

NATIONAL COLLEGE OF IRELAND

# The art of negotiation in a diverse cultural environment within organisation

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MBA

**Katarzyna Medynska**

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**Student Number:** 13132245

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Recent trends in management within financial sectors have focused on employee diversity and highlighted the importance of different cultures within multinational companies. In addition to that most training departments are highlighting importance of the changing mindset from traditional manager (task oriented) to a leader. However the secondary, if not the primary, role each manager has to perform is the manager as negotiator.

This research is focused on analyzing current negotiation skill sets, presented by managers, in multinational companies, specifically in the financial sector. With the growing awareness of diverse cultures within companies, for example due to work being outsourced to low labour cost countries, comes the challenge of continuously delivering a high standard of service to the client. For that communication skills and negotiation skills are key. The question therefore is: are current managers trained to be good negotiators? Is this area forgotten as an important aspect of what is required of the modern manager? Each project, each deal or even opinion discrepancies between two parties tends to further expose the need for good negotiation skills in order to come to the optimum agreement without default.

This study or thesis investigates the topic of negotiation by interviewing leaders from one of the biggest banks operating within the financial services sector. The researcher used qualitative methods, such as the case study method, and collected data via interviews with the ten participants from the company which will remain anonymous. The results allowed for the development of the case study and the development of a conclusion as to the importance of training in negotiation, and to how such training is absent and in need of being addressed. The case evidence also instance do examples of where the issue of negotiating is under control and does not need any adjustments.

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## Introduction

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Recent findings are showing that organisations are starting to be aware that negotiation skills are important for both profitability as well as being a primary tool to resolve differences at all levels. According to an article from 2012, Biz Community, CIPD and international business psychology consultancy OPP conducted research in this area and found that employees spend up to three and a half hours, at least, a week dealing with badly managed conflict, drastically affecting work performance. It can be often put down to lack of proper training, lack of confidence or even lack of awareness that the situation can be dealt with better if employees have the proper tools. On the management level it is expected that the conflicts are solved smoothly and deals are made with the best outcome because managers are meant to be qualified negotiators, especially when managers are now also dealing with staff and clients from various cultural backgrounds. The reality is some will not attempt proper negotiation due to fear or lack of proper preparation. Within the financial sector one bad negotiation can lead to loss of staff, client, potential reputation damage, loss of authority.

This research will in the first chapter present basic theories, tactics and strategies used in negotiation using available literature, articles and already carried out research by other parties. Also some tips of how anyone can improve on negotiation skills. In addition to that the author will go through cultures within multinational companies, in the financial sector to show that the cultural aspect should be taken into consideration when learning about negotiation and why it is important today. In the second chapter the author will address the research question and draw attention to potential problems of managers not being good negotiators in growing, culturally diverse businesses. Furthermore, the author will walk through the chosen research methodology and outline how data was collected. The final chapter will outline the results of research and attempt to answer the research question.



### *1.1. Overall understanding of negotiation*

A simple situation from life: Sam and Lili decided to go and buy a car. They have in and around a budget of 3K €. They found an amazing car they wish to purchase and it's available at the dealer's place. The car price was 3,400 € and Lili wanted to drop the idea but Sam convinced her to try anyway. Dealer was happy to sit with the pair and discuss details if they decide to purchase the car. Sam began the discussion by saying that the car is lovely, but has a couple of scratches on the side and old tyres, he will only agree to buy the car but for the price of 2,900 €. Dealer has then conducted his point of view and said that car will be fully serviced and that there is 6 months warranty therefore he will go as low as 3,200 €. Sam continued however with his argument and added that the car NCT expires in 2 months so he would go with 3K. The dealer's response was that he will put a full tank of petrol if they agree on 3,100€. Sam agreed to the deal and purchased the car.

Above case is a situation from life each person has doubt with in the shop, on the bus station, in family argue with angry teenager, etc. Aspects of negotiation can be seen in any shape and it does not always involve money or the purchase of goods. And why is that we negotiate at all? Oliver (1996) explain that negotiation occurs when the deal is already in place, but the best outcomes of the deal are to be discussed. We negotiate to agree on best deal available to us. We can look at negotiations in social levels as follow:

- Negotiations on the interpersonal level, in terms of interpersonal relations,
- Negotiations inside the organisation – these mainly concern problems related to management of people and the team,
- Negotiations between organisations - involve co-operation of businesses, commercial agreements, including international deals,
- Negotiations on an international level - are mainly units of diplomatic representing specific nations, states, and international companies.

Typically the term “negotiation” is associated with professional individuals whose work involves making deals between two companies or sales representatives. Overall we can define negotiation as bargaining process between two or more parties, each with its own goals and interest, with the approach to find common ground and settle final agreement. Fisher and Ury (2012) sum it up as a two-way process of communication whose aim is to reach an agreement,

when at least some of the interests of the parties involved are in conflict. From the psychological point of view negotiation is a process of interaction of the participants also known as the interaction of at least two personalities. Under these interactions reveal attitudes and position of actors negotiations.

This research paper is more focused on negotiation inside organisation and between organisation and the clients. Lax and Sebenius (1986) are presenting manager as a negotiator, an individual whose one of main part of the job is negotiating on a daily basis. It could be related to unhappy member of staff, discussion about the project with various internal teams or, at the higher level, disagreement with the client wishes. When entering negotiation managers should recognise which style to chose in negotiation, what is the main issue to discuss, whenever to be go with competitive or co-operative approach (Mara Olekalns, Wendi L. Adair, 2013, p.6)

To fully understand how important negotiations are author decided to describe some of the basic negotiations styles, methods of negotiation and what is the impact on business when managers are lacking those skills.

### *1.2. Why most people are ineffective negotiators?*

As mentioned in previous section negotiations happen on many social levels. According to Thomson (2001, p.5) after investigating senior level executives from major companies across the world, approximately 95% of them “left money on the table”. In other words they performed negotiations with the poor outcome to themselves or company. Thomson then continues that as per his research he was able to highlight 4 sins of negotiations:

1. Lose-lose negotiation - negotiator failed to recognise win- win scenario,
2. Settling for too little – negotiator make too-large compromise resulting in too small bargaining peace,
3. Walking away from the table - negotiator is rejecting the deal even if its presents better option than any other. It can be down to personal price or miscalculation of the deal,
4. Settling for terms worse than your alternative – negotiator feel under pressure to close the deal despite better, other alternative deal terms.

The reasons behind bad negotiation can be down to fear of confrontation, lack of confidence, absence of relevant feedback, bad reaction to the opposite negotiator (lose control) or lack of self-reinforcement.

Fear of confrontation can be related to the fact that opposite party has bigger authority than your own hence negotiator can often feel threatened by it and retreat. Lack of confidence can occur if negotiator has low self-esteem or is not well prepared for the negotiation. Once the confrontation begins the negotiator starts losing the ground and gives up, often preferring to agree to whatever deal is available even if it's opposite his own interests. Forbes (Good and Bad Negotiators, 2012) in one of the articles about good and bad negotiators tested a group of professional individuals in this aspect. The exercise was simple and did not require any technical or specific knowledge but the task itself was created in such a way that each of the negotiator could have reached agreement better than prior alternatives. In other words it was up to individual negotiation skills of examined group to establish better deal. Results of this case study shown that 2/3 of the participants closed the deal, however they left approximately 40% of potential value of the transaction on the table.

The most common mistake is when a negotiator reacts to the other party's provocation (this will be discussed further under "difficult opponent" section). The hardest thing is to control your own behaviour, especially if it comes out as natural reaction to threats, provocation, negativity, word abuse etc. Very often a reaction on aggressive behaviour of one of the negotiator would be "fight fire with fire". Article "unethical-negotiation" (The negotiation expert, 2015) describes such situation when two negotiator are up to each other throats, non is willing to back down therefore reaching the agreement of any sort will most likely diminish. Last but not least issue people may have is to self-reinforce. In other words people are afraid of changes in their own behaviour. Or better to say they fear to experiment due to fear of making a mistake. Such an obvious act can be easily used against a negotiator and turn into psychological trap. Authors of "Negotiation" (Lewicki, Saunders, Minton, 1999, p. 399-407) allocated whole chapter explaining how one negotiator can set up a "trap" by using another negotiator behaviour against him. On the other hand such tricks are used even when two powerful and strong negotiator are sitting opposite same table as a game of "who has more power".

