (Barsness and Bhappu, 2004, p.354).

There are different schemas and behaviours in the negotiation field, that results in maximizing joint payoffs, some schemas, such as distributive and integrative, are generalized between cultures and communication media. These are self-interest, information-processing, power and information sharing schemas (Barsness and Bhappu, 2004, p.354). However, only self-interest schema and information-processing schema are relevant to the research question, as the power schema covers also another cultural dimension, egalitarian cultures, including the focus on status of a negotiator; and the information-sharing information schema focuses on high and low context cultures.

The power schema suggests, that the lower-status individual is encouraged to communicate using lean media, mainly because of the lack of visual cues. The absence of visual cues usually mitigates social differences and social status (Barsness and Bhappu, 2004, p.356). Interestingly, that lower-status negotiators are less likely to be influenced by the information provided by the higher-status party, while the former is seeking for the information in order to maximize their own payoffs.

Rosette et al. (2001) have found, that the hierarchical Hong Kong negotiators achieved higher joint outcomes negotiating via e-mail, than Hong Kong negotiators who interacted face-to-face. These

results suggest, that the use of distributive tactics and strategies is more common when negotiating via lean media, as the behaviour of individuals is direct and confrontational, because of a lack of visual cues. However, common to lean media, higher self-awareness and reduced other-awareness induces the implementation of distributive tactics which generates obstacles for egalitarian negotiator, leading to a conflict and lowering joint gains (Barsness and Bhappu, 2004, p.365-366). Decreased awareness among negotiators is more likely to reduce the effect of power schema.

Synchronicity and parallel processing are two aspects of interactivity dimension and have a significant implication on the information-sharing schema and information-sharing strategies. The influence not only how the information is shared, but also the method of how several issues are integrated into the negotiation process, inducing the consideration of issues behaviour. As the asynchronous media hampers capturing the feedback during the negotiation process, negotiators are more likely to consider multiple issues simultaneously. The process of consideration of multiple issues favours indirect form of information exchange. Low-context cultures tend to adopt a direct information-sharing strategy, prefer the use of e-mail medium, while high-context cultures preferring the indirect information-sharing strategies may find lean media less suitable (Barsness and Bhappu, 2004, p.367-368).

However, the negotiator is influenced by power eschewal and information-sharing schemas as well, we will focus on the self-interest and information-processing schemas.

5.2.1 Self-interest schema, culture and communication media

There are limited social cues when communicating online, visual, verbal and other social contexts. Lean communication media decreases the awareness of the counterpart and as a result promote a self-interest schema and induce self-interested behaviour of individuals, involved in the negotiation process, stronger than they would otherwise do. These results have substantial influence for individualists and collectivists.

Individualists, who by definition tend to a self-interest schema, may focus on their own interests when communicating for instance via e-mail (Brett and Okumura, 1998). Brett (2001) stressed that self-interest negotiation schema generates a motivation to search for information. The importance of self-interest and reduced awareness of the counterpart in the lean media settings result in a situation,

where individualist concentrates merely on their own concerns. In this context, individualist will leave the counterpart without appropriate attention to their own preferences, interests during the negotiation process. When self-interest does not coincide, when the goal of one negotiator is easily reached, then the negotiator may not be willing to continue the negotiation (Brett and Okumura, 1998).

Collectivist's behaviour would be the opposite when negotiating via lean media. In the self-interest schema context, collectivist may go too far before reaching an agreement, and focusing on their interest and omit the process of gathering the information about the other party's interest in order to identify the joint outcome. This additional effort, including willingness to put a value on priorities of the counterpart during the negotiation, is more likely to assist collectivists to generate higher joint outcomes than would do individuals in given circumstances (Barsness and Bhappu, 2000, p. 365). Although, the self-interest schema may turn out to be beneficial for collectivist, where the reliance on lean media is higher, there is a risk that the offer might be accepted prior the thorough search for information on integrative tasks (Brett et al., 1998, in Barsness and Bhappu, 2000, p. 365).

5.2.2 Information-processing schema, culture and communication media

Limited visual, verbal and audible social cues in lean media induce negotiators to rely more on rational and analytical communication strategies and lowering the intuitive communication strategies (based on emotional and personal impressions). These effects are common for individualists, who credit deductive and logical thinking. The nature of the lean media, especially when speaking about e-mail, may cause obstacles in the collectivist's cultures, who rely more on the intuitive strategies. Lean media limits collectivist to adopt their strategies based on counterpart's emotions and as a result the effectiveness of collectivists efforts may be scaled down to the contrast to individualists (Barsness and Bhappu, 2000, p. 367).

5.2.3 Perception

Perception is a crucial aspect in e-negotiations, considering the fact that the visual and social cues are not available as in the face-to-face negotiation. Perception can be defined as the process of selection, organization and interpretation the incoming information and is based on subjective feelings. Cultural norms and values serve as a starting point in handling the negotiation. Ulijin and Campbell (1999) explained the complexity of the cultural perceptions by introducing explicit and

implicit perception through the iceberg metaphor. The top of an iceberg represents the explicit perception, in other words, it is the visible part, where the implicit part is hidden and invisible at the first sight and consists of a set of unconscious rules, emotions etc.

According to the social psychology (Harkiolakis et al., 2012, p. 55- 57; Triandis, 1995). there are three important elements that form the perception:

1. *Perception of the situation* is influenced by the previous experience and consists of feelings, judgments, norms, structure, content based on the results from similar negotiations in the past.
2. *Perception of the other party* represents the beliefs and reactions of the counterpart. The perception of the counterpart is based on their behaviour, reactions, strategies as well as on the reputation.
3. *Perception about ourselves* involves scrupulous self-judgment of own performance.

Subjective values and opinions, regardless conscious or unconscious, influence the way negotiators conduct negotiations. The subjectivity is not going to be avoided in the online context. However, in the face-to-face business negotiation settings, there is an incoming information in form of a stimuli (visual, sound etc.) that impacts the subjectivity. In the online business negotiation, there is shift the evaluation process (Harkiolakis et al., 2012, p. 56).

The social bond that is forming on the base of face-to-face negotiation is lessen in the context of the online negotiation and individuals perceive the counterpart as less known than they would perceive in the face-to-face negotiation. Findings made by Small and Loewenstein in 2003 concluded that the individuals are more willing to help the counterpart they perceive as more identifiable than the abstract one. This finding lead to the conclusion, that perceiving the counterpart as identifiable and specific person bridges perceived differences between them and under circumstances parties could act more generously. Another study by Griffith and Northcraft in 1994, lead to the conclusion that the agreements reached among anonymous negotiators have shown less integrity than among identified negotiators, suggesting that when the counterpart is identified the negotiation behaviour has shown more cooperative characteristics (Nadler, 2006, p. 151-152). McGinn and Cronson (in Gelfand, 2004, p. 345) suggested that it is not the culture of parties that is important, but rather how the culture influences the perception of and the behaviour in negotiations process. Kastanakis and

Voyer (2012) described culturally-conditioned orientation, where the “cultural factor” is in the role of a lens, which impacts basic perceptions and modes of how individuals process the information, based on a set of values, norms etc. through which individuals perceive the world. The table 7 on culturally-conditioned perceptual orientation reveals cross-cultural differences on self-perception, perception of emotions and on environment (Kastanakis and Voyer, 2012, p.996).

	Individualistic/independent orientation	Collectivistic/interdependent orientation
<i>Self-perception</i>	Autonomous, detached, differentiated	Inseparable, connected, non-differentiated
<i>Perception of others/groups</i>	Group exists to serve individual needs	Individuals exist to serve group needs
<i>Perception of emotions</i>	Individual-orientation, decontextualized, non-relational	Group-orientation, contextual, relational
<i>Perception of the environment and aesthetic preferences</i>	Analytical, focal	Holistic, contextual
<i>Sensory perception</i>	Several differences between the two orientations across sensory channels	

Table 7. Culturally-conditioned perceptual orientation: individualistic vs collectivistic (adapted from Kastanakis et al., 2012, p.996)

5.3 Impact of Negotiators’ Own Culture and of Counterparts on Electronic Negotiation Behaviour

There are not a lot of studies and research conducted in the area of electronic negotiation and there are only few to mention that focused on examining the cultural influence on the process, particularly individualistic and collectivistic dimension. The focus of the research of Wan-Jung Lin from the National Sun Yat-sen University (Taiwan) is the influence of culture on the electronic negotiation. In the study from 2009, Wan-Jung Lin looked at the cultural influence on the electronic negotiation from two different perspectives: the influence of the cultural background of the negotiator and the environment in which the negotiation takes place. In other words, whether the electronic negotiation in the cross-cultural settings is different from within the intra-cultural context and how the context influences the behaviour of individuals involved in the negotiation process (Lin et al., 2009).