In summary people are often failing in negotiation for many reasons, some mentioned above. Some negotiations are harder than others and majority of managers may not be aware that they are dealing with negotiations on a daily basis, on a different levels. That brings us to the next section where author highlighted negotiation styles depending on situation.

### *1.3. Negotiation styles*

Depending on how the negotiation turns and develops a negotiator can choose the style he/she would adopt during the meeting. Also another factor shaping the negotiating style can be due to the impact of its own interests, the impact of other's interests or concern about the mutual relations between the parties. The negotiation style can be as follows:

- Domination – (tough negotiator) – some key factors and desired behaviour leading to choose domination can be, desire to win and that can involve using threats. Also when participants are against each other from the start and do not trust each other. Dominator would insist on his/her position and look only for a solution suitable for him/her. Domination style is known well in legal negotiations where one party would use “warning” that if the offer will not be accepted then “x” will happen and that may result in higher cost etc. (Lewicki, Saunders, Milton, 1999, p. 89)
- Adapting – (soft negotiator, also known as term “accommodate”) - factors and desired behaviour leading to choose adapting style would be the aim to reach the agreement, makes offers, look for solutions acceptable for other party and be flexible to the deal.
- Avoidance - Avoidance is based on the assumption that the costs of possible participation in the process of solving the conflict would be greater than the benefits it would provide to reach an agreement. Calum Coburn (Harvard.edu, 2010) refers to this style as “passive aggressive” and it to be used when “the value of investing time” is greater than the overall benefit.
- Compromise - The compromise is based on the assumption that each party is using in part and partly loses when it comes to the realization of their interests. The process of negotiation can take a dynamic form and would force both parties to think of another, possible option. By being flexible and coming up with possible solutions would give negotiator advantage and most likely end up with positive outcome (Nierenberg, Ross, 2003, p. 48)

The negotiation style depends on person and on what level those negotiations are held. The discussion with another party can drastically change and such change can trigger to adopt another style in order to continue conversation. Choosing proper approach can be done in preparation phase and it's very valid when entering negotiation with cross-cultural party.

#### *1.4. How to prepare to negotiate – preparation steps*

Without the doubt preparation to any negotiation will give you confidence and control over coming, unknown outcome of negotiation. It can be in a shape of meeting with the employee on one of the aspect both disagree or important project to discuss and agree on next course of action. Regardless of the importance, the negotiation, if well prepared, will give strong advantage and better end results.

Starting with self – assessment, meaning what exactly is the negotiator goal to achieve in the process (Thomson, 2000, p.10). Negotiator has to have clear understanding of the problem negotiated. What are the arguments for yes and prepare potential scenarios for hard negotiation. Why would self-assessment be important in pre-negotiation? If dealing with cross-cultural client/party negotiator ideally should know his own limits and weaknesses/strengths, in order to act and react during the discussion. Willbourn (2004, p. 27) created virtuous circle of negotiation attributes. Among those we can list: a good listener, confident, flexible, goal-oriented, persuasive, persistent and many more.

Secondly gather all information and facts. Information is a powerful tool for both parties and can be used quite different, depending on the end goal of each party. Trying to find out exactly what the other party is aiming for would help in creating possible alternative solution.

Next is to make sure you have worked well on your BATNA (Best Alternative to Negotiation Agreement – full section 1.4.1.). Knowing your BATNA will give you fair advantage in case something goes wrong.

Last but not least, if possible, then rehears. In whatever way works for each individual. It builds up confidence especially if it's a negotiation for a major transaction. One of the Forbs article suggest to attend swap meets and flea markets to sharpen negotiation skills. Key is to practice and learn.

#### *1.4.1. Developing your BATNA*

BATNA stands for Best Alternative To Negotiated Agreement is the procedure, which guarantees the best interests of the implementation of the negotiating parties without the agreement of the other party. For the negotiator goal is to develop strong BATNA. The better BATNA, the greater the negotiating power (Ury and Fisher , 2012). Each move in the

negotiations must be assessed in relation to their own BATNA. If the other offer is better than our BATNA, we should accept it. If it is worse, we should insist on modifications. When the other party does not agree to the modification, we should withdraw from the negotiations. Ignorance of your own BATNA is a source of weakness, because we do not know at which point we should stop the negotiations. Ury and Fisher developed 3 steps to prepare successful BATNA:

1. Come up with all the possible actions that can be taken, if agreement is not reached
2. Improvement of some of the most promising ideas and transform them into practical options for action
3. Improvement of the temporary selection of one of the possibilities - that which seems to be the best.

In some instance having more than one alternative solution strength one side position. Effective negotiator would have ability to change alternatives. It is also referred to as “notions of bargaining power” (Lax, Sebeniuk, 1986, p.47)

Many, mentioned even in this paper, authors refer to Ury and Fisher idea of BATNA. However Guy Burgess and Heidi Burgess adopted the idea however they have developed, what they called EATNAs -"estimated alternatives to a negotiated agreement" according to article Limits to Agreement: Better Alternatives (1998). The interpretation is slightly different and instead of talking about “best alternative” it is estimated because both party may think that they have great alternative. Therefore the party who is confident in the idea will try to perused to win negotiation even thou the alternative deal may not be as strong as negotiator think. Although author could not find research proving statistics on how many managers prepare BATNA/ETNA, there is a incredible amount of literature and online articles such as Network Sherpa (2012) which refers to negotiations being by far more effective if negotiator has alternative solution.

### *1.5. Negotiating with difficult people*

There is no way of telling how the negotiation will turn. For most, even experienced negotiators, dealing with difficult, negative, manipulative people is the biggest challenge. How to talk to someone who does not listen, has no interest to continue conversation, is not willing

to look at alternative options or is using dirty tricks. In this section author will draw round of the methods to use when negotiation go offsite.

In order to get through to a person who is not co-operative and the negotiation is going nowhere you need to understand the reasons behind “NO”. The reasons for someone being aggressive can be as simple as person’s lack of knowledge about the subject of negotiation, personal agenda, or merely trying to show power over another party, etc.

It is easier said than done and if you can’t change difficult person behaviour try to control your own. William Ury (1991, p.7-9) suggest that there are 5 challenges to overcome in order to complete difficult negotiation with reasonable result:

- Opponent negative emotions,
- Opponent negotiation habits,
- Opponent scepticism toward agreement,
- Opponent perceived power over you,
- Your reaction

In order to do that Ury continue by presenting 5 steps to change dynamic of the negotiation:

- Don’t react – One of the most difficult challenge even most experienced negotiator can face. It is natural behaviour for anyone to react when being threatened or abused verbally. There are 3 natural reaction:
  - Strike back – sometime without a thinking negotiator who is attacked react with same respond “fight fire with fire”.
  - Give In – when opponent succeed to make you feel so uncomfortable that you give up and no longer held interest in making mutual agreement.
  - Break off – is when instead of having any negotiation, you walk away and change the dealer, company and start all over again with the new negotiator.

The reaction on opponent negative tactic is in some instance what other party wants in order to break you and gain advantage. By showing your natural reaction is to give yourself on the plate. The key here is to act against your natural behaviour and look outside the box. Successful negotiator can step aside and look at the whole situation from the perspective of third party. This will allow to look at the negotiation with more objective perspective and not fall into trap of emotions.

- Disarm your opponent – in other words help regain mental balance of your opponent. Start actively listen to their points. Agree with their point of view and acknowledge their feelings and acknowledge your differ opinion with positive and optimistic attitude.
- Change the game – instead of rejecting try to reframe what was being said and start asking problem solving questions and for opponent opinion.
- Make it easy to say yes
- Make it difficult to say no

Dealing with difficult people is the worst nightmare anybody would wish to avoid. However it is inevitable that at some stage such negotiation will also cross path each negotiator. Instead of avoiding and hiding from it, is best to prepare for it. When the time comes you will be ready.