Negotiators in the cross-cultural environment show different cognition, interpretation and behave differently as the result of different negotiation schemas. After a content analysis to online negotiation records between Western and Eastern countries, Wan- Jung Lin made few important conclusions. The initial hypothesis, that individuals from Western and Eastern cultures show different behaviour during the online negotiation, was supported. The counterparts' behaviour had an impact on the negotiator's behaviour to a certain level. Another interesting conclusion has shown, that Eastern negotiators' behaviour was influenced by the environment. Eastern and Western negotiators have shown different behaviour under different circumstances, and have adopted their behaviour to the context under which the negotiation took place. However, individuals from Eastern cultures adjusted their behaviour on a greater level in the cross-cultural negotiation settings. The results of the study proved that the behaviour of both parties involved is influenced by the cultural background of the counterpart. Several other important conclusions were made. Eastern negotiators show more high-power distance by definition and tendency of avoiding conflicts. In attempt to solve problems and come to a mutually beneficial agreement, Eastern cultures showed a preference to maintain a pleasant, for both, atmosphere, by resolving problematic issues.

In the cross-cultural negotiation context, the negotiators are involved deeply in the formulation tasks and are more concentrated on the persuasive behaviour, and paid less attention to private communications. Hui and Triandis (1986) tried to give an explanation to this phenomenon from the social psychology perspective. Individuals show their willingness for cooperative behaviour when they interact with the counterpart from the intra-cultural environment, the in-group counterpart is accepted, while with the out-group counterpart they tended to compete. When negotiators are interacting with the in-group member, they were more inclined to start with the private communication in order to build relations in order to have a background for a more equal process in the negotiation. The opposite behaviour was detected. Negotiators in the cross-cultural settings were treated as the out-group members and the negotiation process started from more formal conversations and individuals involved concentrated more on task and used heavily the persuasive strategies during the negotiation process (Lin et al., 2009, p. 12-18).

Brett and Okumura (1998) have suggested that negotiators adopt their behaviour when interacting according to the given negotiation settings. Negotiators from the Eastern culture, when interacting with the counterpart from the out-group, tend to compete in order to reach a desirable outcome, but

when the in-group counterpart perceive the negotiator as an in-group, then the Eastern negotiator shows a cooperative behaviour and establish an equal negotiation process.

Collectivistic cultures are placing an emphasize on the interconnection, conformity to group norms and cooperative behaviour within in-group. There is a clear distinction between in-group and out-group members than in the individualistic cultures. Eastern cultures are often labelled as the collectivistic, while Western – as an individualistic (Cai et al., 2000, p.593). When entering into the cross-cultural e-negotiation it is to be aware of the effects of communication media and culture on information exchange. Furthermore, the use of different types of communication media affects negotiation schemas and behaviour specific to each particular culture. In order to negotiate on a higher level, it is to acknowledge the differences across cultures and how particular communication media affects influence of culture on negotiation process (Barsness abd Bhappu, 2004, p. 368).

6. Conclusion and Recommendations

Culture can be perceived from different perspectives and many levels, from national, regional, organizational to a team culture. These perspectives are important as they reveal the complexity and versatility of cultural characteristics of a group of people and their further classification to specific culture (Wachowicz et al., 2018, p.83). Globalization, internet and communication media introduces new opportunities for business transactions and new ways of negotiating, bargaining and consequently, creates new obstacles. The focus of the present study is to examine how culture, particularly individualistic and collectivistic dimensions, is communicated through technology, in the on-line cross-cultural negotiation. Cultural diversity is a critical point in the negotiation, and a successful cross-cultural negotiation depends to a certain extent on the ability of parties, involved in the negotiation, to understand and to co-operate with parties from other cultures, different to their own (Harkiolakis et al., 2012). The growing amount of transactions and interactions taking place online all around the world, fuels the research in cultural influence and communication media in negotiation field. Both culture and communication media affect the type and the quantity of information being shared during the negotiation process. Different types of communication media influence parties involved in the negotiation process on how they interpret react on the information. While cultural factor impacts parties on its own way, on how the information is extracted and integrated (Barsness and Bhappu, in Gelfand, 2004, p. 350-351).

To illustrate difficulties individuals are facing, when negotiation via communication media, cross-cultural studies were discussed with the focus on the individualistic and collectivistic cultural dimension, early introduced by Geert Hofstede in his fundamental theory of the cultural dimensions. The original theory dated from late sixties suggested that every culture could be categorized and four dimensions were suggested: individualism vs. collectivism, uncertainty avoidance, power distance and masculinity-femininity.

There are two major issues that are arising in the cross-cultural electronic negotiation context:

- 1) the cognition difference of the same behavioural pattern, that gets different interpretation in different cultural context. What is accepted in one culture, is inappropriate in another;

- 2) the communication mode. The context of the message is important for the negotiation process. The reason of the message and the motivation behind it, explains the behaviour of the other party on a greater and deeper level (Lin et al., 2009, p.5).

Negotiation skills are not to be underestimated, but the cultural differences have it subtle, indirect and therefore, important influence on the whole process (Lin et al., 2009, p.5). When parties are willing to reach an agreement, then any individual, contextual and cultural differences should be overcome. Brett (2000) assumed that there are three factors that serve as prerequisites for successful outcome of a negotiation that are influenced by culture:

- 1) The importance of information sharing for negotiators;
- 2) The chosen method of information search;
- 3) Level of motivation of negotiators to search for information.

Different cultures place a different weight on information sharing, on what motivates negotiators to search for information; and, negotiating in the inter-cultural business settings may cause strategic challenges. The ability of negotiators to remain flexible when searching for information and when choosing means for information search could facilitate the cultural differences (Brett, 2000, p.103).

Culture provides some insights into the behaviour of negotiators not only in the face-to-face context, but also in the electronic environment. However, the overreliance on the influence of the cultural background on the negotiation behaviour may have some pitfalls. The given literature on the cultural influence on the negotiation agrees on that there is a difference between West and East cultures, defining West cultures as more individualistic, while East shows collectivistic attributes. However, this distinction is oversimplified. Suggestion that different cultural backgrounds would end up in the suboptimal agreement is not necessarily the case. If the negotiators are handicapped in the cultural stereotypes they may oversee the fundamental compatibility. On the other hand, being naïve and denying cultural differences may lead to biased situations and outcomes.

All these issues arise the main question whether the cultural background of negotiators is useful information, when negotiation in the electronic business negotiation context or not. It is useful in the context that it stimulates the information gathering about the counterpart in order to understand the motives and explaining the behaviour to a certain extent and to able to make necessary adjustments to the strategy. On the other hand, it stimulates the biased perception (Brett, 2000, p.103).

As culture covers a lot of different factors it is difficult to measure the cultural influence on the online negotiation. If it were possible to collect the behavioural data during all stages of negotiation process (pre-negotiation, negotiation and post-negotiation) it could give the researches an opportunity to make overall conclusions about the cultural influence in the context of the electronic negotiation (Lin et al., 2009, p. 2).

Cultural dimensions of individualism and collectivism are also interconnected with the cultural dimension of power distance, a term coined by Hofstede in his research. Power distance is used to measure the level of inequality in the society and how individuals with less power are willing to accept it. It is difficult to observe effect of one dimension without the other, as they are related (Sanchez-Anguis et al., 2012, p.629), however in the scope of the present study other cultural dimensions were omitted.

As is evident, the present work, does not provide a definite answer to the research question of to which extent cultural dimensions of individualism and collectivism influence the electronic negotiation. Rather, it summarizes what scientist have concluded on cross-cultural, particularly in the context of individualism and collectivism, effects on the negotiation process. This thesis brings up an issue and several unanswered questions. It is my hope, that further research on influence of cross-cultural differences on the negotiation process, particularly on the electronic negotiation will continue and that future contributions to the field will help us. In the expansion of international businesses, the ability to appreciate the influence of cultural differences on negotiation can determine the outcome of a negotiation process.

Face-to-face negotiation settings allow negotiators to communicate in a richer and natural manner, however, it causes cognitive biases as parties are aware of a counterpart's culture and may adjust their behaviour to the opponent. There is a question, if emerging media richness and interactivity of modern communication technology will mitigate differences between the face-to-face and electronically mediated negotiation.

Researches suggested, that negotiators in cross-cultural settings tend to rely less on cooperative behaviour, are negatively predisposed (Kumar, 2004) and are less flexible (Cuningham, 2004).

Negotiators behave differently when they negotiate in intra-cultural settings. Language barriers and different communication styles are the factors that intensify these effects. “*Culture is an oft-cited culprit*” when scholars are incapable of explaining why negotiations fail (Tinsley et al., in Faure, 2012, p. 185).