#### *1.6.Features of a Good Negotiator*

In the previous sections author has outlined what negotiation are, how to prepare, how to deal with difficult people. Below is a summary of features gathered from the literature review, which will tell if someone as an effective negotiator:

- sets targets negotiation on an equal footing with the objectives of the organization. An effective negotiators framework for action correspond to strategic objectives of the organization. For this to be possible, the objectives must be clearly defined and known to every employee.
- They carefully prepares and uses every phase of negotiations for further preparations. He knows the facts and has prepared proposals. Do not improvise.
- It uses negotiation sessions to gain a full understanding of the issues at stake and the BATNA, and the price of coastline on the other hand.
- It has a psychological abilities necessary to identify the interests of both sides, he can think creatively and propose options for presenting a situation of win - win.
- Able to separate personal issues from the issues under negotiation.
- He can see the potential barriers to agreement.
- He knows how to form coalitions. Not every trader has the opportunity to win by himself. Sometimes you have to build a coalition, even with a few weaker players, based on a foundation of common interests.



- He creates an atmosphere of credibility and trust. He act ethically, respecting the word. It bases its activities on trust

To be a good negotiator is not an easy task. However negotiators can be trained and the essential skills of negotiation developed. The common myth is that a strong negotiator is someone who was born with great interpersonal abilities. Thomson (2001) has confronted this myth and denied it as a true fact. He claims that there are very few naturally born negotiators and most of the good negotiators are self-made. After introducing to the basic theories, tactics about negotiation author will now move on to second chapter where those methods will be review adding cross-cultural aspect to it.

## Chapter 2. Culture in International Companies

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### *2.1. Defining culture*

Culture is mainly associated by most with issues pertaining to the culture of a specific country. Different countries and nations exhibit different culture. However culture is more than the geographical place people live. For example Hofstede (1984) defines "Culture as the collective programming of the mind which distinguishes the members of one category of people from another." Culture concerns economic, social, political, and religious institutions. Moreover it also concerns unique products produced by those social groups – art, architecture, music, theatre, and literature. Culture is the sum of total of the learned behaviour of a group of people that are generally considered to be the tradition of that people and are transmitted from generation to generation.

### *2.2. Corporate Culture*

Corporate Culture is believed to be developed organically, over time, from the cumulative traits of the people the company hires. It's a long term process of shaping some behaviours, creating values within employees all to determined how managers and subordinates handle internal and outside business. It has been known since early 80's and widely known by 90's. Back then corporate culture was more of a use to managers to describe character of the company. The meaning of Corporate Culture changed slightly over time with multinational corporations. Company culture was not only created by the founders, management and employees of a company, but also influenced by national cultures and traditions, economic trends, international trade, company size and products produced. Corporate Culture would

cover aspect such as dress code, business hours, office setup, employee benefits, turnover, hiring decisions, treatment of clients, client satisfaction and every other aspect of operations.

International corporations, which provide financial services have a strict corporate culture. For example State Street, Citi bank, BNY Mellon, Northern Trust are originally USA based companies, Company culture is set to follow USA standards. For State Street we can read some of the newest ideas under “values” section, available on company website. SSB is very fond of the cultural diversity and is encouraging to act on it.

Corporate cultures, whether shaped intentionally or grown organically, reach to the core of a company’s ideology and practice, as well as affecting every aspect of business from each employee to customer to public image. The current awareness of corporate culture is more acute than ever. Within Multinational Corporation it helps to reduce differences in culture and act on one, created by company, to deliver expected client service in all locations.

### *2.3. Cross-cultural negotiation*

So second chapter was fully focused on how to negotiate properly, and what negotiations are all about before adding cross-cultural matter. It is important to understand the basics negotiation skills and how different they may be when negotiating with party based in different country. More and more international businesses are crossing borders, setting up units in low labour countries and hence crossing cultures. Culture deeply influences how people communicate, behave and think. It would most likely shape their way of making new transactions and the way they negotiate them. In the Jeswald W. Salacuse article (2004) we can read that it is impossible for any negotiator, within such diversified cultural word, to come to understand all cultures. However there are methods which can be used in order to avoid possible misunderstandings and possible loss of negotiation.

Firstly negotiator would have to establish the goal of negotiation. And in this context we mean whenever contract or relationship is most important for the opposite party. Some cultures, such as US or UK may assume that contract is the main goal of the negotiation. However for Japanese, Mexican, Chinese, or Latin American building of trust and relationship is something they value the most before negotiating the deal (Lewicki, Saunders, Minton, 1999, p. 378). Therefore additional time should be considered for first time negotiation with representatives from those countries before entering discussion about any deal (Nierenberg, Ross, 2003, p. 150-

151). On the other hand if the other party is only deal oriented than trying to build relationship first may be simple waste of time.

Second fact is the attitude towards negotiation: win-win situation or lose- win situation. Also refers to as Individualism and collectivism (Thomson, 2000, p.222-224) where either one side is focus only on its own benefit, more self-interested while collectivism main goal is to make sure group as a whole will end negotiation with mutual agreement beneficial to both parties. After first opening sentence negotiator should recognise which approach is being used by other side.

Additionally significant part of negotiation is communication. In some culture it would be more direct which would engage with other party, shake hands, ask direct questions were also information is context-free. But other cultures, some like Japan mentioned before, are very rigorous and more indirect in their communication, where respect towards social hierarchy is crucial point. An inappropriate interpretation of way of communication has lead many businesses not making a deal.

Therefore is cultural awareness important when negotiating? According to author of article Cross Cultural Negotiations (2016) it would be naive to think that attractive deal is more than enough to successfully close negotiation. On the other hand how many managers within financial industry actually cross- path with cultures so different that it would affect their performance? There are sector more exposed to more complex negotiations (client facing departments) and more procedure based (Processing, reporting departments).

In summary more and more businesses cross borders and are facing cultural differences. Literature emphasize that lack of knowledge, regarding cultural differences, would have negative effects on negotiations. Modern managers are more often put in position to carry out discussion without proper cultural background. Next chapter will focus on research question and methods to gather necessary data for conclusion of the issue.

## Chapter 3. Research question and methodology

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### *3.1. Research philosophy*

Conducting an adequate research method is one of the most important part of this paper. As per C. R. Kothari (2009) research purpose is to discover answers and find hidden truth through the application of scientific procedures. It is very much connected to research philosophy, meaning what is our perception of acceptable knowledge and the process of how we are gathering this knowledge. There are two wide approach for the philosophy- positivistic and interpretivistic. Baker (2001) explain that „this distinction rests basically on one’s personal philosophy concerning the conduct of research with positivists emphasising an inductive or hypothetico-deductive procedure to establish and explain patterns of behaviour while interpretivists seek to establish the motivations and actions that lead to these patterns of behaviour”. Understanding the research philosophy will help author to structure the research strategies and methods which will provide logical and accurate results.

The aim of this chapter is to outline what is research question the dissertation paper flowed by strategy chosen for this research. Furthermore author will outline what sample was used and discuss methodology implemented. Finally author will present the ethical measurements for the data collection security and limitation this research has held.

### *3.2. Research question*

The dissertation addresses the question below

*How do modern managers, in financial services, approach negotiation in a cross- cultural business environment?*

In order to fully answer above questions author propose additional sub-questions to support the main one:

- *How do modern managers prepare to negotiate within a diverse cultural work environment?*
- *Where do modern managers in financial service obtain knowledge of proper cross-culture methods of negotiation?*
- *What is the approach of modern managers within a cross-cultural environment towards effective negotiation?*
- *How managers are prepared to be effective negotiators?*
- *What is current level of knowledge and skill sets among modern managers within financial service?*
- *Why cross-cultural negotiation is important in business and industry today*

The main intention of this question and sub-questions are:

1. To examine what is current level of negotiation skill set for managers who work in financial service.
2. To study if the cross-cultural aspects are being considered before negotiating
3. To obtain information on how modern managers are being trained in negotiation
4. To investigate if lack of negotiation training has an impact on cross-cultural negotiations
5. To study modern managers awareness of their role as a negotiator.
6. To draw conclusions and to make proposals and recommendations for future managers in financial business on requirements to negotiate most effectively.

### *3.3. Research strategy*

Saunders & Lewis & Thornhill (2009) has identified two methods of data collection, which are qualitative methods and quantitative methods. The main difference between them two is flexibility. Quantitative method is very inflexible because its focused on systematic empirical investigation of observable phenomena using statistical data, mathematical or computational techniques. On the other side we have qualitative method which is very flexible because it's focused more on relationship between participants of the research, behavioural aspect and its more to explore the research objectives. Kumar (2008) summed up quantitative method as measurement of amount or quantity while qualitative research involve quality or kind. Both methods seems to be opposing and exclusive research methodologies. Baker (2001) pointed out that they are in fact supportive approached and complementary to the ways of research. After review of possibilities, author felt that she will be exploring the subject of negotiation, trying to seek new insights to existing problem and gather data from other people. That is why author chose qualitative research method only.

Within qualitative research methods there are various methods of data gathering such as questionnaires, surveys, observation, focus groups or case study. Author decided to develop case study, specifically a single case study approach. Yin (2009, p. 17-18) gathered in his book many definition of case study but sum them up as a way of investigating an empirical topic by following a set of prespecified procedures. He also went through different methods of research and compared them to case study method just to outline that not always choosing a case study will give a desired results. More about the design of case study in further chapter.

### *3.4. Benefit for the research*

Negotiation on a managers level is something known as a day to day norm. Lax and Sebenius (1986) simply stated that negotiation is the way of life for each manager. Stepping into manager role in multinational corporation is a great career opportunity but it also presents many challenges.

Research into this topic will try to show what is the current preparation to be good negotiator and what skill sets, on a different management levels, are actually required. The subject is interesting on many levels and results of the research may help to identify if there is a need for developing additional training in the field of negotiation. Perhaps there is it could improve effective negotiation and benefit company more by reducing potential mistakes made during negotiation process.

### *3.5. Case study design*

One of the key points of successful research method is proper plan. Kotler (2009) has come up with the six steps in developing effective marketing research:

1. Define the problem
2. Develop research plan
3. Collect information
4. Analyse information
5. Present figures
6. Follow –up

No matter what field we looking at the design seem to follow same path everywhere. Yin (2009, p.25-40) outline process of similar steps as a interactive process. First to plan, second to design, next to prepare followed by collecting and aliasing and finally share. Author will go through each phrase to present how case study was designed and executed.

#### *3.5.1. Design and preparation phrase*

Most important component for research design is research questions. The research question was already decided in previous section based on literature review and is presented below:

*How do modern managers, in financial services, approach negotiation in a cross-cultural business environment?*

The reason for the research question is to seek information about current level of effective negotiation skills where cultural diversity in financial corporation's has grown significantly. The sub question may lead to help answering the main question and provide additional information on how the managers obtain the basic knowledge of negotiation and what is their approach on a daily basis, if any. Finally the case itself is to prove that managers are well able to negotiate according to their job grade because its required from them. Effective negotiation can reduce time and issues related to miscommunication therefore this case will analyse if such is in place.

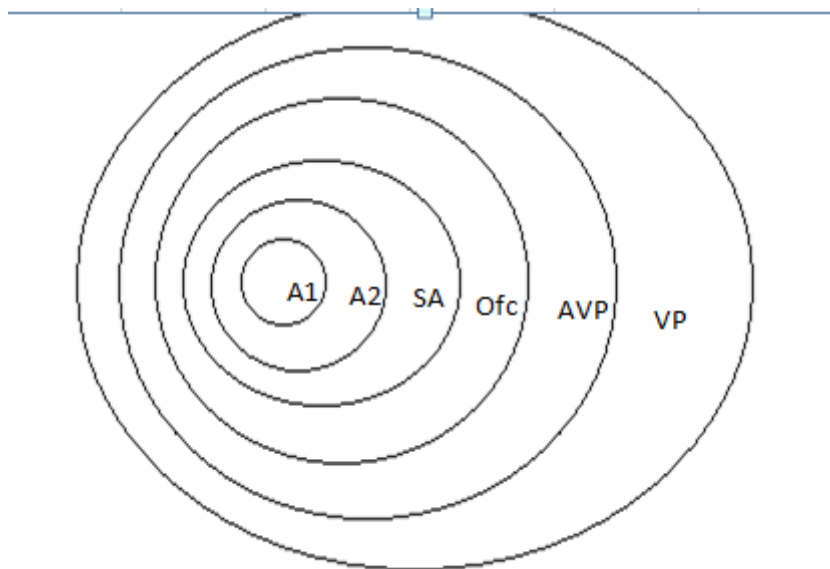
In addition to that author have decided to develop embedded single-case study. Despite the fact that unit of analysis, meaning participant of the research are all working in the same company, they hold and represent different managerial level, which gives a wider insight and better understanding of what is required on each level.

Next step was the preparation phrase of data collected. In this case study research interview was a source of evidence for findings. In order to gain access to the information author has reached out to potential individual, each separately via email to ask for permission to carry out interview for the dissertation paper. In the email author has informed that interview will be recorded to make more detailed notes in further stage and also provided with sample questions. Furthermore author has explained that no name or personal data will be used in the paper and non of the recorded discussion to be disclosed to anyone but author himself. Author has gained the consent of the participants and was able to continue work as planned.

### *3.5.2. Sample and Pilot interview*

In order for the research to be successful, author needed to select accurate sample, which J.A. Khan (2008) explain as selecting part of the group, population, which would provide relevant information for the research. For this paper author selected professional individuals, on different managerial levels (From SA to VP) inside one of the largest financial bank in the world, dealing with fund administration. As research aim to analyse current level and approach towards negotiation, including cross-cultural feature, selected sample should be able to answer most of the research questions. Below graph outlines job grades within organisation for better understanding of managerial levels discussed further in this paper.

Graph 1. Job grades



Graph explanation:

A1- Associate 1 – junior, entry level

A2-Associate 2- experienced associate

SA – Senior Associate – first line manager

Ofc- Officer – second line manager

AVP- Assistance Vice President – third line manager

VP- Vice President – managing director level

SVP – Senior Vice President- level after VP and above levels were not part of this research

The graph is presented as a circles to illustrate how knowledge is growing with each step taken toward career progression. With that progress we should also see negotiation skills improving.

As mentioned in previous section of this chapter, to collect valid and in depth information on the subject, author decided to perform series of interviews with professionals from one of the largest bank in the world, specifically focused on fund administration area. Author has carried out pilot interview to identify if the questions will provide with necessary results, test how long will take to complete interview, test the strengths of the questions and make necessary corrections for the live interview. The interviewee was on a VP level, answered series of 14 questions, which took 30 min. The result of the interview conducted was



satisfactorily. Small corrections were made to 3 questions and two of the questions were removed because they turned out to be irrelevant.

After the pilot interview author was confident about the questions to ask began scheduling the interview with individuals who agreed to take part in the research.

### *3.5.3. Interview process*

Among all the options of research such as observation, physical artefacts, documentation, etc, author was convinced that interview will be the most effective way of data gathering for the research paper. Interviews can be done in 4 different ways:

- Semi-structured – open-ended questions, face to face interview, more flexible and provide opportunity for follow up questions
- Structured - mainly close-ended questions, meaning to collect data for statistical survey
- In- depth - usually face to face, analysing rich descriptive data about people's behaviour, perception and attitudes.
- Group – small group of individuals to explore topics in depth and due to interaction and discussion come up with conclusion.

The type of interview for this research would be under category semi-structured and , in small measure, in-depth. Author has developed a interviewee profile which includes general questions about age, gender, level of qualification etc. Followed by actual interview, open-ended questions (See appendix 1.). All interviews were held inside the company building, within agreed timelines in close, quiet room. Open-ended questions allowed some level of flexibility and author was able to ask additional question when she felt like it will benefit the research. Author was leading the interview from the start by explaining the reason for the interview, outlining the how the interview will look like and showing that recording of the interview will begin once author get to the research questions.

For the subject of negotiation it was important for the author to get full flavour of how managers feel about the subject, what they know, what they experienced during their time as managers and how can this be improved. By listening to the answers author was also able to observe participants behaviour. From those observations author could conclude whenever the answers were honest, important to the participant, genuine, difficult etc. The interviews were

held after literature review was drafted and gave some new light as to how better shape the research question and add some point into literature review.

### *3.6. Limitations*

The biggest limitation for this research paper was time. The subject of research is a fascinating area to explore. The review of the literature could have been done with the greater details and wider scale. The author did what could have been done in a very short period of time. Therefore there is still a great area to research on and to continue further study on the subject. Second limitation author has found was creative questionnaire for an interview. Author has established that creating accurate, strong question for interview was a challenge. In order to answer research question, the questions for interview played key role in the research paper. Those questions were made to the best of author abilities at the given time.