Research suggests, that the information communication technology has a significant influence on the negotiation process and its outcome. However, as the technology channels are becoming richer and more sophisticated, the question is whether its influence will be greater or, to the contrast, the advance of the technology will mitigate differences between face-to-face negotiation and electronically mediated, leaving only the cultural differences. However, there are other remarks, that the impact of culture on negotiation may not hold in the case of electronic negotiation. International and cross-cultural negotiations are wide areas and research within these field can be examined from different perspectives. The present study examined the impact of cultural differences on electronically mediated negotiations, based on the literature review and empirical findings. Future research should examine what factors influence the role of collectivism and individualism in the online negotiation context.

Appendixes

Appendix 1. Ranking of Countries/Cultures on Cultural Dimensions

Individuality					
1-20	21-40	41-60	61-80	81-100	101-120
Country	PDI	IDV	MAS	UAI	LTO
United States	40	91	62	46	29
Australia	36	90	61	51	31
United Kingdom	35	89	66	35	25
Netherlands	38	80	14	53	44
New Zealand	22	79	58	49	30
Italy	50	76	70	75	
Belgium	65	75	54	94	
Denmark	18	74	16	23	
France	68	71	43	86	
Sweden	31	71	5	29	33
Ireland	28	70	68	35	
Norway	31	69	8	50	20
Switzerland	34	68	70	58	
Germany	35	67	66	65	31
South Africa	49	65	63	49	
Finland	33	63	26	59	
Poland	68	60	64	93	
Czech Republic	57	58	57	74	
Austria	11	55	79	70	

Hungary	46	55	88	82	
Israel	13	54	47	81	
Spain	57	51	42	86	
India	77	48	56	40	61
Argentina	49	46	56	86	
Japan	54	46	95	92	80
Iran	58	41	43	59	
Jamaica	45	39	68	13	
Brazil	69	38	49	76	65
Egypt	80	38	52	68	
Iraq	80	38	52	68	
Kuwait	80	38	52	68	
Lebanon	80	38	52	68	
Libya	80	38	52	68	
Saudi Arabia	80	38	52	68	
United Arab Emirates	80	38	52	68	
Turkey	66	37	45	85	
Uruguay	61	36	38	100	
Greece	60	35	57	112	
Philippines	94	32	64	44	19
Mexico	81	30	69	82	
Ethiopia	64	27	41	52	25
Kenya	64	27	41	52	25
Portugal	63	27	31	104	
Tanzania	64	27	41	52	25

Zambia	64	27	41	52	25
Malaysia	104	26	50	36	
Hong Kong	68	25	57	29	96
Chile	63	23	28	86	
China	80	20	66	40	118
Ghana	77	20	46	54	16
Nigeria	77	20	46	54	16
Sierra Leone	77	20	46	54	16
Singapore	74	20	48	8	48
Thailand	64	20	34	64	56
El Salvador	66	19	40	94	
South Korea	60	18	39	85	75
Taiwan	58	17	45	69	87
Peru	64	16	42	87	
Costa Rica	35	15	21	86	
Indonesia	78	14	46	48	
Pakistan	55	14	50	70	
Colombia	67	13	64	80	
Venezuela	81	12	73	76	
Panama	95	11	44	86	
Ecuador	78	8	63	67	
Guatemala	95	6	37	101	

<http://clearlycultural.com/geert-hofstede-cultural-dimensions/individualism/>, accessed on 23.08.2018

Appendix 2. Abstract (in German)

Die Entwicklung im Bereich der Informations- und Kommunikationstechnologien bietet eine Reihe von Verhandlungstechniken und Kanälen. Bei dem Einsatz von verschiedenen Kommunikationskanälen in Verhandlungsprozessen spricht man über die auf der Hand liegenden Vorteilen in Effizienz, allerdings bringt Hemmnissen mit sich. Man findet eine Vielzahl von Literaturquellen an kulturelle Einflussfaktoren auf die internationalen Verhandlungen, sowie die Literatur wie die Kommunikationsmedium eine internationale Verhandlung beeinflusst. Diese Masterarbeit hat zum Ziel die internationalen elektronischen Verhandlungen und kulturelle Dimensionen Individualismus und Kollektivismus zusammenzubringen um zu vergleichen das Verhalten von Individualisten und Kollektivist im Rahmen von internationalen Verhandlungen über verschiedene Medienkanälen. Man betrachtet Individualismus als ein Wertsystem in der Gesellschaft, wo ein Individuum im Mittelpunkt steht und ist unabhängig von anderen Individuums; wobei im Kollektivismus die Interessen von der Gruppe oder ganze Gesellschaft im Zentrum sind. Die eigenen Ziele von Individualist sind wichtiger als der Gruppe, infolgedessen ist die Verbindung mit In-Groups ist schwacher als bei Kollektivisten. Wenn die Parteien aufweisen pro-soziale Strategien, ist es mit kooperative Verhandlungsverhalten oder „win-win“- Einstellungen zu rechnen. Andererseits ist bei egoistisch-motivierenden Parteien, wo es ist wahrscheinliche die Entstehung von distributiven Verhalten.