Final limitation was to assign time for interview and participants. Each interview took approximately 30 min, was performed during working hours with individuals on a different management level. Due to time limitations only 6 of the interviews were held. Author desire was to performed at least 15 interviews with a professionals, each from different departments, with the different management level of experience.

### *3.7. Ethical considerations*

The company which was used for this research project requested to remain anonymous. In addition no names of the interviewees was provided due to sensitivity of the research. This created major ethical concern but the research source was not changed in order to prevent exposing company real identity. Instead the company identity was well preserved.

Second factor, mentioned above, is the identities of personnel who was interviewed by the author in order to gain data for dissertation work. All interviewees will remain anonymous in order to protect their professional appearance and also comfort that they can respond on the questions with the most honest answers. The reassurance of anonymous interview could bring positive results, more honest answers and more freedom in respond.

Next is the data collection security issue. All interviews were recorded on a mobile device and notes were taken during interview itself. In order to protect data gathered on the mobile device, the author has transferred recorded interviews onto a password secured folder

for safe keeping. The author has structured the notes in a way that no name would be written to identify any individual. In addition to that all notes were transported back to authors private apartment where there is no access for any unauthorised individual to obtain them.

### *3.8. Data analysis*

The data gathered from open ended questions and observations from interviews were intended to answer research question “*How do modern managers, in financial services, approach negotiation in a cross- cultural business environment?*”

The results of the investigation towards negotiation level among managers will be coded to identified themes. Each of the themes will then be further examined. Some of them may concur with author sub questions whenever managers are prepared, trained and aware of the role as a negotiators in their workplace.

In addition to that author will explore further each theme in order to establish whenever there is a need for further training or if the level of skills is satisfactory. Part of the interview questions will be summarised without identifying the themes. The structure of the question were more to gather basic knowledge on negotiation subject and training.

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## Chapter 4. Findings

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Author has decided to divided final chapter starting with introducing interviewee profiles, follow by Comments and summary of open-ended question then explain each Theme identified, conclude the findings and finally offer recommendation for future study on the subject.

#### *4.1. Interviewee profile*

The breakdown of the participants by management level is as follows:

*Vice President* – male, age 34, years working as a manager: 10 years, Irish nationality, 10 direct reports, Level of Qualification: Certificate in business, current department : Change management

*Vice President-* female, age 39, years working as a manager: 12-13 years, Irish nationality, 4 direct reports: 70 indirect , Level of Qualification: Bachelor degree and diploma, current department : Client Operation

*Vice President* – male, age 40-50, years working as a manager: 20 years, Irish nationality, 4 direct reports, Level of Qualification: MBA, current department : Client Relationship Management

*Assistant Vice President* – female, age 38, years working as a manager: 7 years, Irish nationality, 5 direct reports, Level of Qualification: Leaving certificate, current department : OTC Derivatives

*Officer* – female, age 33, years working as a manager: 3 years, Irish nationality, 3 direct reports, Level of Qualification: Degree in economics and finance; bachelor, current department: Market data

*Officer* – male, age 32, years working as a manager: 3 years, Irish nationality, 3 direct reports; indirect 12, Level of Qualification: Bachelor degree, current department: OTC Derivatives Middle Office

#### *4.2. Comments and summary of open-ended question 2-6*

Questions 2 to 6 aimed to get participants understanding of term “negotiation”, how often they negotiate at work, how they perceive themselves as negotiators and if they received

any training related to the subject. The answers to that question were similar and overall matched to definition mentioned in first chapter. Negotiation were described as *open discussion, Discussion between two parties resulting in a favourable outcome for both, generate discussion to achieve a desired outcome, communication between two or more parties etc* (please see appendix 2-7 for full answers). Each manager negotiate daily, with cross-cultural party daily, weekly, monthly. It depends on department and team they working for. None of the managers received specific negotiation training in the past 5 years. Most of the experience would be on the job. However participant 2 and 4 took part in training which had contributing factors such as effective communication training and decision making.

#### *4.3. Comments and themes by open-ended question 7-12*

Q7.

VP - Vice President

Comments P5: *Is getting as much information about the topic that we will discuss before negotiation takes place. Understand why we are looking for what we are looking for. So what draw us to this point. If available, get the information as to what the client is looking for and what is driving their view point. Have an understanding before the negotiation as to how much we can change without it causing a significant impact to our operations or significant impact on deliverable which we are trying to achieve.*

Comments P1: *Understand the material, any information that you have that is going to enhance or interfere with negotiation. Make sure you prepared, make sure you understand what the client is asking for , what is it that they actually looking for and what they need and if we are capable of delivering. Having all those information before entering the negotiation is a crucial part of any meeting.*

Comments P6: *It's all about the details. So you need to understand the details, need to understand what it is you negotiating and you need to have, to my point earlier, your sort of anchor point and your final point. And by that I mean what you ideally want to get vs. what you willing to settle for. You also have to have, as part of preparation, the ability to walk away. You need to understand that if you don't get to that anchor point than, you know, you don't get necessarily.. It's not about what you want it's about what you need and it is big difference people don't get it.*

Themes identified: preparation, importance of information, understanding of the subject

AVP- Assistant Vice President

Comments P3: *Just to know your staff. Know what you talking about, know the questions and the answers to them. And again know what outcome do you expect.*

Themes identified: desire outcome, understanding of the subject

Officer

Comments P4: *Research is key, because if you don't know all of the contributing details then it just sounds like you are battling against something that you only think and not listening to anybody else. So making sure you understand the perspective of the person that you dealing with. And if that is something that I do not have a background in, than i would be checking in with somebody who can explain it to m and then I suppose making my point across and their point across.*

Comments P2: *Probably always do research on what the end goal it the last stage wants to be. I do research on in to the people I'm going to negotiate with to know what they want and how they going to achieve the goal they want to get into. And a lot of preparation on my end. The preparation part is very important stage.*

Themes identified: preparation, research, Desire outcome

Q.8.

VP - Vice President

Comments P5: *It probably does, probably more recently than before, looking at cross-cultural and the exposure I have with India and Poland. Dealing with India team, and again it may not be cultural thing but they most likely will say "yes" to most of the things. Where is dealing with people in Poland they will more likely to say "no".... The one area is definitely different was Japan. I had a Japanese client for number of years and how we doubt with them and the level of detail was absolutely different to how we would doubt with European client or American client. Since I haven't had too much exposure to Japanese clients.... Well I learned from experienced. I have watched my senior managers and how they doubt with the client. They would already known*

Comments P1: *Yes, you have to, depend what you negotiate for and you need to understand the culture. For example if you dealing with Israel bank you need to understand their religion and the fact that because of that they may not be available during some time of the day.*

Comments P6: *Not really. I would say, I don't think preparation is different I think that negotiation can be different. For example, you know folks in New York can be fairly aggressive "here is your position, stick it in your eye" so that can be a challenge. Where is you go the other extreme and folks in Mumbai, there is very little negotiation, they will tell you that they will do it all in 24 h, but you know yourself that it cannot be done 24h. So then to you try negotiate them up a little bit. It's more being ready for those differences than preparing your background information, your details or your anker point etc*

Themes identified: Respect, hierarchy, clarity

AVP- Assistant Vice President

Comments P3: *Currently I deal with more European based client but previously I would had experience with India based locations. Regular contact, tele-presentations, working very much in line with the teams there. Definitely you would have to be mindful of language, their culture tend to stay quiet on the phone and you will have to always prompt them for question. That is just something you would kind of have to adopt. And then just follow up with an email for further confirmation.*

Themes identified: Clarity

Officer

Comments P2: *Yes, because have to understand different barriers in different negotiation, different customs, language barrier. I would negotiate with Asian based office more gentle than I would with the department based in UK, because they may be more sensitive.*

Comments P3: *It's very different. I suppose, well if you take my cross-cultural team it is, always on the phone, so there is never face to face. So setting for conversation, not in the noisy room. You need to consider what the other party is used to. If you dealing with somebody who is having more lay back approach than you encourage to get to the end.... So from my cross-cultural perspective is always kind of a gentle encouragement all the time. And understanding of terminology of what's going on and if there is a language barrier. Sometimes when you dealing with cross cultural you will find that you say the same things few times but in a different*

way. So if I would speak to someone from different cultural background. Let say I would probably change my words to say the same thing 3 or 4 different ways just to make sure that I'm making the point across and that there isn't any miscommunication.

Themes identified: Clarity

Q.9.

VP - Vice President

Comments P5: *I think there is a bigger picture, there is a wider global consideration which are part of that negotiation. Negotiation for me if I feel the negotiation don't go well then personally let say example, when employee hand its resignation. Not that I take it personal but i do take it personal a little bit. And I will always try to sit with the individual when they have resigned and try to understand what's the reason for resigning. And in some circumstances we may be able to, and I can definitely use the term negotiate with them. . I would absolutely negotiate with them to try to stay. And in some of those circumstanced that the employee still decides to leave, I would try to review what happened that made them to leave, I would probably talk to their managers to see what discussions were held before the resignation. Was there something that we have missed and where I'm trying to learn from those is insure better communication to the teams about opportunities within XX bank.*

Comments P1: *Small example. One largest client, cut of deadline at 4pm, negotiation was to move to 5pm, not much a difference to the client but huge to the staff, so that they can leave at 6pm. The discussion was with client director who usually is leaving at 4pm. The chain of escalation went to the wrong people and eventually end up without the agreement. The issue here was that the query went to the wrong person and it was not result back to address with the proper party. Also small aspect on cross-cultural as negotiation was with department based in UK.*

Comments P6: *So one of the key point in negotiation, not only just having your ideal scenario and what you willing to settle for your need, is ability to not talk. When you need to not talk. And some people are very uncomfortable with silence*

Themes identified: Learning, lack of leadership, ability not to talk

AVP- Assistant Vice President



Comments P3: *I was looking to get a team from different location to take on what I felt was a very small additional step in their process. And I was not prepared enough. Because the response were well prepared from the other team, who had number of reason why they could not do it and I was not prepared enough to backup my reasons. So as a results they did not do it and I felt I let myself down. I did not had enough justification to backup the reason for them to do it even though I still know they should be doing it but I was not able to communicate that in a proper way.*

Themes identified: Preparation

Officer

Comments P2: *Part of the tasks were meant to be moved to different location from Dublin and that was the core of the negotiation. The person who was key person on the call to negotiate the tasks move from our side, she was not well mannered and the attitude on her side caused negotiation to fail completely. The tasks did not move to the different location. The person who lead the call was not prepared while the other team was fully prepared and presented strong argument against the move. Due to lack of preparation, full knowledge negotiation failed..... I felt that I could have step in and take over the negotiation but did not do it as the person was an AVP level. But I should have said something and try to take the lead for remaining of the negotiation when I realised that its going terrible wrong. Something to learn from.*

Comments P4: *If you take for example my oversight job it would be trying to get stuff implemented into the team who don't want to get things done. I suppose from my point of view I do not understand why somebody would not take on board some task when there is assistance provided.... I suppose different approach. Not you have to do it but more explain the reason as to why the team should do this. And to see someone else point of view on the matter where they don't think it will work where I think it will work, so take their opinion on board. So team says no we are not taking it, but I'm saying it's for your own good. So I'm trying to understand their perspective of why they are not doing something.*

Themes identified: Preparation, lack of confidence, power of authority, decisiveness

Q.10.

VP - Vice President

Comments P5: *It's trying to, with disagreement and confrontation, it's trying to understand. And again it's listening and communication, understand what is causing this confrontation and significant disagreement. And if it's something they can't change what they doing, what impact does that has on us. That where you having, where you start looking at another strategy or another option comes to effect. If negotiation is going down that route, by listening to what they looking for you can try and continue a negotiation. If it's absolutely point blank that they refusing to do anything for you by having an alternative strategy or alternative solution that you started to look at, that suits you. If you present that, it's probably better solution to the negotiation rather than them coming with "if you not going to do that, we want this". Because you presenting something that you know you can live with.*

Comments P1: *Understand the disagreement and confrontation and to see what you have come to that point. If you can understand, negotiate truthfully that is key to it.*

Comments P6: *If you have the facts and you have your sort of results orientation, you know, clear and you understand them, and you know what you want to get to I generally try to approach in calm and measure approach. And I had people banging on the table and go its unacceptable this or the other. I think you always need to stick to the facts. And you focus on what you trying to achieve.*

Themes identified: Understanding the reason of conflict, Clarity, Effective Communication skills

AVP- Assistant Vice President

Comments P3: *Just let people talk let them say whatever they have to say. It depends always on the tone of their voice, I was just thinking let people talk then cut in when is necessary and of course when is appropriate to cut in, but be formal of what you feel and what you stand by if you feel that you not going to get the resolution that you want. You know, definitely do not agree on what you don't feel like you want to and yeah.*

Themes identified: Clarity, assertiveness

Officer

Comments P2: *I never let emotion get involved. The negotiation can go down very bad when you let your motion get in your way. When that happens I usually take it away, re-evaluate a whole process, evaluate what the end state need to be. I also reach out to more senior managers*

*to get some feedback on the subject and to see if they agree or disagree with me or if i need to get someone involved from higher level. In order to get client agreement on the matter he may want to hear the same option from someone who is higher rank*

*Comments P4: The main thing is that you keep calm. Because sometimes when you lose your temper you win nothing.... I suppose a bit of self doubt comes in. I suppose when you say the same thing over and over, you kind of start doubting the words which are coming out of your mouth. So it's just making sure that you very clear in conviction of what you actually want to get out of it and making sure you understand the other side*

Themes identified: Clarity, assertiveness, consultation, containment of emotions

Q.11.

VP - Vice President

*Comments P5: I would consider myself as a very logical person. In my professional life I would not let emotions over come me. So for instance if someone is shouting at me I wouldn't shout back, quite the opposite I would go quieter. I do consider myself a s a quiet level headed and at this stage in my career and experience that I have, and I don't know if it's that or from personality point of view.*

*Comments P1: It's important to keep your personal opinions and your business opinions separated. You have to understand that you negotiating on behalf of the company. What you need to do is to remove personal aspect and focus on the logic, you can be passionate about what you negotiating and don't let personal feeling getting in the way.*

*Comments P6: That goes back to the point. But then you know, internally I could be sieving, I could be ready to throw chair myself but I think if you can always sort of give that calm domain, and if you can always stay on the point and you can always stay with the facts, regardless of the other person is doing I think it's better. In my experience, the one who stay calmest and the most measured, and stick to the point and stick to the details are generally the once who are, for the most part, successful in negotiations*

Themes identified: Professionalism, containment of emotions

AVP- Assistant Vice President

Comments P3: *Bottom line stay professional, because you add fuel to the fire and it just becomes explosive and you never get to the right solution. So just stay professional and when it gets to the point where is aggressive than I would cut off conversation and get back to it on the another scheduled meeting or call.*

Themes identified: Professionalism

Officer

Comments P2: *Deep breath, put the phone on the mute and take a deep breath. I've been in finance for 8 years and I've seen it when people get emotion involved, only bad things happens, there is no good end to it.*

Comments P4: *I think because I learned the hard way by putting emotion like anger. When you put that into negotiation you kind of starting losing your battle. Because people don't respond to shouting at them or that kind of the thing.*

Themes identified: Professionalism, containment of emotions

Q.12.