Bibliography:

1. Adair, W. L., & Brett, J. M. (2004). Culture and negotiation processes in Gelfand, M. J., & Brett, J. M. (2004). *The handbook of negotiation and culture*. Stanford University Press, 158-176.
2. Adair, W. L., & Brett, J. M. (2005). The negotiation dance: Time, culture, and behavioral sequences in negotiation. *Organization Science*, 16(1), 33-51.
3. Barsness, Z. I., & Bhappu, A. D. (2004). At the crossroads of culture and technology: Social influence and information-sharing processes during negotiation. *The handbook of negotiation and culture*, 350-373.
4. Bazerman, M. H., Curhan, J. R., Moore, D. A., & Valley, K. L. (2000). Negotiation. *Annual review of psychology*, 51(1), 279-314.
5. Bichler, M., Kersten, G., & Strecker, S. (2003). Towards a structured design of electronic negotiations. *Group Decision and Negotiation*, 12(4), 311-335.
6. Brennan, S. E., & Lockridge, C. B. (2006). Computer-mediated communication: A cognitive science approach. *ELL2, Encyclopedia of language and linguistics*, 775-780.
7. Brett, J. M. (2000). Culture and negotiation. *International journal of psychology*, 35(2), 97-104.
8. Brett, J. M., & Okumura, T. (1998). Inter-and intracultural negotiation: US and Japanese negotiators. *Academy of Management Journal*, 41(5), 495-510.
9. Butler, S. A. (2010). Solving business problems using a lateral thinking approach. *Management Decision*, 48(1), 58-64.

10. Cai, D. A., Wilson, S. R., & Drake, L. E. (2000). Culture in the context of intercultural negotiation: Individualism-collectivism and paths to integrative agreements. *Human Communication Research*, 26(4), 591-617.
11. Caputo, A. (2013). A literature review of cognitive biases in negotiation processes. *International Journal of Conflict Management*, 24(4), 374-398.
12. Carnevale, P. J., & Pruitt, D. G. (1992). Negotiation and mediation. *Annual review of psychology*, 43(1), 531-582.
13. Cunningham WA, Nezlek JB, Banaji MR. 2004. Implicit and explicit ethnocentrism: revisiting the ideologies of prejudice. *Pers. Soc. Psychol. B* 30:1332–46
14. De Dreu, C. K. (2004). Motivation in negotiation: A social psychological analysis. *The handbook of negotiation and culture*, 114, 135.
15. Epstein, S., Pacini, R., Denes-Raj, V., & Heier, H. (1996). Individual differences in intuitive–experiential and analytical–rational thinking styles. *Journal of personality and social psychology*, 71(2), 390.
16. Eshragh, F., Pooyandeh, M., & Marceau, D. J. (2015). Automated negotiation in environmental resource management: Review and assessment. *Journal of environmental management*, 162, 148-157.
17. Faure, G. O. (Ed.). (2012). *Unfinished Business: why international negotiations fail*. University of Georgia Press.
18. Galin, A., Gross, M., & Gosalker, G. (2007). E-negotiation versus face-to-face negotiation what has changed—if anything? *Computers in Human Behavior*, 23(1), 787-797.
19. Gelfand, M. J., & Brett, J. M. (2004). *The handbook of negotiation and culture*. Stanford University Press.