VP - Vice President

Comments P5: *Ability to listen which leads to communication side of things but if you not listening to what's required from the other party than potentially you going to lead yourself the wrong path of the negotiation.*

Comments P1: *To have flexibility to understand that you not always going to get what you want, that it will be compromise, to believe in what you proposing, to be confident in what you proposing and stand by it.*

Comments P6: *Focus on the outcome. You need to know what it is you trying to achieve. If you going to negotiation and you don't know what it is you trying to achieve, then you lost. It's like any road trip. If you don't know where your journey is going then your destination you not going to get there. That is first thing. Second thing is an ability to give and take..... And the third part is again the calm and professionalism.*

Themes identified: Flexibility, Effective Communication, desire outcome, professionalism

AVP- Assistant Vice President

Comments P3: *Staying cool, staying professional. Expressing your side in a clear manner.*

Themes identified: Professionalism, containment of emotions

Officer

Comments P2: *Communication definitely, if you know how to talk to the people you negotiate with, and you know to keep open line of communication all the way through I think that is a massive beneficial... And also preparation, just to be able to prepare, know what to expect. Know what you need to bring to that end goal.*

Comments P4: *Definitely communication, being decisive and understanding importance of explaining fully if needed, making sure that other side fully understand your point.*

Themes identified: Effective Communication skills, decisiveness, clarity

#### *4.4. Comments and summary of open-ended question 13-14*

For the question related to further training 4 out of 5 responded with confidence that further training in the field of negotiation would definitely be beneficial to their role and would possibly improve their negotiation abilities. One interviewee called it as need for effective communication training rather than negotiation, as more beneficial to her role. Further question asked about knowledge of any negotiation training available at work place, 100% responded that they are not aware of such training being in place. However out of that 100%, 3 participants stated that they were not looking specifically for any such training hence they would not be aware of any. Participant 2 and 4 has added that there are available courses, class training which are contributing to good negotiation. Such training as manager journey which includes effective communication, decision making, resolving conflicts. In addition to that participant 5 noted that training such as effective communication skills are available for any job grade.

#### *4.5. Thematic Analysis*

Below table represent themes identified from open-ended questions 7-12 asked on interview.

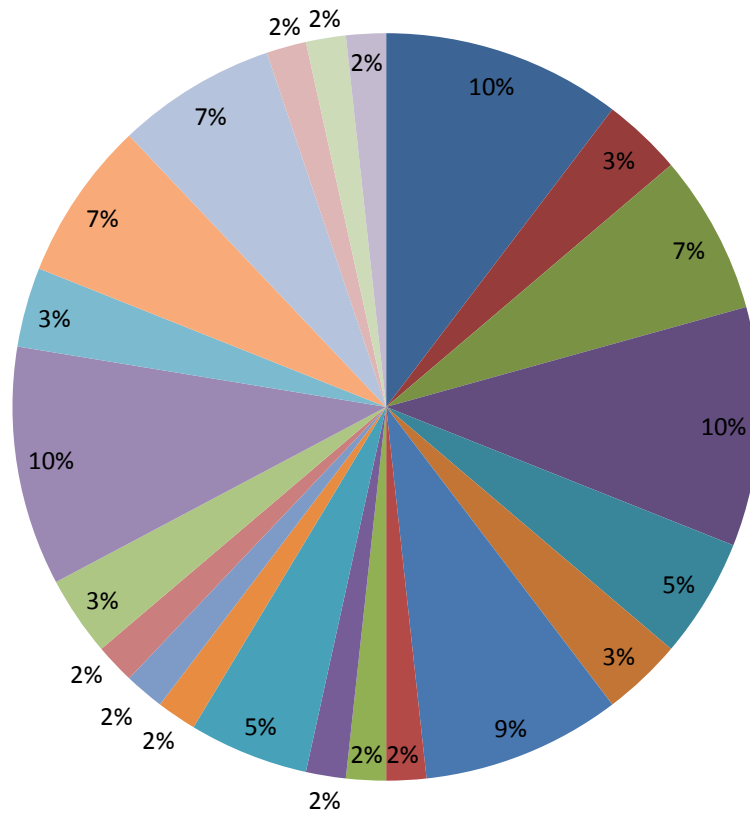
Table 1. Themes identified

Preparation	6
Importance of information	2
Understanding of the subject	4
Desire outcome	6
Consultation	3
Researching	2
Clarity	5
Respect	1
Hierarchy	1
Lack of leadership	1
Learning	3
Lack of confidence	1
Power of authority	1
Decisiveness	1
Understanding the reason of conflict	2
Effective Communication skills	6
Assertiveness	2
Containment of emotions	4
Professionalism	4
Flexibility	1
Ability not to talk	1
Result driven	1

Table 2. Thematic Analysis

## Thematic Analysis

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li><span style="color: #1f4e79;">■</span> Preparation</li> <li><span style="color: #6b8e23;">■</span> Understanding of the subject</li> <li><span style="color: #2980b9;">■</span> Consultation</li> <li><span style="color: #3498db;">■</span> Clarity</li> <li><span style="color: #8bc34a;">■</span> Hierarchy</li> <li><span style="color: #00bcd4;">■</span> Learning</li> <li><span style="color: #95a5a6;">■</span> Power of authority</li> <li><span style="color: #c8e6c9;">■</span> Understanding the reason of conflict</li> <li><span style="color: #bbdefb;">■</span> Assertiveness</li> <li><span style="color: #e1bee7;">■</span> Professionalism</li> <li><span style="color: #e8f5e9;">■</span> Ability not to talk</li> </ul> | <ul style="list-style-type: none"> <li><span style="color: #a52a2a;">■</span> Importance of information</li> <li><span style="color: #483d8b;">■</span> Desire outcome</li> <li><span style="color: #cd853f;">■</span> Researching</li> <li><span style="color: #a52a2a;">■</span> Respect</li> <li><span style="color: #483d8b;">■</span> Lack of leadership</li> <li><span style="color: #cd853f;">■</span> Lack of confidence</li> <li><span style="color: #a52a2a;">■</span> Decisiveness</li> <li><span style="color: #9575cd;">■</span> Effective Communication skills</li> <li><span style="color: #ff9933;">■</span> Containment of emotions</li> <li><span style="color: #d9ead3;">■</span> Flexibility</li> <li><span style="color: #9575cd;">■</span> Result driven</li> </ul> |
|---|---|



Preparation – Each of the participant agreed that preparation, before any negotiation, is the key aspect in any successful negotiation. Lewicki, Sanders & Minton (1999, p. 51-74)

highlighted that preparation can be complex however having planned negotiation, strategy, considered tactic and in some cases even considering how to complete layout for the negotiation room, makes negotiation one step closer to end the deal with the desired outcome. Research findings also indicate clearly that each manager would prepare sometimes differently when dealing with cross-cultural negotiation. Participant 6 however suggested that not preparation to negotiation would be done differently but negotiation itself.

Importance of information, researching and understanding of the subject – depending on the management level each manager has slightly different approach of available information. On the VP level it is more to understand the client needs therefore main focus is on listening and gathering information from the client on the subject of negotiation. Both officers and AVP agreed that understanding the subject of negotiation has a huge impact on any negotiation. That brings us to the next theme which is research. In some cases negotiator need to find required information if he/she is not familiar with the area under discussion. It also involve research on party from different country, if not doubt with before.

Desire outcome, flexibility – 3 participants mentioned that in the process of preparation to any negotiation they would state clear goal to reach at the end of discussion. However when that option is not available, then one theme identified: flexibility would come to play. One participant mentioned the ability to be flexible. In other words, in case when we won't achieve desired outcome then negotiator should be willing to compromise. Thomson (2000, p. 34) called that area bargaining zone, or else settlement zone where each party has some reservation points and most likely settlement would end somewhere below or above of each established reservation point. Ury and Fisher (2012, 59-73) draw attention to 4 obstacles (premature judgment, searching for a single answer, the assumption of a fix pie, and thinking that their problem is their problem to solve) which negotiator should address and overcome to find mutual ground.

Consultation – 2 Officers provided with comment that in case of them not being able to reach positive end result they would reach out to their more senior managers for feedback or assistance. One VP talked about the situation where meeting was held with Japanese client and in this instance she would observe and follow the lead of more senior colleague. And also Participant 6 would also consult with colleague matter of how best to approach negotiation with particular client if not doubt with before.



Clarity, Effective Communication – 6 out of 6 participants have concluded clarity as major component to successful negotiation. Especially dealing with cross-cultural party, negotiator should put extra effort to speak clear, to clarify same objective maybe using different verbs to make sure the message is being fully understood.

Respect, Hierarchy – in one of the interview participant 5 point out matter of respect towards established hierarchy in some of the countries. Discussed country was Japanese and business insider (2014) outline how Japan recognise importance of social status, manners towards superior and how to address them. For instance it would not be appropriate to cross the room drive your hand to greet the guest. In the eyes of Japanese such gesture would be embarrassing and unacceptable. Such action could easily end negotiation before they would start. And as Thomson ( 2000, p.229) said in his book, in such negotiation power is more important than BATNA. Therefore choosing the right negotiator is the key.

Lack of confidence, power of authority – those themes were identified when asked about negotiation being handled wrong. Participant 2 could have step in and take over the negotiation, because he believed he knew about subject matter than his superior, however was lacking confidence to point it out that the discussion was not handled well. In this instance the power of authority was not in a positive light. If there is imbalance during negotiation due to power abuse there should be at least one negotiator to recognise that and tackle the abuser in order to restore positive balance (Nierenberg & Ross, 2003, p. 91).

Lack of leadership – when more than one party is involve in some instance no one claim the leader position. Participant 1 mentioned situation where negotiation could have been handled better however he did not take the lead on the negotiation, nor anyone else where there was already a prove that the need goal will not be achieved.

Decisiveness, Assertiveness – in some instances negotiation is less needed. If work is done in department where strict procedures are in place, daily deadlines therefore participant 4 draw attention to importance of being decisive and assertive. Where the tasks need to be performed and completed while another party refuse to do so without making good argument, the discussion may end by communicating as to what's expected rather than negotiating the terms.

Understanding the reason of conflict – on the higher level of management negotiation are far more advanced. It always depend on with who we negotiating. In occurrence where

there is a dispute between company and client, company representative have to pay extra attention as to the reason for the dispute.

Containment of emotions, Professionalism – All of the participants are in agreement that it is not wise to lose negotiation because of inappropriate emotional reaction. As participant 1 mentioned “*You have to understand that you negotiating on behalf of the company*”. Participant 4 had experienced negotiation where emotions were involved and end up with huge fight rather than agreement. In summary fighting fire with fire will not win negotiation.

Result driven – Interesting and successful method or else minds set is being focused on resulting the issue. In author opinion that would be connected with being flexible and as participant 6 mentioned, it’s to set an anker point from where you know what you can settle for but not lose. A win - win situation.

Ability to not talk – people are not comfortable with silence, but in some negotiations silence would win the discussion, as pointed out by participant 6. The ability to restrain yourself from further chat may end the deal with more favour to you.

## Discussion

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Research paper aim to investigate matter of “*How do modern managers, in financial services, approach negotiation in a cross- cultural business environment?*”. Supportive sub-questions, listed in chapter 3, meant to identify current level of negotiation skill at various management levels. Overall finding from author semi-structured and in dept interviews has led to the following conclusion:

There is a full understanding to the terms of “negotiation” on each managerial level within XX company. The thematic analysis of the semi-structured, open-ended interview questions shows that current negotiation skills level from SA to VP is satisfactory. In addition to that author has discovered interesting fact that term negotiation is not used as much on SA to Officer level because of the very procedural matter of work. Therefore at that level it is more about effective communication skills rather than negotiation techniques. It is more on AVP and VP level where good communication skill may not be enough and has been suggested that training in the field of negotiation would be desirable. The reason behind it is fact that at that level managers enter discussions on more global scale and are exposed to more complex

negotiations. Moreover it has been suggested that each negotiation course, these days, should include element of cultural differences.

That brings author to the next point which is cross-cultural negotiation. From the chapter one we know that not being aware of cultural aspect may lead to badly carry out end deal. However according to finding it may not be down to learning about how better to negotiate but, as mentioned above, to add cultural aspect onto negotiation course. The preparation of negotiation matter remain the same, it is the way of how negotiation would be performed.

Another interesting fact came to light. Per Ury & Fisher (2010, p. 99-107) developing Best Alternative To a Negotiated Agreement is a crucial part of preparation before each negotiation. Participants may not use such term exactly. For instance one interviewee was referring to BATNA as an anchor point of negotiation and huge importance for it. Yet research findings shows that in practice there is no evidence that lack of BATNA was the reason for negotiation to fail. More over participant of this research indicated that they often don't have BATNA before going for discussion and when faced with disagreement, they listen carefully what the other party issue is. With those additional information they are in better position to come up with alternative solution which would benefit both parties. On the other hand it all depends on type of negotiation, subject of negotiation and participants. Therefore research findings are not conclusive on that matter.

Finally according to findings there is divided opinion towards special preparation with cross-cultural parties. It had been discovered that mainly such knowledge is obtain on the job. But there are no evidence to suggest that lack of proper training has affected the relationship between the two. Moreover on the SA/Officer level there is now interaction with clients or internal/external departments which would require separate training (example: Japan). Biggest interaction is with European countries, India and US where cultural differences are less drastic and more like.

In general there is always room for improvement on each level, in any stage of manager career. However author feel strong about the results of the research which provided the answer to the research paper question. In addition to that author feels that current training methods within company are accurate.

## Recommendations

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Research findings were not far from the original hypothesis that each manager should have negotiation skills, by entering the role itself you become a negotiator whenever it is with internal or external parties. To research further on the subject on cross-cultural negotiation author would recommend wider sample approach. This paper only involved employees from one financial corporation and focused on negotiations level within it. To get a clearer and more objective results, future research should consider interviews from more than one corporation in financial service. Furthermore it would be wise to consider to involve various levels of management for research further. However author feels that it is crucial to specify business section under research. This research paper had mix of departments within company and so results presented were somehow unrelated to the issue (procedure based team). More over the viewpoint of it is different depending on department within company and so author would recommend also clearly highlight, in future study, the separation from effective communication and negotiation. As per section “findings” it is VP level where the managers believe they should be trained more due to the fact that they enter another, more advanced stage of negotiation.

## Conclusions

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The focus of the research was to find out if modern managers are aware of growing cross-cultural environment and with it has aspect of effective negotiation was properly addressed. Also author decided to analyze current level of knowledge and experience of managers on a different level, from various department within XX company. To outline the issue author first started with basic understanding of negotiation. In this instance 1<sup>st</sup> chapter was all about how to properly negotiate and it is to negotiate effectively. Which brought author to second chapter where focused she decided to research on cross-cultural mater within current businesses.

With both chapters all together author was able to draw strong research question and form research methods to analyze the problem, if any exist. The aim of the research was to establish how do modern managers deal with cross-cultural negotiation, how often they negotiate in their work place and what type of training they have received before. The research method used was case study. Once the research question was formed author came to decision to use semi-structured, in-depth interview as a method of data gathering. From the interviews, with professional managers, held in XX company author has found that negotiations are not perceived same, which depends on position held and section in business. Original approach of

the case study also aimed to verify if managers are properly train to perform effective negotiation. From the research findings author was able to create two groups of managers, where one group of SA to Officer do not require any further training, because at that level it is more effective communication skills rather than negotiation. However on the AVP to VP level it has been discovered that further training would be useful, for the fact that negotiations are more complex, on more global level and are no longer as basic as effective communication. Both statement are also suitable for findings on cross-cultural negotiation. In the sector of a back-office, where teams are more task oriented negotiations are interoperated as effective communication and does not involve making decision for company. It is for that reason author has concluded that there is no issue with the level of proper communication on management levels.

Finally author has provided recommendations for further, future studies. Author believe that this research can be definitely carried out in greater details and with bigger sample. Overall author has completed the research paper with great satisfaction and pride in relation to its findings. Negotiations are fascinating subject therefore author is recommending to follow John F. Kennedy suggestion to "Let us never negotiate out of fear. But let us never fear to negotiate".

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## Appendices

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### *Appendix 1.*

Participant x	
Job title	
Which department	

Year of working as manager	
How many direct reports	
Age	
Gender	
Nationality	
Level of Qualification	

### Interview questions

1. Can you walk me through your career in financial service?
2. What do you understand by term “negotiation”?
3. How often do you think you negotiate at your work place?
4. How often would that be with a representative from a different cultural background?
5. How would you describe yourself as a negotiator?
6. What type of training, in the field of negotiation have you received in the past 5 years?
7. How do you prepare before negotiating a deal/project agreement/etc.?
8. When you are dealing with cross-cultural negotiation, how different is your preparation to any other negotiation?
9. Can you describe one situation when a negotiation went wrong? Can you highlight the reason you think it could have been managed better, more effective?
10. How do you deal with the disagreement and the confrontation that is a part of every successful negotiation?
11. How do you manage the separation of emotion and logic when negotiating?
12. In your opinion what are the most important skills in negotiation?
13. In your opinion do you think further training in the area of negotiation would benefit you in your current role? Can you elaborate on your answer?
14. Do you know about any training available in your workplace related to effective negotiation?