20. Gelfand, M. J., & Christakopoulou, S. (1999). Culture and negotiator cognition: Judgment accuracy and negotiation processes in individualistic and collectivistic cultures. *Organizational Behavior and Human Decision Processes*, 79(3), 248-269.
21. Gelfand, M. J., and A. Realo. (1999). Individualist–collectivism and accountability in intergroup negotiations. *Journal of Applied Psychology*, 84, 721–736.
22. Gelfand, M. J., Higgins, M., Nishii, L. H., Raver, J. L., Dominguez, A., Murakami, F., ... & Toyama, M. (2002). Culture and egocentric perceptions of fairness in conflict and negotiation. *Journal of Applied Psychology*, 87(5), 833.
23. Gelfand, M., & Dyer, N. (2000). A cultural perspective on negotiation: Progress, pitfalls, and prospects. *Applied Psychology*, 49(1), 62-99.
24. Ghauri, P. N., & Usunier, J. C. (2003). *International business negotiations*. Emerald Group Publishing.
25. Graf, A., Koeszegi, S. T., & Pesendorfer, E. M. (2010). Electronic negotiations in intercultural interfirm relationships. *Journal of Managerial Psychology*, 25(5), 495-512.
26. Harkiolakis, N., & Halkias, D. (2012). *E-negotiations: networking and cross-cultural business transactions*. CRC Press.
27. Hawes, J. M., & Fleming, D. E. (2014). Recognizing Distributive or Integrative Negotiation Opportunities in Marketing Channels: The Conceptualization of Adaptive Negotiations. *Journal of Marketing Channels*, 21(4), 279-287.
28. Heydenfeldt, J. A. G. (2000). The influence of individualism/collectivism on Mexican and US business negotiation. *International Journal of Intercultural Relations*, 24(3), 383-407.

29. Hofstede, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions and organizations across nations*. Sage publications.
30. Hui, C. H., & Triandis, H. C. (1986). Individualism-collectivism: A study of cross-cultural researchers. *Journal of cross-cultural psychology*, 17(2), 225-248.
31. Janosik, R. J. (1987). Rethinking the culture-negotiation link. *Negotiation Journal*, 3(4), 385-395.
32. Kashima, Y., & Kashima, E. S. (2003). Individualism, GNP, climate, and pronoun drop: Is individualism determined by affluence and climate, or does language use play a role? *Journal of Cross-Cultural Psychology*, 34(1), 125-134.
33. Kastanakis, M., & Voyer, B. (2012). Cultural effects on perception and cognition: Integrating recent findings and reviewing implications for consumer research. *ACR North American Advances*.
34. Kaynak, E., & Darling, J. R. (2013). *International management leadership: The primary competitive advantage*. Routledge.
35. Kelley, H. H., & Stahelski, A. J. (1970). Social interaction basis of cooperators' and competitors' beliefs about others. *Journal of personality and social psychology*, 16(1), 66.
36. Kersten, G. E., Koszegi, S. T., & Vetschera, R. (2002, January). The effects of culture in anonymous negotiations: Experiment in four countries. In *System Sciences, 2002. HICSS. Proceedings of the 35th Annual Hawaii International Conference on* (pp. 418-427). IEEE.
37. Koeszegi, S. T., Pesendorfer, E. M., & Vetschera, R. (2011). Data-driven phase analysis of e-negotiations: an exemplary study of synchronous and asynchronous negotiations. *Group decision and negotiation*, 20(4), 385-410.

38. Kumar R. 2004. Culture and emotions in intercultural negotiations: an overview. In *the Handbook of Negotiation and Culture*, ed. MJ Gelfand, JM Brett, pp. 95–113. Palo Alto, CA: Stanford Univ. Press
39. LeFebvre, R., & Franke, V. (2013). Culture matters: Individualism vs. collectivism in conflict decision-making. *Societies*, 3(1), 128-146.
40. Lewicki, R. J., Barry B., Saunders, D. M., Minton, J. W. (2011). *Essentials of negotiation*. Boston, MA: McGraw-Hill/Irwin.
41. Lin, W. J., Lai, H. C., & Lin, J. Y. (2009). The Impact of Cultural Difference on Online Text-based Negotiation Behaviour: Integrating Qualitative and Quantitative Research Methods. *MIS REVIEW: An International Journal*, 15(1), 1-27.
42. Markus, H. R., & Kitayama, S. (1991). Culture and the self: Implications for cognition, emotion, and motivation. *Psychological review*, 98(2), 224.
43. McGinn, K. L., & Croson, R. (2004). What do communication media mean for negotiations? A question of social awareness. *The handbook of negotiation and culture*, 334-349.
44. McKenna, K. Y., & Bargh, J. A. (2000). Plan 9 from cyberspace: The implications of the Internet for personality and social psychology. *Personality and social psychology review*, 4(1), 57-75.
45. Nadler, J. (2004). Rapport in legal negotiation: How small talk can facilitate e-mail deal-making. *Harv. Negot. L. Rev.*, 9, 223.
46. Nadler, J., & Shestowsky, D. (2006). Negotiation, information technology, and the problem of the faceless other. *Negotiation theory and research*, 145-172.
47. Naquin, C. E., & Paulson, G. D. (2003). Online bargaining and interpersonal trust. *Journal of Applied Psychology*, 88(1), 113.

48. Neale, M. A., and M. H. Bazerman (1991). *Cognition and rationality in negotiation*. New York: Free Press.
49. Newman, L. S. (1993). How individualists interpret behavior: Idiocentrism and spontaneous trait inference. *Social Cognition*, 11(2), 243-269.
50. Oetzel, J. G., & Ting-Toomey, S. (2003). Face concerns in interpersonal conflict: A cross-cultural empirical test of the face negotiation theory. *Communication research*, 30(6), 599-624.
51. Pesendorfer, E. M., & Koeszegi, S. T. (2006). Hot versus cool behavioural styles in electronic negotiations: the impact of communication mode. *Group Decision and Negotiation*, 15(2), 141.
52. Purdy, J. M., Nye, P., & Balakrishnan, P. V. (2000). The impact of communication media on negotiation outcomes. *International Journal of Conflict Management*, 11(2), 162-187.
53. Raiffa, H. (1982). *The art and science of negotiation*. Harvard University Press.
54. Rosette, A. S., Brett, J. M., Barsness, Z., & Lytle, A. L. (2012). When cultures clash electronically: The impact of email and social norms on negotiation behavior and outcomes. *Journal of Cross-Cultural Psychology*, 43(4), 628-643.
55. Rosette, A. S., Brett, J. M., Barsness, Z., and A. Lytle. (2001, June). *The influence of e-mail on Hong Kong and U.S. intra-cultural negotiations*. Paper presented at the annual meeting of the International Association for Conflict Management, Paris.
56. Sanchez-Anguix, V., Dai, T., Semnani-Azad, Z., Sycara, K., & Botti, V. (2012, January). Modeling power distance and individualism/collectivism in negotiation team dynamics. In *System Science (HICSS), 2012 45th Hawaii International Conference on* (pp. 628-637). IEEE.

57. Schwartz, S. H. (1990). Individualism-collectivism: Critique and proposed refinements. *Journal of cross-cultural psychology*, 21(2), 139-157.
58. Schwartz, S. H. (1994). Beyond individualism/collectivism: New cultural dimensions of values.
59. Thompson, L. L. (2006). *Negotiation theory and research*. Psychology Press.
60. Thompson, L. L., Wang, J., & Gunia, B. C. (2010). Negotiation. *Annual review of psychology*, 61, 491-515.
61. Thompson, L., & Nadler, J. (2002). Negotiating via information technology: Theory and application. *Journal of Social Issues*, 58(1), 109-124.
62. Triandis, H. C. (1995). *Individualism and collectivism*. Westview Press
63. Tversky, A., & Kahneman, D. (1974). Judgment under uncertainty: Heuristics and biases. *science*, 185(4157), 1124-1131.
64. Tyler, T., & Blader, S. L. (2004). Justice and negotiation. *The handbook of negotiation and culture*, 295.
65. Wachowicz, T., Kersten, G. E., & Roszkowska, E. (2018, June). Some Methodological Considerations for the Organization and Analysis of Inter-and Intra-cultural Negotiation Experiments. In *International Conference on Group Decision and Negotiation* (pp. 82-96). Springer, Cham.
66. Weiss, S. E. (2006). International business negotiation in a globalizing world: Reflections on the contributions and future of a (sub) field. *International Negotiation*, 11(2), 287-316.

67. Yang, K. S. (1988). Will societal modernization eventually eliminate cross-cultural psychological differences?
68. Clearly Cultural, Making Sense of Cross-Cultural Communication,
<http://clearlycultural.com/geert-hofstede-cultural-dimensions/individualism/> , accessed on 23.08.2018
69. Eurobarometer, Information society as seen by EU citizens,
<http://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/getSurveyDetail/search/information%20society/surveyKy/625> , accessed on 25.08.2018
70. Program on Negotiation, Harvard Law School,
<https://www.pon.harvard.edu/daily/conflict-resolution/types-conflict-business-negotiation-avoid/>, accessed on 28.09.2018